



Gianpiero Roscelli
Ofcom
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

8th July 2019

Dear Gianpiero,

Further consultation on excluding international letters and parcels from Consumer Protection Condition 1

- Mail Competition Forum (MCF) Response

The MCF is a forum which represents the interests of many of the leading mail and parcel operators who compete with both one another and with the incumbent Designated Universal Service Provider, Royal Mail. The objective of the MCF is to support the development of conditions in the UK for fair, vibrant and sustainable competition to Royal Mail within a stable and undistorted market.

The MCF supports Ofcom's proposal to modify Consumer Protection Condition 1 so that international mail is excluded from the scope of the mechanism for recovery of consumer advocacy costs relating to the postal market (in respect of both 'relevant letters postal services' and 'relevant parcels postal services'). We note that this modification will mean that only UK domestic postal services are caught by the cost recovery mechanism.

However, as stated in our response (21st May 2018) to Ofcom's initial consultation on the mechanism for recovery of these costs, the MCF continues to have major concerns with the extent of consumer advocacy costs now being recovered from postal operators.

In particular, the MCF does not believe it is consistent with the regulatory principles of cost-reflectivity, fairness and equity for consumer advocacy costs relating to the Post Office network (which information published by Ofcom shows is at least 30% of costs) to be recovered from postal operators who do not and cannot have access to the Post Office network.

www.mailcompetitionforum.org Secretary: - 26 Sandy Way, Barford, Warwick CV35 8DY

The views expressed in this letter represent the general views of the Mail Competition Forum and do not necessarily represent the particular position of any individual member organisation.



As Royal Mail has a contract with the Post Office under which only Royal Mail is able to use the Post Office network as part of providing postal services, consumer advocacy costs in relation to the Post Office network should be recovered only from Royal Mail.

We are also greatly concerned at the apparent inability of the consumer advocacy bodies properly to allocate administrative costs incurred in relation to postal services to particular areas of work (e.g. to work relating to the Post Office).

The MCF strongly believes that Ofcom should press for the consumer advocacy bodies to establish ways of allocating their costs appropriately and so allow recovery of costs appropriately only from the postal operators whose services lead to consumer advocacy work.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ian Paterson", written over a light blue rectangular background.

Ian Paterson
MCF Secretary