

Consultation response form

Please complete this form in full and return to postal.regulation@ofcom.org.uk

Consultation title	Consultation: Modifications of the USP Access Condition for regulating access to Royal Mail's postal network
Full name	John Robert Hughes
Contact phone number	[X]
Representing (delete as appropriate)	Organisation
Organisation name	The Postal Group
Email address	[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](#).

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

Your response

Question	Your response
Question 1: Do you agree with our proposal to extend the USPA condition to the new D+5 Letters access services?	D+5 as a legitimate product worthy of the support of Ofcom ? Provided it is not used as a long term strategy to dilute the current D+2 and Premium services. This product could provide RM with a tool to improve delivery efficiency and provide a price incentive for new and current customers. However, it could also be used by some carriers to reduce their costs

whilst providing a less effective delivery service for the end user. The current D+2 allows DM customers to be very precise with their delivery patterns and the loss of this might be seen by them as a retrograde step.

The D+5 product is similar to the old Retail product Mailsort 3...which definitely had a market 15 years ago...but is hardly the direction of travel for a medium that is under threat from more time sensitive, digital alternatives.

It would also be my concern that D+5 would be used to reduce the volume of Saturday delivery to the point of extinction...something that my customers would find a problem and would probably lead to extensive migration to alternative media that operate 24/7.

If RM is introducing D+5 to provide customers with a cheaper alternative service...then Ofcom should press them to find alternative ways of funding this meagre price reduction that would maintain the standards of the letters delivery network ...rather than allowing RM to find room for its burgeoning parcels traffic by pushing letters to the back of the proverbial (and perhaps not so proverbial) queue.

Should it be part of the USPA ?...YES, in much the same way as Mailsort 3 was and for the same reasons...although financial services may not always be able to take advantage due to the possibility of delivery being beyond their regulated time frame for communication. It will help charities with their VAT savings.

thQuestion 2: Do you agree with our proposal to include Royal Mail's new retail economy Mailmark Letter services and their access equivalent services in the margin squeeze control?

I do agree, but I would also request that consideration be given to including some form of margin squeeze control on the franking v. access D+2 / Premium product price gaps. Our business model (PostalSort) is innovative and almost unique. It focuses on providing a simple, pre-paid solution that removes the requirement for SMEs to have franking machines. RMs discount for franked mail is almost exactly the cost of running the franking machinery and hence translates as a form of direct support for the service providers and no real cost incentives/saving to the posting client.

	<p>This issue is well illustrated over the last few years where the introduction of the much more expensive MailMark franking machinery has been accompanied by a matching increase in the discount for their use v. the discount for earlier non-MM version.</p> <p>Our system is more efficient and cost effective ...with the paying customer benefiting with a cheaper and easier process. Prior to Covid we had virtually no loss in our posting volumes...yet RM continues to support franking. A realistic gap with margin squeeze please.</p>
<p>Question 3: Do you agree that, if adopted, the proposed changes to the USPA condition should become effective from the date of Ofcom's statement? For example, do you foresee any practical issues, or otherwise, with making the changes effective on the date of Ofcom's statement?</p>	<p>I have no problem with this. My problem with timing has more to do with RM announcing new products etc having already done most of their own preparations (software development etc). RM then gives a short period for adoption which requires operators to rush their own service integration.</p> <p>This reflects on the RM desire to shorten their current notification periods rather any issues created by Ofcom.</p>
<p>Question 4: Do you have any other comments on our proposals as set out above or our proposed amendments to our legal instrument (USPA condition)? Please provide your reasons.</p>	

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