

1. The post landscape

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1.1 Introduction

Most people use postal services to send and receive mail. It connects people with loved ones and provides important information - like bank statements or appointments at the hospital. Modern ways to communicate - phone, email and messaging services - give people choice. But post is still an important way to communicate.

The volume of letters delivered has been in decline since the mid-2000s. Volumes fell by around 22% in the 5 years to 2019/20 and have halved since 2012. Royal Mail report delivering an average of 1 letter per household a day in the UK.

The parcels market has seen growth in recent years, helped by the popularity of online retail. In 2019/20, 2.8 billion parcels were sent in the UK – up 8% on the previous year.

Online marketplaces mean consumers can sell items to buyers worldwide. Competition in postal services means there's choices for cost and service speed.

Consumers use postal services in different ways, including to:

- send personal items like letters, birthday cards and care packages
- send items they've sold online
- receive personal items sent to them
- receive and return items they've bought online








Postal services are important to businesses and economic development. Businesses rely on reliable and secure postal services. They send letters and goods to their customers and suppliers on a day-to-day basis.

Public bodies use post to send information to citizens. For example, in 2020, Prime Minister Boris Johnson wrote to every UK household to urge them to stay at home, protect the NHS and save lives.

Direct marketing is a feature of modern life and is either:

- personally addressed - where the consumer has consented to contact from the company, or
- a mass mailing - for example, a letter addressed to 'the householder'

1.2 Who's who

 <p>Department for Business, Energy & Industrial Strategy</p>	<p>Government department responsible for post</p>
	<p>Regulates the universal postal service</p> <p>Sets rules for postal operators</p>
	<p>Funded by government to provide consumer advocacy, information, education and advice for post</p>
	<p>Provides the universal postal service and other services</p>
	<p>Offers Royal Mail products and services, government services, postal orders and more</p>
	<p>Parcel companies provide services that are less regulated than the universal service</p>
	<p>A way to solve a problem without going to court</p>

1.2.1 Department for Business, Energy and Industrial Strategy (BEIS)

BEIS are responsible for government decisions and policy on postal affairs.

1.2.2 Ofcom

Ofcom regulates the universal postal service. It means Royal Mail must deliver and collect:

- letters 6 days a week, and
- parcels 5 days a week

at an affordable and uniform price throughout the UK.

Ofcom doesn't:

- regulate post offices
- make decisions about post office closures
- give advice on individual complaints.

Ofcom's power to regulate comes from the Postal Services Act 2011. As required by the Act, Ofcom made a Universal Postal Services Order in March 2012 to set out:

- the services they considered should be provided as part of the universal postal service, and
- the standards with which those services need to comply.

The Order sets out the scope of the universal postal service in the UK. It does not itself impose any obligation on any operator to provide services.

Ofcom carries out various functions to fulfill its regulatory duties:

- monitor the postal services market - a yearly report on the postal market
- set regulatory conditions for Royal Mail and other operators
- fine Royal Mail and other postal operators who don't meet the regulatory conditions
- 'Name and shame' operators with poor practice

1.2.3 Citizens Advice

The consumer service, scams action service, public website content, post policy research and consumer campaigns offer information, advice and education.

The [public website](#) has information for consumers on common postal issues.

The **post policy research team** represents consumers of postal services. The team works on projects that contribute to improving how the:

- universal service works, and
- postal market operates for all consumers.

They also represent consumers in decisions on the future of the post office network. Some work is carried out in partnership with Citizens Advice Scotland and the General Consumer Council for Northern Ireland. The collective name for all 3 organisations is the consumer advocacy bodies.

Consumer campaigns deliver post-specific information, advice and education when relevant. For example, Scams Awareness fortnight and National Consumer Week. A guide for sellers on online marketplaces was published as part of 2018 National Consumer Week.

The **consumer service** handles consumer enquiries about postal issues to give:

- general, non-product specific pre-shopping advice
- information on consumer rights
- practical advice for consumers to use to resolve their postal problem
- a gateway to other advice agencies, for example, the Postal Services Redress Scheme (POSTRS) and local Citizens Advice
- intelligence to trading standards

Consumer service funding arrangements

Citizens Advice charges industry for giving advice on regulated postal issues. BEIS sets the charge and Ofcom collects payments on behalf of BEIS.

BEIS and Ofcom use consumer service post data to calculate how much each postal operator has to pay.

The post product codes identify chargeable postal issues - so accurate completion is important.

1.2.4 Royal Mail

Royal Mail is the UK provider of the universal service – the 6-day a week, 1 price goes anywhere postal service.

The products and services they offer to meet their universal service obligations (USO) are:

- **'End to end services at affordable prices'**
 - 1st and 2nd class mail (large letters, letters and parcels)
 - Royal Mail Signed For
 - Return to Sender services
 - International Standard
 - International Economy
- **'free end-to-end services'**
 - free carriage of legislative petitions
 - a free-of-charge postal service to blind or partially sighted people
- **'addressee services'**
 - Redirections
 - Post Restante
 - Keepsafe

When a consumer buys a universal service product or service from Royal Mail, there's no contract. Instead, terms and conditions for these products and services are set out in Schemes.

Royal Mail also offers:

- products and services that aren't required by the universal service - for example, Tracked 24 and Tracked 48 - tracked parcel services, Local Collect, Special Delivery by 9am and British Forces Post Office (BFPO)
- a range of commercial services to consumers, sole traders, small businesses, large businesses and retailers, and other postal operators - for example Safebox.

1.2.5 Post Office

Post offices are the hub of many towns and villages across the UK and have an important role in the community. They provide a source of social interaction as well as access to essential services.

The Post Office is a limited company owned by the UK government and separate from Royal Mail. The Post Office network has over 11,500 branches:

- 97% run with retail partners on an agency or franchise basis
- 99.7% of the population live within 3 miles of a post office and 93% live within 1 mile
- biggest retail network in the UK - more branches than banks and building societies.

Post offices offers over 170 different products and services including:

- Royal Mail products and services
- government services
- broadband and home phone
- foreign currency
- savings, loans, insurance, mortgages and credit cards
- Everyday Banking - customers are able to access their High Street bank account
- postal orders - a way to send to money without a bank account

1.2.6 Parcel companies

Parcel companies operate in the postal sector alongside Royal Mail - for example, Hermes and DPD. These companies provide services:

- on behalf of retailers - delivering online orders and enabling returns
- direct to consumers - services for sending parcels that compete with Royal Mail
- on behalf of businesses - collecting and sorting bulk mail before final processing and delivery by Royal Mail.

Parcel companies provide pick up and drop off points (PUDO). A PUDO point is an external location, often a bank of parcel lockers, convenience store or dedicated parcel shop, where consumers can send or receive parcels.

Clients might call parcel companies 'delivery companies' or 'courier companies'.

Delivery companies include:



1.2.7 Alternative Dispute Resolution (ADR)

Postal operators must have a simple and transparent complaints procedure under Ofcom rules.

The Postal Redress Service (POSTRS) is available to consumers whose complaint is about:

- mail received from a member company (current members are Royal Mail and CMS Network (London) Ltd)

that's either

- a universal service product or service bought from Royal Mail
- other products and services Royal Mail or the member company has agreed are eligible (eligibility varies between the sender, the recipient, or either the sender or recipient)

ADR options for other postal complaints are the same as general consumer issues:

- the company must say if they're a member of an ADR scheme
- if the company's not in a scheme, they must give details of a suitable scheme and say if they're happy to use ADR
- **plus:** card and digital payments usually give a resolution route
- **plus:** online marketplaces sometimes offer dispute resolution.

Post				
Sending and receiving post			Post Offices	
Regulated by Ofcom			Post Office Ltd is owned by UK government (BEIS)	
Royal Mail Group other operators access Royal Mail's network		Other postal operators	Post offices provide a range of products and services	
USO	Non-USO		Sending letters and parcels	Branch services, travel, identity and licences, Post Office Money, broadband and phone
Schemes limit liability	Contract law	Contract law	No liability for wrong advice about Royal Mail products and services	FCA regulate Post Office Money Ofcom regulate broadband and phone Contract law
Royal Mail complaint procedure	Royal Mail complaint procedure	Operator complaint procedure	Royal Mail or Parcelforce complaint procedure	Provider's complaint procedure
POSTRS	May be eligible for POSTRS Other ADR options	ADR options	ADR options	

1.3 How letters and parcels travel

1.3.1 Letters and parcels

Letters, bills, postcards and parcels are delivered from one person to another.

A **sender** sends an item that's transported and delivered to a **recipient**. Delivery companies often work on behalf of business senders.

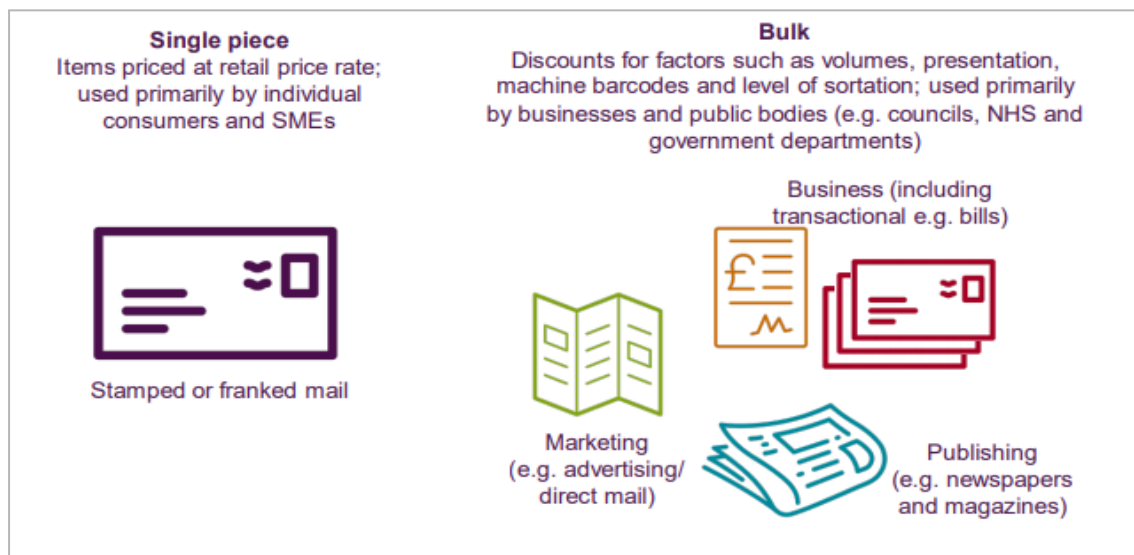
Private individuals, businesses and public bodies can all be senders or recipients. For example:

- a business sending out items consumers have bought online
- a consumer sending a birthday card to a relative or friend
- a consumer returning an item bought online
- a bank sending a paper statement to a customer
- a government agency sending an official document to a citizen

Everyone involved wants a smooth and efficient process from sending to receiving.

A **letter** is either:

- a single piece - postage at retail price
- bulk - postage price discounts for volume mail



A **parcel** is:

- a postal item containing goods with or without commercial value
- other than an item of correspondence
- with a weight not exceeding 31.5 kg

Domestic letters and parcels are sent within the UK

International inbound letters and parcels are sent to the UK from another country

International outbound letters and parcels sent from the UK to another country

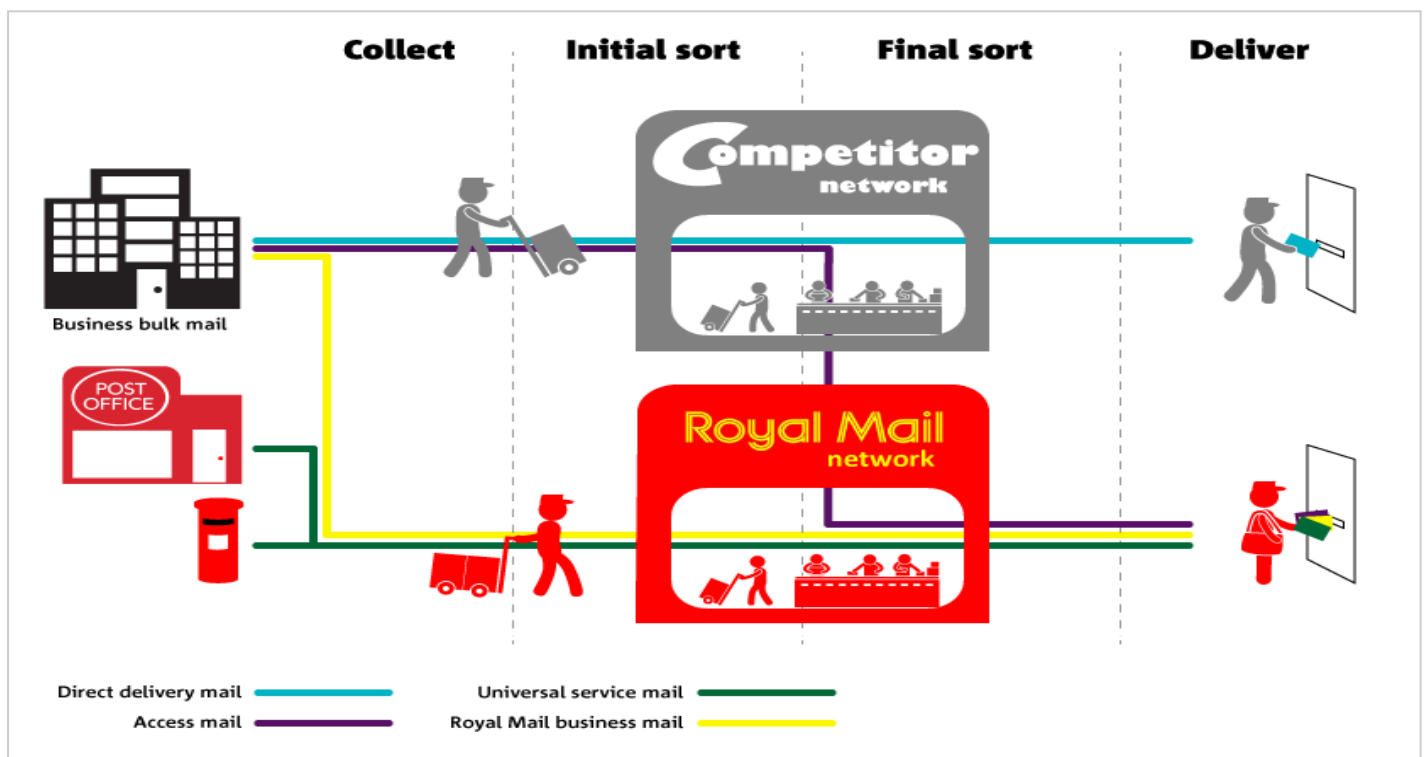
1.3.2 How mail travels

Letters and parcels can take different routes from sender to receiver. The route might use some, all, or none of Royal Mail's infrastructure.

[This video](#) from the Postal Museum shows how a letter travels with Royal Mail.

The journey of a parcel with a parcel delivery company is shown in these videos:

- [Royal Mail](#)
- [Hermes](#)
- [Yodel](#)

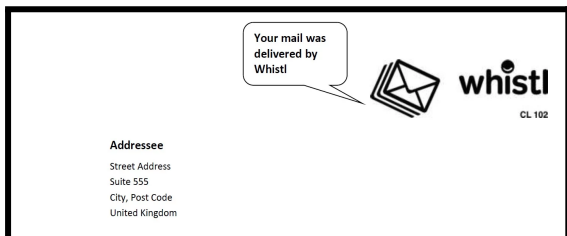


Source: [Ofcom: Annual monitoring report on postal services 2019-20](#), figure 3.3

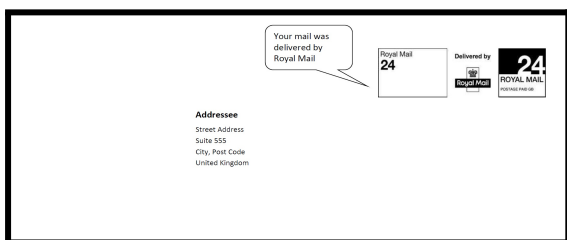
Access Mail (also called Downstream Access or Access Competition) is when a delivery company collects and sorts mail for a business customer. It's then handed to Royal Mail for what's called 'final mile delivery'. Examples include: bank statements, HMRC, DVLA and loyalty card mailings.



Direct Delivery (or end-to-end delivery) is when delivery companies collect mail from customers and deliver it through their own network. Royal Mail aren't involved at all. Examples include: secure delivery of passports by DX and a consumer choosing to use Hermes to send an item.



Universal service mail means the products and services Royal Mail is required to provide under the universal service obligation.



Royal Mail Business mail is when a business has an account with Royal Mail. Sending over 20 parcels a week makes a customer eligible for business prices and services.

1.3.3 Mail integrity

Royal Mail must protect postal items from loss, theft or damage. Items might contain personal or confidential information, such as bank details or medical appointments.

All companies who handle postal items have an obligation not to delay or open items.

1.4 Collecting stamps

1.4.1 Philately

Philately is the study of postage stamps and postal history. It includes collecting or researching:

- special series of stamps - to celebrate a significant place, event, person or object, for example Christmas or a TV show
- first day covers - a specially designed envelope bearing newly issued stamps, postmarked on the first day the stamps were on sale
- sheets of stamps
- postage signs
- stamp catalogues
- philately magazines
- national and international philatelic exhibitions
- stamp design, specification, production and printing
- forged stamps

The Fédération Internationale de Philatélie promote the hobby and organise international exhibitions.

1.4.2 Used stamps

Charities and churches often collect used stamps to raise money. For example, RNIB can raise £20 per kilogramme of used stamps they collect. RNIB explain that:

“the majority of donations are sorted into countries and sold to collectors for philatelic use. A small portion is sold on to artists who make huge canvas pictures using different coloured stamps as pixels. These works can be worth a lot of money but require the use of thousands of stamps to make the picture in the first place. A tiny fraction is sold on to foreign buyers as GB stamps are still by far the most desirable as they were the first to produce stamps”.