



3rd Floor North  
200 Aldersgate Street  
London EC1A 4HD  
Tel: 03000 231 231

[citizensadvice.org.uk](https://citizensadvice.org.uk)

**16 March 2020**

Dear Marcin Cichy,

**Re. ERGP's Work Programme 2021**

Citizens Advice is a consumer rights organisation fighting for consumers in England and Wales. We help people find a way forward whoever they are, whatever their problem.

We help millions of people every year. In 2018/19, this included:

- 28,500,000 visits to our website
- 1,273,000 people helped face to face
- 867,000 people using our phone service
- 557,000 people calling our consumer helpline
- 287,000 people getting help by email or webchat
- 127,000 witnesses through the Witness Service

Citizens Advice is the official watchdog for postal consumers in England and Wales. We have a statutory duty to protect the interests of all postal consumers, with particular regard for vulnerable people.

Citizens Advice welcomes the opportunity to provide early input to the ERGP Work Programme 2021. We believe the ERGP and its members should work closely with consumer rights organisations like Citizens Advice to make sure all postal consumers are protected.

**Patron HRH The Princess Royal      Chief Executive Dame Gillian Guy**

Citizens Advice is an operating name of the National Association of Citizens Advice Bureaux

Charity registration number 279057    VAT number 726 0202 76    Company limited by guarantee    Registered number 1436945 England

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The United Kingdom (UK) left the European Union (EU) 31 January 2020. However, we remain in the transition period which means that EU rules continue to apply to the UK postal market. Further, the nature of the future relationship between the UK and EU, and how this will impact postal regulation, is not yet clear. We believe it's important to give our input on the ERGP's programme as it might affect UK consumers in the future.

We believe that strategic Pillar III ("Empowering end-users and ensuring a user oriented universal service") should be a key principle throughout all your work. Citizens Advice would like to see the ERGP focus on 2 areas:

- Truly universal access to post for all , and
- A parcels market that delivers for consumers

Our work on access to post and parcels (outlined overleaf) calls into question the ERGP's switch in focus from universal service provision to competition. Competition can be useful, but it must always be used as a tool *to improve outcomes for consumers* - not as an end in itself.

Yours sincerely,

Charlotte Witso  
Policy Researcher

**Patron HRH The Princess Royal**      **Chief Executive Dame Gillian Guy**

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## **Concerns around the ERGP's switch in focus from universal service provision to competition**

Citizens Advice's work on access to post and parcels (outlined below) calls into question the ERGP's switch in focus from universal service provision to competition:

- **Access to post:** We've found that vulnerable groups aren't able to access their post in a reliable, accessible and secure way that people in more traditional living situations take for granted. Anyone who doesn't have an address, who moves around frequently or who doesn't have secure access to their post can face these problems. And missing your post can have severe and harmful consequences for individuals.
- **Parcels:** Our research shows that the current UK parcels market isn't delivering for consumers. There's a lot of competition between parcel companies for contracts with retailers, but this competition just doesn't appear to benefit the end-consumer. There's a high level of service failures in this market - 6 in 10 have experienced a parcel delivery problem in the last year.

Competition can be useful, but it must always be used as a tool to improve outcomes for consumers - not as an end in itself.

We believe that **reliable, accessible and secure access to postal services for all consumers is the key principle that should underpin postal regulations**. This must apply to access for both senders and recipients, and both letters and parcels.

The following pages sets out in further detail our work on access to post for all and the current failures in the parcels market.



## **Universal access to postal services must remain a core principle**

1 in 5 (22%) of the UK population don't have the essential digital skills needed for day-to-day life.<sup>1</sup> Therefore, universal access to postal services remains important and this should be a key principle underpinning ERPG's work in 2021.

Our research has shown that **homelessness people don't have access to postal services**.<sup>2</sup> They face serious harm because they can't access their post, such as missing hospital appointments and facing arrest if they miss court appointments.

Last month, we published our latest research which uncovered how post can enable domestic abuse.<sup>3</sup> The **shocking research findings showed that half of domestic abuse survivors had their post intercepted by the perpetrator**. This clearly shows that access to postal services is neither universal nor secure for all in its current form.

This is the second time Citizens Advice research has revealed a large group of UK residents who don't have adequate access to post and who suffer severe consequences as a result. Both homeless people and survivors of domestic abuse can't receive post in the reliable, accessible, and secure way that people in more traditional living situations take for granted.

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<sup>1</sup> Department for Education, [Essential digital skills framework. Lloyds Bank Consumer Digital Index](#), 23 Apr 2019.

<sup>2</sup> Citizens Advice, [The Postal Paradox : How having no address keeps homeless people homeless](#), 18 Dec 2018.

<sup>3</sup> Citizens Advice, [On the Receiving End : How post can enable domestic abuse](#), 28 Feb 2020.



Homeless people and survivors of domestic abuse aren't the only ones experiencing these issues. Anyone who doesn't have an address, who moves around frequently or who doesn't have secure access to their post can face these problems.

Citizens Advice has recommended that the UK Government should invest in an 'Address & Collect' service provided at post offices to ensure all residents have equal access to postal services. A similar service has been successfully rolled out in post offices in Ireland. In 2019, An Post created a new service - Address Point<sup>4</sup> - which gives homeless people an address and allows them to pick up their post from a post office.

The ERGP's strategic Pillar III ("Empowering end-users and ensuring a user oriented universal service") suggests that truly universal access for all is something that should be at the heart of all of your work. A user oriented universal service must be oriented to all, not just those who already have access to post.

In this context, the ERGP must keep in mind that I) post remains a vital channel of communication and II) access to post is not truly universal when it sets out its new work programme for 2021. We want to see a focus on making postal services truly universal in your new work programme.

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<sup>4</sup> An Post, [An Post launches new Address Point Service](#), 5 Apr 2019.



## **The UK parcels market isn't working**

The parcels market is an increasingly essential part of modern life. UK consumers are among the biggest online shoppers in Europe, with 51% saying they prefer to shop online than in store.

As modern consumers, many of us have to engage with the parcel delivery market. This can be because items aren't physically available where we live, or to get access to the best deals.

In 2019, Citizens Advice research<sup>5</sup> found that **6 in 10 (59%) UK online shoppers experienced a problem with parcel delivery in the last 12 months**. Fewer than half of these people (42%) took action to try to address their most recent problem, and nearly 2 in 3 (65%) of those reported not receiving a satisfactory response from the parcel delivery firm when they did so.

These problems have real impacts on people's lives. We estimate that **UK consumers lost at least £85 million because of parcel problems** in the last year.

**People also spent an average of 2.1 hours trying to fix parcel problems**, and often experience stress and anxiety because their delivery went wrong. Over half of people who tried to address their most recent parcel problem experienced further problems.

These problems aren't isolated instances of bad practice. Their scale indicates this vital market isn't working properly. That's why Citizens Advice has asked the Competition and Markets Authority in the UK to review the

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<sup>5</sup> Citizens Advice, [The market which isn't delivering : How the parcels market is failing consumers](#), 5 Dec 2019.



parcels market to make sure it's working in the interests of the consumer it serves.

These service failures occur in a market where there's a lot of competition between parcel companies for contracts with retailers. This competition just doesn't appear to benefit the end-consumer. It's important that the ERGP doesn't simply focus on competition as an end in itself - it needs to actually benefit consumers.

In your upcoming work programme, we'd like to see a focus on ensuring that competition in the parcel delivery market benefits the consumers it serves.

At this stage, we don't have specific recommendations for how to ensure this is the case. However, we do consider it possible that potential remedies could include regulatory intervention. We're committed to working with the ERGP, Ofcom and the Competition and Markets Authority to promote better consumer outcomes in this market.