

## Consultation response form

Please complete this form in full and return to [postalreview@ofcom.org.uk](mailto:postalreview@ofcom.org.uk).

<b>Consultation title</b>	Call for inputs: Review of postal regulation
<b>Full name</b>	
<b>Contact phone number</b>	[X]
<b>Representing (delete as appropriate)</b>	Organisation
<b>Organisation name</b>	National Federation of Subpostmasters
<b>Email address</b>	[X]

## Confidentiality

We ask for your contact details along with your response so that we can engage with you on this consultation. For further information about how Ofcom handles your personal information and your corresponding rights, see [Ofcom's General Privacy Statement](#).

<b>Your details: We will keep your contact number and email address confidential. Is there anything else you want to keep confidential? Delete as appropriate.</b>	Nothing
<b>Your response: Please indicate how much of your response you want to keep confidential. Delete as appropriate.</b>	None
<b>For confidential responses, can Ofcom publish a reference to the contents of your response?</b>	Yes

## Your response

<b>Question</b>	<b>Your response</b>
<b>Question 3.1. Do you consider that Ofcom's overall regulatory approach remains appropriate for regulating postal services over the 5-year period (2022-2027)? If not, please explain the areas where you think changes should be made, with supporting evidence.</b>	<p>Confidential? – N</p> <p>We agree it is appropriate in broad terms.</p> <p>The NFSP and our member subpostmasters would like to see changes made to ensure a level playing field for consumers and for subpostmasters who play a vital role in USO provision. These include:</p>

	<p>Removing any offline cost disadvantage for USO services, and introducing a tracked service</p> <p><b>See also 5.1</b></p>
<p><b>Question 4.1: Do you consider that Ofcom’s current approach to financial sustainability and efficiency of the universal postal service will remain appropriate going forward? If not, please explain what changes you think should be made, with supporting evidence.</b></p>	<p>Confidential? – N</p> <p>We believe that Ofcom’s financial sustainability should reflect the recent increase in parcels and decrease in letters as a result, in part, of the pandemic. However, the NFSP would like to ensure the future approach keeps the customer at the heart of any future change, and would reflect the views of those consumers impacted negatively by the push towards online services.</p>
<p><b>Question 5.1: Do you consider Ofcom’s approach to the safeguard cap and ensuring affordability will remain appropriate going forward? If not, please explain what changes you think should be made, with supporting evidence.</b></p>	<p>Confidential? – N</p> <p>The NFSP believes in a competitive market, however consumers who cannot access online services are currently at a cost disadvantage to those who can. We would like to see a level playing field where on and offline are priced equally. The NFSP also regards consumers visiting branches as vital to post-pandemic economic recovery.</p> <p>See also 7.2</p>
<p><b>Question 5.2: Do you consider Ofcom’s approach to the regulation of residential and business redirections services will remain appropriate going forward? If not, please explain what changes you think should be made, with supporting evidence.</b></p>	<p>Confidential? – Y / N</p>
<p><b>Question 5.3: Do you consider Ofcom’s approach to regulating quality of service for key USO services remains appropriate going forward? If not, please explain what changes you think should be made, with supporting evidence.</b></p>	<p>Confidential? – Y / N</p>
<p><b>Question 5.4: Do you consider Ofcom’s approach to regulating USO services, including</b></p>	<p>Confidential? – N</p>

**access requirements, Special Delivery Guaranteed by 1pm, Signed For and Meter mail will remain appropriate going forward? If not, please explain what changes you think should be made, with supporting evidence.**

Ofcom's USO regulations centre on the needs of the consumer, therefore the NFSP believes that Saturday delivery of letters should be retained in the USO, and parcels added to this provision to ensure parity throughout the week and to save the consumer money.

A recent survey of subpostmasters conducted by the NFSP highlighted that stopping a Saturday delivery of letters and large letters would be deeply unpopular for both the postmaster and the consumer, and could impact negatively on postmaster's businesses.

A proposal that customers pay for a guaranteed Saturday delivery produced mixed response, some respondents did not agree with an additional charge at all, while some were aware that for special occasions, customers would choose to pay dependent on the cost. Subpostmasters strongly felt that if customers weren't offered an option for Saturday deliveries, whether with an additional charge or not, they would be very unhappy with the service.

**Question 6.1: Do you think the parcels market is working well for all senders and receivers of parcels (such as online shoppers, marketplace sellers and/or small retailers)? If not, please explain what changes you think should be made, with supporting evidence.**

Confidential? – N

The NFSP advocates for quicker parcel returns after errors in branch, as this would offer protection and a sense of security to postmasters and a more efficient service for consumers.

In future years, Post offices will likely start working with other mails carriers. This could lead to mail items ending up in the wrong network and the NFSP believes Ofcom should work quickly to develop a solution involving all mails carriers.

The NFSP's research indicates that subpostmasters are alert to the risks associated with working with multiple partners from a segregation perspective. Concerns include – potentially different processes and handling requirements, a lack of adequate space to store multiple items for multiple carriers, and a general concern over volumes at peak season i.e. Christmas.

	<p>Any potential solution should not rely on a mobile signal given the remoteness of some offices to ensure parity for rural consumers, and should be “a simple process put in place so any errors can be rectified in a timely and efficient manner.”</p> <p>An arrangement with Royal Mail is also required, whereby if a parcel is redirected to them by mistake it is returned and the customer not charged for underpaid postage. Another concern is another company’s parcel going into the Royal Mail, or another carrier’s system, could make the item untraceable. Is the postmaster liable for the cost of lost contents or just a fixed fee? What protection does the consumer have?</p> <p><b>See also 7.2</b></p>
<p><b>Question 6.2: What is the nature and extent of detriment (if any) that consumers may suffer in the C2X or B2C segments of the parcels market? Please provide your views with supporting evidence.</b></p>	<p>Confidential? – N</p> <p>The NFSP believes business discounts should be offered by Post Office, mainly to enable fair competition with Royal Mail and other carriers.</p> <p>For SMEs, the ability to compete with the large bulk mail providers is extremely important, and the NFSP believes the Post Office network can play an important supportive role for these micro or small businesses in marketing themselves to new customers while growing their business.</p> <p>Opportunities exist, such as offering a tiered discount structure to encourage consumers to post more frequently to achieve discount levels, similar to a loyalty scheme. This would be beneficial to both individuals and small businesses as currently, the charge is exactly the same cost for postage whether one item or multiple items are posted. This adds a cost burden to the consumer which results in the use of the Post Office network being a cost burden to individuals and SMEs.</p> <p>The NFSP would also like to see additional investment and development of the Drop and Go service.</p>

<p><b>Question 6.3: How effective are the existing consumer protection measures for users of parcel services, in particular CP 3? Is a change in regulation needed to protect users of postal services (as senders and recipients) and if so, what measures? Please provide your views with supporting evidence.</b></p>	<p>Confidential? – Y / N</p>
<p><b>Question 6.4: Are there any changes to the universal service obligations required for parcels, such as including tracking for First/Second Class services? If so, please provide your views with supporting evidence.</b></p>	<p>Confidential? – N</p> <p>Subpostmasters would view a tracking facility as extremely positive for both the customer and themselves.</p> <p>Such a facility is regarded by subpostmasters as an opportunity to close the gap between services offered by Royal Mail and other providers, and also to lessen the threat from online, which is not currently viewed as a complimentary service to in-branch options. For example, Royal Mail currently offers its online customers a tracked with no signature, Tracked 48 or Tracked 24, all of which Post Office cannot offer. The NFSP believes that these services should be made available in branch at the same price as online to ensure consumers can access one standard price both online and in-branch.</p>
<p><b>Question 6.5: Do you have any other comments on Ofcom’s approach to regulating parcels? If so, please provide your views with supporting evidence.</b></p>	<p>Confidential? – Y / N</p>
<p><b>Question 7.1: Does the current scope of access regulation remain appropriate or should this be changed and, if so, how and why? Please provide your views with supporting evidence.</b></p>	<p>Confidential? – Y / N</p>
<p><b>Question 7.2: How well is our approach to access price regulation working in supporting access-based competition? Are there any</b></p>	<p>Confidential? – N</p>

**improvements or changes that we should make? If so, please provide your views with supporting evidence.**

The NFSP believe that Ofcom's current approach does not reflect universality across the postal services. Currently, Royal Mail offer online discounts for similar services to Post Office, which creates consumer confusion and impacts financially on postmasters, while simultaneously eroding trust in Post Office as prices are greater in branch for identical services.

The NFSP questions why it is possible for Royal Mail, a provider of the USO, to offer discounts yet the Post Office cannot? This non-uniform arrangement is in breach of Point 3 of the Ofcom USO, as online discounts create a non-uniform postal offer.

In addition, online discounts highlight discrimination against those who cannot access and/or navigate online services. This directly impacts on those classed as vulnerable who would be forced to pay a 'poverty premium' for not choosing online services, and could result in subsidising those who can access online services.

The NFSP would like Ofcom to investigate this inequality to ascertain if there is any evidence to suggest that in-branch prices are being artificially inflated to make online prices more attractive to encourage more customers online.

**Question 7.3: Is our current approach to access regulation working well in delivering fair, reasonable and not unduly discriminatory terms of access, and are there any changes we should make? If so, please provide your views with supporting evidence.**

Confidential? – N

**See 7.2**

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