

Communications Consumer Panel and ACOD's response to Ofcom's consultation on its review of postal services regulation

About us

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the citizen and consumer voice is represented in communications policy development.

The Panel's job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular people who may be in a more vulnerable position in society. We carry out research, provide advice and encourage Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Our response

Further to [our response to Ofcom's call for inputs](#), we welcome the opportunity to respond to Ofcom's consultation. We were also pleased to have been able to facilitate Ofcom's consultation with a wide range of UK consumer, citizen and micro-business organisations and charities across the UK, through their participation in the Panel's National Consumer Stakeholder Hubs, also attended by representatives of Royal Mail.

Our response provides a summary of the feedback provided to Ofcom by our stakeholders and the Panel's own observations, much of which has been fed back to Ofcom in the Panel's monthly meetings in October 2021 and February 2022.

Tracking

The Panel and consumer organisations have raised concerns with Ofcom around its lack of support for tracking be included in the USO. We understand that this is decision sits mainly in the reasoning of enabling competition. However, we would strongly urge Ofcom to retain the ability to take action where tracking, or the absence of helpful information around delivery, fails consumers. Tracking is a useful tool for consumers and we believe consumers should have a right to information about their parcel's delivery status. A fundamental part of using a parcel delivery service is knowing by when and to where a parcel is going to be delivered.

Tracking is particularly useful to consumers and micro-businesses in rural areas, who may have access to a narrower range of local shops and live or work in less easy to find locations, as highlighted by our 2021 research into the experiences of UK consumers and micro businesses using parcels services.

While we understand that Royal Mail offers a special guaranteed delivery service, we fear that this lack of choice may drive up costs and lessen confidence in the service. We have previously highlighted concerns around quality of service across UK postcode areas and urged Ofcom to use its enforcement powers when Royal Mail falls below quality of service targets.

Surcharging

We have previously highlighted to Ofcom the universal postal service obligation's importance to consumers, citizens and micro-businesses - which is accentuated for those living in areas where parcel carriers would either impose a surcharge or in some cases, not deliver.

We have heard from stakeholders in Northern Ireland and Scotland that these practices continue to cause detriment and unfairness to consumers in those areas who not only have to pay more and less choice, but often receive a less than average quality of service. We would highlight this as a situation where competition is not serving the consumer. These issues are compounded for people running retail micro-businesses, as they must bear the brunt of additional costs, or pass them on to their customers, and risk reputational harm from delays.

Added to that - for consumers and micro-businesses in Northern Ireland - is the impact of EU exit, where transitional arrangements caused confusion and led many well-known retail organisations to halt delivery to Northern Ireland.

Given the additional financial burden of the pandemic and the health and safety risks of travelling to retail stores, these issues amount to an inequity of access and leave people feeling isolated and more vulnerable. With this in mind, our stakeholders have raised concerns around the affordability of postal services for consumers living in rural and less easy to find locations.

Vulnerability and empowerment

We have long considered that the postal services market should seek to understand and respond to the access requirements of consumers who require additional support to use the services.

Recording information securely can make consumers less vulnerable and more empowered - so that a particular consumer has the time they need to get to the door, without having to leave a note on the outside that makes it obvious to any passer-by that the person has a mobility impairment, or providing a 'Sorry, you were out' notice in a different format for a particular consumer, so that they don't miss the opportunity to have their parcel re-delivered or know which neighbour their parcel has been left with, would enable people with those requirements to receive a service they can use to its intended effect.

We advocate applying the social model of disability (recording the effect of an impairment and the consequent requirement upon a service provider to adapt the service to make it usable) rather than the medical model (recording the name of the condition that the person has, ie 'blind', 'has MS, which can lead to assumptions). Lessons could be learnt from other sectors where recording vulnerability data in order to provide a truly universal service is commonplace e.g. water and energy sectors.

While we appreciate that Ofcom cannot play a role in deciding what pay and incentives parcel companies offer to their employees, we have fed back to Ofcom previously that there can be poor customer experiences as a result of parcel delivery companies incentivising employees by speed of delivery.

Affordability

We have already highlighted in this response the high cost paid by people who are subject to parcels surcharges because of their location.

The pandemic has highlighted how important parcels services are now. However, letter services remain an important service, particularly for formal contact, such as hospital appointments and correspondence about banking or benefits. During the early stages of the pandemic, our National Consumer Stakeholder Hub participants discussed with us their concerns over the high cost of postal redirections.

Participants representing consumers and micro businesses across the UK highlighted that low-income households were more likely to move house regularly and/or live in multiple occupant properties where fraudulent activity can be more prevalent due to missed letters.

Without being able to pay for the assurance of postal redirection, these consumers could miss out on medical appointments or other important notices.

Specific details from our National Stakeholder Hub participants in meetings held across the UK, attended by Ofcom, include:

1. Letters remain important even though they are in steady decline.

- The postal USO currently requires Royal Mail to deliver letters six days a week, however a reduction in the number of delivery days - particularly if Saturday became a non-delivery day - could impact healthcare trusts who commonly post healthcare appointment letters on Fridays. Some stakeholders advised that they plan according to their known delivery days and times, so as well as frequency, reliability is very important, as is communication with consumers about any changes.
- People living in Northern Ireland have experienced delays in letter deliveries - from both Great Britain and the Republic of Ireland - and questioned whether the EU exit had impacted postal deliveries.

- 2. Postal operators should ensure that postal services are inclusive, accessible and meet consumers' individual requirements.** To elaborate in further details on the points made earlier in this response about vulnerability and empowerment, we would raise the following point from our Hub participants:
- The parcels sector should promote inclusive communications and empower consumers to contact them via a variety of communications channels. This is particularly important for consumers with specific access requirements.
 - Postal workers and delivery drivers should ensure that where consumers have specified delivery instructions, these are met.
 - Postal operators should ensure that consumers can receive communications in accessible formats e.g. braille, large font, accessible colour and contrast. Delivery companies should provide employees with tailored training.
 - Some organisations representing consumers with specific access requirements had developed best practice guidance for retailers and delivery operators.¹
 - Whilst it was recognised that postal operators, particularly long-standing employees, knew their customers' requirements well, this knowledge should be held in a secure, central database to ensure that the information was recorded for future employees.
 - In terms of research and understanding postal users' requirements, Ofcom and operators should recognise that a significant number of consumers will not identify as 'vulnerable'.
 - Post Office closures had impacted consumers with specific access requirements, particularly where new locations e.g. inside shops, were largely inaccessible.
 - Not all consumers are digitally active or confident engaging online, and therefore information on parcel services and deliveries should also be available offline.
 - 65% of people living in the UK are likely to be a carer in adult life², and therefore development of communications policy that related to consumers with disabilities should also consider the caring community. Ofcom colleagues confirmed that its proposals aimed to be inclusive by design and not exclusive to specific consumers.
 - Some consumers do not have a permanent address, which makes it difficult to access services. The postal sector should seek to understand different consumer needs and develop initiatives to ensure everyone can access postal services.
 - People living in rural areas often don't have the same variety of services that their urban counterparts have. For instance, access to alternative delivery destinations was considered beneficial for people living in rural areas, where 'click and collect' options were not currently as common or practical.
- 3. Quality of service should be improved across the postal sector, and where service levels were persistently poor, regulatory intervention should be available.**
- Some areas across the UK faced persistent quality of service issues and where operators continued to provide poor quality of service, regulatory levers should be available to enforce improvements.
 - Delivery targets imposed by delivery companies were likely to increase the likelihood of poor quality of service e.g. damaged or lost parcels.

¹ [Covid-19: Supporting your blind and partially sighted customers](#)

² [Will I care? The likelihood of being a carer in adult life](#)

- The Covid-19 pandemic had meant that poor quality of service in the postal sector had been justified in some circumstances. However, participants gave examples of circumstances where parcels had been lost e.g. customer received GPS coordinates that did not exist, and considered that quality of service standards needed to be implemented and enforced.
 - Tracked parcels were considered a benefit, particularly for reliability purposes.
 - People living in remote areas found that the term 'delivered' did not always correspond with the end destination. An example was provided where 'delivered' indicated that the parcel had arrived at the ferry terminal - not the consumers' specified address.
 - Disability Equality Scotland surveyed its Members on their experiences of the postal sector and found that those living in rural areas had acute concerns about the speed and reliability of their postal services. For example, some people had received information about their Covid vaccine too late, and deliveries of medication had also been delayed.
 - Guaranteed postal delivery options are regularly used by many small businesses, however delays to deliveries can cause reputation/customer relations problems; and financial loss where customers request a refund for parcels that haven't arrived within the specified time. One particular case highlighting this is a small bakery based in Northern Ireland who lost over £3k because of a failure of delivery from NI to GB - the items arriving 18 or 19 days late.³
 - The EU exit has led to confusion around the need for customs declarations forms for parcels to and from Northern Ireland - and clearer communication needs to be filtered down to avoid unnecessary admin handling fees being passed onto customers.
 - Information provided to consumers regarding returns needs to be clear and easy to understand to avoid consumer confusion.
 - Only Royal Mail is obligated to provide certain services under the postal USO, however consumers are unlikely to differentiate between a regulated and non-regulated postal operator.
- 4. Postal services remain unaffordable for some consumers, citizens and micro-businesses, particularly financially vulnerable consumers and/or people living in areas where surcharges are commonplace.**
- Some consumers find the cost of delivering letters and parcels unaffordable, which is particularly concerning in the current climate where the cost of living continues to rise.
 - Royal Mail's discounted rate for redirections is welcomed, however it was felt that provision of the service should be enshrined in regulation to ensure long-term protection for consumers and the eligibility criteria extended to include other welfare benefits e.g. carers allowance.

³ [Northern Ireland cake business owner's 'colossal' money loss over Royal Mail delivery issues](#)

- There were concerns that eligible consumers were unaware of the discounted rate for redirections. Royal Mail representatives advised that engagement with consumer-representative organisations was ongoing to promote its availability and sign-up rates were being monitored.
- Redirection services remains unaffordable for many consumers, citizens and small businesses who would not be eligible for the reduced rate, which is likely to increase the risk of identity fraud and data breaches.
- The parcels market is highly competitive but mainly for retailers not for consumers.
- There were concerns that ‘off-line’ consumers would miss out on online-only postal discounts.
- Some areas, particularly in Northern Ireland and Scotland, face significant postal surcharges and it was questioned whether the uplift in parcel volumes should be driving down surcharges.
- Some people living in rural areas have a limited choice of postal operators and are less likely benefit from a competitive market. Consequently, people living in rural areas are more likely to rely on the USO than users living in urban areas.

5. Postal operators should use complaints intelligence to understand and help prevent the issues facing consumers in the postal sector.

- Complaints processes can be difficult for consumers to locate and channels by which to complain can be extremely limited e.g. some organisations do not take complaints by phone, which is likely to unfairly exclude consumers who rely on phone to communicate.
- All complaints processes need to be inclusive and accessible with a variety of available communications channels.
- Postal operators should take responsibility for consumer complaints or provide clear information on where the complaint should be directed to.
- Complaints can be used for intelligence gathering and help companies to understand the issues facing consumers across the market
- There had been a notable increase in the number of postal services scams since the pandemic began and operators should provide a clear reporting process.
- It was suggested that all parcel companies - not only Royal Mail - should sign-up to an Ombudsman service.
- Ofcom’s proposals should also focus on preventative measures to combat poor consumer experiences in the postal sector.
- Participants asked how Ofcom would monitor implementation of its proposals and suggested that the requirements be incorporated into the General Conditions.

Further information from Hubs that might be relevant:

- Consumer reliance on parcels market is significant, particularly since the pandemic. However, the parcels market doesn’t always meet consumers’ expectations.
- In 2021, DS Smith estimated that over 1.3 billion euros worth of damaged parcels would be delivered over Black Friday.⁴

⁴ [Black Friday Frustration for Europeans as over 1 billion Euros of goods expected to arrive damaged](#)



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- Participants welcomed further data on postal services in each of the UK Nations and highlighted the importance of both the regulator and postal operators engaging with the UK Nations to understand the issues facing consumers across the UK.
- Citizens Advice research: [The customer journey_ disabled people's access to postal services.pdf \(citizensadvice.org.uk\)](#)
- Citizens Advice Scotland's research: https://www.cas.org.uk/system/files/publications/cas_delivering_for_all.pdf
- Citizens Advice had [published a league table ranking the five largest parcel operators](#) and the variation between operators across the market was considered a significant issue.

Conclusion: a step change in fairness for consumers using postal and parcels services is needed

The points raised by the Panel and its stakeholders amount to a call for fairness across the postal and parcels services sector.

Ofcom has undertaken to embed fairness in the culture of providers of telecoms services, which we support strongly and we believe that consumers using postal and parcels services deserve no less. While we have seen positive action taken to support consumers using postal and parcels services throughout the pandemic, this is by no means commonplace.

Whether action is taken by urging postal and parcel delivery companies to sign up to Ofcom's Fairness Commitments, or by other means, we would encourage Ofcom to use its regulatory powers and influence to embed fairness in the culture of postal and parcels services providers, so that consumers across the communications sector have a seamlessly better quality, more reliable, affordable and accessible set of services.

Communications Consumer Panel and Advisory Committee for Older and Disabled People
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