

Ofcom consultation: review of postal regulation

Citizens Advice submission
March 2022



About Citizens Advice

Citizens Advice provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities.

In April 2014, the Citizens Advice service took on the powers of Consumer Futures to become the statutory consumer representative for the postal sector in England and Wales. Our role is to ensure postal services and post offices meet the needs of consumers in a way that is fair and accessible for all. We have particular responsibilities regarding the interests of people at risk of disadvantage, detriment or harm, and also consider the interests of small businesses.

We are responding to this consultation in our capacity as the postal advocate.

Contents

Executive summary	5
1. Ofcom's regulatory approach (Question 2.1)	7
2. Financial sustainability (Question 3.1)	15
3. Efficiency (Question 4.1)	19
4. USO letters regulation (Question 5.1)	21
5. Redirections (Question 5.2)	52
6. Affordability of post (Question 5.3)	66
7. Parcels market regulation (Question 6.1)	75
8. Parcels complaints processes (Question 6.2)	85
9. Protections for disabled people (Question 6.3)	92
10. USO parcels regulation (Question 7.1)	96

Executive summary

We welcome this opportunity to respond to Ofcom's consultation at a pivotal time for the postal market. As the statutory advocate for postal consumers, we have highlighted the importance of postal services and the range of issues facing the market. But Ofcom's approach has remained hands-off and reactive compared to its work in other sectors, dismissing detriment as minor and relying on competition to fix problems.

As we enter a new review period in the midst of a changing postal market and growing cost of living crisis, it is time for Ofcom to reshape its regulatory approach. Ofcom should take the chance to be more **proactive and agile, working to prevent harm to consumers** rather than waiting to intervene when problems are entrenched.

Looking to the future of the postal service, Ofcom should ensure that Royal Mail delivers a financially sustainable and efficient service **without relying on price increases, service degradation or the removal of regulatory safeguards.**

We therefore support proposals to maintain current minimum standards through safeguard caps and quality of service targets, as well as welcome changes to the redirections discount. But we remain concerned about the growing unaffordability of post, coupled with ongoing poor service during the Covid-19 pandemic. **Ofcom must take steps to understand consumer outcomes, and intervene where it finds harm.** It should take decisive action to safeguard discounted redirections, guarantee high quality of service and ensure that consumers don't face a choice between buying post and essentials.

In the parcels market, we welcome specific proposals on complaints handling and meeting disabled consumers' needs. But when misdeliveries are widespread and disabled people face unacceptably poor outcomes, **we don't agree with Ofcom's assessment that the parcels market is generally working well for consumers.** The regulator must take a more proactive approach to stop problems occurring in the first place, including strengthening the relationship between guidance and enforcement around complaints handling, extending regulations around the safety and security of mail, and

investigating the feasibility of an open access network of Pick Up Drop Off points. **Ofcom must consider consumer needs as well as market dynamics** when making decisions, including around tracking facilities within the USO.

We encourage Ofcom to use this review to focus on ensuring positive outcomes for consumers, as it works to make sure the postal market is **universal, affordable, consistent and fair** for post users.

1. Ofcom's regulatory approach

Question 2.1: Do you agree with Ofcom's proposed regulatory approach for regulating postal services over the next 5-year period (2022-2027)? If not, please explain the changes you think should be made, with supporting evidence

Summary

We welcome the proposals set out in Ofcom's consultation as a good step in the right direction. But, despite some positive proposals to address specific issues, our overall assessment remains that Ofcom's approach to regulation isn't working for consumers.

Ofcom appears to base its regulatory approach on a long-standing assessment that the postal market is in decline. This, coupled with a focus on market inputs rather than consumer outcomes, means the regulator only provides limited protections to postal consumers. This assessment also leads Ofcom to believe that little intervention or oversight is needed in post in comparison to its responsibilities in other markets.

The regulator should:

- Be proactive and agile in its regulatory approach to meet the challenges of a rapidly evolving market.
- Focus on securing positive outcomes for consumers. Ofcom should prevent harm from occurring, rather than waiting to fix problems after something has already gone wrong.

Despite some positive proposals, Ofcom's overall approach to regulation isn't working

- 1.1. Ofcom has set out some welcome proposals in different areas of the postal market. We agree with the regulator's provisional assessment that USO regulatory safeguards are still necessary, and we're pleased to see Ofcom acknowledge the importance of mail redirections. We

also welcome Ofcom's proposed new guidelines on parcel complaints handling and new regulation to allow disabled people to specify their parcel delivery needs.

- 1.2. Despite these positive proposals to address specific areas of detriment, Citizens Advice still believes that Ofcom's overall approach to regulation isn't working for consumers.

Ofcom predominantly views post as a sector in decline

- 1.3. Ofcom appears to base its regulatory approach on a long-standing assessment that the postal market is in decline. It seems to view the fall in letter volumes as proof that this sector isn't as essential, and therefore as much of a priority for intervention, as the other sectors it regulates.
- 1.4. This is a flawed reading of the postal market. Postal services are essential now and they will continue to be essential throughout the next review period.
- 1.5. Letters are crucial in facilitating access to essential services.¹ They also allow people to keep in touch with loved ones. Postal services aren't just important to people who send lots of post themselves - organisations continue to send important communications to people by post too. For example, 2 in 3 (64%) people receive some communications from healthcare services by post only.²
- 1.6. Meanwhile, the growth of e-commerce has seen the parcels market evolve into a critical pillar of modern retail. 1 in 2 postal customers (48%) now receive at least 1 parcel a week.³
- 1.7. The pandemic has underscored the vital role that postal services continue to play in our society. The government used letters as a vehicle to get important information about coronavirus to households

¹ Ofcom, [Consultation: Ofcom's Plan of Work 2022/23](#), para 2.10.

² Citizens Advice, [Millions Without Mail](#), 24 September 2020, p.6.

³ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

across the UK,⁴ and parcel delivery services allowed people to continue to access the goods then needed when physical stores were shut.⁵

- 1.8. And when things go wrong the consequences can be severe. For example, almost 15 million people were hit by letter delays between mid-December 21 and mid-January 22.⁶ This had a significant and widespread impact on consumers. And in the parcels market over 14 million consumers have parcel problems every week,⁷ with 10 people experiencing lost or stolen parcels every minute.⁸ Parcel problems are hard to fix, with nearly 3 in 4 consumers (74%) struggling to put their delivery problems right.⁹

Ofcom should focus on consumer outcomes, not just market dynamics

- 1.9. Ofcom's conception of the postal services market as being in decline is coupled with an overall approach to regulation which is primarily focussed on securing a competitive and financially sustainable market. Too often this has come at the expense of interventions to prevent emerging and existing causes of consumer harm in these markets.
- 1.10. Ofcom's principal duty is to:
- "[F]urther the interests of citizens in relation to communications matters and of consumers in relevant markets, **where appropriate** by promoting competition."* (emphasis added).
- 1.11. But we believe that since Ofcom's last review of regulation its approach has focused too heavily on the promotion of competition to the detriment of consumer interests.

⁴ Citizens Advice, [Millions Without Mail](#), 24 September 2020, p.8.

⁵ Citizens Advice, [Why it's time to recognise parcel delivery as the newest essential service](#), 28 May 2020.

⁶ Citizens Advice, [Royal Mail fails to deliver for the second Christmas running](#), 17 February 2022.

⁷ Online survey of 6,000 UK 18+ adults between 6-24 January 2022, conducted by ICM. If we exclude those who are not expecting a parcel, 41% of online shoppers have at least one parcel problem every week.

⁸ Citizens Advice, [Citizens Advice sounds the alarm on parcel delivery market as ten people have parcels lost or stolen per minute](#), 30 July 2021.

⁹ Online survey of 7,194 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

- 1.12. In the letters market, Ofcom appears to prioritise the financial sustainability of the USO over ensuring consumers receive a high quality of service. And, in the parcels market, it appears overly focussed on promoting competition within the market as an end in itself, rather than as a vehicle to deliver better consumer outcomes.
- 1.13. Taken together, these factors have led Ofcom to take a relatively light-touch approach to regulation in the postal services markets when compared to those taken in the other sectors it regulates.
- 1.14. This is evident in Ofcom's proposed work program for 2022/23 where it appears that only 2 out of the 71 proposed projects (3%) focus on postal services.¹⁰ Ofcom's work in telecoms markets is far more proactive in nature and sets out a clear vision of what the regulator wants to see. In contrast, its postal services work primarily consists of passive monitoring.

Ofcom's lack of focus on consumer outcomes is causing harm

- 1.15. When Citizens Advice has uncovered evidence of consumer harm Ofcom has been reluctant to intervene, placing its faith in the market and competition to resolve these issues.
- 1.16. Our research and advocacy work has uncovered a wide range of issues across postal services markets, including:
- The disproportionate harm caused by parcel delivery problems on disabled and time-poor people.¹¹
 - The problems people have fixing parcel delivery problems.¹²

¹⁰ Ofcom, [Consultation: Ofcom's Plan of Work 2022/23](#), Annexe 2.

¹¹ Citizens Advice, [Christmas is on its way, but can the parcels market truly deliver?](#), 10 December 2020; Citizens Advice, [Home deliveries aren't working for disabled people](#), 5 December 2019; Citizens Advice, [The market which isn't delivering](#), 5 December 2019; Citizens Advice, [The missing link: Why parcel companies must deliver for disabled people](#), 5 December 2019; Citizens Advice, [The customer journey: disabled people's access to postal services](#), 14 March 2018

¹² Citizens Advice, [Parcel delivery companies must handle complaints better](#), 16 September 2019; Citizens Advice, [Poor complaints processes leave online sellers out of pocket with nowhere to go](#), 27 February 2019; Citizens Advice, [The market which isn't delivering](#), 5 December 2019; Verve & Citizens Advice, [Postal Complaint Journeys](#), 16 September 2019; Citizens Advice, [Parcel Delivery Complaints on Social Media](#), 27 February 2019; Citizens Advice, [Consumer use and experience of parcel sending services](#), May 2018; Citizens Advice, [Parcel delivery: Delivery services in the](#)

- The scale of parcel misdelivery, often as a result of delivery driver pressure.¹³
- The unaffordable nature of postal redirections.¹⁴
- Substantial and persistent delays to USO mail delivery.¹⁵
- An increase in people saying they can't afford postage stamps without cutting back on essentials like food or heating.¹⁶
- Issues accessing post for people without a fixed address or people experiencing domestic abuse.¹⁷

Ofcom needs an active regulatory approach that puts consumers at its heart

- 1.17. As we enter a new review period in the midst of a changing postal market and growing cost of living crisis, it is time for Ofcom to reshape its regulatory approach. The regulator should take this chance to be more focused on securing positive consumer outcomes. It should **work to prevent harm to consumers** rather than waiting to intervene when problems are entrenched.

Ofcom should focus on the principles of universality, affordability, consistency and fairness

[online shopping market](#), 16 June 2017

¹³ Citizens Advice, [Sorry we missed you](#), 30 July 2021.

¹⁴ Citizens Advice, [Royal Mail has made redirection fairer — but they shouldn't have redirected the cost](#), 25 March 2019; Citizens Advice, [What your surname is worth to Royal Mail](#), 16 August 2018; Citizens Advice, [Forgetting to update your address when you move can prove costly](#), 7 November 2017; Citizens Advice, [A new redirection?](#), 16 August 2018

¹⁵ Citizens Advice, [16.5 million people hit by letter delays in January](#), finds Citizens Advice, 11 February 2021; Citizens Advice, [Royal Mail fails to deliver for the second Christmas running](#), 17 February 2022.

¹⁶ Ofcom, [Residential Postal Tracker Q1-Q4 2021](#), QF1_2, 14 February 2022.

¹⁷ Citizens Advice, [4 ways that not having an address is keeping people homeless](#), 18 December 2018; Citizens Advice, [Millions without mail](#), 24 September 2020; Citizens Advice, [On the receiving end: How post can enable domestic abuse](#), 28 February 2020; Citizens Advice, [The postal paradox: how having no address keeps people homeless](#), 18 December 2018.

- 1.18. In our response to Ofcom’s Call for Inputs we recommended an outcomes based approach to regulation, focusing on the principles of universality, affordability, consistency and fairness.¹⁸
- 1.19. Indeed, this is an approach that Ofcom itself appears to favour, by focusing on consumer outcomes in its work plan.¹⁹ We are therefore disappointed to see that postal services are missing from this approach.²⁰
- 1.20. The creation of consumer outcome measures for post would help Ofcom elevate its postal work from passive to active monitoring. This would allow the regulator to put clear metrics in place for when it will investigate issues and take action to improve outcomes for postal consumers. And it would help Ofcom bring its postal services regulation in step with its approach in the other markets it regulates, where it has already adopted an outcomes focused approach.
- 1.21. **We recommend that Ofcom creates consumer outcome measures for postal services that focus on making sure that the market is universal, affordable, consistent and fair for both residential and business consumers.**

Ofcom needs to be more proactive and agile in its regulatory approach

- 1.22. In a rapidly changing industry, harm to consumers can develop and escalate quickly. So far, Ofcom has not been fast enough to spot the causes of harm and intervene on behalf of consumers.²¹

¹⁸ For more details see: Citizens Advice, [Citizens Advice response to Ofcom’s Call for Inputs: Review of postal regulation](#), 22 June 2021, p.6 onwards

¹⁹ Ofcom, [Consultation: Ofcom’s Plan of Work 2022/23](#), 15 December 2021.

²⁰ Ofcom, [Consultation: Ofcom’s Plan of Work 2022/23](#), 15 December 2021. The table in para 4.3 only mentions postal services under monitoring of the ‘Getting everyone connected’ strategic priority

²¹ For examples, see: Citizens Advice, [Citizens Advice response to Ofcom’s Call for Inputs: Review of postal regulation](#), 22 June 2021, pp.9-10

- 1.23. In the next regulatory period a more agile approach will be necessary given the huge potential for change that is yet to come.²²
- 1.24. Ofcom needs to adapt its approach to anticipate challenges before they emerge and act quickly when evidence of emerging harm arises. This does not mean looking for problems where there aren't any. Effective monitoring can allow the regulator to spot emerging issues quickly and to intervene at a point where a light-touch approach is sufficient. This allows the regulator to encourage innovative solutions, rather than waiting for harm to accumulate and more significant interventions to become necessary.
- 1.25. Being an effective regulator means not only proactively monitoring for harms, but also taking action to protect consumers if detriment is discovered.
- 1.26. We are concerned that even when the regulator is presented with evidence of detriment, it is failing to take action. For example, Ofcom's own research shows that 1 in 8 consumers say they've had to cut back on essentials to be able to afford postage stamps, up from 1 in 25 at the start of the review period in 2017.²³ And, similarly, 1 in 6 say they've had to forgo using post because they needed to afford essentials.²⁴ This meets Ofcom's affordability test, as set out in Section 6. Yet, it's not clear to Citizens Advice what, if anything, the regulator does with this information. In the context of a cost of living crisis it is vital that the regulator is prepared to take action to protect consumers.
- 1.27. Similarly, in the parcels market, the regulator has data showing an increase in parcels problems in recent years. Yet, despite over 14 million UK adults (27%) experiencing a parcel problem every week,²⁵

²² For examples, see: Citizens Advice, [Citizens Advice response to Ofcom's Call for Inputs: Review of postal regulation](#), 22 June 2021, p.10

²³ Ofcom, [Residential Postal Tracker Q1-Q4 2021](#), 14 February 2022, QF1.2; Ofcom, [Residential Postal Tracker Q3 2017-Q2018](#), 24 August 2018, QF1.2.

²⁴ Ofcom, [Residential Postal Tracker Q1-Q4 2021](#), 14 February 2022, QF1.1.

²⁵ Online survey of 6,000 UK 18+ adults between 6-24 January 2022, conducted by ICM. If we exclude those who are not expecting a parcel, 41% of online shoppers have at least one parcel problem every week.

Ofcom suggests that the parcels market is a well functioning market for consumers.

- 1.28. Monitoring is a powerful tool for safeguarding consumers. However, it is rendered meaningless if it isn't backed up by decisive action in the face of consumer harm. Consumers and the bodies that represent them need to be confident that Ofcom won't hesitate to investigate, and take appropriate enforcement action if it sees evidence of poor outcomes for postal consumers.

Ofcom should reshape its regulatory approach to prevent consumer harm

- 1.29. **While we welcome the proposals Ofcom sets out to address specific issues, our overall assessment remains that the regulator's approach isn't working for consumers.**
- 1.30. **Ofcom should take the opportunity of this regulatory review to reshape its approach to regulation to be more focused on positive outcomes for consumers, and more agile to meet the challenges of an evolving market. This will help the regulator prevent harm from occurring, rather than intervening once problems are already entrenched.**
- 1.31. **We also recommend that Ofcom creates consumer outcome measures for postal services that focus on making sure that the market is universal, affordable, consistent and fair for both residential and business consumers.**

2. Financial sustainability

Question 3.1: Do you agree with our proposed approach to sustainability of the universal service? Please substantiate your response with reasons and evidence.

Summary

Royal Mail must deliver a financially sustainable universal postal service in a way that doesn't rely on price increases, the removal of regulatory safeguards or service degradation.

We welcome Ofcom's proposal to increase its monitoring of Royal Mail's financial sustainability. This should help Ofcom strengthen its role in holding Royal Mail accountable over its efficiency performance.

As we set out in our response to question 2.1, Ofcom should actively monitor this reporting and take timely action if necessary.

Royal Mail must not rely on price increases, the removal of regulatory safeguards or service degradation to deliver a financially sustainable service

Royal Mail should not rely on price increases for consumers to ensure financial sustainability

- 2.1. Royal Mail is the Designated Universal Service Provider (DUSP). It provides a public service that millions of people across the country rely on to manage their day-to-day lives.
- 2.2. Affordability is the most important feature of the USO for residential users. Over 9 in 10 (92%) say it's important that the price of sending post is kept affordable.²⁶

²⁶ Ofcom, [Review of postal users' needs](#), 26 November 2020, Figure 15, p.36.

Many consumers already find postage unaffordable

- 2.3. The USO is meant to be delivered at affordable prices.²⁷ However, our research has found that 4 in 10 (42%) consumers think the cost of sending letters or parcels is unaffordable.²⁸
- 2.3.1. People who are already at greater risk of detriment, such as disabled people, are more likely to report finding post unaffordable. Please see Section 6 for more information on the affordability of post.

And a substantial minority has to forgo essentials to be able to afford postage

- 2.4. Ofcom's Residential Postal tracker shows that 1 in 8 have had to forgo essentials (such as food or heating) to be able to afford postage stamps.²⁹
- 2.5. This is particularly concerning in light of the cost of living crisis that has put a further strain on household incomes.³⁰

Higher prices for consumers would not be an acceptable way to ensure financial sustainability

- 2.6. It would be unacceptable for consumers to shoulder a larger financial burden to deliver an efficient service instead of Royal Mail focusing on its own transformation.³¹
- 2.7. The rapid growth in the parcels market over the course of the pandemic has provided Royal Mail with significant tailwind.³² 2020 was the first time revenue from parcels overtook letters for Royal Mail.³³ The business must use this tailwind, and not price increases for consumers, to ensure financial sustainability.

²⁷ The National Archives, [legislation.gov.uk, Postal Services Act 2011, Section 31](https://legislation.gov.uk/ukpga/2011/23/section/31).

²⁸ Online survey of 4,004 18+ UK adults, Opinium, 22 Feb - 2 Mar 2021.

²⁹ Ofcom, [Residential Postal Tracker Q1-Q4 2021](#), 14 February 2022, QF1.1 and QF1.2.

³⁰ Please see Section 6 "Affordability of post" for more evidence regarding the cost of living crisis.

³¹ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 3.26.

³² The Guardian, [Royal Mail posts £726m profit amid pandemic demand for parcels](#), 20 May 2021; Financial Times, [Royal Mail to return £400m to investors after profits surge](#), 18 November 2021.

³³ BBC, [Royal Mail parcels overtake letters for first time](#), 19 November 2021.

Cutting consumer protections would not be an acceptable way to improve financial sustainability

- 2.8. The USO is a public service and it's right for Ofcom to put in place safeguards, such as monitoring, regulatory reporting and safeguard caps, to reduce risk to consumers.³⁴
- 2.9. We're pleased that Ofcom isn't suggesting removing any regulatory safeguards. Citizens Advice would strongly oppose calls to remove any consumer protections.
- 2.10. The financial benefits of cutting any such consumer protections to improve efficiency would be greatly outweighed by what Royal Mail could realise through modernising and becoming more efficient.³⁵

Ofcom must maintain high quality of service targets to provide certainty to consumers

- 2.11. We agree with Ofcom that relying on service degradation instead of improving efficiency would be undesirable.³⁶
- 2.12. Ofcom's 2020 Users' Needs survey found that post being delivered on time was one of the attributes postal consumers valued the highest. 9 in 10 (90%) said that certainty of delivery times was important to them. Therefore, it would be unacceptable for consumers to face lower service levels as a means to efficiency.³⁷

Consumers should not pay the price for an inefficient postal service

- 2.13. Royal Mail must deliver an efficient universal postal service in a way that doesn't rely on price increases, the removal of regulatory safeguards or service degradation.
- 2.14. We welcome Ofcom's proposal to increase its monitoring of Royal Mail's financial sustainability. This should help Ofcom strengthen**

³⁴ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 3.5.

³⁵ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 3.26.

³⁶ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 4.6.

³⁷ See Section 4 for a more detailed response regarding the Quality of Service targets.

its role in holding Royal Mail accountable over its efficiency performance.

2.15. As we set out in our response to question 2.1, Ofcom should actively monitor this reporting and take timely action if necessary.

2.16. We trust that Ofcom will take the necessary steps to make sure the proposal fully aligns with consumers' needs and interests.

3. Efficiency

Question 4.1: *Do you agree with our proposal to maintain the historic approach but with the additional requirement on Royal Mail to set and report against a five-year expectation?*

Summary

As we set out in answer to question 3.1, Citizens Advice firmly believes that Royal Mail must not increase prices, cut protections or reduce service levels to deliver an efficient service.

We welcome Ofcom's proposal to require Royal Mail to publish its progress on efficiency. This will help the regulator to hold Royal Mail accountable to a public benchmark.

Royal Mail must not rely on price increases, the removal of regulatory safeguards or service degradation to deliver an efficient service

- 3.1. As we set out in answer to question 3.1, Citizens Advice firmly believes that Royal Mail must not increase prices, cut protections or reduce service levels to deliver an efficient service. Please see Section 2 for more information.

Publishing Royal Mail's progress on efficiency will create a public benchmark

- 3.2. **Citizens Advice welcomes the proposal to publish Royal Mail's 5-year efficiency forecast annually and to require the company to explain where it has deviated from the forecast.**

- 3.3. This should create a public benchmark of the Royal Mail's efficiency assumptions against which the business can be held accountable.**
- 3.4. As we set out in our response to question 2.1, Ofcom should actively monitor this publication and take timely action if necessary.**
- 3.5. We trust that Ofcom will take the necessary steps to make sure the proposal fully aligns with consumers' needs and interests.

4. USO letters regulation

Question 5.1: *Do you agree with our proposed approach of maintaining the current regulatory safeguards of the safeguard cap, high quality of services standards, and requirements on access to universal services? Please substantiate your response with reasons and evidence.*

Summary

We agree that Ofcom should maintain the current second class safeguard caps. These provide a vital minimum protection for consumers in a monopolistic market.

High quality of service targets give consumers certainty, and it is right for Ofcom to maintain its current standards.

Ofcom should also put safeguards in place to preserve the principles of transparency and consultation with consumer groups in regulatory emergency periods. And in the context of missed targets and widespread postal delays during the Covid-19 pandemic, Ofcom should step in and apply its regulatory levers to ensure consumers receive the high service they expect.

A service cannot be said to be universal when millions struggle to receive their own letters. Ofcom should offer its proactive support to a solution for those who remain excluded.

Safeguard caps

Safeguard caps offer essential protections to consumers in a monopolistic market

- 4.1. We welcome Ofcom's provisional assessment not to re-open the caps before April 2024.
- 4.2. Beyond this date, we believe caps will remain an important regulatory safeguard to protect access to a universal service in a monopolistic

market. We look forward to making our contributions to Ofcom's upcoming review of the 2nd class caps.

Post should be affordable

- 4.3. Ofcom has a "duty to further the interests of citizens and consumers, including by having regard to (amongst other things) the opinions of consumers in relevant markets and of members of the public generally".³⁸
- 4.4. And affordability is the most important feature of the USO for residential users. Over 9 in 10 (92%) say it's important that the price of sending post is kept affordable.³⁹ It is therefore right that Ofcom keeps in place the 2nd class safeguard caps.

Safeguard caps help protect against unduly large price increases

- 4.5. Royal Mail has a near-monopoly on the delivery of single-piece and large letters, as well as a large share of the small and medium-sized parcel market.⁴⁰
- 4.6. As Ofcom highlights, there is "no other operator offering nationwide single-piece letter services".⁴¹ Consumers wanting to send letters therefore "rely almost exclusively on Royal Mail's universal service".⁴²
- 4.7. Ofcom has also acknowledged that Royal Mail is "by far" the main player in the C2X parcels segment and that it faces "limited competition, particularly for lower weight parcels".⁴³
- 4.8. This heavily monopolistic nature of the market means additional safeguards are required to protect consumers from unduly large price rises.

³⁸ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.109.

³⁹ Ofcom, [Review of postal users' needs](#), 26 November 2020, Figure 15, p.36.

⁴⁰ Ofcom, [Review of the Second Class Safeguard Caps](#), 17 January 2019.

⁴¹ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.18.

⁴² Ofcom, [Review of postal regulation: Call for inputs](#), 11 March 2021, para 5.3.

⁴³ Ofcom, [Review of postal regulation: Call for inputs](#), 11 March 2021, para 6.14.

- 4.9. We agree that “the fact that Royal Mail is now setting prices at the safeguard limit is not in itself a reason to re-open it”.⁴⁴ In fact, this suggests that the current limits are acting as a barrier against price rises which would affect the most vulnerable consumers. And it is precisely the point of the safeguard caps to protect against “unduly large increases in prices”.⁴⁵
- 4.10. Citizens Advice firmly rejects Royal Mail’s claim that there wouldn’t be any affordability concerns around the safeguard products without the caps.⁴⁶ Our evidence shows that even before the current cost of living crisis, many consumers were finding post unaffordable, as we set out in Section 6.⁴⁷
- 4.11. As Ofcom notes, Royal Mail has experienced significant tailwinds as a result of the growth in the parcels market during the pandemic.⁴⁸ In this context it would be inappropriate to remove the existing price protections on 2nd class products.
- 4.12. We therefore support Ofcom’s assessment that “neither affordability nor sustainability considerations provide compelling reasons to re-open the safeguard cap”.⁴⁹
- 4.13. **The 2nd class safeguard caps represent the minimum price protection consumers should get in a monopolistic market. We therefore welcome Ofcom’s provisional assessment not to re-open the caps before April 2024. Beyond this date, we believe caps will remain an important regulatory safeguard to protect access to a universal service and look forward to making our contributions to its upcoming review of the 2nd class caps.**

⁴⁴ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.30.

⁴⁵ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.30.

⁴⁶ Royal Mail, [Response to Ofcom’s Review of Postal Regulation - Call for Inputs, March 2021, 20 May 2021](#), p.42.

⁴⁷ As acknowledged by Ofcom in its [Review of postal regulation: Consultation](#), 9 December 2021, para 5.31.

⁴⁸ Ofcom [Review of postal regulation: Consultation](#), 9 December 2021, para 5.31 b).

⁴⁹ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.31.

Quality of service

Ambitious and stretching quality of service targets remain appropriate to give consumers certainty and reliability

- 4.14. Consumers value a reliable and simple postal service. 9 in 10 (90%) say it's important that they can be confident that at least 90% of the post they send will be delivered on time.⁵⁰ We're pleased that Ofcom recognises the high value consumers place on certainty and reliability.⁵¹
- 4.15. High quality of service targets ensure consumers receive a good level of service even if they live in a rural area or at a hard-to-reach address. They give consumers certainty about when post will arrive, and help people send items with confidence - particularly for more expensive premium services such as Special Delivery by 1pm.
- 4.16. We therefore agree with Ofcom's assessment that "stretching quality of service targets remain appropriate"⁵² and welcome the decision to maintain existing targets.

Targets are needed to ensure high service levels, including in rural areas

- 4.17. We welcome Ofcom's focus on the principles of universality and serving consumer needs in its assessment of quality of service targets.⁵³
- 4.18. The First Class Postcode Area (PCA) target currently requires Royal Mail to deliver 91.5% of First Class mail within one working day of collection in each postcode area in the UK.⁵⁴

⁵⁰ Ofcom, [Review of postal users' needs](#), 26 November 2020, Figure 15.

⁵¹ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, paras 5.97, 5.103, 5.109.

⁵² Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.103.

⁵³ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, paras 5.109 and 5.115.

⁵⁴ Apart from HS, KW and ZE (118 of 121 postcode areas in the UK). Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, Table 5.9.

- 4.19. Ofcom has highlighted concerns that a reduced PCA target could lower the incentive for Royal Mail to provide high quality of service in rural or remote areas.⁵⁵ Any deterioration in service levels in remote areas would be very concerning, especially as people living in rural areas are more likely to rely on post. Half of people in hamlets and isolated areas (50%) say that receiving letters and parcels is essential to their day-to-day life, compared to 31% in urban areas.⁵⁶
- 4.20. A reduced PCA target could also lead to “a wider variation in USO quality of service across the UK, and would likely lead to postal users in some local areas experiencing poorer levels of service”.⁵⁷
- 4.21. This would be an unacceptable outcome for a universal service. It’s not sufficient to have high service levels on average if consumers in some areas are left behind. People across the country, including those in rural areas, must receive a high level of service.

Consumers should receive a high level of service, regardless of their address

- 4.22. Under the principle of universality, people must not receive a poorer standard of service because of where their address falls on Royal Mail’s delivery route.
- 4.23. It’s therefore important that the delivery target requires 99.9% of delivery routes should be completed, and not just part-completed, on every day that a delivery is required. Ofcom has highlighted that a reduction in the deliveries target would provide “less of an incentive to reach each and every address on a delivery route, meaning that there is a risk that harder to reach addresses could be missed more frequently”.⁵⁸

Targets should be maintained to incentivise high service levels, but Ofcom should do more to ensure the service is reliable

⁵⁵ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.108.

⁵⁶ CATI survey of 4015 18+ GB adults, Yonder, 7-28 February and 2-18 August 2021.

⁵⁷ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.108.

⁵⁸ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.115.

- 4.24. **We welcome Ofcom’s decision to maintain targets at their current levels. This will ensure that targets remain ambitious and provide incentives for Royal Mail to provide a high level of service to consumers across the UK. It’s vital that consumers can continue to rely on the universal postal service, regardless of whether they live in a rural or hard-to-reach area.**
- 4.25. **As well as preserving existing targets, Ofcom should now consider whether changes are needed to ensure transparency and accountability of quality of service.**

Consumers should receive good quality of service all year round

- 4.26. It’s important that consumers are able to expect a good level of service year-round.
- 4.27. Currently, there is an exemption for the quality of service targets over a 3 week period around Christmas. During this period, Ofcom monitors quality of service but doesn’t take enforcement action for performance. There is no floor on quality of service performance during this period.
- 4.28. Performance in this period is also excluded from the overall figures. For example, just 24.8% of first class USO post was delivered on time during the 2020/21 Christmas exemption period.⁵⁹ This was excluded from the overall annual performance for 2020/21, which was 74.7%.⁶⁰
- 4.29. The past 2 years have seen performance drop particularly steeply. In 2021, only 33.4% of 1st class mail was delivered the next working day during the Christmas period.⁶¹
- 4.30. But this was also an issue pre-pandemic:

⁵⁹ Royal Mail, [Year-end Adjusted Quality Report 2020-21](#), p.12.

⁶⁰ Royal Mail, [Year-end Adjusted Quality Report 2020-21](#), p.6.

⁶¹ Royal Mail, [Quality of Service report Q3 2021-22](#), p.11.

Table 1 - Royal Mail Christmas performance

Royal Mail Christmas performance 2017-2021, 1st class					
	2017	2018	2019	2020	2021
1st class USO	53.1%	54.4%	57.9%	24.8%	33.4%

*Royal Mail, Quality of Service Reports*⁶²

- 4.31. While we recognise that the Christmas period brings additional pressures to Royal Mail, this is the time of year that the public engages the most actively with the postal system. During this period, residential users rely on post to send Christmas cards to loved ones, while small businesses use the service to send festive communications to their customers.
- 4.32. Citizens Advice research into post delays highlights the experiences of postal users who experience delays at this time of year. This included grandparents whose presents to grandchildren arrived after Christmas despite paying extra charges for faster delivery, to people left feeling isolated after believing they hadn't received any Christmas cards.⁶³ And as well as seasonal post, consumers continue to rely on letters in December to receive urgent communications such as bills and hospital appointments.
- 4.33. Ofcom has acknowledged the high value consumers place on certainty and reliability,⁶⁴ and we set out our support for Ofcom's stretching quality of service targets in paragraphs 4.14-4.23. It's important that consumers can still expect a high quality of service over the festive period. There should therefore still be strong incentives for Royal Mail as the DUSP to deliver USO mail on time.
- 4.34. We agree with Ofcom that it is appropriate for Royal Mail to publish its Christmas performance separately to the overall quality of service

⁶² Royal Mail, [Quality of Service report Q3 2021-22](#), p.11; Royal Mail, [Year-end Adjusted Quality Report 2020-21](#), page 12; Royal Mail, [Quality of Service report Q3 2019-20](#), p.11; Royal Mail, [Quality of Service report Q3 2018-19](#), p.11; Royal Mail, [Quality of Service report Q3 2017-18](#), p.11.

⁶³ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

⁶⁴ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.109.

figures. This gives a nuanced view of Royal Mail's performance during higher-volume periods as well as its year-round operations.

- 4.35. We believe that a similarly nuanced approach should be taken to enforcing targets over this period. It is appropriate not to hold Royal Mail to its usual stretching targets during this period. But we don't agree that the current approach of effectively waiving targets entirely during this period is an appropriate way to secure good outcomes for consumers.
- 4.36. Instead, Ofcom should explore whether it can allow for a regulatory safety net for USO consumers, while also recognising the pressures of this period for Royal Mail. For example, the regulator should investigate the feasibility of putting in place a floor for quality of service performance.
- 4.37. Christmas isn't a surprise event in the calendar. It's an annual period where we know that postal users engage more with the postal system. Consumers should be able to rely on fundamental protections that ensure they receive a good service, including at Christmas.
- 4.38. Ofcom should therefore review whether there should be a floor for the Christmas period, rather than a complete suspension of enforcement.**

More detailed reporting would highlight quality of service issues in local areas

- 4.39. Royal Mail is required to report publicly on how it performs against the quality of service targets every quarter and at the end of the year. This provides transparency to the public and supports Citizens Advice in monitoring service standards and raising concerns where we identify issues.
- 4.40. We support breaking down the aggregate quality of service figure by postcode areas (PCAs). But this reporting isn't granular enough to reflect the different experiences in different postcode districts within a larger PCA. We believe Ofcom could do more to empower consumers

and the bodies that represent them to understand a more accurate local picture.

- 4.41. Some postcode areas cover very large populations. This means it's difficult to use this metric to assess quality of service in local areas. When delivery failures affect a particular local office, for example due to high levels of sickness absence, this can have high impacts on the service received by people living in a specific postcode district. But this isn't reflected at the aggregate postcode level.
- 4.42. For example, the postcode districts CM1-CM3 suffered severe mail delays last year because of issues at Chelmsford delivery office.⁶⁵ But the Q3 quality of service figures for the overall CM postcode area is 69.5%.⁶⁶ That doesn't reflect the experience of those who had to wait weeks for their mail.⁶⁷ 2011 census data shows that there are almost half a million adults living across the whole CM postcode area.⁶⁸
- 4.43. This problem has been repeatedly raised by MPs in parliament, highlighting that elected representatives find it difficult to hold Royal Mail to account over the quality of service their constituents receive.
- 4.44. Helen Hayes, MP for Dulwich and West Norwood, raised this issue during a debate on Royal Mail's performance on 17 June 2021. She said:

*"Finally, I want to flag immense problems with monitoring and accountability. Royal Mail has refused to provide me with performance data for the SE22 delivery office, despite problems over many months, which means that it is impossible to compare the experiences of my constituents against Royal Mail's actual performance. The information provided by Royal Mail has often been far too broad to be properly transparent or useful. Royal Mail only publishes performance data at the level of south-east London, which is a huge area and entirely masks the variation in performance within individual postcode districts."*⁶⁹

⁶⁵ Citizens Advice monitoring of Royal Mail's [Service Update](#) page.

⁶⁶ Royal Mail, [Quality of Service, 2021-22](#).

⁶⁷ BBC News, [Chelmsford residents fail to receive mail for three weeks](#), 17 November 2021.

⁶⁸ ONS, [2011 census: Key statistics, KS10EW - Age Structure](#). 510,623 adults aged 18 or over living across the whole CM postcode area.

⁶⁹ Hansard, Westminster Hall debate on Royal Mail's performance, [Helen Hayes, Column 200WH](#).

- 4.45. David Johnston MP, whose constituents in Wantage and Didcot had also experienced significant delays, expressed support for Hayes's request for postcode-level data on deliveries.⁷⁰
- 4.46. Providing information only at the PCA level makes it more difficult for the public and Citizens Advice to hold Royal Mail accountable for its performance at a granular level. It also means that MPs can't scrutinise Royal Mail's performance for their constituents.
- 4.47. We encourage Ofcom to explore whether it can do more to require Royal Mail to report quality of service in a more granular way, such as at postcode district level. This would allow both the regulator and Citizens Advice to act based on a more accurate picture of local as well as regional service levels.**

Quality of service reports in plain English would make this data more accessible to the public

- 4.48. While the requirement to publish quality of service reports quarterly and at year end does provide the public with some information, it can be hard to understand. The reports are very technical and the numbers are hard to interpret. The format has changed little since the report available from 2008.⁷¹
- 4.49. In contrast, the UK Regulators Network (UKRN) scorecard for mobile providers uses colour coding to clearly indicate whether a company is doing better or worse.⁷² This provides a clear visual guide that is easy to read and easy to understand.
- 4.50. The House of Commons library version of Royal Mail's performance has also used colours to make an easy, visual guide.⁷³
- 4.51. Ofcom should make sure the quality of service reports are refreshed so that the public can understand them. The reports should provide a visual guide to the business' performance and should be written in

⁷⁰ Hansard, Westminster Hall debate on Royal Mail's performance, [David Johnston, Column 210WH](#).

⁷¹ Royal Mail, [Quality of Service reports, 2007-08 Q4](#).

⁷² UKRN, [Moving forward together – Performance scorecards 2021](#), pp.17-20.

⁷³ House of Commons Library, [Performance of Royal Mail](#), 16 June 2021, p.4.

plain English. The more technical details could be presented separately, for example in an appendix.

- 4.52. We encourage Ofcom to consider these same issues when it publishes its proposed efficiency performance data.

Quality of service targets should be both ambitious and accurately presented

- 4.53. **Consumers value the reliability of the postal service and should be able to rely on a high quality universal service, regardless of where in the UK they live. We therefore welcome Ofcom’s provisional decision to retain all the quality of service targets at their current levels.**

- 4.54. **But Ofcom should do more to make sure the quality of service targets and reporting help secure positive consumer outcomes. Ofcom should review whether there should be a floor for the Christmas period, rather than a complete suspension of enforcement. And it should consider requiring Royal Mail to publish more granular reporting on the quality of service it delivers, as well as making this reporting more accessible.**

Quality of service throughout the Covid-19 pandemic

More consumers are seeking help with delayed post

- 4.55. During the pandemic, we’ve seen increasing numbers of consumers coming to us for help with post issues across the Citizens Advice network. One of our most-viewed web pages was on collection and delivery times, with nearly 19,000 views from October to December 2021.⁷⁴

- 4.56. In December 2021 someone viewed our web advice page on what to do if your post is damaged, lost or delayed by Royal Mail every 5 minutes.⁷⁵ This web page helps consumers work out how to claim

⁷⁴ Citizens Advice, [Check post collection and delivery times](#).

⁷⁵ Citizens Advice, [If your post has been damaged, lost or delayed by Royal Mail](#).

compensation for damaged or lost post. It also provides advice on what to do if important documents like a passport or driving licence are lost.

- 4.57. People have also sought help from their local Citizens Advice office. The case study below from Worthing Citizens Advice is just one example of someone who came to Citizens Advice for help after being negatively affected by post delays.

“Scott receives disability benefits every month. He has to complete paperwork to continue receiving the benefits but, due to postal delays, his form was returned to DWP 1 day late. DWP suspended Scott's support, cutting him off from the £330/month he normally receives.

“Scott can't afford essentials without his support from the DWP, so he's had to turn to his local Citizens Advice for support. Our adviser supported Scott to look for emergency grants while the PIP payments are suspended. She's also issued him with foodbank vouchers as he can't afford to buy food.”

Citizens Advice case study, November 2021

And delays make it harder for us to support vulnerable clients

- 4.58. Insights from staff at Local Citizens Advice offices across England and Wales have confirmed that post delays are creating an additional burden for those struggling financially. Those visiting Local Citizens Advice branches often have problems that are intertwined. Post delays can often make these problems even harder to solve as they slow down the transmission of important information.
- 4.59. Over a third (35%) of all the staff at Local Citizens Advice we surveyed in January 2022 said they'd experienced delays when sending letters to clients since October 2021.⁷⁶ And 32% had experienced delays when clients sent them letters.⁷⁷ This rose to 61% among staff that normally send letters to clients and answered this question.⁷⁸

⁷⁶ Citizens Advice, The Network Panel Survey, January 2022. The Network Panel Survey is a monthly online survey of Local Citizens Advice offices who are asked 10-15 policy questions each month.

⁷⁷ Citizens Advice, The Network Panel Survey, January 2022.

⁷⁸ Citizens Advice, The Network Panel Survey, January 2022.

“Clients with deadlines have often ended up in severe stress as important letters arrive late, giving us less time to work together. As a result, some clients have assumed we ignore them and seek help elsewhere. For some cases with tighter deadlines, we’ve had to work around the knowledge that postal delays could create further issues. This is an especially relevant issue for our debt advice teams whose cases are especially time sensitive.”⁷⁹

Administrator at Citizens Advice Brent

“The biggest problem [with post delays] is letters from debt collectors and penalty charge notice letters giving clients little or no time to respond within the prescribed timescales.”⁸⁰

Debt Adviser at South East Staffordshire Citizens Advice

“Personal Independence Payment application forms were taking 2 weeks to arrive, some things were seemingly lost in the post and needing to be sent again. This required us to call the Department for Work & Pensions for extensions.”

Generalist Adviser at Wakefield Citizens Advice⁸¹

MPs have also highlighted increasing problems for their constituents

- 4.60. Since November 2021, 13 written parliamentary questions about Royal Mail’s level of service and the impact of delays on the economy have been submitted to the Department for Business, Energy and Industrial Strategy.⁸² One MP has also asked an oral question of Paul Scully, the Postal Services Minister.⁸³
- 4.61. MPs in areas hit badly by post delays have written letters to Royal Mail,⁸⁴ Ofcom⁸⁵ and the Postal Affairs Minister⁸⁶ calling for action to address sustained delays in their constituencies. MPs have also visited

⁷⁹ Citizens Advice, The Network Panel Survey, January 2022.

⁸⁰ Citizens Advice, The Network Panel Survey, January 2022.

⁸¹ Citizens Advice, The Network Panel Survey, January 2022.

⁸² UK Parliament, [Written questions about Royal Mail](#).

⁸³ Barbara Keeley, [Hansard: Topical Questions Volume 706](#), debated 11 January 2022.

⁸⁴ Bucks Free Press, [Questions asked over 'collapse' of Royal Mail in Amersham](#), 7 January 2022.

⁸⁵ Catherine West, [Update: Royal Mail Services in Hornsey & Wood Green - Catherine West MP](#), 27 January 2021.

⁸⁶ Catherine West, [Update: Royal Mail Services in Hornsey & Wood Green - Catherine West MP](#), 27 January 2021.

their local delivery offices and met with senior figures from Royal Mail to push for solutions to these delays.^{87 88 89}

Citizens Advice research found substantial letter delays in 2021 and 2022

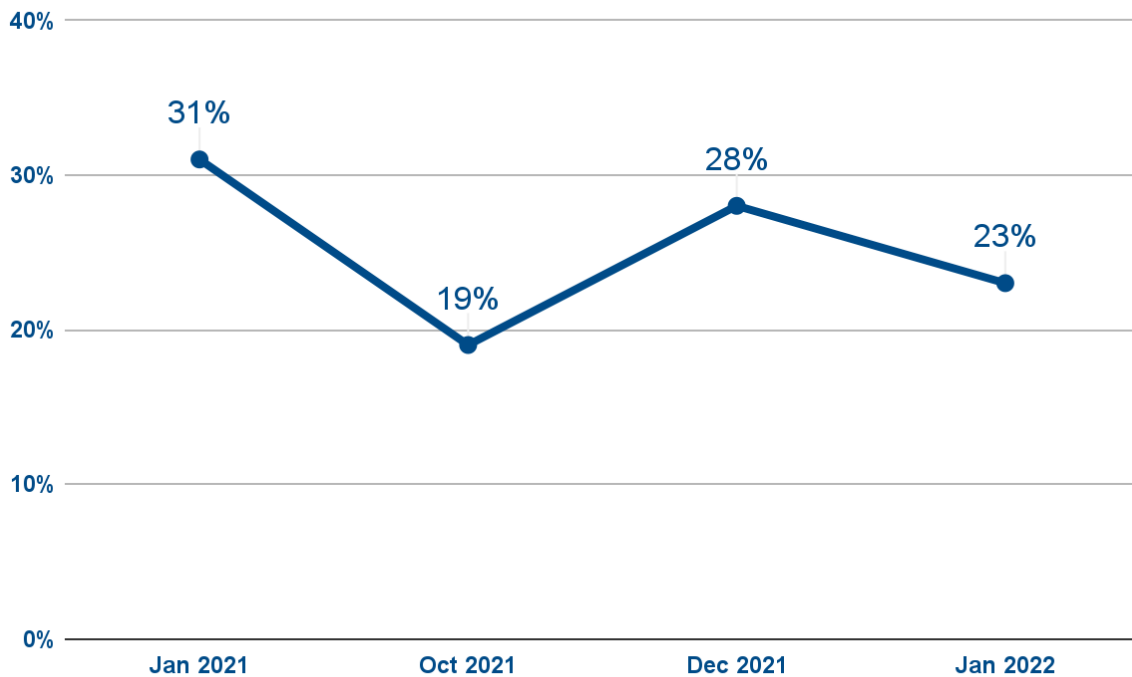
- 4.62. To inform our understanding of how post delays have affected people across the country we commissioned nationally representative surveys in January 2021, October 2021 and January 2022.
- 4.63. Our research showed that post delays were sustained throughout the last year, with a significant proportion of the UK population being hit by delays across these 3 periods. Additional analysis conducted in February 2022 confirmed the ongoing nature of delays.

⁸⁷ Oxford Mail, [Abingdon MP meets with Royal Mail for explanation over postal delays](#), 29 December 2021.

⁸⁸ Helen Hayes, [Twitter](#), 9 September 2020.

⁸⁹ Jeff Smith, [Jeff meets Royal Mail about delivery failures](#), 12 January 2022.

Figure 1: Percentage of UK adults hit by letter delays from January 2021 to January 2022



Source: Citizens Advice⁹⁰

Almost 15 million people were hit by letter delays over the festive period in 2021/22⁹¹

4.64. Our research found that 3 in 10 (28%) people were affected by Royal Mail post delays from mid-December to mid-January.⁹²

⁹⁰ January 2021: Online survey of 2,090 UK adults carried out by Yonder Data Solutions between 29-31 January 2021.

October 2021: Online survey of 2,094 UK adults carried out by Yonder Data Solutions between 8-9 November 2021.

December 2021: Online survey carried out by Yonder Data Solutions of 4,165 UK adults between 14-18 January 2022.

January 2022: Online survey carried out by Yonder Data Solutions of 2,110 UK adults between 4-6 February 2022.

⁹¹ Almost 15 million people. Estimated using Citizens Advice polling finding 28% of people experienced letter delays between mid-December and mid-January and ONS [Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland](#).

⁹² Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

- 4.65. Of those who had experienced delays with letters they expected to receive, a majority (54%) had received no letters for a week or more.⁹³
- 4.66. 1 in 8 UK adults (13%) told us there was a week or more between mid-December and mid-January where they didn't receive any letter deliveries.⁹⁴

Letter delays cause problems

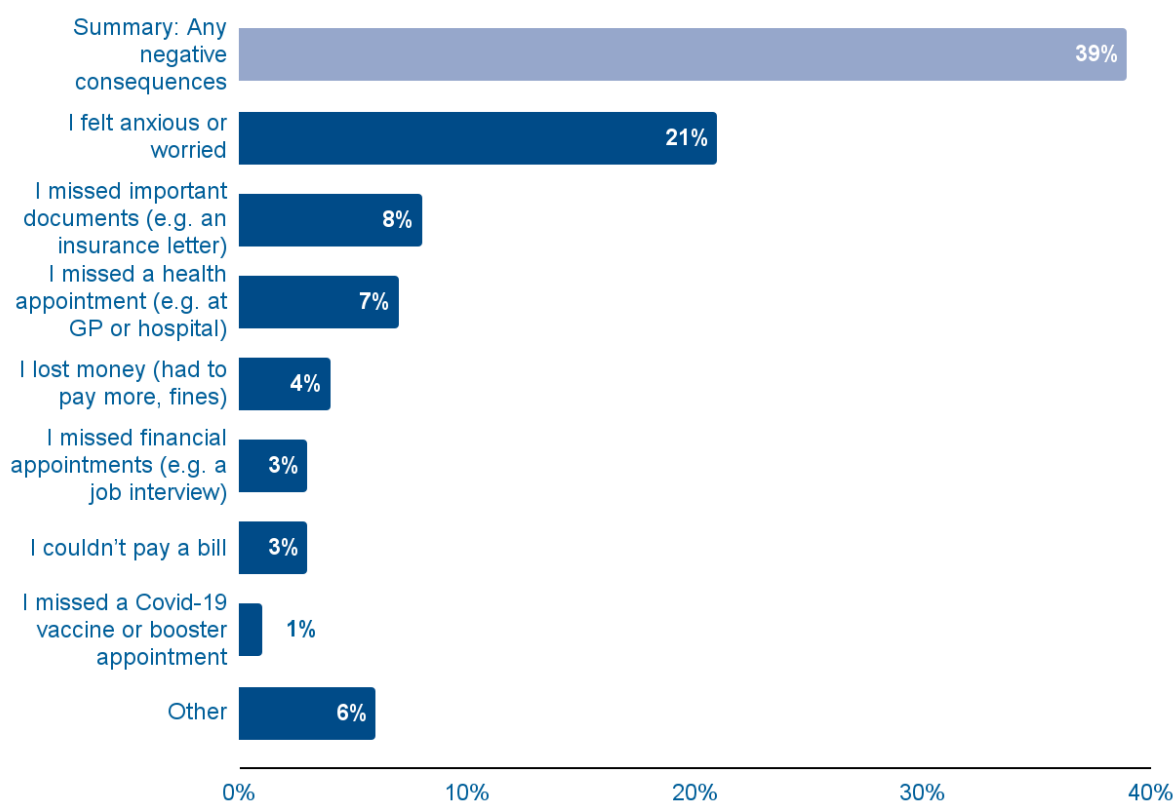
- 4.67. We also found that of those who experienced delays, 2 in 5 (39%) experienced negative consequences, from losing money to missing an important document.⁹⁵

⁹³ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

⁹⁴ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

⁹⁵ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

Figure 2: Negative consequences of letter delays



Source: Citizens Advice.

Base: 1,184 respondents who experienced letter delays from mid-December 2021 and mid-January 2022.

4.68. Across our 4 surveys we've found that people were more likely to experience delays with letters than parcels.⁹⁶

Post delays can create unexpected costs and stress for consumers

4.69. We found that post delays create stress and anxiety for people who rely on post to administer their daily lives. Of those who experienced

⁹⁶ Online survey of 2,110 UK adults carried out by Yonder Data Solutions 4-6 February 2022, letter delays 23%, parcel delays 17%;
Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022, letter delays 31%, parcel delays 30%;
Online survey of 2,094 UK adults carried out by Yonder Data Solutions 8-9 November 2021, letter delays 19%, parcel delays 16%;
Online survey of 2,090 UK adults carried out by Yonder Data Solutions 29-31 January 2021, letter delays 28%, parcel delays 24%.

letter delays over the festive period, 1 in 5 (21%) felt anxious or worried as a result.

"I have been going through a legal matter and as such lots of important documents are coming through or supposed to come through to me, they are time critical, need signatures, witnesses and signing by multiple parties. They are original documents that cannot be replicated and when they are disappearing it is causing delays, people threatening to pull out of deals, causing me stress, sleepless nights and constant chasing."⁹⁷

Samuel, 33, London

4.70. Post delays add a further layer of difficulty for people trying to administer their lives in the context of an escalating cost of living crisis. We know that people often rely on post to manage their finances, from sending cheques to receiving bills. When letters are delayed or go missing, it can become difficult for people to budget, control spending and pay their bills.

4.71. As we set out in Section 5, letter delays affect even those who aren't regular post users themselves. Many organisations and institutions communicate by post.

"I was due to receive my replacement SIM card which didn't arrive. This meant I couldn't access my online banking."⁹⁸

Fiona, 27, England

"I had to pay a late penalty fee for not paying on the due date of a credit card which was not delivered on time."⁹⁹

Shireen, 36, England

4.72. We're particularly concerned that those on lower incomes, already struggling to make ends meet, could shoulder unexpected costs as a result of post delays. In some cases, this can affect people's ability to pay for essentials.

"I didn't receive money I was waiting for in the form of a cheque which had a knock on effect on everything else as I couldn't afford things like food

⁹⁷ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

⁹⁸ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

⁹⁹ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

and heating despite being sick at the time and needing them. It made me feel anxious and scared I could lose my house. I also missed out on a medical appointment which delayed me getting medication I needed because the letter didn't arrive until over a month after the appointment. I was also fined for not attending the appointment.”¹⁰⁰

Clare, 28, England

Post delays can exacerbate the NHS backlog

- 4.73. Of those that experienced letter delays, 7% missed a health appointment.¹⁰¹ This rose to 16% among those who said they're on an NHS waiting list.¹⁰² And 35% said they're expecting a letter from a healthcare service provider in the next 4 months.¹⁰³
- 4.74. Missed healthcare appointments cost the NHS a lot of money. Missed outpatient hospital appointments cost the NHS £120 per appointment.¹⁰⁴ And every time someone misses a GP appointment that costs the NHS £30.¹⁰⁵ If people are missing their healthcare letters due to the current post delays, this could be expensive to the NHS and delay government plans to clear the NHS backlog.
- 4.75. Of those who experienced letter delays, disabled people (46%) were more likely to experience negative consequences than non-disabled people (37%).¹⁰⁶ Citizens Advice has previously found that disabled people use and rely on postal services more.¹⁰⁷ We are concerned that disabled people continue to be worse hit by postal delays.

¹⁰⁰ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

¹⁰¹ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

¹⁰² Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

¹⁰³ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

¹⁰⁴ NHS England, [NHS to trial tech to cut missed appointments and save up to £20 million](#), Oct 2018 and NHS England, [Missed GP appointments costing NHS millions](#), Jan 2019.

¹⁰⁵ NHS England, [NHS to trial tech to cut missed appointments and save up to £20 million](#), Oct 2018 and NHS England, [Missed GP appointments costing NHS millions](#), Jan 2019.

¹⁰⁶ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

¹⁰⁷ Citizens Advice, [The missing link: Why parcel companies must deliver for disabled people](#), 5 December 2019.

Post delays continued into 2022

- 4.76. In February 2022 we commissioned additional analysis to build our understanding of the nature of post delays in the new year.
- 4.77. We found that the situation did not sufficiently improve with 23% of those asked reporting disruption with letters they either sent or expected to receive.¹⁰⁸ More than half of those (54%) reported receiving no post for over a week.¹⁰⁹
- 4.78. Our monitoring showed that disruption peaked in mid-January with Royal Mail warning that 77 areas across the UK were hit by disruption on 12 and 13 January. This disruption affected up to 2.4 million people in England and Wales each day.¹¹⁰ Some of the worst affected areas, including Chelmsford, Willesden and Upminster, faced 8 weeks of severe disruption.

Royal Mail hasn't met its quality of service target for the past 2 years

- 4.79. We recognise that Covid-19 has badly affected Royal Mail and that postal workers across the country have been working hard to keep us connected. However, despite no longer being in a regulatory emergency period¹¹¹ and posting substantially improved profits,¹¹² Royal Mail is still falling short of its QoS targets.
- 4.80. So far in 2021/22, Royal Mail delivered 87.2% on target in Q1, 82.4% in Q2 and only 76.8% in Q3.¹¹³ This means that Royal Mail fell 16.2 percentage points short of its 1st class QoS target in Q3.

¹⁰⁸ Online survey of 2,110 UK adults carried out by Yonder Data Solutions 4-6 February 2022.

¹⁰⁹ Online survey of 2,110 UK adults carried out by Yonder Data Solutions 4-6 February 2022.

¹¹⁰ Number of people in England and Wales experiencing post delays on 12 and 13 January 2022 calculated using postcode districts listed on [Royal Mail's service update website](#) and the [2011 Census](#).

¹¹¹ Normal regulatory arrangements have been in place since 1 September 2021. Ofcom, [Royal Mail Delivery Changes - Update 11 August 2021 – regulatory emergency period](#), 11 August 2021.

¹¹² Financial Times, [Royal Mail to return £400m to investors after profits surge](#), 18 November 2021.

¹¹³ Royal Mail, [Quality of Service](#).

Table 2 - Royal Mail quality of service

Royal Mail quality of service 2021/2022			
	Target	Actual	Difference
Q1 2021/2022	93.0	87.2	-5.8
Q2 2021/2022	93.0	82.4	-10.6
Q3 2021/2022	93.0	76.8	-16.2
Christmas period ¹¹⁴	N/A	33.4	N/A

Source: Royal Mail, [Quality of Service Reports](#), 2021/2022.

- 4.81. **As well as maintaining important quality of service targets, Ofcom should make use of all regulatory levers to ensure that targets are met and delays are avoided. Royal Mail is no longer in a regulatory emergency period, and Ofcom should take action where Royal Mail is not achieving quality of service targets.**
- 4.82. **Ofcom should also explore whether it needs additional regulatory levers to be able to take more immediate action throughout the year. If there are post delays in May, it's unsatisfactory that no action is taken until April the following year.**

Consumers must be given appropriate information and recourse when their post is delayed

- 4.83. It can be difficult for people to resolve issues or access redress when their letters go missing. Neither consumers nor Citizens Advice have access to actionable and up-to-date information about how long an area has been affected by service disruptions.
- 4.84. Royal Mail doesn't say how long an area has been hit by delays. It only includes information relating to delays that day, making it more difficult for consumers to assess how long the issues in their area have been ongoing and make alternative plans.¹¹⁵
- 4.85. We have found that of those who experienced delays in letters that they sent or received and took action to find the letters, 51% were

¹¹⁴ Ofcom doesn't enforce quality of service targets over the Christmas period.

¹¹⁵ Royal Mail, [Service Update - Deliveries Today](#).

satisfied with the response they received from Royal Mail.¹¹⁶ 26% were dissatisfied and 15% did not receive a response from Royal Mail.¹¹⁷

*"They basically apologised for my experience but didn't offer any explanation as to why this had happened, or steps they would take to ensure it wouldn't happen again. It also took them several weeks to respond."*¹¹⁸

Simon, 32, England

*"It took 1 hour and 15 minutes to get through to them to speak to someone. When I eventually got through they told me there was no problem with mail delivery in my area. This was not true as me or nobody in my block of flats had mail for two weeks"*¹¹⁹

Douglas, 50, Scotland

- 4.86. If consumers aren't getting the information they need about disruptions in their area, they can't take action either to post things early or use an alternative.
- 4.87. Royal Mail must be open and transparent about any delays and make sure that timely and actionable information is available to consumers.
- 4.88. Given Royal Mail's near-monopoly position in the single piece letters market, it is also vital that its communications are inclusive and accessible to all those who rely on post to administer their daily lives. This should include those with a long-term illness or an impairment, and disabled people.
- 4.89. We encourage Ofcom to engage with relevant stakeholders on this issue, and consider carrying out an assessment of the accessibility of Royal Mail's communications on post delays if required.
- 4.90. **When post delay issues are ongoing, Ofcom should require Royal Mail to provide accessible, actionable and up-to-date information to consumers.**

¹¹⁶ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

¹¹⁷ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

¹¹⁸ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

¹¹⁹ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

Ofcom should do more to future-proof the regulatory emergency procedures

- 4.91. Royal Mail's regulatory emergency period took place in extraordinary circumstances, and was the first time an exemption had been applied.¹²⁰
- 4.92. We agree that the nature of an emergency period means that the regulator must make decisions on a case-by-case basis. This includes deciding exactly when the emergency period can come to an end.
- 4.93. But some protections should always apply, even during a regulatory emergency period. For example, the principles of transparency and consultation with consumer groups should always be upheld.
- 4.94. Ofcom now has the opportunity to work proactively to put these fundamental safeguards in place ahead of any future emergency. This can be done without prejudging the specific circumstances of any future exemption.

Royal Mail should continue to be transparent in any future emergency period

- 4.95. Ofcom should put safeguards in place to ensure that Royal Mail is always transparent with consumers. In any future emergency period, Royal Mail should continue to publish the quarterly and annual reports as normal so that Citizens Advice and the general public can see and understand USO performance across the country.
- 4.96. While Ofcom states that it "had access to the data we required to scrutinise Royal Mail's performance at all times",¹²¹ Citizens Advice was left without any publicly available data until the end of the 2020/21 financial year. This lack of publicly available data constrained our ability to work effectively on behalf of consumers. It also meant that members of the public couldn't understand Royal Mail's performance in their area.

¹²⁰ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.133.

¹²¹ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.132.

- 4.97. Ofcom also says it required Royal Mail to continue to make performance data available to consumer advocacy bodies.¹²² But the data we received was generally very high level and did not always appear in a structured format. For example, we often received performance data as a range rather than an exact percentage. And we were not able to cite the data we received publicly in order to advocate for consumers.
- 4.98. This period has also shown that even when data is shared in line with requirements, it is not always sufficient to allow Citizens Advice to understand the severity and impact of USO postal delays. For example, current reporting only shows whether something has been delayed, not by how long. And it is not always granular enough to analyse delays at a local level (see paragraphs 4.39-4.47 for more on this).
- 4.99. **Ofcom should take the opportunity both to safeguard transparency in times of emergency, and strengthen reporting requirements in general. This will ensure that both Ofcom as regulator and Citizens Advice have access to sufficient data to do our jobs effectively.**

Access to post

- 4.100. We welcome Ofcom's continued focus on access to universal services. This is vital to help ensure that people aren't excluded from post due to disability, location or other personal circumstances. USO services can't be said to be truly universal while some groups are shut out.
- 4.101. And despite moves towards digital communications, many continue to rely on post to receive essential information or stay connected to family and friends. 4 in 5 (79%) say post is helpful or essential for managing their day-to-day lives, while 3 in 5 say they would feel cut off from society if they couldn't send or receive post.¹²³
- 4.102. We therefore strongly support requirements for an extensive network of access points, and statement of arrangements to ensure that

¹²² Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.132.

¹²³ Citizens Advice, [Millions Without Mail](#), 24 September 2020, p.6.

people in remote areas have an accessible post box. It is important for Royal Mail to notify both Ofcom and Citizens Advice at least a month in advance of any changes to collection times as part of its Postbox Strategy.¹²⁴ It should also communicate clearly and openly with consumers on these changes.

- 4.103. It is also essential that users who are elderly, disabled or have long-term health conditions can send post through the universal service. We would support any plans to extend Royal Mail's letter collection service for vulnerable users to urban areas as well as rural locations.¹²⁵
- 4.104. This would be especially beneficial given the added importance of post to people who are housebound. Ofcom data shows that 83% of housebound people describe post as being essential or fairly important, compared to 72% of non-housebound people.¹²⁶ Being able to send letters without leaving their home would help people who might otherwise be unable to access post services.
- 4.105. We strongly support the continuation of the free Articles for the blind service, and agree that it is important that the scope is not diminished. We note that Ofcom remains open to evidence on the question of whether the service should be extended to those who may struggle to read due to medical conditions such as cerebral palsy and stroke.¹²⁷ We encourage Ofcom to continue to engage with relevant stakeholders on this issue, and consider carrying out a further assessment if required.

People in unsafe or non-traditional living situations can't access their post

- 4.106. Ofcom has acknowledged that "to benefit from USO services, we know that people must also have safe access to an address where they can receive mail".¹²⁸ Yet 7 million people were unable to access their own

¹²⁴ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.144.

¹²⁵ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.147.

¹²⁶ Ofcom, [Residential Postal Tracker Q1-Q4 2021](#), 14 February 2022, QC4_1.

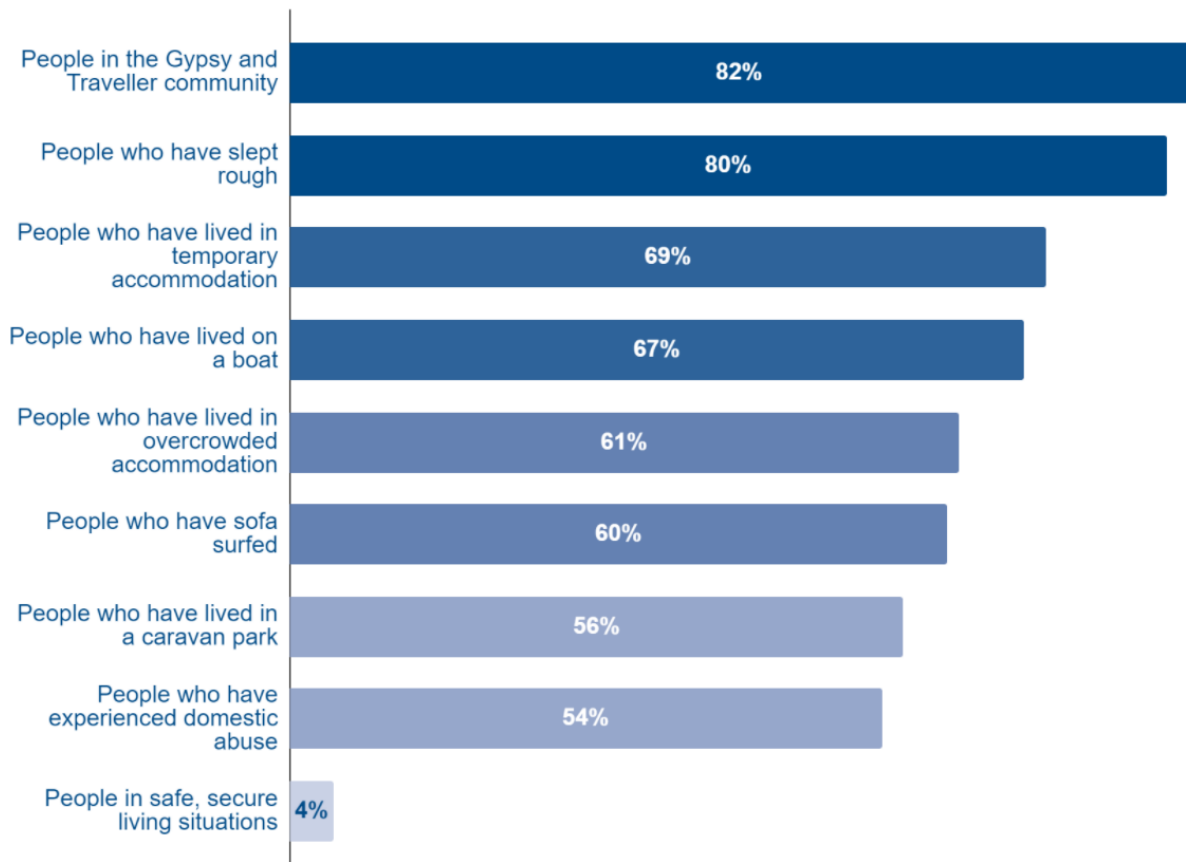
¹²⁷ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.150.

¹²⁸ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.137.

post at some point between 2010 and 2020.¹²⁹ While access remains at this level, the service cannot be said to be universal.

4.107. 80% of people who have experienced rough sleeping have struggled to access their post, as well as 54% of domestic abuse survivors - and people in different types of insecure or non-traditional housing are also disproportionately excluded.¹³⁰

Figure 3: Percentages of people who have struggled to access their post between 2010 and 2020



Source: Citizens Advice, *Millions Without Mail*, 2020, p.10.

Base: 2,035 respondents who have experienced post insecurity in last 10 years

4.108. The disparity of postal access between marginalised groups and the general population is extreme. People in the Gypsy and Traveller community are most likely to be excluded, with over 4 in 5 people (82%) in the Gypsy and Traveller community struggling to access their

¹²⁹ Citizens Advice, *Millions Without Mail*, 24 September 2020, p.4.

¹³⁰ Citizens Advice, *Millions Without Mail*, 24 September 2020, p.10.

post at some point between 2010 and 2020. This is compared to only 4% of people living in safe and secure living situations.

- 4.109. As well as the very high levels of exclusion amongst those who have experienced rough sleeping, people who have lived in insecure or inadequate housing also experience disproportionate harm. 6 in 10 of those who have sofa surfed (60%) or lived in overcrowded accommodation (61%) have struggled to access letters since 2010, along with 7 in 10 (69%) people who have lived in temporary accommodation.
- 4.110. People in these living situations form much larger numbers than those who are rough sleeping. There were 96,600 households in England in temporary accommodation at the end of June 2021,¹³¹ while the English Housing Survey from 2018-19 found that 541,000 households reported including someone who was sofa surfing.¹³²

People who can't access their post can struggle to communicate with essential services

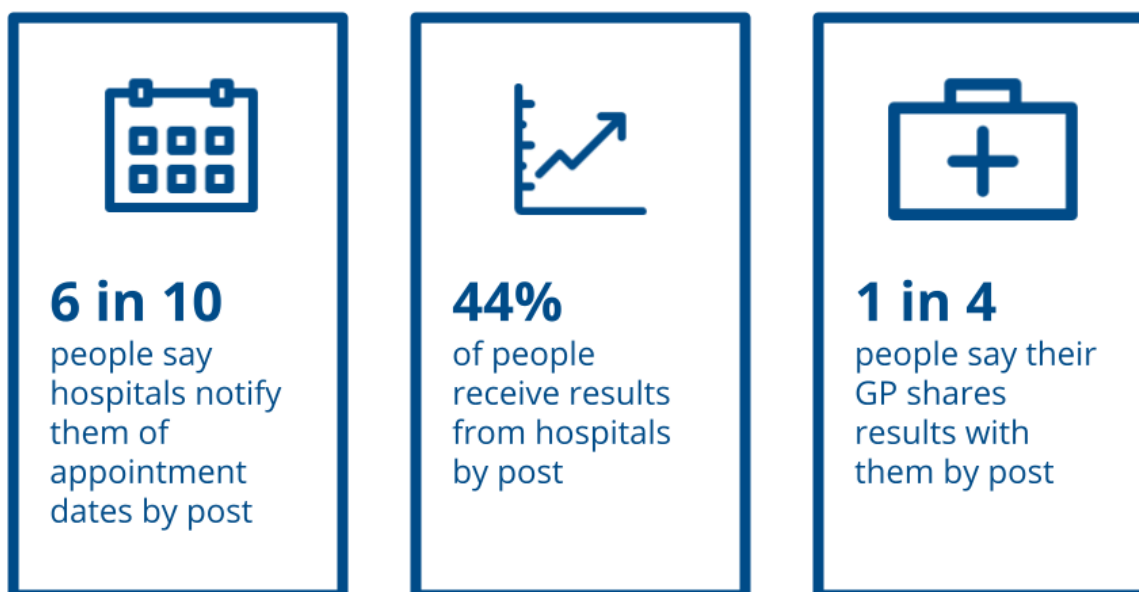
- 4.111. Where people aren't able to access their post, the consequences can be severe - affecting finances, health and opportunities.
- 4.112. A wide range of essential service providers continue to communicate mainly or only by post. For example, healthcare providers are particularly likely to send some forms of communication by post only. 2 in 3 (64%) people told us that they receive some communication from healthcare services by post only.¹³³

¹³¹ House of Commons Library, [Households in temporary accommodation \(England\)](#), 23 November 2021.

¹³² Ministry of Housing, Communities and Local Government, [English Housing Survey 2018-19](#), 9 July 2020. This is the most recent survey in which households including someone sofa surfing was measured.

¹³³ Citizens Advice, [Millions Without Mail](#), 24 September 2020, p.6.

Figure 4: Proportion who say healthcare providers contact them by post



Source: Citizens Advice, *Millions Without Mail*, 2020, p.6.

Base: 15,001 18+ UK adults

- 4.113. And post is often the primary method used by government departments and other official organisations when issuing serious and timely communications such as fines, court dates and debt notices. Missing these types of letters can lead to people building up large financial penalties, damaging their credit scores or compromising sensitive data.¹³⁴

People who are excluded from post can face serious harm

- 4.114. We already know that those who are in unsafe or non-traditional living situations are much more likely to have problems accessing their post. And as Ofcom has acknowledged, often people in these situations are

¹³⁴ Citizens Advice commissioned BritainThinks to conduct qualitative research with participants about redirections. BritainThinks adopted a multi-stage approach. 29 participants completed a pre-task, 15 of these were selected to complete a 30-minute initial interview. 5 of these took part in a final 1 hour interview. All participants were aged 18 or over, lived in England and Wales and have a household income of less than £20,000 a year. Participants were also recruited based on other sampling criteria, such as having moved or planning to move, gender, disability, tenure, risk of harm, receipt of benefits, urban/rural and ethnicity. Interviews were carried out in December 2021 and January 2022.

more likely to need access to essential services to get back on their feet.¹³⁵

4.115. Over the last 10 years:

- **4.7 million people have missed appointments with key services**, including court or employment related appointments, due to missed letters.¹³⁶

Qualitative case study:

*Nick was sleeping rough and having his post sent to a local homeless shelter. He was sent a letter from the council offering him a flat if he turned up at a given location on a specific day and time. Nick didn't get the letter in time and spent another 3 months sleeping rough before he was offered somewhere else.*¹³⁷

- **3.6 million people have missed at least one healthcare appointment** due to being unable to access their post.¹³⁸ This can lead to further health complications for the individual, as well as a cost to the taxpayer for missed NHS appointments.
- **3 million people have faced some financial loss** between 2010 and 2020 due to struggling to receive letters, losing an average of £850 each.¹³⁹

Qualitative case study:

Helen's ex-partner was financially abusive and opened all her post. He put bills in her name but intercepted statements and reminders about payments. As a result, he was able to rack up over £18,000 of debt in her name, which has destroyed her credit rating and makes getting a mortgage or renting a property very difficult.

- **1.8 million people have missed out on employment opportunities** as a result of missing letters.¹⁴⁰

¹³⁵ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.141.

¹³⁶ Citizens Advice, [Millions Without Mail](#), 24 September 2020, p.16.

¹³⁷ Citizens Advice, [Millions Without Mail](#), 24 September 2020, p.16

¹³⁸ Citizens Advice, [Millions Without Mail](#), 24 September 2020, p.19.

¹³⁹ Citizens Advice, [Millions Without Mail](#), 24 September 2020, p.21.

¹⁴⁰ Citizens Advice, [Millions Without Mail](#), 24 September 2020, p.22.

Citizens Advice continues to work towards a solution for people who can't access their post

- 4.116. As Ofcom has highlighted, specific groups “may need an alternative, convenient way to receive their mail without incurring charges associated with a long-term Redirection or PO Box service”.¹⁴¹
- 4.117. We welcome the regulator’s acknowledgement that currently available services are not enough to meet the needs of people who can’t access their own post.
- 4.118. Cost is often a prohibitive factor. People who are homeless or have recently fled an abusive home may be struggling to afford basic necessities. This means that spending money on a mail redirection service, even at a discounted rate, is not an option.
- 4.119. As well as financial considerations, redirection services can be inaccessible for people in unsafe or non-traditional living situations because they may not have a secure forwarding address for their post to be sent to.
- 4.120. In addition, our research found that people need an address to be able to put on forms and applications.¹⁴² Without an address, people stay locked out of essential services.
- 4.121. Citizens Advice has therefore advocated for a new, free service to give access to post to people who are currently locked out of the universal service. This would give those who need it an address, and allow them to pick up their post at a convenient local post office.
- 4.122. Citizens Advice has engaged with potential users of this service through extensive research. This included a large-scale quantitative survey of 15,000 respondents as part of our *Millions without Mail* report. We further supplemented this data with smaller-scale qualitative research, including testing the concepts of the service with 8 interviewees with lived experience of post exclusion.

¹⁴¹ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.145.

¹⁴² Citizens Advice, [Millions Without Mail](#), 24 September 2020, pp.8 and 18.

- 4.123. As well as user research, we have engaged with stakeholders across sectors. In May 2021, we held a workshop for representatives from the postal, banking and charity sector to help shape the service. We have also facilitated a smaller-scale focus group with local Citizens Advice offices, and ongoing meetings with individual stakeholders.
- 4.124. Citizens Advice will continue to work with relevant parties to develop a solution for those who are excluded. We would welcome Ofcom's proactive support for a solution that makes sure everyone can access USO services, including people who are homeless, in insecure accommodation, or have experienced domestic abuse.
- 4.125. **In a universal service, no one should struggle to access post due to their age, disability or living situation. Ofcom should continue to uphold existing measures to help people engage with postal services. Citizens Advice would also welcome the regulator's proactive support for a new solution to widen access for those who have experienced domestic abuse or are without a fixed address.**

5. Redirections

Question 5.2: *Do you agree with our proposal to not impose further regulatory requirements on Royal Mail in relation to Redirection pricing, following implementation of its improved Concession Redirection scheme? Please substantiate your response with reasons and evidence.*

Summary

We are pleased to see Ofcom’s research coming to similar conclusions to Citizens Advice that redirections, at full price, aren’t affordable for everyone.

We welcome Royal Mail’s improved discount scheme. This is something we have long called for and should make redirections accessible to more people.

But Ofcom should protect the discount for the future. It should put in place active monitoring, and explore safeguarding this discount in regulation.

We also have concerns about the general pricing of redirections. The cost of redirections has risen over the years and consumers are facing a cost of living crisis. Given the immense pressure on household budgets, Ofcom should use regulatory controls to protect everyone from unaffordable prices.

Mail redirection is an important service

- 5.1. Royal Mail is required to deliver a redirection service across the UK as part of the Universal Service Obligation (USO).¹⁴³ Redirection is set out in Ofcom’s Postal Services Order¹⁴⁴ and is considered “an important part of the USO.”¹⁴⁵

¹⁴³ Royal Mail is the Designated Universal Service Provider (DUSP) in the UK.

¹⁴⁴ Ofcom, [The Postal Services \(Universal Postal Service\) Order, Schedule 3 \(Addressee services\)](#).

¹⁴⁵ Ofcom, [Review of postal regulation: Call for inputs](#), 11 March 2021, para 5.41; Ofcom, [Review of postal users’ needs](#), 26 November 2020, para 6.53.

- 5.2. The redirections service allows home movers to forward their post to a new address. This reduces the risk of mail fraud and of losing important documents sent via post.¹⁴⁶ We are pleased to see Ofcom recognise the importance of consumers redirecting their post when they move.¹⁴⁷
- 5.3. Redirections are meant to be delivered at an “affordable price.”¹⁴⁸ The service should meet everyone’s needs, regardless of income.
- 5.4. Yet our research shows that only a minority of movers (35%) use mail redirection.¹⁴⁹
- 5.5. Citizens Advice commissioned new qualitative research with home movers to explore in more depth why people on low income aren’t able to pay full price for redirections, and the consequences they can face if they don’t redirect.¹⁵⁰

New qualitative evidence shows missing letters can have serious consequences

People lost money because they didn’t get their letters

- 5.6. Financial documents relating to debts or bills are often sent through the post. Not responding to these communications can lead to escalating penalties.
- 5.7. Our research found that people who didn’t redirect their post missed letters about benefits or other support, meaning they lost out on money they were entitled to. In other cases, missed letters resulted in damage to credit scores and even a County Court Judgement.
- 5.8. **Case study:** *Siobhan (36, England) did not take out a redirection because the cost would have reduced her food budget. Instead, she informed relevant organisations she had moved, including creditors she was*

¹⁴⁶ Citizens Advice, [Ofcom’s call for inputs: review of postal regulation](#), Citizens Advice submission, May 2021. See section 3.

¹⁴⁷ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.55.

¹⁴⁸ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.36.

¹⁴⁹ Online survey of 4,004 18+ UK adults, Opinium, 22 Feb - 2 Mar 2021.

¹⁵⁰ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

repaying. But when her debit card expired, one creditor only informed her that her payments had stopped via letters to her old address. She never saw the letters, and later received a County Court Judgement (CCJ) for the unpaid debt. It cost £200 to go to court and remove the CCJ.

“A CCJ for me is massive, because I'm on my own and I rent. So I've probably now gone from being able to just go and rent a property to now needing to find a guarantor.”¹⁵¹

Not getting healthcare letters can lead to missed appointments and loss of sensitive medical information

- 5.9. 2 in 3 people receive some form of communication from health services by post only.¹⁵² Not receiving healthcare letters in time can result in missed appointments, delayed treatment and wasted resources.
- 5.10. **Case study:** *Louise (England, 34) and her family were evicted and could not afford a redirection. Louise's daughter has epilepsy so Louise was careful to tell the hospital about the change of address. But their paediatrician's office sent a highly confidential letter to her old home, outlining her daughter's medical history, treatment, and personal details. Louise was worried about strangers at her old address accessing this information.*
- 5.11. *“It's very sensitive information and I was just worried that that's not for anyone else to know, and I felt more worried because it's not mine, that there could be repercussions years later, someone could steal her identity from that information on there. I was also just worried about somebody just reading that about my child, like that's so personal.”¹⁵³*

Many underestimate the potential consequences of missing their letters

¹⁵¹ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁵² Citizens Advice. [Millions without mail](#), 24 September 2020, p.4.

¹⁵³ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

- 5.12. Some of the research participants reported receiving little post in their day-to-day lives.¹⁵⁴ However, our research found that people of all ages receive unexpected communications by post.¹⁵⁵ It can be difficult for someone to predict when they will receive an important one-off letter such as a speeding fine, hospital appointment or court summons. Missing these letters can lead to significant problems.
- 5.13. **Case study:** *Jake (Wales, 25) says he doesn't usually get much mail and chose not to redirect his post when he moved to spend a year abroad. When he returned and moved into a new property, he and his partner were told that they were at risk of repossession action.*
- 5.14. *Jake found out they had left an outstanding £12 on their council tax bill at their previous property. The council only informed them of this via letters to their old address. They never received the letters, and were told they would need to go to court - but communications about the court case were also sent to the previous address. Having missed these court dates and in debt to the council, Jake and his partner ended up paying £600 in fines.*
- 5.15. *"We were just really bothered about the fact that a bailiff could smash the door down."¹⁵⁶*
- 5.16. Our evidence shows the harm people can experience when they don't redirect their post. Similarly, Ofcom found that 13% of those who didn't redirect missed out on bill payments, appointments or other personal information.¹⁵⁷ And a quarter (24%) worried about lost mail or information, or about potential fraud.¹⁵⁸
- 5.17. **Our qualitative insights show that people are more reliant on post than they think. Even when people don't get a lot of mail, the letters they do receive can be highly sensitive and important. Many of our research participants said that, with hindsight, they would have taken out a redirection.**¹⁵⁹

¹⁵⁴ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁵⁵ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁵⁶ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁵⁷ Ofcom. [Redirections affordability research](#). 9 December 2021, slide 13.

¹⁵⁸ Ofcom. [Redirections affordability research](#). 9 December 2021, slide 13.

¹⁵⁹ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

Informal workarounds can result in lost or delayed letters

- 5.18. Ofcom has noted that most consumers who choose not to redirect their post find an alternative solution, such as collecting mail from the previous address or manually notifying institutions of their move.¹⁶⁰ Ofcom acknowledges these solutions are “imperfect.”¹⁶¹ And our qualitative research found that many people faced loss when they had used an informal workaround.¹⁶²
- 5.19. According to Ofcom’s research, 2 in 5 (40%) of those who don’t redirect chose to notify their contacts themselves.¹⁶³ Yet people may not remember every organisation they could hear from, particularly if the contact is infrequent. And in some cases, consumers can miss letters even though they had informed the institution of their change of address.
- 5.20. **Qualitative evidence:** *“I have polycystic kidneys so I have to have them checked every 6 months. The first time I moved, my hospital appointments were going to the wrong address even though I notified them. They hadn’t updated it. If you miss the appointments, sometimes they won’t rebook you.” Joyce, 63, England¹⁶⁴*
- 5.21. Ofcom also found that 1 in 7 (15%) ask someone to forward post on to their new address. But we saw in our research that letters often aren’t forwarded as planned due to relationship breakdowns with previous neighbours or housemates, or human error.
- 5.22. **Case study:** *Nadira (27, England) moved out unexpectedly and quickly after the end of her relationship. As she needed to buy a lot of furniture, she couldn’t afford to redirect and decided to inform everyone herself about the change of address. But this took a long time and she missed letters from the Passport Office and her health visitor. Her ex-partner lived at the old address and she worried that he might intercept her mail.¹⁶⁵*

¹⁶⁰ Ofcom, [Review of postal regulation: Consultation](#). 9 December 2021, para 5.52

¹⁶¹ Ofcom, [Review of postal regulation: Consultation](#). 9 December 2021, para 5.52

¹⁶² BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁶³ Ofcom. [Redirections affordability research](#). 9 December 2021, slide 13

¹⁶⁴ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁶⁵ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

The cost of redirections is a barrier to people using the service

5.23. Only a minority of consumers use mail redirection.^{166 167} People on low incomes are less likely to redirect their mail. Our research found that only about a quarter (27%) of home movers on an annual household income of up to £10,000 used redirections.¹⁶⁸ In comparison, two-thirds (67%) of those earning £100,001 or more redirected their mail.¹⁶⁹ This mirrors findings in Ofcom's own research.^{170 171}

5.24. **Case study:** *Siobhan (36, England) is a single parent and rented the same flat for 13 years. Her landlord sold the property, forcing Siobhan and her daughter to move. She is in debt and struggled to pay the deposit on a new flat and removals fees.*

*"Somebody like me who has to watch every single penny I spend...Would have taken it out of the food budget. Would have lived on noodles for a week. That's just how my life goes sometimes."*¹⁷²

Home movers are under additional financial pressure

5.25. When people are in the process of moving home and deciding whether to redirect mail, they are facing more costs than usual. Consumers might need to pay for deposits, moving vans, cleaning and other extra bills.

5.26. **Qualitative evidence:** *"I had to pay for the removal van. I had to pay a deposit and rent upfront. At that point, I couldn't afford that because I had to think about tomorrow, if I'm going to have food on the table tomorrow. If I'm going to be able to even put the gas and heating on."* Nadira, 27, England¹⁷³

¹⁶⁶ Ofcom, [Review of postal users' needs: residential data tables](#), 26 November 2020, question A5. 38% of those who had moved in the last 3 years said they'd used redirections when they moved

¹⁶⁷ Online survey of 4,004 18+ UK adults, Opinium, 22 Feb - 2 Mar 2021

¹⁶⁸ Online survey of 18+ UK adults, 815 respondents who moved since 25 Mar 2019, Opinium, 22 Feb - 2 Mar 2021.

¹⁶⁹ Online survey of 18+ UK adults, 815 respondents who moved since 25 Mar 2019, Opinium, 22 Feb - 2 Mar 2021.

¹⁷⁰ Ofcom, [Review of postal users' needs: residential data tables](#), 26 November 2020, question A5.

¹⁷¹ Ofcom, [Review of postal regulation: Consultation](#). 9 December 2021, para 5.80.

¹⁷² BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁷³ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

5.27. Our research shows that many people move at a time of upheaval (such as eviction or relationship breakdown), which can put further strain on budgets.¹⁷⁴

And redirection prices have increased by over 70% in 8 years

5.28. Redirections are supposed to be delivered at “affordable prices.”¹⁷⁵ But prices for residential redirections have risen significantly compared to household disposable incomes in the last 9 years.¹⁷⁶

5.29. In 2014, the cost of a 3 month redirection was £24.99.¹⁷⁷ Currently, it’s £33.99.¹⁷⁸ If prices had increased in line with inflation, the cost in 2021 would have been £29.78.¹⁷⁹

5.30. Ofcom estimates that the price of the most basic redirections package has jumped by 74% in nominal terms between 2012/13 and 2020/21.¹⁸⁰

¹⁷⁴ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁷⁵ [The Postal Services \(Universal Postal Service\) Order 2012](#).

¹⁷⁶ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.39.

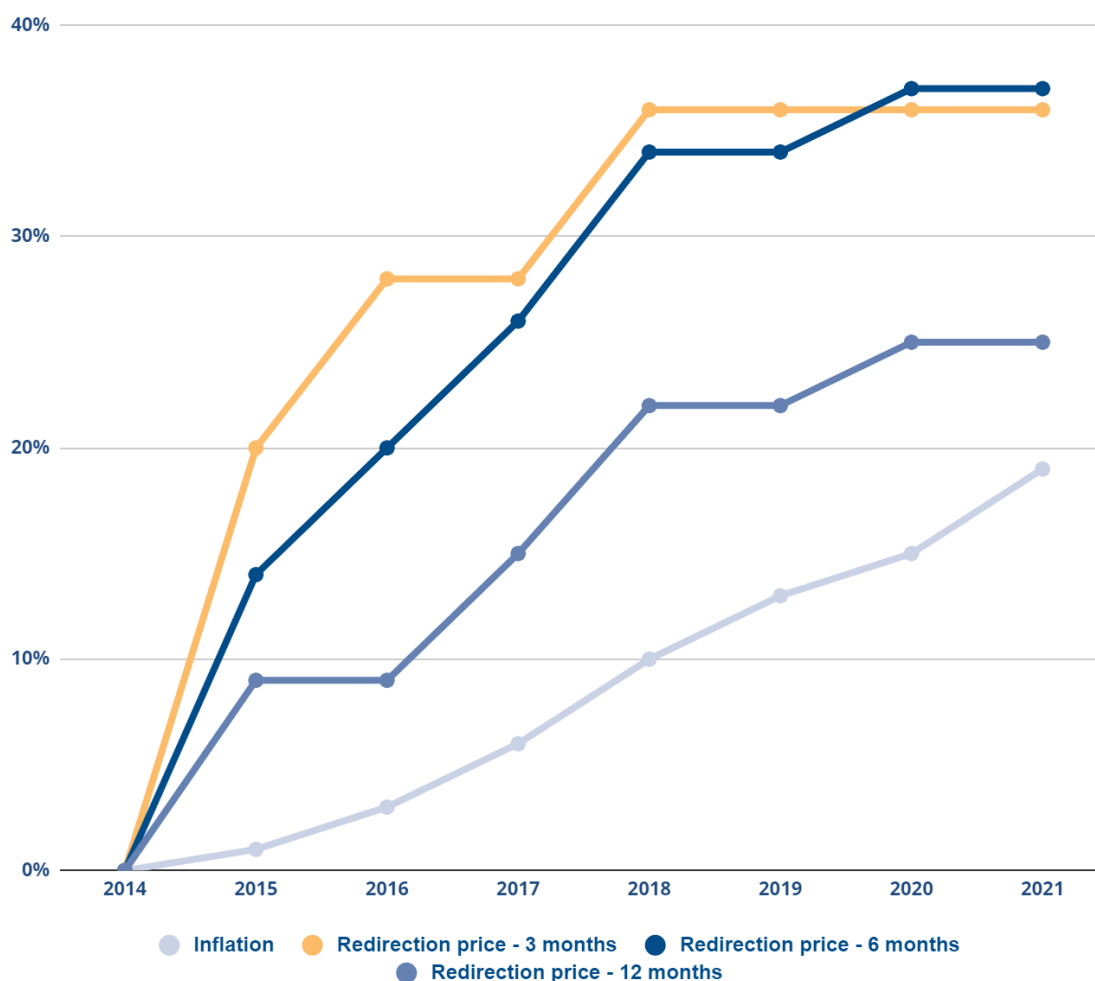
¹⁷⁷ The Great Britain Philatelic Society, [Redirection Charges](#).

¹⁷⁸ Royal Mail, [Moving home: Redirection](#).

¹⁷⁹ Bank of England, [Inflation calculator](#). The calculator doesn’t include data for 2022.

¹⁸⁰ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.39.

Figure 5: Price increase of redirection packages, 2013-2021



Source: Royal Mail, *Moving home: Redirection* and The Great Britain Philatelic Society, *Redirection Charges*. Bank of England, *Inflation calculator*.

Royal Mail’s new and improved concessionary rate is a step in the right direction

5.31. In November 2021, Royal Mail expanded its discount scheme.¹⁸¹ People receiving Universal Credit or Pension Credit will now be eligible to pay concessionary prices. Royal Mail have removed the requirement

¹⁸¹ Royal Mail. [Royal Mail to cut the cost of its redirection service for millions of lower-income households](#). 8 November 2021. To be eligible, people must be in receipt of Universal Credit or Pension Credit. There is no requirement to be a renter. This change was introduced in November 2021. Before this date, applicants were required to be renting and either in receipt of Jobseekers Allowance (JSA) or Pension Credit.

for people to be renters, which will help homeowners on low incomes. As well as widened eligibility criteria, the new concessionary rate is more generous.

- 5.32. We welcome the improved discount, which Citizens Advice has long called for.¹⁸² And it is a positive step in the right direction from Royal Mail.
- 5.33. In our research, many participants said the improved discount scheme would make it possible to use redirection next time they move.¹⁸³
- 5.34. **Qualitative evidence:** *"I wouldn't take any out if there wasn't a discount. It's a vital lifeline for people on a low income that they [Royal Mail] offer a discount on redirection."* Megan, 33, England¹⁸⁴

Ofcom must take action to protect the new and improved discount

Ofcom should monitor uptake of Royal Mail's redirections discount

- 5.35. The improved discount should allow more people to redirect their mail, regardless of income. However, Royal Mail has a monopoly on redirection, so there are no supply side pressures present to encourage the business to increase uptake of the discount.
- 5.36. Citizens Advice has previously highlighted the difficulty of finding information about the discount on Royal Mail's website.¹⁸⁵ There is poor awareness among consumers that the discount exists,¹⁸⁶ and uptake of the previous concessionary rate was very low.¹⁸⁷

¹⁸² Citizens Advice, [A new redirection? How to make mail redirections fairer and more affordable for consumers](#), 16 August 2018.

¹⁸³ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁸⁴ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁸⁵ Citizens Advice, [Citizens Advice response to Ofcom's Call for Inputs: Review of postal regulation](#), 22 June 2021.

¹⁸⁶ Online survey of 4,004 18+ UK adults, Opinium, 22 Feb - 2 Mar 2021. Also BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

¹⁸⁷ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.40.

- 5.37. While Royal Mail has now added a bolded reference to the concession on its website,¹⁸⁸ more could be done to make information easier to find. For example, the concessionary price isn't shown in the "How much it costs" section further down on the website.¹⁸⁹
- 5.38. The discount is now available for up to 7 million people.¹⁹⁰ We would like to see a marked improvement in the uptake rate of the concessionary discount, with a good proportion of movers using redirection.
- 5.39. Ofcom has already set in place ambitious targets for Royal Mail's quality of service for USO products. The regulator and Royal Mail should take a similarly ambitious attitude to improving the uptake of discounted redirection. Ofcom should monitor takeup of the improved discount and assess whether the business is doing enough to promote it.**

Ofcom should safeguard the discount scheme for the future

- 5.40. The expanded discount scheme should make redirections more accessible for households on lower incomes. However, the discount is currently maintained on a voluntary basis by Royal Mail as a private company.
- 5.41. We welcome Ofcom's statement that the regulator will step in if prices rise.¹⁹¹ However, the regulator has been slow to act when we have brought issues with affordability of redirection to Ofcom's attention. Ofcom should take a more proactive approach to preventing consumer harm.
- 5.42. Ofcom should explore how it can safeguard this discount through regulation. This will provide reassurance to consumers and the organisations that represent them that Royal Mail won't remove the

¹⁸⁸ Royal Mail, [Concession Redirection](#).

¹⁸⁹ Royal Mail, [Concession Redirection](#).

¹⁹⁰ DWP, [DWP benefits statistics: February 2021](#), 23 February 2021.

¹⁹¹ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.79.

discount. Ofcom's provisional assessment clearly states that some users find redirection to be unaffordable.¹⁹²

- 5.43. **There is currently no protection for consumers that the effect of the discount won't be removed, or cancelled out by an above inflation price rise. Ofcom must take an active approach to protecting the discount.**

Ofcom should ensure that people can afford redirection

Not everyone on a low income is eligible for the discount

- 5.44. People should not have to choose between buying postal products and other basic needs. Ofcom's research found that 1 in 4 (24%) of those who took out redirection had to cut back on essentials to be able to afford it.¹⁹³ Redirection prices are therefore failing the regulator's affordability test. And groups at greater risk of harm, including consumers with restricted mobility and people receiving benefits, are more likely to have to cut back.¹⁹⁴
- 5.45. Consumers in receipt of disability benefits, such as the Personal Independence Payment or Disability Living Allowance, are not eligible for the discount. Almost 3 in 10 people (29%) who are disabled have a household income of less than £19,999.¹⁹⁵ People receiving disability benefits may be on low incomes and struggle to afford redirection fees.
- 5.46. **Many people on low incomes may not be covered even by an expanded discount and will remain unable to afford redirection, including disabled consumers. Ofcom should re-assess whether there is a case for wider intervention into the general affordability of redirections.**

¹⁹² Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.80.

¹⁹³ Ofcom. [Redirections affordability research](#). 9 December 2021, slide 11.

¹⁹⁴ Ofcom. [Redirections affordability research](#). 9 December 2021, slide 11.

¹⁹⁵ Online survey of 6,000 UK 18+ adults between 6-24 January 2022, conducted by ICM.

Given the immense pressure on people's budgets, Ofcom should consider re-assessing overall affordability of redirections.

- 5.47. Ofcom estimates that a household in the lowest income decile would spend 11% of their disposable monthly income on redirection, once certain essential costs such as food and energy have been accounted for.¹⁹⁶ And this proportion is likely to increase in the context of a growing squeeze on incomes - see Section 6 for our evidence on how the cost of living crisis is affecting consumers' access to post.
- 5.48. This is making it harder to afford postal products. Ofcom's evidence has shown that increasing numbers are going without postage products due to the need to spend money on essentials, or in some cases going without basics such as food and heating in order to afford stamps.
- 5.49. The general affordability situation has deteriorated since Ofcom carried out its research in 2021, and will likely worsen in the context of a cost of living crisis. And we know that people face additional financial pressures when they move.
- 5.50. We share Ofcom's concerns that redirections would become unaffordable to a greater proportion of consumers if the price rose above the level of CPI inflation during the next review period.¹⁹⁷ Given high levels of CPI, even a rise in line with inflation could leave already squeezed households unable to afford to redirect.
- 5.51. **Therefore, Ofcom should consider re-assessing its provisional assessment that redirection is generally affordable.**
- 5.52. **We welcome the regulator's commitment to monitor redirection prices going forward.¹⁹⁸ But Ofcom should clearly set out what exactly it's monitoring and what level of price rises would trigger a re-assessment of broader intervention.**

¹⁹⁶ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.77.

¹⁹⁷ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.92.

¹⁹⁸ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.62.

Introducing price controls could help make redirections affordable

- 5.53. Ofcom should consider introducing price controls to protect consumers from ever increasing prices. Price controls are used in other industries to protect consumers. There are safeguard caps in utilities, financial services and other parts of postal services.¹⁹⁹
- 5.54. Royal Mail's monopoly on redirections means there is no pressure on them to reduce prices or improve quality. Citizens Advice agrees with Ofcom's assessment that:
- "We therefore provisionally find that Royal Mail is likely to face **limited constraints**, on the demand and supply side, **to prevent it from raising prices significantly**. This is consistent with the observation that prices have risen significantly over time [...]"²⁰⁰ (emphasis added).*
- 5.55. **Redirection is a USO product that should be delivered at affordable prices.²⁰¹ The service should be accessible to all movers, not just those who can afford the fees. Price caps are a proactive measure that can help protect consumers from harm.**

Ofcom should do more to safeguard the expanded discount and keep redirections affordable

- 5.56. Redirection is a USO product and it should be available for everyone. Not being able to afford a redirection can leave people risking harm to their finances, health and data security.
- 5.57. **The expanded discount is a step in the right direction. But Ofcom should ensure that Royal Mail improves awareness and take up of the discounted redirection scheme.**
- 5.58. **As well as monitoring and safeguarding the discount scheme, Ofcom should act to protect consumers from rising redirection prices during a cost of living crisis. Introducing price controls**

¹⁹⁹ PA Consulting, [Review of Supply Side Remedies](#), 26 February 2020, Table 3.

²⁰⁰ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.53.

²⁰¹ Ofcom, [The Postal Services \(Universal Postal Service\) Order](#), Schedule 3 (Addressee services).

would ensure that all home movers can access redirections at fair prices. Ofcom should re-assess whether it should intervene to protect consumers in this monopolistic market.

6. Affordability of post

Question 5.3: Do you have any further evidence on other issues raised in this section?

Summary

Ofcom must take a robust and proactive approach to understanding current affordability conditions. And it must be prepared to intervene where it finds evidence of harm.

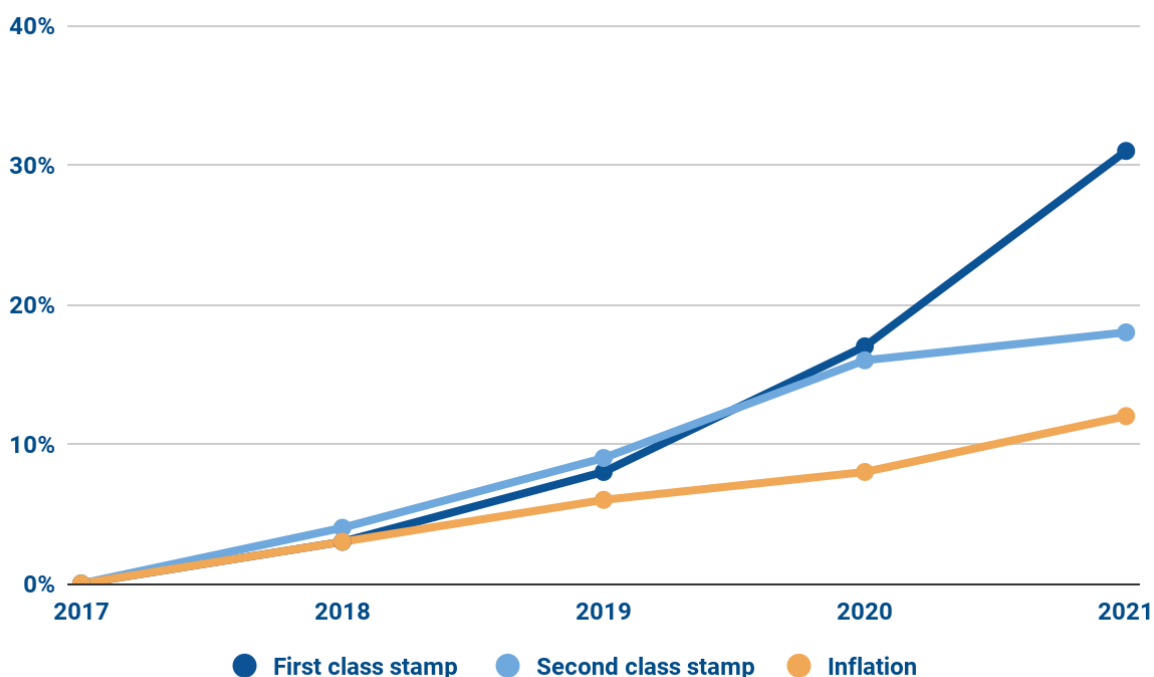
A significant minority already struggle to afford post, with some forced to choose between essentials and postage products. And it's vital that Ofcom has full and accurate data on household income and spending on post, in order to make the best decisions for consumers.

Postal consumers face wider affordability issues

- 6.1. The current safeguards caps play an important role to safeguard against unduly large price increases.²⁰² But beyond this minimum protection, Ofcom should act proactively to address wider affordability issues.
- 6.2. Consumers have faced increasing price rises to stamps over the last five years, beyond the rate of inflation. Even with price caps in place, the price of a second-class stamp was 17% higher in 2021 than in 2017. And the price of a first-class stamp has risen by 31% over the same period.

²⁰² Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.30.

Figure 6: Stamp price rises compared to inflation, 2017-2021:



Source: *The Great Britain Philatelic Society, [Letter and Packet Rates from 2006](#). Bank of England, [Inflation calculator](#).*

Last year, the price of a 1st class stamp increased by 12% to 86p. And recent Citizens Advice research showed that 75% thought it would be unfair to consumers for Royal Mail to raise prices by 12% again this year.²⁰³

Too many people find post unaffordable

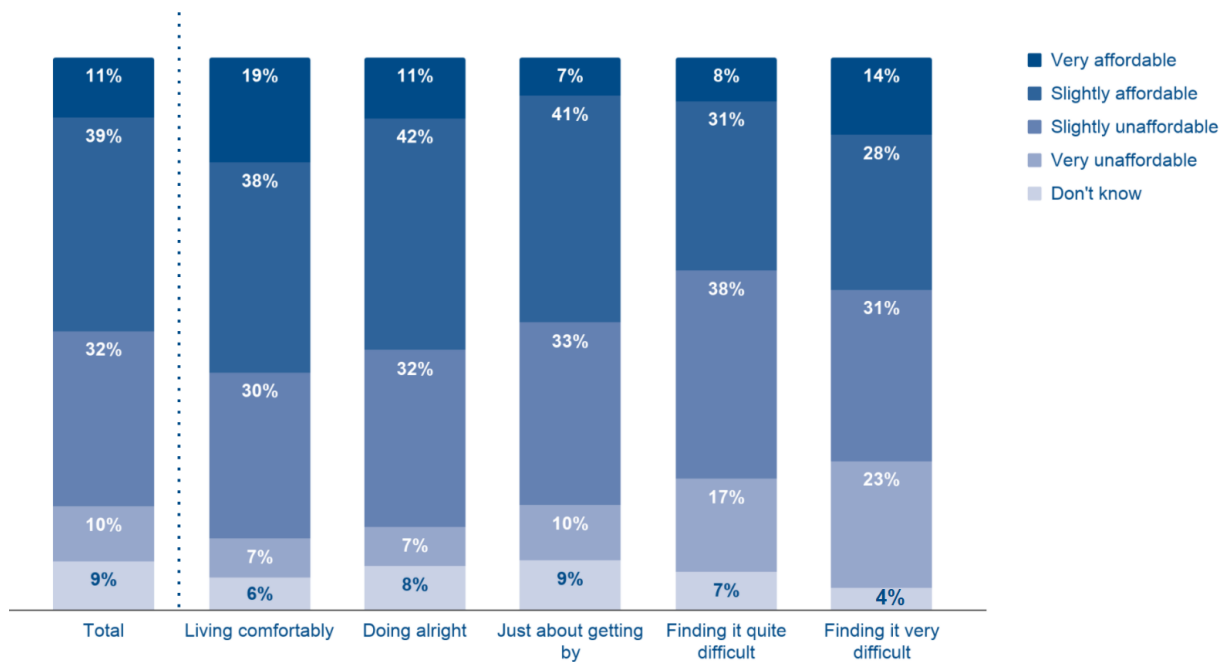
- 6.3. Even with caps in place, Citizens Advice research shows that 4 in 10 (42%) of consumers think the cost of sending letters and parcels is unaffordable.²⁰⁴
- 6.4. And those who say they're finding it "very difficult" to manage financially are 3 times as likely to say post is unaffordable compared to those "living comfortably" (23%, compared to 7%).²⁰⁵

²⁰³ Online survey of 4,165 UK adults carried out by Yonder Data Solutions 14-18 January 2022.

²⁰⁴ Online survey of 4,004 18+ UK adults, Opinium, 22 Feb - 2 Mar 2021.

²⁰⁵ Online survey of 4,004 18+ UK adults, Opinium, 22 Feb - 2 Mar 2021.

Figure 7: Many consumers think the cost of sending letters or parcels is unaffordable



Base: 4,004 18+ UK adults.

Source: Online survey, Opinium, 22 Feb - 2 Mar 2021.

6.5. Disabled people who say their disability affects their day-to-day living a lot were 3 times as likely to say postage is very unaffordable than those who aren't disabled (20%, compared to 7%).²⁰⁶

6.6. **Therefore, while safeguard caps shield consumers from the most extreme price rises, more action is required to combat wider affordability issues.**

The cost of living crisis could leave more people choosing between stamps and essentials

A growing minority have to cut back in order to afford postage

6.7. Struggling to afford post products has real impacts on people's lives, and can leave people facing difficult choices. Citizens Advice research this year spoke to consumers who had been forced to stop sending

²⁰⁶ Online survey of 4,004 18+ UK adults, Opinium, 22 Feb - 2 Mar 2021.

Christmas cards due to the price of stamps, or had been unable to afford a bus fare after purchasing post products.²⁰⁷

- 6.8. And even more concerningly, Ofcom’s own data shows that a growing minority of people are having to choose between paying for post or buying essentials such as food or heating.
- 6.9. In its most recent Residential Postal Tracker, 12% said they had cut back on essentials so that they could afford to buy postage stamps.²⁰⁸ And 16% said they had reduced their use of postage stamps in order to afford these necessities.²⁰⁹ Under Ofcom’s definition, it considers that postal services might be unaffordable for consumers when people are forced to take these actions due to the price of post.²¹⁰
- 6.10. The proportion of people making these kinds of cuts has been rising steadily and has tripled since 2018, when 4% reported cutting back in order to buy post.²¹¹
- 6.11. Those at greatest risk of disadvantage, detriment or harm are consistently more likely to go without essentials to afford postage. In the most recent data 1 in 6 (17%) of disabled consumers said they had done so. And almost 3 in 10 (28%) of consumers who are housebound say they have gone without essentials in order to buy postage.²¹²
- 6.12. The regulator’s definition of an unaffordable postal market is being met, and this is causing harm to those already likely to face detriment. The regulator should urgently take action to make sure this doesn’t continue.

And rising bills will lead to more difficult decisions for consumers

- 6.13. Ofcom has acknowledged the continuing potential for affordability issues, stating: “We do not expect affordability conditions, especially

²⁰⁷ BritainThinks, qualitative redirections research, fieldwork December 2021 - January 2022.

²⁰⁸ Ofcom, [Residential Postal Tracker Q1-Q4 2021](#), 14 February 2022, QF1.2.

²⁰⁹ Ofcom, [Residential Postal Tracker Q1-Q4 2021](#), 14 February 2022, QF1.1.

²¹⁰ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.62.

²¹¹ Ofcom, [Residential Postal Tracker Q3 2017-Q2018](#), 24 August 2018, QF1.2.

²¹² Ofcom, [Residential Postal Tracker Q3 2017-Q2018](#), 24 August 2018, QF1.2.

for the most financially vulnerable, to have improved materially since our 2019 review, in particular factoring in the economic impacts of the Covid-19 pandemic".²¹³

- 6.14. Since the 2019 review, many are also facing increasingly squeezed incomes as the cost of living rises. Citizens Advice data from November 2021 estimated that 1 in 5 people had already cut back on their food bill (19%) or used less heating (20%) in the previous three months in order to save money.²¹⁴ And the estimated rise to the energy price cap in April could leave a single adult paying a third of their standard allowance of Universal Credit on energy bills.²¹⁵
- 6.15. Hikes to energy bills and growing inflation, coupled with cuts to Universal Credit, leave consumers with less disposable income to spend on products such as post.

Ofcom must ensure it has the best data available to assess affordability conditions

Ofcom should assess spending on post in the context of households' disposable incomes

- 6.16. It's essential that Ofcom has full and accurate data about affordability conditions and spending on post in order to make the best decisions for consumers. This is particularly important in the current cost of living crisis, where people could face dramatic changes to their outgoings and priorities.
- 6.17. For example, it is important to consider spending on post in the context of disposable income after essential costs such as housing, food and energy bills. Ofcom acknowledges that low income households spend a higher proportion of their incomes on essentials.²¹⁶

²¹³ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.31.

²¹⁴ Citizens Advice, [Three million families facing crisis as cost of living crunch bites](#), 25 November 2021.

²¹⁵ Citizens Advice, [Soaring price cap set to leave energy bills as a proportion of benefits levels at 'generational high'](#), 13 January 2022.

²¹⁶ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.78.

- 6.18. For example, Ofcom’s analysis of spending on mail redirection showed that a 3-month redirection represented around 3.7% of monthly disposable income for a household in the lowest income decile.²¹⁷ But when it deducted essential household expenditures such as housing and food, the financial impact on lower-income households was heavily intensified. The same product represented 11.0% of the remaining income for a household in the lowest decile, compared to 0.4% for those in the highest.²¹⁸
- 6.19. The most recent ONS data, from 2019-20, showed that households in the lowest income decile spent 54% of their total weekly expenditure on essential items such as housing, food and transport.²¹⁹ And this figure does not take account of more recent rises to inflation and essential household bills, which leave families with even less disposable income.
- 6.20. Some groups are also seeing more rapid rises in core costs such as housing. For example, increasing numbers of households now rent rather than own their homes.²²⁰ Yet in the past two decades, the cost of renting has risen more steeply than mortgage costs.²²¹
- 6.21. **It is therefore vital that any assessment of affordability takes account of differing levels of disposable income, and the different budget pressures that can affect a household’s ability to spend money on post.**
- 6.22. **Ofcom has already used data on essential spending to make a meaningful assessment on the true financial impact of buying a mail redirection. It should now apply a similarly robust methodology to its understanding of overall spending on post products.**

²¹⁷ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, Table 5.7.

²¹⁸ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, Table 5.8.

²¹⁹ ONS, [Family spending in the UK: April 2019 to March 2020](#), 16 March 2021.

²²⁰ ONS, [UK private rented sector: 2018](#), 18 January 2019.

²²¹ Joseph Rowntree Foundation, [UK Poverty 2019-20](#), 7 February 2020, Full report, p.69.

Ofcom should ensure it is measuring all types of spending on post

- 6.23. Ofcom should ensure it looks beyond the ONS Food and Living Costs Survey to assess the amount of money households spend on post.
- 6.24. The ONS data alone is insufficient to measure total household spend, as it doesn't include all the relevant metrics. For example, the data doesn't include postage paid on cards that are purchased and sent through websites and apps such as Moonpig, Funky Pigeon or TouchNote. Yet the websites of 10 popular card-sending services all confirm that they use Royal Mail services to send cards.²²²
- 6.25. Citizens Advice also understands from the ONS Food and Living Costs team that any spending on postage for online parcels aren't included if this is bought as part of a retail purchase. For example, if a consumer buys a t-shirt online and pays £2.99 for delivery, this would be counted under online shopping, not postage.
- 6.26. **As the ways consumers buy post continues to develop, it is important that Ofcom has an up-to-date measure of what households are spending.**

There should be a clear definition of "affordable prices"

- 6.27. Despite the requirement for postal services to be affordable, there is no clear and transparent definition of what this means in practice.
- 6.28. Research from both Citizens Advice and Ofcom shows that a growing minority are struggling to afford postage products. And when combined with full and accurate data on households' available incomes and expenditure on post, a picture emerges of the growing unaffordability of post.
- 6.29. **People should not have to choose between paying for post or their weekly grocery bill. Yet 1 in 8 have to make this choice, while 4 in 10 describe postage costs as unaffordable.**

²²² The following companies use Royal Mail to deliver cards: [Moonpig](#), [TouchNote](#), [CardFactory](#), [Thortful](#), [Cardly](#), [Funky Pigeon](#), [Papier](#), [Snapfish](#), [PostSnap](#), [Scribbler](#).

- 6.30. **This does not fit within Citizens Advice’s understanding of how an affordable service should function. To improve affordability conditions, it is first essential to agree on a working definition of what an affordable postal service looks like for consumers.**

Ofcom should take a more proactive approach to addressing consumer harm

- 6.31. Ofcom’s current approach to identifying consumer harm isn’t proactive enough to secure good consumer outcomes. For example, Ofcom’s webpage on research into the affordability of universal postal services links to affordability data that is now 9 years old.²²³
- 6.32. Given the range of issues our research has uncovered, Ofcom should also take a more joined-up approach to looking at affordability across postal services. We strongly encourage Ofcom to include a project dedicated specifically to affordability issues as part of its work plan. This will help make sure nobody falls through the cracks.
- 6.33. Ofcom must take a robust and targeted approach to understanding current affordability conditions. And it must also take action where it identifies consumer harm.
- 6.34. Safeguard caps are a vital minimum tool to keep post affordable and should be preserved. But Ofcom has acknowledged that they aren’t enough for everyone, stating that “postal services may be unaffordable for some even under the cap”.²²⁴ And it is aware from its own data that groups most at risk of detriment and harm are making impossible cutbacks due to their inability to afford post. Yet it has not proposed further measures to improve affordability conditions beyond the cap.
- 6.35. **Ofcom should now urgently review its existing evidence on affordability and harm in the sector, to better inform its duty to ensure universal services remain affordable. It’s vital that the regulator acts more quickly to prevent harm to postal consumers.**

²²³ Ofcom, [Postal services research and data](#).

²²⁴ Ofcom, [Review of postal regulation: Consultation](#), 9 December 2021, para 5.31 b).

**And where harm has been identified through its monitoring,
Ofcom should intervene.**

7. Parcels market regulation

Question 6.1: *Do you agree with our assessment of the parcels market, namely that it is generally working well for consumers, but improvements are needed in relation to complaints handling and meeting disabled consumers' needs? Please substantiate your response with reasons and evidence.*

Summary

While we welcome Ofcom's proposals on complaints handling and meeting disabled consumers' needs, we do not agree with the overall assessment that the parcels market is generally working well for consumers.

We want to see Ofcom taking a more proactive approach to helping stop problems occurring in the first place by extending regulations around safety and security of mail and investigating the feasibility and desirability of an open access network of Pick Up Drop Off points.

- 7.1. We agree that urgent improvements are needed in relation to complaints handling and meeting disabled consumers' needs. But we don't agree with the assessment that the parcels market is generally working well for consumers.
- 7.2. The number of issues consumers experience in this market is unacceptably high. And while we welcome changes in complaints handling and meeting the needs of disabled consumers, we do not think Ofcom has gone far enough to protect consumers by preventing problems occurring in the first place.

Complaints processes are poor

- 7.3. We agree with Ofcom's assessment that consumer complaints are currently not handled in a satisfactory manner, causing many additional problems for consumers in both the B2C and C2X

markets.²²⁵ For more detail on our research into parcel complaints handling and our assessment on the proposed guidance, see Section 8.

- 7.4. Our research found that over two thirds (68%) of consumers experience at least one delivery problem in a three month period, with over a third (36%) having an issue with the last delivery they received.²²⁶
- 7.5. And while many consumers do not attempt to resolve their delivery problem we found that of those that do, 3 in 4 (74%) had further issues doing so.²²⁷
- 7.6. We therefore welcome the intention of the guidance and the additional specificity it provides in setting out actions operators should take to improve their processes. However, it is unclear to what extent operators are expected to follow the guidance, and how Ofcom will enforce this.
- 7.7. Data from both Citizens Advice and Ofcom suggests that operators are already failing to provide adequate complaints processes despite this being an obligation under Consumer Protection Condition (CPC) 3.2. Therefore, while additional detail and guidance is helpful, we do not believe this will be sufficient to address all the problems consumers currently face.
- 7.8. If improvements are not made promptly, Ofcom must be prepared to take enforcement action or strengthen regulation. And if the CPCs do not currently allow for effective enforcement action to be taken, Ofcom must consider changes to the conditions themselves.**

Disabled people face disproportionate harms

²²⁵ For evidence, see: Citizens Advice, [Citizens Advice response to Ofcom's Call for Inputs: Review of postal regulation](#), 22 June 2021.

²²⁶ Online survey of 7,194 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

²²⁷ Online survey of 7,194 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

- 7.9. We agree with Ofcom’s assessment of the issues faced by disabled consumers and welcome the proposed new condition. We set out our views on Ofcom’s assessment of the issues faced by disabled consumers in relation to parcel services, and the proposed new condition to better meet disabled consumers’ needs, in Section 9.
- 7.10. Our research has consistently found that disabled people and those with specific accessibility needs rely more strongly on online shopping and delivery services, but experience more issues than other consumers.^{228 229 230}
- 7.11. Our latest findings cement this trend, finding that 3 in 5 (59%) consumers with accessibility needs had a problem with their last delivery, compared to 36% of people without those needs.²³¹
- 7.12. **Going forward it’s crucial that Ofcom effectively monitors operators’ compliance with the new condition and is prepared to take enforcement action if companies are not meeting their duties.**

But the harms in the market are deeper than these issues

- 7.13. While we welcome the anticipated improvements in complaints handling and issues for disabled consumers, research from both Citizens Advice and Ofcom have identified significant consumer detriment in the parcels market.
- 7.14. Our latest research found that in a single week 2 in every 5 UK adults (41%) expecting a parcel had at least one delivery problem.²³² Of these, over half (58%) had a driver related cause.²³³ This indicates that these issues are directly related to problems in how companies currently

²²⁸ Citizens Advice, [The missing link: Why parcel companies must deliver for disabled people](#), 5 December 2019.

²²⁹ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

²³⁰ Online survey of 6,012 18+ UK adults, ICM Unlimited, 15 Jul - 2 Aug 2021.

²³¹ Online survey of 7,194 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

²³² Online survey of 6,000 UK 18+ adults between 6-24 January 2022, conducted by ICM.

²³³ Online survey of 6,000 UK 18+ adults between 6-24 January 2022, conducted by ICM.

carry out the last mile of delivery, rather than problems arising earlier in the supply chain.

- 7.15. These problems cause stress and anxiety and can take significant amounts of time to resolve.²³⁴ They also cost consumers money, with 1 in 10 incurring financial losses due to parcel problems. The average amount lost was £10.30.²³⁵
- 7.16. And more people than ever are turning to us for help. Between April 2020 at the start of the pandemic and December 2021, we saw over 500,000 visits to our parcels advice web pages. Over half of these visits (295,700) were in 2021. In December 2021 almost 30,000 people turned to our web pages for advice on orders that hadn't arrived.²³⁶
- 7.17. We have also seen a significant increase in the number of people ringing our Consumer Service helpline for advice about parcel-related problems. In 2021, the Consumer Service provided parcels advice to 25,700 clients. This averages at over 2,100 cases a month.²³⁷
- 7.18. Traffic to our parcels advice web pages has also been significantly higher since the beginning of the pandemic. We logged sharp rises during the periods of greatest Covid restrictions as well as during the peak Christmas season.²³⁸

²³⁴ Parcel problems take an average 2 hours to resolve, see: Citizens Advice, [Citizens Advice says problems with parcels cost consumers at least £85 million a year](#), 5 December 2019.

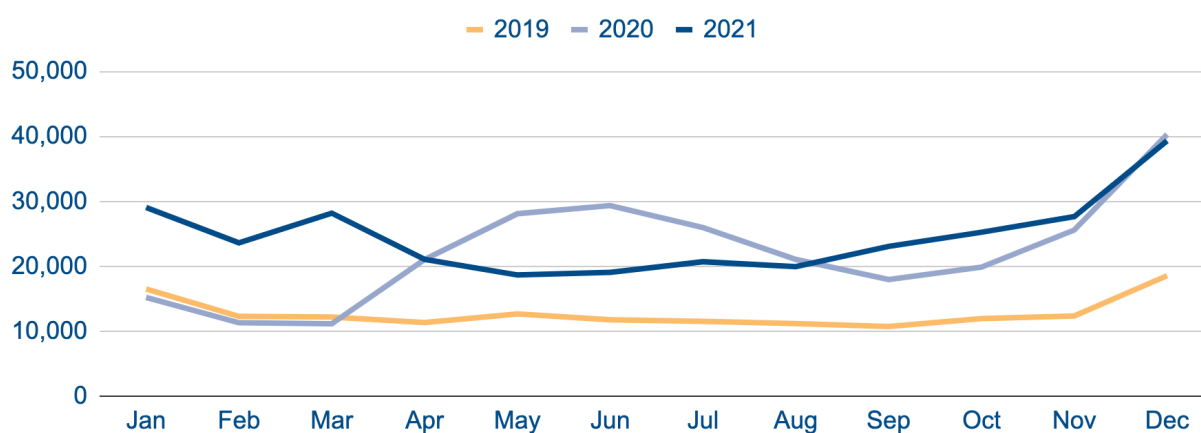
²³⁵ Citizens Advice, [Citizens Advice response to Ofcom's Call for Inputs: Review of postal regulation](#), 22 June 2021.

²³⁶ Citizens Advice, Post: The state of the sector in 2022, forthcoming report.

²³⁷ Citizens Advice, Post: The state of the sector in 2022, forthcoming report.

²³⁸ Citizens Advice, Post: The state of the sector in 2022, forthcoming report.

Figure 8: Views to Citizens Advice parcel advice web pages 2019-2020



Source: Citizens Advice data

And these harms are not evenly distributed

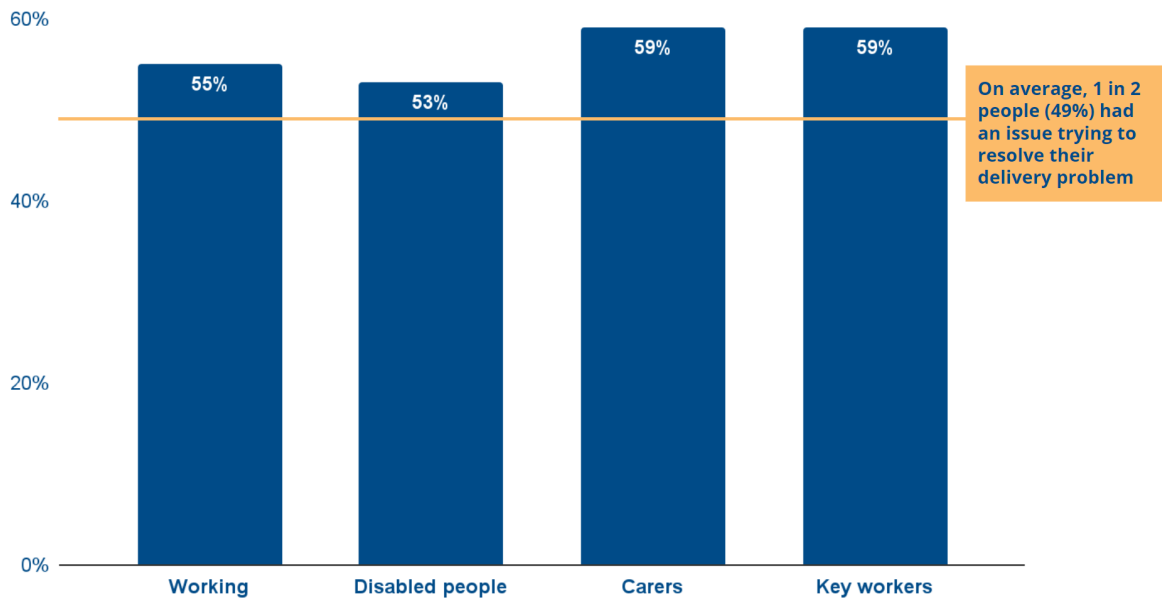
- 7.19. As we have argued previously, the harms in the parcel delivery market are not evenly distributed. They disproportionately impact time-poor groups, disabled people and those with specific access needs.²³⁹
- 7.20. Our latest research shows that 36% of consumers had a problem with their last parcel delivery. But this percentage increases significantly for certain groups. Workers are more likely to have had a problem with their last delivery than non-workers (42% of workers, and 27% of non-workers). This percentage rises even further for key workers (48% had a problem with their last delivery), and shift workers (59%). Carers are also more likely to have delivery problems with 46% of those in our sample experiencing a problem with their last delivery.²⁴⁰
- 7.21. Home delivery is supposed to offer a convenient solution for those with unpredictable schedules, who don't have time to go to shops, or have specific access needs. But when these are the very groups of people experiencing the most problems, losing the most money as a result, and the most likely to struggle to put problems right this

²³⁹ Citizens Advice, [Citizens Advice response to Ofcom's Call for Inputs: Review of postal regulation](#), 22 June 2021.

²⁴⁰ Online survey of 7,194 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

suggests a market which isn't working for the people who rely on it the most.^{241 242}

Figure 9: Percentage of consumers experience additional issues resolving a parcel delivery problem



Source: Online survey, Opinium, 21 Oct - 29 Oct 2021
Base: 7,194 18+ UK adults

7.22. The parcels market in its current form is not working for consumers, especially those who rely on it the most. The market needs to adapt to serve consumers, not the other way round. It's consumers who have to wait at home when it's inconvenient to do so, make sure they come to the door quickly, and shift responsibilities to try and avoid problems.

7.23. Ofcom must do more to protect people who can't let their lives revolve around the supposed convenience of home delivery. We therefore urge Ofcom to extend mail security regulation to reduce the number of misdeliveries, and look into the increased provision of alternative delivery options.

²⁴¹ Online survey of 8,001 18+ UK adults, Opinium, 15 Dec 2020 - 5 Jan 2021.

²⁴² Online survey of 7,194 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

Ofcom should strengthen regulation around parcel security to combat misdelivery

- 7.24. While theft appears to be a minor issue, misdelivery is a significant problem for consumers. Our research has highlighted that 10 people have parcels lost or stolen every minute.²⁴³ And 11% of consumers experience misdelivery issues every week where parcels are at risk of being lost or stolen.²⁴⁴
- 7.25. With the huge rise in parcel volumes, drivers are under increasing pressure to deliver large numbers of parcels each day. Our research has revealed that this pressure can lead to drivers making mistakes such as delivering to the incorrect address, or not filling out “sorry we missed you” slips fully. In other cases, drivers can adopt suboptimal practices such as leaving parcels in insecure locations to get the job done.²⁴⁵
- 7.26. These practices increase the risk of theft, loss and damage to parcels. All of these can cause stress and inconvenience to consumers as they seek to locate their items.²⁴⁶ Increasing regulation around the safety and security of parcels could mitigate consumer harm resulting from misdelivery.
- 7.27. Over half (59%) of parcels are carried by unregulated operators.²⁴⁷ We are therefore disappointed that Ofcom has not taken the opportunity to extend Essential Condition 1 to all parcel operators and protect consumers from harm across the market, not just when their parcel is carried by the Universal Service Provider.

²⁴³ Citizens Advice, [Citizens Advice sounds the alarm on parcel delivery market as ten people have parcels lost or stolen per minute](#), 30 July 2021.

²⁴⁴ Online survey of 6,000 UK 18+ adults between 6-24 January 2022, conducted by ICM. Misdelivery is defined as consumers for whom the parcel was left in an insecure location, the parcel was left with neighbours without my consent, the delivery driver didn't follow the delivery instructions, or the parcel was left in an inaccessible location.

²⁴⁵ Citizens Advice, [Sorry we missed you](#), 30 July 2021.

²⁴⁶ For more details on the impacts of parcels left in insecure locations see: Citizens Advice, [Citizens Advice response to Ofcom's Call for Inputs: Review of postal regulation](#), 22 June 2021.

²⁴⁷ Apex Insight Ltd, [UK Parcels Market Insight Report](#), December 2020, p. 71.

- 7.28. **We urge Ofcom to reconsider extending Essential Condition 1 to all parcel companies and protect consumers no matter which company delivers their parcels.**

The number of failed first time deliveries

- 7.29. We welcome Ofcom’s proposed changes to safeguards for disabled people and guidance on complaints handling. But we believe it has not gone far enough to prevent problems from happening in the first place.
- 7.30. Parcel delivery is an essential service that many people rely on, not a “nice to have”. But the number of problems people experience is unacceptably high.
- 7.31. This is especially true of issues relating to failed deliveries, where consumers do not successfully receive their item on the first delivery attempt.
- 7.32. Our research shows that 6.3 million consumers (12%) have at least one failed first time delivery each week.²⁴⁸ And while Ofcom’s proposed changes to regulation should help disabled people, they won’t do much to make the parcel delivery process more successful for other groups.
- 7.33. Previous data suggests that as the number of deliveries increases, the number of failed first time deliveries also increases.²⁴⁹ Although this data is old, given the number of consumers coming to us for help since the pandemic led to increased consumer reliance on online shopping, it appears that this link is still firmly in place.
- 7.34. In a well-functioning market we would not expect to see these kinds of endemic issues. We would expect to see the industry react to the

²⁴⁸Online survey of 6,000 UK 18+ adults between 6-24 January 2022, conducted by ICM. Failed first time delivery defined as consumers for whom: the delivery driver left before they could get to the door, the parcel didn't arrive when it was expected, and when the consumer received a 'sorry you were out' slip despite being home.

²⁴⁹ Citizens Advice, [Trends in the Postal Services Market](#), 18 May 2018.

problem by developing innovative solutions to ensure successful delivery.

- 7.35. And while there has been some innovation in the parcels market to increase successful delivery rates, such as the increased use of Pick Up and Drop Off (PUDO) points,²⁵⁰ they have struggled to make a significant impact for consumers. This is because they are usually tied to use by particular delivery companies. This carrier exclusivity reduces the reach of positive initiatives and significantly reduces any benefits to consumers who, more often than not, don't have any control over which parcel delivery company they use.
- 7.36. The creation of an open-access PUDO network could be of significant benefit to consumers, which would help avoid the estimated 328 million failed first time deliveries each year.²⁵¹
- 7.37. Pick Up Drop Off points are not just of benefit to consumers.²⁵² They also provide benefits to workers and the environment. For drivers, PUDO points can mean guaranteed income or faster delivery rounds with no need to attempt redelivery at a later date or return parcels to depots.²⁵³ And delivery to a Pick Up Drop Off point is also more environmentally efficient, leading to fewer road miles and lower emissions by both delivery companies and consumers.²⁵⁴
- 7.38. **We therefore recommend that Ofcom investigate the desirability and feasibility of an open-access network of this kind as part of its ongoing programme of work into the postal market. We note that Ofcom has a project in its work plan on Sustainability and Climate Change. We believe an investigation into how to improve consumer use and access to PUDOs offers an excellent**

²⁵⁰ Ofcom, [Review of postal regulation: Call for inputs](#), 11 March 2021, para 2.12.

²⁵¹ Online survey of 6,000 UK 18+ adults between 6-24 January 2022, conducted by ICM.

²⁵² For details on consumer benefits and acceptance of out-of-home delivery options see: Ofcom, [Review of postal regulation: Call for inputs](#), 11 March 2021, chapter 6.

²⁵³ For more on the benefits of PUDOs for delivery drivers see: Citizens Advice, [Sorry we missed you](#), 30 July 2021.

²⁵⁴ For details on the environmental benefits of PUDOs see: Ofcom, [Review of postal regulation: Call for inputs](#), 11 March 2021, chapter 6.

opportunity for Ofcom to help companies meet their net-zero targets.

Ofcom should go further to create a parcels market consumers can rely on

- 7.39. Although many people get their parcels delivered without problem, the number of people experiencing issues is simply too high for this to be considered a well functioning market and for Ofcom’s “light-touch” approach to be appropriate.
- 7.40. We are pleased with the direction of travel, but Ofcom must go further to stop problems happening in the first place and make sure consumers can rely on the parcels market.
- 7.41. We welcome Ofcom’s proposal on disability. But the regulator must now set out clear proposals on how this will be monitored and reviewed on a regular basis, as well as enforced if necessary.
- 7.42. Ofcom should also introduce a framework for monitoring the impacts of the complaints guidance, with parameters and a timeframe for assessment of how it is working, and clear mechanisms for regulating non-compliance.
- 7.43. **Ofcom should extend Essential Condition 1 to all parcel companies. This will help avoid problems with misdelivery and to protect consumers’ parcels no matter which company is delivering them.**
- 7.44. **And it should investigate the feasibility and desirability of introducing an open-access Pick Up Drop Off point network. This would confer benefits not only to consumers but also to drivers and the environment.**

8. Parcels complaints processes

Question 6.2: *Do you agree with our assessment of the consumer issues in relation to complaints handling and our proposed guidance? Please substantiate your response with reasons and evidence.*

Summary

We agree with Ofcom's assessment that complaints processes are currently failing consumers in both the B2C and C2X segments of the parcels market, and welcome the intention of more detailed guidance for operators.

However, we don't believe that guidance alone is sufficient. Ofcom must set out a clearer relationship between the outlined expectations and regulation and as part of the guidance strategy, there must be regular monitoring and review of data from parcel companies.

Where operators are continually unwilling to meet their obligations, Ofcom should set out regulatory consequences and be prepared to take enforcement action, including strengthening or changing the Consumer Protection Condition itself.

Complaints processes are letting consumers down

- 8.1. We agree that consumer complaints are currently not handled in a satisfactory manner, which causes many additional problems for consumers. We welcome the intention of the guidance and the additional specificity setting out the actions operators should take.
- 8.2. Our research has shown that the existing consumer protection measures do not provide effective protection for users of parcel services. Many experience issues resolving delivery problems and receiving redress.

- 8.3. In 2021, we found that 68% of consumers who had purchased something within the last 3 months experienced a delivery problem.²⁵⁵ Over a third (36%) had an issue with the last delivery they received.²⁵⁶
- 8.4. Our research also found that almost 3 in 5 consumers (57%) who had a problem didn't take action.²⁵⁷ Of those, almost a third (32%) said this was because they didn't believe it would make a difference, while others did not have the time to attempt the redress process.²⁵⁸
- 8.5. However, of the two thirds (66%) of consumers who did attempt to resolve their delivery problems, we found that nearly 3 in 4 (74%) had further issues doing so.²⁵⁹ Many even struggled to make contact with operators and retailers.²⁶⁰
- 8.6. The obstacles to redress that people face include struggling to find contact details, having to send multiple emails or make multiple calls, and receiving a slow response.²⁶¹ Analysis we conducted last year found that over a third of the major parcel companies don't provide consumers with any online information about how to complain about a delivery problem.²⁶²
- 8.7. Many operators also use automated phone lines and chat bots, which are a cause of frustration for consumers.²⁶³ Last year, our research showed that over a third (36%) of consumers who attempted to resolve a problem with a delivery company had difficulties with an automated system.²⁶⁴

²⁵⁵ CATI survey of 2,007 18+ GB adults, Yonder Data Solutions, 2 Aug - 18 Aug 2021.

²⁵⁶ Online survey of 7,194 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

²⁵⁷ Online survey of 2,092 18+ UK adults, YouGov, 15 Sep - 16 Sep 2020.

²⁵⁸ Online survey of 2,092 18+ UK adults, YouGov, 15 Sep - 16 Sep 2020.

²⁵⁹ Online survey of 7,194 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

²⁶⁰ Online survey of 2,092 18+ UK adults, YouGov, 15 Sep - 16 Sep 2020.

²⁶¹ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

²⁶² Analysis of Amazon Logistics, APC, DHL, DPD, DPD Local, DX, FedEx, Hermes, Parcelforce, Royal Mail, TNT Express, Tuffnells, UK Mail, UPS and Yodel, April 2021.

²⁶³ Citizens Advice, [Parcel Delivery Complaints on Social Media](#), 27 February 2019.

²⁶⁴ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

- 8.8. When consumers do manage to contact operators, a response often requires multiple attempts, can be slow, and doesn't guarantee redress.²⁶⁵

Consumer Service case, November 2021

Maria sold 6 items online, 4 of which were sent together and the other 2 a few days later. The tracking says they were collected, but then it stopped. She tried to get hold of the delivery company but couldn't speak to anyone. Eventually, she was told her parcels were lost and she can't claim any compensation. Maria feels she was misled and the poor service meant it was very difficult to contact anyone and find out what was happening.

Consumer Service case, January 2022

Helen was expecting 3 different parcels to be delivered by a parcel company, but none of them have arrived. She tried contacting both the retailer and the delivery company, but has only been able to reach automated bot responses. The parcel company sent pictures of a blue door as proof of delivery when she doesn't have a blue door, and told her she wasn't in when she was at home waiting for the delivery. Helen has felt unnecessarily stressed and anxious in the past few weeks, and feels scared to buy online now as she can't choose who delivers her orders.

Guidance alone isn't sufficient

- 8.9. We have seen significant evidence of operators failing to provide adequate complaints processes despite this being an obligation under Consumer Protection Condition (CPC) 3.2. Our research shows that one of the causes of consumer detriment results from not being able to find someone to take responsibility for their problem, with 1 in 10 online shoppers saying they've experienced the retailer or parcel company passing responsibility for the problem to the other business.²⁶⁶

²⁶⁵ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

²⁶⁶ Online survey of 5,006 18+ UK adults, Opinium, 2 Aug - 13 Aug 2019. For more information, see Citizens Advice, [Citizens Advice response to Ofcom's call for inputs](#), 22 June 2021, p.88.

- 8.10. While consumer contracts are with the retailer, it's often in practice the parcel operators that are best placed to resolve any issue, particularly around delivery.
- 8.11. It's therefore crucial that parcel operators have a clear and accessible complaints process in place for consumers. Currently, CPC3.2 states that postal operators must have a simple complaints process for dealing with complaints of consumers of postal services. In this instance consumers are defined as "a person who uses postal services either as a sender or an addressee".²⁶⁷
- 8.12. This means that delivery companies should be facilitating the fair and prompt settlement of disputes for both addressees and senders. While the B2C share of the parcels market is larger, consumers experience detriment when C2X services are inadequate, including small businesses that rely on online selling.²⁶⁸

Regulation is needed to ensure effective consumer protection

- 8.13. We welcome the guidance as a step in the right direction. But we don't believe that guidance alone will create the necessary changes consumers need.
- 8.14. Ofcom's Consumer Protection Condition 3 sets out that "postal operators shall establish, make available and comply with transparent, simple and inexpensive procedures for dealing with complaints of consumers of postal services, which facilitate the fair and prompt settlement of disputes."²⁶⁹
- 8.15. This condition has been in place under Ofcom's regulatory remit since 1 April 2014.²⁷⁰ CP3.3.2 clearly sets out the requirements for complaints handling procedures. However, both our research and

²⁶⁷ Ofcom, [Consumer Protection Condition 3: Complaints handling and redress](#).

²⁶⁸ Citizens Advice, [Consumer use and experience of parcel sending services](#), May 2018.

²⁶⁹ Ofcom, [Consumer Protection Condition 3: Complaints handling and redress](#).

²⁷⁰ Ofcom, [Consumer Protection Condition 3: Complaints handling and redress](#).

Ofcom's own has shown that many of these basic requirements aren't currently being met.

- 8.16. For instance, desk research we conducted showed that the websites of 4 out of the 15 largest parcel companies provide consumers with no online information about how to complain about a delivery problem.²⁷¹ This is despite the requirement set out in CP3.3.2 that a complaints handling procedure must "set out contact details to allow a relevant consumer to make a consumer complaint."²⁷²
- 8.17. Ofcom acknowledges that there are issues with consumer satisfaction with regard to complaints resolutions, and that there is "significant variation between operators."²⁷³ And its research on C2X parcels found that 1 in 10 consumers who complained felt their issue was not resolved at all, while more than 2 in 5 said it was only partially resolved.²⁷⁴
- 8.18. There is a significant amount of evidence, both outlined above and from Ofcom's own research, that the problem with complaints does not stem from a lack of detail about what complaints handling processes should look like.
- 8.19. Instead, it's clear that the extent to which operators have followed the condition and created "clear and accessible" processes for consumers has been poor. Consumers are not being adequately protected, and they frequently struggle with resolving delivery problems, leaving them to face a lottery on the support provided when deliveries go wrong.
- 8.20. The guide to treating customers fairly allows for Ofcom to set out in more detail how providers can meet their obligations to consumers.
- We support Ofcom's proposals to add guidance and greater detail on the complaints handling processes operators should put in place.**

²⁷¹ Analysis of Amazon Logistics, APC, DHL, DPD, DPD Local, DX, FedEx, Hermes, Parcelforce, Royal Mail, TNT Express, Tuffnells, UK Mail, UPS and Yodel, April 2021.

²⁷² Ofcom, [Consumer Protection Condition 3: Complaints handling and redress](#).

²⁷³ Ofcom, [Consultation: Review of postal regulation](#), 9 December 2021, para 6.102.

²⁷⁴ Ofcom, [C2X parcels consumer research](#), p.13.

- 8.21. But guidance is not synonymous with regulation. Its positive purpose is clear in adding to the CPC3.2's framework, which helps operators ensure that they are meeting their obligations to consumers.
- 8.22. However, the consequences for choosing not to follow the guide are unclear. It's not made explicit whether deviation from the guidance constitutes a breach of fairness, transparency and effectiveness requirements under CPC 3.2. The relationship between the guide and enforcement action is therefore ambiguous.

Ofcom must set out a clearer relationship between guidance and regulation

- 8.23. For guidance to be effective, Ofcom should set out a clearer relationship between the outlined expectations and regulation. It's currently unclear to what extent operators are expected to follow the guidance, the parameters within which their performance will be monitored, and the consequences (if any) for failing to meet those expectations.
- 8.24. We have seen that there are many instances of providers failing to follow guidance, and it appears that few providers follow most or all of the requirements relating to complaints handling and redress. Furthermore, operators who have failed to follow requirements from CPC3.2 don't appear to have faced consequences such as enforcement action.
- 8.25. **Increased specificity to the guidance around Consumer Protection Condition 3.2 is a positive step in helping firms better understand how to meet their obligations. However, increased specificity cannot be the only tool in the armoury against poor treatment of consumers. If providers already choose not to follow aspects of the guidance, it's unclear that more specificity will convince them to begin doing so.**

Guidance must be supported by regulatory action when necessary

- 8.26. **As part of the guidance strategy, there must be regular monitoring and review of data from parcel companies. Reactive examination or investigation of specific cases will not incentivise operators to make comprehensive improvements to their complaints processes.**
- 8.27. **Where operators are continually unwilling to meet their obligations, Ofcom should set out regulatory consequences and be prepared to take enforcement action, in line with the Consumer Protection Condition.**
- 8.28. **This may also require strengthening or changing regulation. If the Consumer Protection Condition itself does not allow for enforcement action in the case of non-compliant complaints processes, Ofcom should consider changes to the Condition itself, including expanding its remit beyond the Universal Service Provider alone.**

9. Protections for disabled people

Question 6.3: *Do you agree with our assessment of the issues faced by disabled consumers in relation to parcel services and our proposed new condition to better meet disabled consumers' needs? Please substantiate your response with reasons and evidence.*

Summary

We agree with Ofcom's assessment of the issues faced by disabled consumers. Our research has shown that consumers with specific accessibility needs disproportionately experience delivery problems, and are also more severely affected by them.

We welcome the proposed new condition, which presents a framework for operators to better meet disabled consumers' needs around parcel delivery.

Disabled consumers disproportionately experience detriment from delivery problems

- 9.1. We agree with Ofcom's assessment of the issues faced by disabled consumers. These consumers are more likely to have problems with parcel delivery, as well as to experience detriment from those services failing to meet their needs.
- 9.2. We welcome the proposal to introduce a new condition to require parcel operators to publish policies and procedures for how disabled consumers' specific needs will be met, including how delivery staff on the ground will act on their delivery requests.²⁷⁵
- 9.3. Our research has consistently found that disabled people and those with specific accessibility needs rely more strongly on online shopping

²⁷⁵ Ofcom, [Consultation: Review of postal regulation](#), 9 December 2021, para 6.160.

and delivery services, but experience more issues than other consumers.^{276 277 278}

- 9.4. They frequently lack time to get to the door or cannot access parcels where they are left by delivery drivers.^{279 280} For many disabled people, delivery problems are exacerbated by not being able to make operators aware of their needs.^{281 282}
- 9.5. This creates a “vicious cycle” of delivery issues, whereby those who depend most on the delivery market bear the brunt of its failures.²⁸³

Consumer Service case, January 2022

Sophie ordered an item online and when it was delivered, the courier left the parcel on her doorstep and took photos. She hasn't found or received the items, so she filled in a form but hasn't received a refund. Sophie is disabled and dyslexic, and lives alone. This has affected her mentally as she doesn't have anyone who can help her, but she doesn't know what to do to get a refund.

- 9.6. Over the past year, we have seen disabled consumers continue to be placed at the sharp end of the delivery market, particularly with the coronavirus pandemic increasing consumer reliance on online shopping.
- 9.7. We found that before the pandemic, a third of consumers (36%) received a parcel at least once a week. In comparison, nearly 1 in 2 consumers (48%) received one or more parcels a week after the first

²⁷⁶ Citizens Advice, [The missing link: Why parcel companies must deliver for disabled people](#), 5 December 2019.

²⁷⁷ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

²⁷⁸ Online survey of 6,012 18+ UK adults, ICM Unlimited, 15 Jul - 2 Aug 2021.

²⁷⁹ Citizens Advice, [The missing link: Why parcel companies must deliver for disabled people](#), 5 December 2019.

²⁸⁰ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

²⁸¹ Citizens Advice, [The missing link: Why parcel companies must deliver for disabled people](#), 5 December 2019.

²⁸² Citizens Advice, [Over 7 million disabled people faced delivery problem in single week, despite online shopping being a lockdown lifeline](#), 11 Aug 2020.

²⁸³ Citizens Advice, [Response to Ofcom's call for inputs](#), p.79.

lockdown in March 2020, showing a significant increase from pre-coronavirus frequency levels.²⁸⁴

- 9.8. While they generally face the same kinds of misdelivery problems as other consumers (such as being told the parcel has been delivered when it hasn't, or drivers leaving before they can get to the door), they experience them at a higher rate.
- 9.9. We found that in summer 2021, 30% of disabled people had experienced a parcel delivery problem in the last week, compared to 19% of non-disabled consumers.²⁸⁵
- 9.10. In August 2021, almost 1 in 3 disabled consumers (29%) who had bought online in the previous 3 months had a delivery in that time where they didn't get to the door before the delivery driver left. A similar proportion had their delivery left in an insecure location (26%).²⁸⁶
- 9.11. And in our latest research, we found that 3 in 5 (59%) of consumers with accessibility needs had a problem with their last delivery, compared to 36% of people without those needs.²⁸⁷

Consumer Service case, January 2022

Eve asked a parcel company to deliver her parcels to her door as she's disabled. However, they said they wouldn't, even though there is no reason they shouldn't be able to. She believes they are discriminating against her.

Disabled consumers face disproportionate impacts when their needs are not met

- 9.12. For many disabled people, going to shops in-person is difficult for a variety of reasons. 3 in 5 of disabled consumers find going to shops creates anxiety, and 2 in 5 have difficulties with the travel required.²⁸⁸

²⁸⁴ Online survey of 4,043 18+ UK adults, Savanta, ComRes, 1 Apr - 7 Apr 2021.

²⁸⁵ Online survey of 6,012 18+ UK adults, ICM Unlimited, 15 Jul - 2 Aug 2021.

²⁸⁶ CATI survey of 2,007 18+ GB adults, Yonder Data Solutions, 2 Aug - 18 Aug 2021.

²⁸⁷ Online survey of X 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

²⁸⁸ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

- 9.13. And disabled people rely more on deliveries, with 30% saying that they “could not or don’t know how they would cope” without them. This is compared to 23% of the average of all respondents.²⁸⁹
- 9.14. Even though 95% of disabled people experience one or more obstacles to shopping in-person, delivery services are currently failing to meet their needs.²⁹⁰

The proposed new condition is a positive step towards meeting disabled consumers’ needs

- 9.15. We agree with the suggestion that operators should address, at a minimum, how disabled consumers can communicate their delivery needs, and how employees can meet those needs during delivery.²⁹¹
- 9.16. Our own disability charter commits signatories, both retailers and parcel operators, to allow disabled consumers to specify any additional needs and ensure all PUDO points meet their needs.²⁹² However, it appears only one operator (DHL) has taken significant action so far.²⁹³
- 9.17. **We look forward to the implementation of this condition, and the ongoing assessment of its impact for disabled consumers.**
- 9.18. **Monitoring of compliance from operators through data sharing and research will be important going forward, and Ofcom should be prepared to take enforcement action if companies are not meeting their duties.**

²⁸⁹ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

²⁹⁰ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

²⁹¹ Ofcom, [Consultation: Review of postal regulation](#), 9 December 2021, para 6.160.

²⁹² Citizens Advice, [Delivery charter for disabled consumers](#), Nov 2018.

²⁹³ Post & Parcel, [AI technology to solve common delivery challenges for people with disabilities](#), Apr 2021.

10. USO parcels regulation

Question 7.1: *Do you agree with our proposal not to include tracking facilities within First and Second Class USO services? Please substantiate your response with reasons and evidence.*

Summary

No, we don't agree with the proposal not to include tracking facilities within First and Second Class USO services. While we wouldn't want to see the introduction of tracking excuse price increases, tracking is a widely accepted industry standard and protects consumers against parcel delivery issues.

We understand that USO services are designed to be basic and any changes to include tracking into the USO have the potential to alter market dynamics. Nevertheless, for the USO to remain relevant it's imperative for it to keep pace with the changing needs and expectations of consumers.

We therefore urge Ofcom to consider consumer needs, as well as market dynamics, when making this decision.

Tracking is valued by consumers

- 10.1. We don't agree with the proposal not to include tracking facilities within the First and Second Class USO services. Tracking is valued by consumers and provides several benefits, particularly around resolving issues with misdelivery, dispute resolution and compensation for lost items.
- 10.2. The ability to track a parcel is highly valued by consumers. Our research found that almost half (49%) of consumers listed the ability to track their parcels as very important and listed tracking amongst the three most important attributes of a delivery service (alongside parcels arriving when they are supposed to and low prices).²⁹⁴

²⁹⁴ Online survey of 4,043 18+ UK adults, Savanta ComRes, 1 Apr - 7 Apr 2021.

- 10.3. When sending and receiving a parcel 2 in 5 (42%) of consumers say that tracking is essential, with only 4% saying that tracking isn't important.²⁹⁵

Tracking also protects consumers from harms in the parcels market

- 10.4. Tracking provides a number of benefits to consumers, as well as preventing them from harm such as:

The ability to forward plan

- 10.5. Almost 1 in 5 (18%) consumers who missed a delivery said they missed it because they didn't know when it would arrive, and so weren't at home to receive the parcel.²⁹⁶
- 10.6. Knowing where a parcel is and what day, and even time, it's expected to arrive can help consumers plan their day. This gives them the option of adjusting their schedule to increase the chances of a successful delivery.
- 10.7. Tracking can also alert consumers ahead of time to any potential delays in delivery so that they don't have to wait at home unnecessarily.

Providing peace of mind

- 10.8. Tracking can offer consumers peace of mind knowing where their item is and when it's likely to arrive. The ability to check on the progress of their parcel or letter can provide reassurance without having to contact delivery companies or retailers.
- 10.9. And although tracking won't help items to arrive any faster, knowing where a parcel is and being able to see that it will arrive in time for a special occasion, or being able to inform a recipient when the item will arrive can be reassuring.

²⁹⁵ Online survey of 4,004 18+ UK adults, Opinium, 22 Feb - 2 Mar 2021.

²⁹⁶ Online survey of 2,092 18+ UK adults, YouGov, 15 Sep - 16 Sep 2020.

- 10.10. This can be especially useful in situations where there is a financial element involved, such as consumers wanting to find out whether their online shopping returns have been delivered successfully. Tracking helps to remove some of the risk that comes with returning items, especially those of high value. Currently consumers have to decide whether to shoulder the risk of non-delivery if purchasing a non-tracked product or, if they are using Royal Mail, pay a significant premium for an insured, tracked product.

Citizens Advice Consumer Service case, November 2021

Mark returned an item for a refund within the correct time frame and received a proof of postage receipt. After 4 weeks the company hadn't received the item, but because he didn't have a tracking number he couldn't get refunded. Mark explained he had the proof of postage which is the normal process for a refund, but the company explained this is an issue with the parcel operator.

Aiding in effective dispute resolution

- 10.11. If an item goes missing in transit, tracking systems can provide more information about its location and may make it easier to find, reducing the time a consumer has to wait to receive their item.
- 10.12. Tracking can also provide evidence of a failure of service such as items arriving late or being delivered to the wrong address making it easier for consumers to gain redress.
- 10.13. For consumers or small businesses sending parcels, tracking can be essential in effective dispute resolution. Tracking can provide details of when and where a parcel was delivered making it easier to identify cases of fraud.

Citizens Advice Consumer Service case, February 2021

Sasha bought a guitar from France but decided to return this to the sender. The seller later claimed that he did not receive the guitar. However, Sasha had confirmation from the parcel company that the guitar was successfully delivered and the recipient had signed for the parcel.

10.14. Our latest research shows that in a single week 17% of consumers expecting a parcel have misdelivery related problems such as parcels left in insecure locations and delivery drivers not following instructions.²⁹⁷ This kind of issue can make it hard for consumers to locate their parcels. Detailed tracking could help consumers find their parcels more easily, by accessing any related geo-location data.

Tracking is a widely accepted industry standard

10.15. All major parcel companies in the UK offer tracking services as a standard feature for all deliveries. This includes Amazon Logistics, APC, DHL, DPD, DPD Local, DX, FedEx, Hermes, Parcelforce, TNT Express, Tuffnells, UPS and Yodel.

10.16. The only company to offer a non-tracked parcel delivery option is Royal Mail, clearly indicating that tracking is a basic industry standard, and not a luxury “add-on” feature.

10.17. In fact, our research suggests that consumers expect this feature. When asked whether the amount of information they received about the day and time they would receive their parcel, consumers whose last parcel was delivered by Royal Mail were less likely than average to say that the amount of information they received was “about the right amount”.²⁹⁸

10.18. Our submission to Ofcom’s Call for Inputs highlighted the significant price differential between other companies’ tracked options and Royal Mail’s tracked offering.

10.19. At the time of publication Royal Mail’s cheapest tracked option was 92% more expensive than the cheapest comparable delivery service. And for consumers using the Post Office to send parcels the cheapest tracked option was 387% more than the cheapest comparable option.²⁹⁹

²⁹⁷ Online survey of 6,000 UK 18+ adults between 6-24 January 2022, conducted by ICM.

²⁹⁸ Online survey of 7,194 18+ UK adults, Opinium, 21 Oct - 29 Oct 2021.

²⁹⁹ Citizens Advice, [Citizens Advice response to Ofcom’s Call for Inputs: Review of postal regulation](#), 22 June 2021.

- 10.20. **Considering the current extreme price differential, we do not support the introduction of tracking into the USO at any cost. Consumers must have access to an affordable postal option and we would therefore not expect a tracked First or Second Class USO service to be the same price as Royal Mail's other tracked products.**

Ofcom should consider the consumer need for tracking as well as market dynamics

- 10.21. We understand that USO services are designed to be basic rather than "premium" products, and that any changes to the USO have the potential to alter market dynamics.
- 10.22. However, it's also important that the USO keeps pace with the changing shape of the industry and continues to meet consumer needs and expectations.
- 10.23. Consumers want and expect tracking. And, as we have identified, not using tracking places consumers at considerable risk if something goes wrong with their delivery.
- 10.24. Consumers should not have to take a gamble on their items arriving safely, or have to make choices between affordable prices and the safety and security of their items.
- 10.25. The parcels market has expanded significantly in recent years, with consumers relying on parcel delivery more than ever before. New entrants have been increasing their market share by offering competitive services and innovating with new product functionality. This rapid expansion has meant the USO has not kept pace, and what was once a perfectly acceptable price-capped alternative is now an outdated product which places consumers at risk when they use it.
- 10.26. **Tracking is now a basic and expected feature of any parcel delivery service, the absence of which puts consumers at a disadvantage when using USO products. We therefore recommend that Ofcom reconsiders its proposal to not include**

tracking in the USO and takes this opportunity to bring the USO in line with other modern parcel delivery services.