

Are parcels services delivering what we need in 2021?

An in-depth study into the parcel service experiences of a group of consumers, citizens and micro businesses during the pandemic



Report and recommendations by the
Communications Consumer Panel
June 2021

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Executive Summary

Background

The Communications Consumer Panel listens to the voices of consumers, citizens and micro businesses, and ensures that they are heard by industry, Ofcom, government and others. As well as engaging with stakeholders who work with consumers on a daily basis, we commission independent research on topics where there is risk of harm to consumers - and particularly to groups who may have additional requirements or whose voices may be less heard by policy makers and industry.

Some customers have characteristics or impairments that make communications services more or less easy to access because of barriers in society. These will be different in different contexts. We have set out what those characteristics are for the parcels service in paragraph 4.

The issue

Our stakeholders told us that the COVID-19 pandemic was accelerating already rapid growth in the use of the parcel service, with ever more people relying on online shopping and parcel delivery as non-essential retail venues closed, and 'clinically extremely vulnerable' people were told to stay in and shield from the virus.

We therefore commissioned research to understand whether potentially vulnerable parcel service users had requirements that were not being captured by the market, and what changes might be needed to ensure these needs were met.

The research involved 40 in-depth interviews with parcel service users across the UK that focused mostly on people who had particular needs from the service, whether access requirements due to age, a health condition, impairment or disability, or living in a rural or deep rural area, or running a micro business.

Our objectives were to understand:

- What do customers require from the parcel service?
- How do customers currently use the service, and has that changed over time?
- What sort of constraints are customers under, given their individual situations?
- How well do customers feel their needs are being met by UK parcel services?
- How does the Royal Mail parcel service, governed by the USO, compare to its competitors in terms of price, delivery options and reliability?

Key insights

1. Users have a variety of needs from the parcel service, including certainty, reliability, simplicity and well as options for urgency, tracking and proof of sending

2. Some needs, including reliable delivery, affordability and personal safety, have become more important during the pandemic.
3. There is general satisfaction among users with services for sending and receiving parcels - while not generally top-of-mind for people, the service is largely trusted.
4. Even so, many experienced issues sending or receiving parcels at some point in the last year including misdelivery or delays.
5. Service users' engagement with providers and their ability to exercise consumer choice was limited.
6. People with access requirements have distinct and often unmet needs around communication, familiarity and accessibility.
7. Rural service users also need better communication options to improve reliability and service coverage.
8. Micro businesses are more engaged and reliant on the parcel service than other groups, and see space for improvements in reliability and certainty of parcel delivery.
9. Service users in Northern Ireland generally experienced disruption in early 2021 linked with EU Exit, notably delivery delays and additional fees, which went beyond the additional charges and delivery restrictions that some were already used to.

The Panel proposes the following practical steps for governments and other stakeholders to take to improve the consumer experience:

Recommendations

- **Improve consumer choice within the parcels business**- online retailers should be more explicit about the delivery company they will use, and what options are available, at multiple points in the purchase process.
- **Allow access requirements to be specified more easily** - consumers should not need to state that they are 'vulnerable', or need the service provided in a different way but should be able to specify their additional access requirements, so that every delivery company's drivers know to 'wait at the door for longer', 'place a parcel in a specified place that can be easily reached', or other. Establishing a central register of people's delivery requirements that all parcel providers can access may make this easier.
- **Improve reliability for those living at non-standard addresses or in rural areas** - providing a simple way for all service users to supply better information about their location to delivery agents could help those living in hard-to-access locations, deep rural areas or at multiple occupant addresses to receive a more reliable service. Service users could be enabled to provide alternative address data as well as their address and postcode (GPS data, WhatThreeWords) to enable delivery agents to find locations more easily.
- **Improving ways to send parcels, for individuals with mobility or other impairments** - boosting Post Office staff training to help meet the needs of customers with additional requirements including visual and learning impairments,

making parcel pickup and drop-off points more consistent and easier to find and expanding options for at-home parcel collection services.

- **Provide a COVID-safe environment** - raise awareness of the social distancing measures that have been put in place to make interaction with the parcel service COVID-safe, both at the doorstep and in shops, potentially including extra staff resource or extended opening hours.
- **Investigate whether the current pricing structure ensures fair costs for rural users of the parcel service** - given the perception among residents of rural or remote areas that they get a bad deal from the parcels service, more analysis needs to be done to understand how far rural surcharges align to additional costs for providers.
- **Improve choice for micro businesses** - putting the right incentives in place for multiple providers to ensure accurate and speedy delivery, even for small delivery volumes and less central locations.
- **Address the 'pain points' in Northern Ireland** - Parcel service users in Northern Ireland should not be disadvantaged in their access to products and services, delivered on a timely, affordable basis, or in running a business that supplies GB or the EU. Customs declarations should be managed efficiently and sellers should be encouraged to continue trading with NI and should be transparent about any additional shipping and administration costs.
- **Conduct an accessibility audit of all elements of the parcel service as a first stage of an improvement plan** - the industry itself, or an independent body, should conduct an audit of the different stages in the parcel sending and delivery process to understand the degree to which accessibility needs are being met, which would then act as a framework for the industry to improve its practices. This should include a review of the administration systems to ensure that services such as the redelivery booking system are accessible and able to be used by those with access requirements or with low technical skills.

Background and context

The Communications Consumer Panel listens to the voices of consumers, citizens and micro businesses, and ensures that they are heard by industry, Ofcom, government and others. As well as engaging with stakeholders who work with consumers on a daily basis, we commission independent research on topics where there is risk of harm to consumers - and particularly to groups who may have additional requirements or whose voices may be less heard by policy makers and industry.

The COVID-19 pandemic has accelerated already rapid growth in use of the parcel service as more and more people have had to rely on online shopping during a series of national lockdowns. The closure of non-essential retail venues across the UK, alongside the instruction that 'clinically extremely vulnerable' people must stay in and shield themselves from the possibility of catching the virus, has meant that more people have relied upon parcel delivery as a source of everyday items¹. Given this increased public reliance on the service, and changing consumer needs, the Panel wanted to understand whether potentially vulnerable customers have requirements that are not being captured. We also wanted to understand what changes, if appropriate, need to take place to ensure those requirements are met.

We identified three types of parcel services users who may find themselves more reliant on parcels and whose requirements may be less catered-for: consumers with additional requirements due to a physical or mental impairment that could make sending or receiving a parcel more difficult; consumers living in rural or remote locations, which might mean they had been subject to paying a surcharge to cover a delivery company's costs in delivering to that location and micro business owners, who would need to rely on a secure and efficient postal service to maintain their professional reputation.

Additionally, the UK's exit from the European Union and the associated Northern Ireland Protocol has led to some confusion around the cost and process of sending a parcel between Great Britain and Northern Ireland and has caused some GB businesses to stop sending deliveries to consumers and businesses in NI.

What we did

We commissioned a programme of qualitative interviews with parcel service users who said they felt reliant on the parcel service, specifically targeting those who had recent experience of receiving and sending parcels. 40 interviews were conducted, mostly via Zoom or similar video conference software. We specified that a certain proportion of those interviewed should have particular needs from the postal service, whether access requirements due to age, a health condition, impairment or disability, or living in a rural or deep rural area, or running a micro business. We also ensured a mix of locations across the UK nations, social grades and other demographic criteria. We also factored in some additional criteria relevant to experiences of parcel services such as the use of online marketplace services, returning online purchases to retailers or living in accommodation that meant the use of shared entrance halls.

¹ This research excluded online food shopping as a form of parcel delivery, such as supermarket deliveries.

Objectives

We had a number of primary objectives for the research:

- What do customers require from the parcel service?
- How do customers currently use the service, and has that changed over time?
- What sort of constraints are customers under, given their individual situations?
- How well do customers feel their needs are being met by UK parcel services?
- How does the Royal Mail parcel service, governed by the USO, compare to its competitors in terms of price, delivery options and reliability?

What we found

A number of key insights emerged from the research:

1. **Users have a variety of needs from the parcel service, including certainty, reliability, simplicity and well as options for urgency, tracking and proof of sending.** People need to know that parcels will arrive within a certain period of time, in good condition; they may need a delivery confirmation or an option to collect their parcel from different locations.
2. **Some needs, including reliable delivery, affordability and personal safety, have become even more important during the pandemic.** These have become critical at a time when customers are unable to visit businesses in person, when there is greater economic uncertainty and when concern is heightened around possible virus transmission in Post Offices or depots and when dealing with delivery staff at the doorstep.
3. **There is general satisfaction among users with services for sending and receiving parcels - while not generally top-of-mind for people, the service is largely trusted.** Across all target service user groups, experiences with parcel delivery services are positive - and some changes prompted by the pandemic, such as not having to provide a signature, have made the process even simpler. People mostly feel they can trust parcel service providers with their items.
4. **Even so, many experienced issues sending or receiving parcels at some point in the last year including mis-delivery or delays.** Service users were able to cite examples of parcels being sent to a neighbour without their consent, being left unattended at an address or arriving later than they expected, both when sending and receiving.
5. **Service users' engagement with providers and their ability to exercise consumer choice was limited.** People had little awareness of alternatives to Royal Mail and the Post Office, and little control over what service provider they could use when buying items online or receiving gifts from friends and family.
6. **People with access requirements have distinct and often unmet needs around communication, familiarity and accessibility.** Commonly, service users could not find out how to specify access requirements or found that the instructions they had given were not being followed. There were also a range of issues relating to mobility when it came to physically accessing Post Offices and collection points, as well as digital access problems such as people being unable to generate a QR code when they returned an item.

“I don’t feel confident driving on my own in a new area. And when I get there, I can’t put my wheelchair together and go. There’s no information online on if there are lower desks, steps [...] Often with accessibility information, it tells you what they do have, but it doesn’t include what they don’t have. So sometimes you’re just like ‘have they just neglected to put it on or is it just not there?’ [...] Train companies are good with this but Post Offices aren’t.”
(Participant with access requirements, Wales)

7. **Rural service users also need better communication options to improve reliability and service coverage.** Some, particularly those living in isolated places or with unconventional addresses, described long delivery times and items going astray. ‘Deep rural’ users reported that some providers would not deliver to their address and felt they had limited options for sending parcels. This left them feeling that they had less consumer choice than users living in urban areas.

“I see a lot of adverts on our local town Facebook group where people haven’t received a parcel and they post the photo that is sent by the delivery driver to find out which house it is at. It seems to happen a lot.”
(Rural participant, England)

8. **Micro businesses are more engaged and reliant on the parcel service than other groups, and see space for improvements in reliability and certainty of parcel delivery.** The impact of business parcels being left outdoors, being sent to the wrong address or getting lost can be far greater in terms of the disruption it can cause to day-to-day operations and the potential for causing customer dissatisfaction.
9. Service users in Northern Ireland generally experienced disruption in early 2021 linked with EU Exit, notably delivery delays and additional fees, which went beyond the additional charges and delivery restrictions that some were already used to.

“I’ve had some next day [deliveries] going out 4 days later. [...] My wife sent a parcel back two weeks ago. It was £6 delivery [to send from] Northern Ireland but £3 for the rest of the UK.”
(Micro business owner, Northern Ireland)

“The thing I’ve noticed is that Northern Ireland postcodes are excluded from sellers. No Scottish Highlands, Isle of Man, Northern Ireland. There’s either an extra charge or they just don’t do it: it’s actually a bit annoying. It’s part of the UK but also a part of Europe, so there’s a wealth of restrictions that will probably get worse.”
(Rural participant, Northern Ireland)

Case studies

When recruiting people to take part in this research, we focused on a number of key characteristics that could potentially influence the type of requirements and the level of reliance that people have with regard to the parcel service. The case studies below tell the story of three people that illustrate some of these different circumstances: people with particular access requirements, people living in rural and deep rural areas, and people running micro businesses.

Case study 1 - Service user with access requirements

Brittany, aged 25, lives in Port Talbot in south Wales and has a number of disabilities which heavily impact her life and her ability to undertake simple tasks such as walking or cooking without feeling pain or fatigue. Brittany has 10-minute bursts of energy where she can do things, though often uses crutches or a wheelchair when out of the house. She relies heavily on her partner to help her with tasks like sending parcels. She receives parcels twice a week or more, and sends them between once a week and once a month.

“I have a ton of diagnoses, but basically I am tired a lot and in pain a lot. I can do 10-minute bursts. Outside, I use crutches or a wheelchair. I have to limit what I do each day and have support.”

Brittany recently moved to Port Talbot from Exeter where she was finishing her university degree. Brittany feels vulnerable to falling seriously ill if she catches Covid-19 and has therefore been relying more on deliveries to access products during the pandemic. In addition, Brittany sends gifts that she crafts around once a week to family and friends. Having experienced a number of accessibility issues in the past prompted her to attempt to look up the accessibility features of her local Post Office online, but she struggled to find accurate and up-to-date information. To work around this, she asked her partner to visit the Post Office before attempting to go herself. However, the Post Office only opens from 9am-4pm Monday to Friday and is therefore closed outside her partner’s working hours, making it challenging to find the time to send parcels.

“I looked into the parcel collection to send service, but it was too expensive, and I thought it wasn’t worth it. I just waited a few days for my partner to go to the post office.”

Brittany has often found that information online about Post Offices’ accessibility features is inaccurate or out of date. Brittany suggests offering a virtual tour of each post office so that people can see for themselves what features are there, and which ones are not, since in her view being ‘accessible’ means different things according to different needs. Brittany also raises concerns about some delivery staff who are not sufficiently trained or educated to effectively engage with those with an access requirement.

“The local post office is level access, but the staff aren’t adequately trained to help those with additional needs. A video tour of the inside would be incredibly helpful, similar to street view on Google Maps.”

Brittany likes choosing specific options when getting parcels delivered as she is often not able to carry heavy parcels into the house. However, she raises issues with actually finding and using these options or instruction boxes across all delivery companies. She believes they should be standardised and compulsory. She has also found her instructions being ignored in the past. For example, she once ordered a heavy parcel, and she asked the driver to bring it inside. However, they just left the parcel on the doorstep and Brittany

was unable to collect it until her partner came home from work. She was worried that the parcel could get damaged outside in the rain or that someone would steal it.

Case study 2 - Deep rural service user

Natasha, aged 35, lives in a rural village in Aberdeenshire and her nearest neighbours live a mile away. Due to the limited number of shops available to Natasha nearby, she relies on deliveries to access more specialist products which she is not able to buy in her local shop. The pandemic hasn't had much of an impact on Natasha's delivery usage. She receives parcels twice a week or more, and sends them about once a week.

Natasha lives at the end of a dead-end lane and the area is not covered by a number of delivery companies. She is often quoted extremely high delivery costs (in excess of £50) to get certain items delivered. Despite this challenge, she has noticed an improvement over the last few years where more couriers and delivery drivers are delivering to her home at a standard rate.

Her location also presents a specific challenge relating to access to her home when the weather conditions are poor due to heavy rain or snow. As a result, she is not able to access deliveries when the road is flooded or snowed under, as the delivery vans are not suited to driving in those conditions. This is a frequent problem which Natasha encounters given the climate in Aberdeenshire. The unpredictable weather makes it challenging to plan ahead.

"Deliveries are normally quite good, unless the weather is poor. Recently, we had 7 weeks of deep snow and were cut off from any deliveries."

Royal Mail are her preferred delivery company as they have better knowledge of the local area and have specific plans in place when the weather is poor, such as leaving parcels in designated places for the home-owners to collect with their 4x4's. Three other providers also deliver to the local area; however they often aren't able to find the property or leave the parcel in a strange location, such as by the recycling bin.

"Royal Mail are very supportive. They get parcels as far as possible and then locals can bring them up in better vehicles...[courier] often leave parcels in weird places."

Though Natasha typically sends parcels using her local Post Office, which is a few miles away, she recently sent ten packages of local beef to family and friends in Edinburgh and Perth. She used a local courier recommended by local farmers. The courier was meant to arrive to pick up the products from her farm between 9am and 5pm the next day. However, they arrived a day later at 5.30pm. When tracking the parcel, Natasha was having issues with four parcels whose status was not updating and were sitting in a depot in Aberdeen. As these were perishable goods, this caused high levels of anxiety for Natasha. She ended up booking another courier to collect and deliver the beef from the courier's depot in Aberdeen after four days of it being there.

"I ended up having to arrange another courier to go find and collect the parcels from the depot and take them to the three remaining addresses. It cost a lot of money in the end."

Case study 3: Micro business service user

Nathan, aged 44, lives in a village in Northern Ireland, 20 miles from Belfast. He runs a motorcycle parts business which ships nationally and internationally. He has also started another company in a similar space and so has been ordering specialist parts, typically from Hungary and China.

In terms of rurality, Nathan has noticed a big improvement in delivery services over recent years, with parcels arriving much faster than they used to. However, he still believes the services aren't as good as they would be if he lived in a larger town or city, as he often finds his deliveries arrive late in the day and would imagine he would have a wider range of delivery options when sending or receiving.

Nathan has experienced issues as a result of Brexit in terms of sending and receiving parcels. He has noticed a large variation in the time it takes to receive parcels, even if they're coming from within the UK. He assumes this is due to increased monitoring at customs. It has a large impact on his business as he is heavily reliant on sending and receiving parts to operate effectively. This delay also applies when sending or receiving from the Republic of Ireland where a lot of his customers are, which has a huge impact on his business and his ability to send parcels in a timely manner. He has also noticed a surcharge of £5-12 for ordering something from abroad to the UK, which really adds up when ordering multiple parts a week.

"Delays are really the thing. There is an order coming into Southern Ireland that has been held at customs now for four or five weeks. And one of the things in that order from the supplier didn't make it, so once the supplier isn't getting it, means he can't get it to me, which means I can't get it to my customer."

Nathan sends smaller parcels with Royal Mail as they are cheaper and more convenient. However, he uses other services for anything that is heavier, larger and more valuable. He always pays extra to track his parcels so he is able to locate them when customers ask where a parcel is or if they say they haven't received it.

"Yes, for everything I send through the business now, it's always tracked. Because there are a lot of people who say they never got that. It's worth paying the extra for it. It adds a bit of extra pounds to the shipping, but it's cheaper than the cost of people saying they didn't get it, especially on higher value items."

Nathan is unsure about the new regulations on sending and receiving parcels as someone in Northern Ireland. He recently tried sending something to a friend abroad various times and the parcel kept getting returned to Nathan opened. He then discovered that he wasn't allowed to send that item, but he was not informed about this at the sending stage.

Recommendations

The Panel proposes the following practical steps to take to improve the consumer experience:

Improve consumer choice within the parcels business. Online retailers should be more explicit about the delivery company they will use, and what options are available, at multiple points in the purchase process.

Allow access requirements to be specified more easily. A central register of individual households' delivery requirements that all parcels providers could access should be set up, as well as accountability mechanisms for customers when these requests are not followed.

Improve reliability for those living at non-standard addresses or in rural areas - providing a simple way for all service users to supply better information about their location to delivery agents could help those living in hard-to-access locations, deep rural areas or at non-standard addresses to receive a more reliable service. Service users could be enabled to provide alternative address data as well as their address and postcode (GPS data, WhatThreeWords) to enable delivery agents to find locations more easily.

Improve ways to send parcels for individuals with mobility impairments. Given inconsistent access to sending services across the country, Post Office staff training for dealing with customers with additional requirements should be enhanced, and the potential for providing cheaper at-home parcel collection services should be investigated. The accessibility of parcel pick-up and drop-off points should be easy to find and in a consistent format, on providers' websites, to prevent causing consumers frustration and inconvenience.

Provide a COVID-safe environment. Given concern among service users when using in-person postal services, providers should seek to raise awareness of the social distancing measures that have been put in place, both at the doorstep and in shops. Where the services are being offered within crowded retail spaces, look into providing extra staff resource or extended opening hours to allow at-risk consumers to use the space safely.

Investigate whether the current pricing structure ensures fair costs for rural users of the parcel service - given the perception among residents of rural or remote areas that they get a bad deal from the parcels service, more analysis needs to be done to understand how far rural surcharges align to additional costs for providers

Improve choice for micro businesses. Given that micro businesses can feel they have less choice over their delivery company than large retailers, the right incentives need to be in place for providers to ensure accurate and speedy delivery, even for small delivery volumes and less central locations.

Address the 'pain points' in Northern Ireland - Parcel service users in Northern Ireland should not be disadvantaged in their access to products and services, delivered on a timely, affordable basis, or in running a business that supplies GB or the EU. Customs declarations should be managed efficiently and sellers should be encouraged to continue trading with NI and should be transparent about any additional shipping and administration costs.

Conduct an accessibility audit of all elements of the parcel service as a first stage of an improvement plan - the industry itself, or an independent body, should conduct an audit

of the different stages in the parcel sending and delivery process to understand the degree to which accessibility needs are being met, which would then act as a framework for the industry to improve its practices. This should include a review of the administration systems to ensure that services such as the redelivery booking system are accessible and able to be used by those with access requirements or with low technical skills.