



**Consumer Focus
Post**

Campaigning for a fair deal

**Consumer Focus Post's
response to Ofcom's
consultation on an exception to Royal
Mail's universal service obligation (no
service day for the day after the Battle of
the Boyne bank holiday in Northern
Ireland.**

January 2013

1. About Consumer Focus Post

1.1 Consumer Focus Post is the postal consumer champion in Northern Ireland. Through campaigning, advocacy and research, Consumer Focus Post works to ensure a fair deal for all postal consumers in Northern Ireland.

Consumer Focus Post is part of a non-departmental public body of the Department of Business, Innovation and Skills (BIS), created by the Consumer Estate Agents and Redress Act 2007.

1.2 What are our goals?

Consumer Focus Post has four strategic goals which form the basis of our campaigning to help reduce consumer detriment for all postal consumers in Northern Ireland.

Access – to ensure postal consumers in Northern Ireland have reasonable access to mail and post office services

Service – to engage with postal operators to improve the quality, reliability and efficiency of their postal services

Value – to ensure consumers receive a quality postal service which represents value for money

Sustainability – to work towards the sustainability of Northern Ireland's mail and post office services

2. Our response

2.1 Consumer Focus Post has a statutory duty to safeguard the interests of postal consumers in Northern Ireland at both a local and national level. We welcome the opportunity to respond to this consultation on an exception to Royal Mail's universal service obligation for the day after the Battle of the Boyne bank holiday in Northern Ireland.

2.2 We have reviewed the consultation and acknowledge a number of the reasons presented by Royal Mail in their request for a no service day. However, we would also like to take this opportunity to raise a number of points you may wish to consider before a final decision is reached.

2.3 Consumer Focus Post accept that following Postcomm's decision in 2009 to allow a no service day in Northern Ireland for the day following the Battle of the Boyne holiday until 31st October 2012, no complaints have been received by either Royal Mail or Ofcom. Also, we welcome the proposal by Royal Mail to continue to make collections from some post boxes which they anticipate may have mail, post offices that are open and business customers by arrangement on this day.

2.4 The postal industry is going through a significant transformation. It has been well documented that the postal industry is witnessing a steady decline in traditional letter volumes and a significant growth in the packet and parcel market. Through their modernisation programme Royal Mail is adapting its network to meet the demands of a changing market and consumer expectations. However, the change in the postal market in the last decade shows us the need for Royal Mail to be more flexible and adaptable to meet consumer demand. With more consumers shopping online and many retailers offering prompt deliveries, many alternative postal operators are competing for this business and have the ability to adapt their network to suit consumers' requirements, e.g. through evening deliveries and deliveries on local holidays. Consumer Focus Post would be concerned that if Ofcom were to grant this exception in perpetuity, this will not reflect the needs of a competitive or changing market. Nor does it reflect the needs of consumers, who are expecting an increasingly flexible and convenient postal service. Therefore, we would ask Ofcom to benchmark Royal Mail's no service days with those of other parcel operators, which operate in Northern Ireland, including Yodel, Parcelforce and City Link. Furthermore, we would urge Ofcom to clarify how they intend to monitor this situation into the future, or if they would consider a review of this exception in three to five years, to ensure the postal services continues to meet the needs of consumers in the medium to long term.

2.5 We agree with Royal Mail in that that the day following the Battle of the Boyne holiday, a significant number of businesses remain closed. However, this does not apply to all areas of Northern Ireland or business sectors. Many private sector businesses, banks and retailers are open for business on this day.

2.6 We note from data provided by Royal Mail, social mail volumes posted at post boxes in Northern Ireland on the 13th July, is significantly less than the average daily posting volumes in July. However, it is not clear if these figures include mail collected at open post office branches and mail collected at businesses by arrangement. In addition, Royal Mail has not provided the volume of inward mail which arrives at the mail centre from Great Britain or other international countries for onward delivery in Northern Ireland. It is also worth considering that Royal Mail and Ofcom are unaware of the volume of parcels that may have been posted on 13th July, as many post office branches are not open and most parcels and packets do not fit through a standard post box. If any of this data were available, this would provide a more accurate picture of mail flows on the day following the Battle of the Boyne holiday and allow a more informed decision to be reached.

2.7 Consumer Focus Post agrees with Ofcom that if the exception is granted, it is imperative that Royal Mail effectively communicate service restrictions on its website, in its daily operational statements to large business consumers, in its callers' offices and in written publication such as leaflets. We would also stress the role of post offices in communicating and advising consumers of any changes in postal services. Research undertaken for Consumer Focus Post has shown that nearly three in four Northern Ireland consumers use the post office to send letters and parcels¹. This underlines the importance of post offices as an access point to mail services. Furthermore, we would recommend that this communication is not just limited to the Northern Ireland consumers. Consumers posting items to Northern Ireland from Great Britain should also be aware that there will be a delay in the arrival of their item. In particular we would urge Royal Mail to liaise with Post Office Limited, to ensure their Horizon system prompts their staff to advise consumers of delays when posting to Northern Ireland, particularly if they wish to send Special Delivery items.

2.8 As only eight of the 480 post offices in Northern Ireland are directly managed by Post Office Limited, a significant majority of branches are privately owned, so it is at the owner's discretion if their post office will open on the day following the Battle of the Boyne holiday. We are aware that only a small number of these post offices currently open on the day following the Battle of the Boyne holiday. However, Post Office Limited is embarking on a major transformation of their network across the UK, including Northern Ireland costing £1.3 billion. This transformation will see over half the network convert into two new style models by 2015 - Post Office Locals and Post Office Mains. These new style models will mean many post offices will move into a retail premises, and will be required to align their opening days/hours with those of the retail business they are situated within. This could potentially mean that almost half of all Northern Ireland post offices will be unable to close on any bank or local holidays, including the day following the Battle of Boyne holiday, if the retail premises remains open. This could cause a significant increase in the volume of mail posted on the 13th July, and could potentially impact on the ability of Royal Mail's skeleton staff to collect

¹ Annual Mail and Post Office Satisfaction Survey 2012 (Northern Ireland) – Perceptive Insight Market Research (To be published)

from all of these branches. It also raises the expectations of consumers, who may think that their mail items will be processed on the day of posting.

2.9 In conclusion, we would urge Ofcom to consider the points we have raised above before a final decision is reached. In particular, if the decision to grant an exception to the universal service obligation for the day following the Battle of the Boyne holiday in Northern Ireland should proceed:

- Consumer Focus Post would recommend that Ofcom **reviews this exception again in three to five years**, to ensure the postal service provided to Northern Ireland consumers continues to meet their demands in the medium to long term, rather than allowing this exception to be granted in perpetuity. This will take account of the competitive environment of the postal market and the future transformation of the post office network across Northern Ireland.
- Ofcom should consider Royal Mail's request in conjunction with the **no service days observed by alternative parcel operators** which operate in Northern Ireland, including Yodel, Parcelforce, and City Link.
- Ensures that Royal Mail **effectively communicates** any service restrictions widely. This includes on their website, in daily operational statements to large business consumers, and at callers' offices. We would encourage Royal Mail to request that Post Office branches display posters advising of all no service days and ensure their Horizon System alerts counter staff (UK wide) that deliveries to Northern Ireland will not take place on the day following the Battle of the Boyne holiday, particularly for premium services such as Special Delivery, which are unlikely to arrive within the normal timeframe. We would also advise Royal Mail to inform their business consumers located in Great Britain, who frequently post to Northern Ireland, to expect delays with their deliveries and avoid unfair payment of premium services.
- Ofcom should **request further data** from Royal Mail on the volume of inward mail which arrives at the mail centre from Great Britain or other international countries for onward delivery in Northern Ireland from 2009-2012. As well as mail volumes collected from open post offices and businesses by arrangement on the day following the Battle of the Boyne holiday. This data will help Ofcom reach a more informed decision which accurately reflects the mail volumes on this day.



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