

Pass the parcel

Competition and choice in the UK parcels market

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About us

On 1 April 2014, Consumer Futures (previously Consumer Focus) – the statutory representative for consumers of postal services across the United Kingdom, for energy consumers across Great Britain, and for water consumers in Scotland – became part of the Citizens Advice Service. Our responsibility for post in Northern Ireland transferred to the Consumer Council for Northern Ireland.

Citizens Advice Service in England, Wales and Scotland

The Citizens Advice Service provides free, confidential, and impartial advice to help people resolve their problems. As the UK's largest advice provider, the Citizens Advice Service is equipped to deal with any issue, from anyone, spanning debt and employment, to housing and immigration, plus everything in between. We value diversity, promote equality, and challenge discrimination.

The service aims:

- To provide the advice people need for the problems they face
- To improve the policies and practices that affect people's lives
- To ensure that individuals do not suffer through ignorance of their rights and responsibilities or of the services available; or through an inability to express their needs
- To exercise a responsible influence on the development of social policies and services, both locally and nationally.

Citizens Advice Bureaux deliver advice services from over 3,500 community locations in England and Wales, run by 382 independent registered charities. Citizens Advice itself is also a registered charity, as well as being the membership organisation for these 382 member bureaux. In Scotland, 61 Citizens Advice Bureaux helped more than 330,000 clients with over one million issues in 2013/14. More than 2,200 trained volunteers and 600 paid staff ensure that thousands of people in Scotland receive vital advice every day.

Background and aim of the report

The UK postal market has undergone significant changes in recent years. There has been a shift in emphasis from a letter-based communications system to a logistics network geared towards parcels. This has been fuelled by consumers' increasing use of electronic communication and the related growth in online retailing. Many online shoppers are not at home to accept delivery of their items, which are often either too large to fit through the letterbox or require a signature on delivery; this brings the issue of delivery convenience to the forefront of recipients' (and delivery companies') minds.

The parcels market is considerably more competitive than the letters market because of the lack of regulation and higher profit margin. Royal Mail remains an important provider of parcel deliveries under the Universal Service Obligation (USO),¹ offering a range of products across the UK at geographically uniform prices. However, competition for consumers as both senders and recipients of parcels is increasing, as residential senders increasingly turn to parcel delivery companies other than Royal Mail.

Other delivery companies provide alternatives in both the provision of parcel products and the delivery options offered, including flexible premium features such as timed delivery, tracking and delivery notification. Additionally, new business models have emerged that specifically focus on the needs of consumers. These include:

- networks of collection and delivery points, for example lockers or manned locations such as convenience stores
- brokers operating consumer-facing websites that offer products from a range of carriers, typically at better rates than the consumer could obtain directly.

However, their geographical coverage and prices vary, and many parcel products are not available to consumers as individual senders. Previous research identified several specific issues that certain groups of consumers face when sending and receiving parcels, including non-deliveries, delivery surcharges and lengthy journeys to collect undelivered items.² It is easy to assume that because there is competition for consumers' business in this part of the postal market (unlike for letters in which Royal Mail retains the majority of deliveries) consumers are benefitting from this

¹ Defined as the collection and delivery of letters six days a week, and parcels and packets up to 20kg five days a week, from any post box to any address in the UK, at uniform, affordable prices

² Consumer Focus Scotland (2012) *Effective parcel delivery in the online era – what consumers in Scotland need*; Consumer Focus Post (2010) *'Sorry, you were out...'* *The unsuccessful delivery of your mail*; Consumer Futures (2013) *Signed, Sealed...Delivered?*

increased choice. We wanted to test this assumption with an ‘on the ground’ assessment of how some of the available competition is working for consumers across the UK.

This report describes some of the routes through the parcel system for consumers as senders and recipients, and discusses some of the pros and cons of each route. It also presents the main findings from an ‘on the ground’ mystery shopping exercise looking at the end-to-end journey of parcels sent and received using one of a variety of parcel operators.

This approach is not meant to be prescriptive: we are not seeking to design an ‘ideal’ parcel delivery model on the basis of our findings. We welcome choice and innovation and recognise that consumers will have individual preferences for one company, service or product over another. Rather, we want to compare companies, services and products to identify good and bad practice, and suggest improvements to ensure operators put consumers at the heart of the parcel industry. This could lead to a win-win growth in online shopping, choice and confidence

Parcel operators and products

For this report we wanted to provide a broad representation of the various parcel services available across the UK. We therefore focused on the parcel operators discussed below as they offer a variety of methods for purchase, despatch and delivery via UK-wide networks. Most consumers will be familiar with Royal Mail products purchased via a post office and delivered to the recipient’s home, but other methods include:

- online access to a range of operators via a parcel broker
- couriers that collect parcels from the sender’s home
- local shops that act as collection points for recipients.

The different products and routes fulfil different needs and as such will be appropriate for different consumers at different times. Some of the companies that consumers can access as senders and recipients, and some of main routes through the parcel system, are presented below.

Parcel operators discussed in this report

- **Royal Mail** is the UK’s universal postal service provider and as such offers consumers a range of parcel products at uniform prices across the UK. Royal Mail’s parcel products are only available via post offices. There are 11,780 post offices across the UK, of which 47 per cent are located in rural areas.³
- **Parcelforce**, part of Royal Mail Group, offers a range of more premium parcel products than Royal Mail, and its products are also available via post offices.

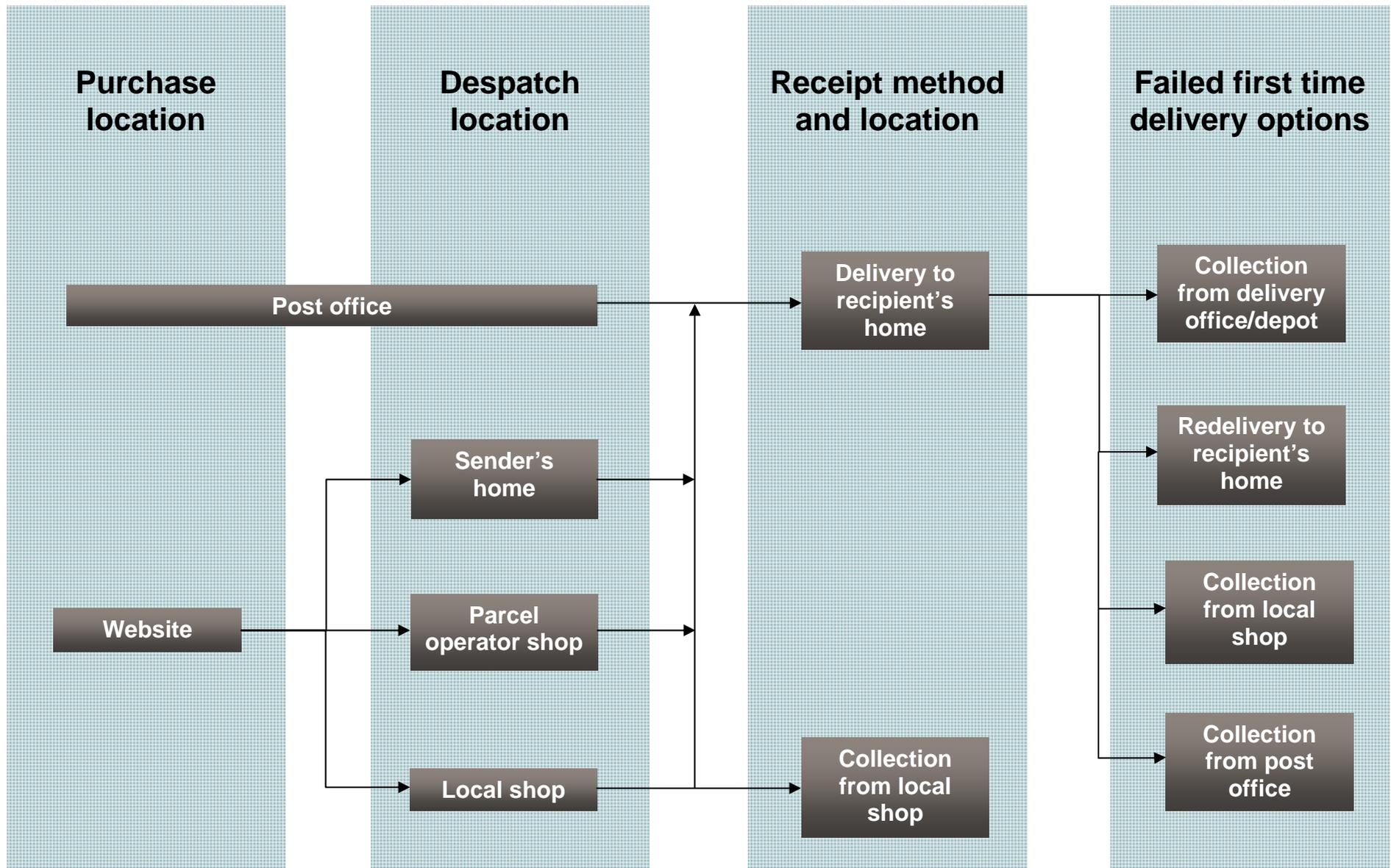
³ All details of the number and spread of access points are correct as of March 2014

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- **myHermes** is an online service which offers consumers the choice between either dropping off their parcel at a nearby shop (myHermes ParcelShop) or a free collection from their home (myHermes Courier Collection). myHermes ParcelShop is available in over 2,500 locations.
- **Collect+** is an online service, but parcels are dropped off and collected at a local shop. It is available in over 5,500 shops, with plans to increase this to 7,500 by mid-2015.
- **Mail Boxes Etc.** is a delivery service broker that offers delivery via companies including Parcelforce, UPS, FedEx, DHL and TNT; it sells products online and in its shops. It has over 140 outlets across the UK and Ireland.
- **Parcel2Go** is an online-only delivery broker that offers delivery via companies including TNT, Parcelforce, Yodel, City Link, FedEx or Hermes.

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Figure 1: Some primary routes for sending and receiving parcels



Mystery shopping

Research rationale and method

GfK Mystery Shopping conducted a mystery shopping exercise to test consumers' experiences of competition in the parcels market. This involved shoppers across the UK sending parcels to shoppers in other parts of the UK, with approximately 150 parcels sent using one of the six parcel operators described above. This sample size does not allow us to assess the overall quality of service provided by each operator and does not reflect their market share. Rather, it allows us to test some of the different routes available to consumers and provides a sense of how they operate as competition develops.

A total of 760 parcel despatch assessments were attempted, resulting in 688 successful despatches and 581 successful receipts. Parcels were sent and received across the nations of the UK, and to and from urban, rural and remote areas. Fieldwork took place between 7 May and 8 June 2013. Full details of the research can be found in the accompanying research document.

'Sender' shoppers were asked to record their experiences of attempting to send a parcel. In order to ensure consistency, all senders prepared a parcel that was too big to easily go through a standard letter box. Senders recorded the information given in response to a request for the operator's most basic parcel product. For Royal Mail this was Second Class, for Parcelforce this was express48, and for the other sending companies this was the cheapest standard product offered.

'Recipient' shoppers were instructed to record their experience when receiving the sent items, including their experiences of retrieving the parcel following unsuccessful delivery on the first attempt. Those expecting a delivery to their home (recipients of Royal Mail, Parcelforce, myHermes and other services via Mail Boxes Etc. and Parcel2Go) were instructed to try to be out, or to pretend to be out, when the parcel arrived to test the redelivery and/or collection options offered following first time delivery failure. Recipients of Collect+ were instructed to collect the item from a collection shop having received a text or email.

Shoppers were instructed not to travel more than 15 miles (from their home) to drop off or pick up their parcels from shops or post offices. The limit was imposed for practical reasons as well as being what we considered as a reasonable real-life reflection of how far people would travel to drop off parcels.

Throughout the report, base sizes of less than 30 are indicated as 'low base' and can only provide indicative findings. We also include verbatim quotes from shoppers where appropriate to illustrate their experiences.

Key findings

Sending parcels

Overall, one in ten shoppers was unable to despatch their parcel. This was primarily due to the nearest drop-off point being too far away (as defined in this research) for users of Mail Boxes Etc.

The great majority (90 per cent) of sender shoppers were able to despatch their parcels successfully. However, they were instructed not to travel over 15 miles from their home to send the parcel and this was the primary reason for failure to despatch. Among this group of failed despatchers, the average distance to the nearest drop off point was 50 miles. The longest distance was in Scotland at 130 miles (Orkney to Aberdeen). The overall proportion of shoppers failing to despatch was highest in Northern Ireland at 14 per cent.

Across sending companies, Mail Boxes Etc. stands out with 65 per cent in total of all those shoppers attempting to send via this company being unable to do so, primarily on the basis of distance. Despatch was successful among all Royal Mail and Parcelforce users.

Distance travelled to post office or drop-off shop

Average distances to post offices were shorter than those to other despatch points.

Successful senders travelling to a post office or drop-off store recorded the distance travelled. The geographical reach of post offices and Collect+ was clearly evident with three-quarters of shoppers needing to travel no more than two miles to locate one. Almost two in three shoppers using myHermes shops and Mail Boxes Etc., however, had to travel over two miles. There was a strong link between geography and distance travelled, with only 9 per cent of shoppers in remote areas having a post office or drop-off point within two miles of their home.

Purchasing in post offices

Around two-thirds of Royal Mail and the great majority of Parcelforce buyers paid the price expected based on the service requested and face-to-face customer service skills, such as courtesy and friendliness, were perceived as good.

However, staff only asked shoppers about their posting needs in a minority of cases.

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Post offices were used to send parcels by 347 shoppers in total. Shoppers visited the post office with their parcel and asked for either Royal Mail Second Class or Parcelforce express48, depending on their assignment. If they were offered other products, they were instructed to state that they were posting on behalf of a friend who had asked them to use this product.

Almost all shoppers felt the post office in question was open at a convenient time (99 per cent) and located conveniently (97 per cent). Most (87 per cent) post office users waited three minutes or less to be served. Staff were perceived as polite, knowledgeable and understandable in almost all visits.

Less than one-quarter were asked about parcel contents or arrival time requirements, while half were asked about the contents' value. 90 per cent of those using post offices perceived that prices were clearly explained, and over three-quarters were given information about the delivery time.

A small minority of post office users could not purchase the service they required. This was mostly due to Royal Mail purchasers' parcels being considered larger than 'small' (although within the 'small' dimensions) which resulted in some paying double the price they expected, plus three Parcelforce purchasers were 'pushed' into a Royal Mail Special Delivery service rather than Parcelforce express48.

Purchasing online

Online purchasing was generally considered straightforward with the significant exception of Mail Boxes Etc. where substantial numbers of shoppers could not get a quote without 're-contact' via telephone or email.

In general, automated website systems were better at establishing customer needs (in terms of parcel contents and required delivery times) than post office staff.

Online booking was used to send parcels by 341 shoppers in total. Most shoppers found the systems easy to use with the clear exception of those using Mail Boxes Etc., 42 per cent (low base) of whom had to wait for a quote via a 're-contact' as it was not automatically available on the site. These quotes came back via a number of routes – sometimes by email, sometimes by phone and sometimes directly from the drop-off shop.

Information on contents and value was automatically requested in around two-thirds of web visits. However, shoppers' timing needs were only established on just over 20 per cent of visits. 92 per cent perceived that prices were clearly explained. Around two-thirds of online shoppers were given a time window for delivery, varying from Collect+ at 76 per cent to Mail Boxes Etc. at just 13 per cent.

Experience of drop-off shops

Drop-off shops were considered convenient, with polite and friendly staff. However, users of Mail Boxes Etc. were less likely to feel that their stores were conveniently located and there were several instances of miscommunications between their website and shop.

Drop-off shops were used to send parcels by 223 shoppers in total following their online order. Almost all shoppers felt the drop-off shop in question was open at a convenient time (99 per cent) and conveniently located (94 per cent). Mail Boxes Etc. users were the slight exception, with 91 per cent believing the shop was open at a convenient time and 78 per cent believing that it was conveniently located. The majority (97 per cent) of drop-off shop users waited three minutes or fewer to be served. The longest waiting time was five minutes in a Collect+ shop. Staff were perceived as polite and friendly in almost all visits.

Time windows for delivery were not given as frequently as in post offices although many of these users had been given delivery information when ordering online. The exception was those using Mail Boxes Etc., who were provided with a specific date in 65 per cent of assessments. On eight Collect+ purchases, the shoppers noted that the website had stated three to five days for delivery but in the shop they were told delivery would be just 24 hours.

Just 3 per cent of shoppers experienced difficulty in despatching the parcel, although this rose to 13 per cent among those using Mail Boxes Etc. Verbatim comments from shoppers indicate problems with miscommunications between the website and the shop, difficulties with barcodes and incorrectly advertised opening hours.

Experience of couriers

About one in five courier despatches did not work as planned, although the vast majority reported that the couriers were polite and friendly.

Couriers were used to pick up the parcels from the sender's home by 118 shoppers in total following their online order. In 13 cases, although instructed to hand over the parcel in person, the shopper left it outside for collection because they were unable to wait in across a period of time.

Among the 105 courier collections, most were not expected at a specific time. In the few cases where a specific time was expected, most adhered to this – the main exception being products purchased via Parcel2Go (other than myHermes). The percentage of users who were given time windows for delivery was similar to that given in drop-off shops, and again many of these users had been given delivery information when ordering online. The majority (96 per cent) of couriers were considered polite and friendly.

Overall, 17 per cent of shoppers experienced some level of difficulty with the courier service, although some of these were connected to missing the collection and having to rearrange. The proportion rose to 25 per cent among those buying myHermes via Parcel2Go. Comments from the shoppers illustrate problems with missed collections and receipts.

Prices charged

Among the delivery companies used, prices varied across supplier and even within supplier, but there was little geographical or national variation.

Shoppers were instructed to purchase specific products and so, in many cases, it is possible to directly compare the actual price against the expected price. All shoppers were instructed to refuse any additional services offered such as a signature on delivery or higher levels of compensation. Little variation was present across sender or receiver countries and geographies and, even where apparent, this was explained more by product variation. Any differences recorded are explained below.

Royal Mail

Royal Mail charges uniform prices for Second Class so, based on the parcel measurements given to shoppers, we expected all Royal Mail purchases to be £2.60. In fact a substantial proportion (28 per cent) paid £5.20. In a of couple of cases, the measurements may have veered over the 80mm depth maximum by a couple of millimetres, but the great majority were well within Royal Mail's Small Parcel dimensions of 350mm by 450mm by 80mm. It would appear that these parcels have incorrectly been priced as Medium Parcels.

Parcelforce

The great majority of Parcelforce buyers paid the expected £11.96. The small numbers of exceptions are cases where shoppers were recommended or pushed into either Second Class or Special Delivery.

myHermes

All shoppers using myHermes Parcelshop paid £3.00 and most of those using myHermes Courier Collection paid £3.30.

A small number of myHermes Courier Collection users had to pay Saturday surcharges which accounted for the small variations in price.

Collect+

Most Collect+ shoppers paid £3.49, but a substantial minority paid £3.99. Three shoppers paid £4.99; in all three instances the parcel was sent from Northern Ireland. Shoppers sending from or to rural areas paid slightly higher prices on average.

Mail Boxes Etc.

This group of shoppers is relatively small and so these findings can only be indicative.

The highest prices overall were for Parcelforce purchased through Mail Boxes Etc. Most of those purchasing Parcelforce via Mail Boxes Etc. bought express48 for £15.59. Those purchasing other services via Mail Boxes Etc. mainly selected Royal Mail Second Class (£3.52 to £3.60).

Parcel2Go

Most of those purchasing myHermes Courier Collection via Parcel2Go paid £3.30, while a substantial minority paid £7.19. Those sending to Northern Ireland and to recipients in remote locations paid markedly higher prices. Prices for those purchasing other services via Parcel2Go depended on the company selected, and ranged from £10.19 for TNT to £26.45 for Yodel.

Overall sending experience

Shoppers able to despatch their parcels were generally satisfied with the experience. Where frustrations arose, they were primarily related to delivery timings, prices, difficulties with web purchase and distance to drop-off shops.

Among successful senders, satisfaction (extremely to fairly satisfied) was generally well over 90 per cent. The exceptions were Mail Boxes Etc. and Parcel2Go, both recording much lower levels at 58 per cent and 65 per cent respectively.

Among those senders who were less than satisfied, the key reasons were:

- lack of detailed information about delivery timings
- prices outside expectations
- not taking care with the parcels
- post office staff being insistent that another service was more appropriate than express48
- website and label printing problems
- incorrect information regarding shop opening times on websites
- lack of specific time windows for home collections
- distance to drop-off shops
- specifically for Mail Boxes Etc. – the frustrations of not being able to get a price online.

The verbatim examples below illustrate the range of sender experiences.

Post office – Royal Mail

- “A low-cost easy service to use.”
- “The adviser provided little information and was very unclear on the delivery time scale. The proof of posting also does not show the delivery address.”

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- “I was able to send the parcel and the staff member was polite during the transaction; but I was not given any information or suggested any alternative services.”
- “I was very dissatisfied as I was charged double the price for sending the packet.”

Post office – Parcelforce

- “I felt the experience was uncomfortable due to the nature of the staff member serving me, I felt I was being pushed into taking a service I had not asked for and the staff member was not listening to my repeated attempts to send the parcel as requested.”
- “I found that the item was easy to post, at a convenient location, without a long wait in a queue.”
- “The staff member was quite forceful in recommending a different service with my previous parcel, therefore I felt this transaction was a little tense.”
- “I was satisfied because the clerk had my interests in mind because she offered me a cheaper option.”

myHermes Parcelshop

- “Having it all paid and set up from home was brilliant. However, I did not find the system easy to use, especially the difficulty printing the labels through Adobe.”
- “The incorrect opening times for the drop off shop, nearly caused a wasted journey. I was lucky that I arrived just as the shop was about to close.”
- “It was easier to park and drop off than at my local post office and the online process was simple.”

myHermes Courier Collection

- “This Courier company gives no time window for collection.”
- “It was very convenient having the courier come to my house to collect the parcel, and he was very polite and friendly.”
- “I had to wait in until collection was made. As I had no idea what time the courier was calling, this was very frustrating.”
- “An efficient service but no time slot given so I had to arrange to stay in all day”

Collect+

- “I like the service but it is too far to go to post a parcel.”
- “All aspects worked well with no difficulties encountered.”
- “I was unaware just how easy it was to send a parcel by collect+”

Mail Boxes Etc.

- “I felt dissatisfied, however, that the website could not provide me with an instant quotation as it took two attempts at inputting data and 24 hours to receive a price option from the company, which is inefficient for an industry which is dependent on speed and ease-of-use.”

Pass the parcel

- “The service in the shop was good, however, the website was unclear and not very user friendly.”
- “I was unable to find any pricing on the website, although I had put in the dimensions and weight.”

Parcel2Go

- “The website was at best temperamental and the price kept changing. The collection was not within the time specified which necessitated me remaining at home all day awaiting collection.”
- “The website was very confusing as it was giving a range of options and messages that were clearly wrong relating to the size and weight of the package. I was also left sitting at home from 9am until the parcel was collected at 5pm.”
- “It was easy to arrange the collection online and the parcel was collected from my home by a friendly courier. I would have liked a more precise time slot, even morning or afternoon would have been more convenient.”

Receiving parcels

Over one in ten despatched parcels were not received, at least within the duration of the mystery shopping exercise; almost two in ten Collect+ parcels were not received.

There were 746 receipt attempts, and when sender failures (discussed above) were excluded, 674 parcels could have been received. Of these, 581 shoppers successfully received their parcels, while 165 did not, for a variety of reasons. This means that 13 per cent of these sent parcels were not received within 10 working days. On this measure, there was little variation across sending and delivery companies, with Collect+ customers experiencing the highest levels of non-receipt at 17 per cent.

Methods of receipt

A substantial minority of items was not delivered according to the expected delivery practices of each company, with 14 per cent left outside recipients' homes or with neighbours with no explanatory card posted through the letterbox. This was particularly prevalent among Royal Mail deliveries (25 per cent).

Of the 581 shoppers who successfully received their parcel, 316 (54 per cent) managed to be out, or pretend to be out, when the parcel or card was delivered. The survey had intended recipients to be 'out' when parcels arrived in order to evaluate what happened next, unfortunately the remaining 28 per cent were unable to be 'out' (for example partners or guests opened the door or the postman saw residents through windows) and they therefore received the parcel directly. A further 18 per cent (mostly Collect+ recipients) did not need to pretend to be out as they received a text or email informing them the parcel was ready for collection.

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Methods of receipt across companies for all deliveries, whether the recipient successfully pretended to be out or not, are summarised below. We have set the results within the context of whether they were as expected for each individual operator or not – for example, we would not expect Royal Mail postmen/women to leave a parcel outside, whether they left a card or not, but it is standard practice for myHermes delivery staff to leave an item in an outside safe place provided that a card is left. However, overall a small minority (4 per cent) of items were left with a neighbour without a card and 10 per cent were left outside without a card.

Royal Mail

60 per cent of deliveries were as expected: either delivered, delivered to a neighbour with a card or a card left for collection. 29 per cent of deliveries were left outside (either with or without a card) or with a neighbour but without a card; these practices increase the likelihood of these parcels becoming damaged or lost. However, in over 50 per cent of these latter delivery methods the shopper was based in a non-urban area and, while certainly not always the case, some of the comments suggest that informal arrangements are well known between postman/woman and householder.

Parcelforce

80 per cent of deliveries were as expected, with 25 per cent needing to be collected. 8 per cent were left without a card.

myHermes

72 per cent of parcels were delivered via an expected route. However, 15 per cent were left outside or with a neighbour – but with no card. Again, over half of these were in rural areas in Wales or Northern Ireland although the verbatim comments did not suggest any agreements with delivery staff.

Collect+

80 per cent of all receipts were via the expected collection route, preceded by a text or email. The remainder were delivered using a variety of methods but almost all involved an unexpected attempted delivery to the house. No specific patterns in terms of country, geography or dates are apparent across these deliveries.

Receipt times

Delivery times averaged 3.3 days⁴ (2.7 days assuming all attempted deliveries could have been received had the shopper been at home). Royal Mail parcels were received in the shortest times and Collect+ in the longest times (although most Collect+ items were collected rather than delivered).

⁴ Shoppers were instructed to try to be out, or pretend to be out, when parcels were delivered and therefore actual delivery timings are not an exact representation of real times.

The approach of asking shoppers to pretend to be out when their parcel was delivered could have unfairly distorted receipt times because there might have been instances when the parcel would have been delivered first time if recipients had not had these instructions. Therefore, in order to calculate fair receipt times it is necessary to separate receipts that were:

- successful on the first attempt (for example because the recipient did not manage to pretend to be out)
- unsuccessful on the first attempt (for example because the recipient did manage to pretend to be out)
- subsequent to contact by the operator (for example when the recipient collected the parcel from a neighbour after a card was left).

We will consider the times for both successful first time receipts and failed first delivery attempts as a proxy for real receipt times.

Most parcels were received within two to three days, with receipt times averaging 3.3 days (2.7 days assuming all attempted deliveries could have been received had the shopper been at home). Royal Mail attempted or successful first time deliveries were generally made in the shortest times. The need to collect from Collect+ pushed up their average receipt time to over four days, and myHermes items were also delivered in longer than average times. As senders were often not given any information regarding expected delivery times, we cannot directly compare actual or attempted delivery times with expected times.

There was little difference across country or geography in successful first time receipts or failed first delivery attempts (as a proxy for real delivery times).

Parcel collection experience

In general parcel collection points were considered convenient in terms of opening times, locations and ease with which they were found. Although based on low numbers, Royal Mail collection points, which tended to be delivery offices (depots) rather than post offices or local shops, scored least well on these measures.

In total, 159 shoppers collected their parcel from a shop or depot. A large proportion of these were Collect+ recipients who had been instructed to collect their parcel. The others were cases where the shopper had been out at the time of delivery and a card had been posted instructing them to collect.

Most collection points were conveniently located within two miles of shoppers' homes, and over 90 per cent of shoppers thought that their collection point was open at a convenient time, easy to find and in a convenient location. However, Royal Mail received lower scores on all three measures than other operators:

- 83 per cent of Royal Mail recipients rated their collection point as open at a convenient time
- 79 per cent believed it was in a convenient location.

Royal Mail collectors were more likely to have to travel over two miles than those collecting from other companies; although the numbers are low this indicates that Royal Mail users who were not in when their parcels were delivered may have experienced greater inconvenience.

Those living in Northern Ireland were more likely to have to travel over two miles than those collecting from other countries. Collectors living in rural areas had to travel further than those living in urban areas. Although only based on eight shoppers, the results indicate that those living in remote areas were much more likely to travel more than two miles.

Overall receipt experiences

Shoppers able to receive their parcels were generally satisfied with the experience. Where frustrations arose, they were primarily related to lack of care over the handling or security of the parcel and confusion over information provided on cards.

Among recipients of the major delivery companies, Parcelforce generated the highest levels of satisfaction with 89 per cent extremely to fairly satisfied, followed by Collect+ at 87 per cent. There was little difference between Royal Mail and myHermes, both of which scored in the low 80s.

Among those recipients who were less than satisfied, the key reasons were:

- the condition of the packaging – torn, crumpled or damaged; overall the packaging was found to be torn or damaged in 17 per cent of successful parcel receipts
- lack of care of the package – being left in exposed, insecure or inappropriate places or being thrown over gates etc.
- parcels left in external areas but no card left to inform the recipient
- confusion over whether cards left related to collection from a post office or a neighbour.

The verbatim examples below illustrate the range of recipient experiences.

Royal Mail

- “The parcel had blown away into a neighbour's garden and the only reason I found it there was that I was looking for parcels on my arrival home. No card had been posted through the letter-box so I feel that had I not returned home when I did the parcel may have been lost.”
- “I am very satisfied because I got my parcel without having to go to the Royal Mail to collect it.”

Pass the parcel

- “I was very upset that someone from Royal Mail entered my property without permission and left a parcel in my porch.”
- “This rating is due to the poor state of the package when I received it, the package was torn, with the contents visible.”
- “The delivery person was polite and professional and the parcel delivered with the rest of my mail.”
- “The parcel was left on the doorstep in full view and exposed to the elements. If it had contained anything of value it could well have been taken without my knowledge of it even having been delivered.”

Parcelforce

- “I was disappointed however that the package was clearly damaged.”
- “Having to leave a day between failed delivery and collection from the local post office is inconvenient.”
- “I am very satisfied because I got my parcel without any problems.”
- “I received the card but thought it told me to go and collect the parcel. The map on the card was so bad I had to get a street atlas to understand it, then I saw a box which said see the other side of the card to find where my parcel was. The box was ticked to say it would be delivered the next day and it was already 5pm and no parcel. I used the tracking number to find that my neighbour had had the parcel since about 10.30am. We had been in for several hours but by now she was out and I had to wait until 9pm to get it.”
- “It was easy for me to go to my local Post Office and pick up the parcel.
- “I wasted a lot of time trying to find out which Post Office the parcel had been left at, due to not being able to read the card. Then I had to phone Parcelforce to give my postcode, only to find out the parcel had been left with a neighbour, there was not a card to say the parcel had been left with a neighbour.”

myHermes

- “The courier clearly threw the parcel over my back gate which was locked. They did not check where it went and it would have broken if there had been anything fragile inside it.”
- “I received an email informing me the parcel was coming. The email contained a tracking number and it was delivered in good condition.”
- “The packaging was torn in places. The parcel was left with a trustworthy neighbour who delivered me the parcel immediately upon my return, however, I was disappointed to find that no card had been posted through my door advising of its whereabouts.”
- “The card said the parcel was ‘In window’. The parcel had been thrown through a high window that was open, it was bashed and could have set my alarm off.”
- “The packaging had been ripped and the delivery person tried to force the parcel through the letter box, which could have potentially damaged the contents.”
- “The delivery person was very pleasant and friendly.”
- “I received an email, then a card through my door to say the parcel was in the recycling bin.”

Collect+

- “I was asked by the outlet to provide photo ID. The instructions on the email only said to take a bill or bank statement. I was almost turned away without being given the parcel.”
- “Everything ran smoothly, received the text then went and collected the parcel at a convenient time.”
- “The package was ripped open and the contents could have been lost.”
- “It was convenient to pick up a parcel from the shop so you do not have to wait in for a delivery. However, I received an email telling me it was there and when I went to collect it, it was not there and the staff at the shop could not give me an explanation apart from that it had not been delivered to them yet.”
- “Service was quick friendly and efficient with a suitable location / time to collect the parcel.”

Variations across countries and geographies

A key objective of this research was to consider any disadvantages faced by consumers based on their location when sending and receiving parcels, and we found a clear impact of nation and geography on access to parcel competition.

Initial website reviews across the operators tested suggest that there are some areas to which you cannot send items – either using specific services or at all. There was a direct and strong link between geography and distance travelled. Those living in rural and remote areas tended to have to travel further to access post offices, drop-off points and collection points.

Senders in rural and remote areas were, on average, noticeably further from post offices and drop-off points, the proportion of shoppers unable to despatch due to drop-off shop distance was highest in rural areas and, although only based on a small number of shoppers, most collectors living in remote areas had to travel more than two miles to collect their parcels.

Across the nations the proportion of all shoppers failing to despatch was highest in Northern Ireland, the proportion of shoppers unable to despatch due to drop-off shop distance was highest in Wales, and for recipients collecting their parcels those living in Northern Ireland were more likely to have to travel over two miles than those from other countries.

However, the individual online providers did not appear to impose consistent and specified differential tariffs for the same service across countries or geographies (at least for the consumer-to-consumer products tested within this survey) and there was no firm evidence that delivery times differed across country or geography.

Shopper suggestions for improvements

As well as reporting on their experiences in the standard format as requested, senders and recipients were also asked whether they could suggest any improvements to the experience of despatching and receiving parcels.

Senders

Senders' suggestions often related to areas such as pricing clarity and further information about delivery timings. Other ideas included:

- simpler websites
- more convenient drop off shops
- more specific time slots for courier collections
- being able to get a quote online (specific to Mail Boxes Etc.).

Royal Mail via post office

- “I would like to have been given some information about the time scales of the delivery.”
- “The proof of posting needs an address on and the adviser could have been more helpful with delivery dates.”
- “It is ludicrous – the difference in price for such small differences in dimensions. The way the Post Office is changing its pricing system for parcels is making it more attractive to use a courier who will even collect from your home.”
- “Perhaps having a large clear display of all of the different services, prices and requirements to achieve these prices, ie sizes, weight, time scales for deliveries. This would enable customers to consider their options before arriving at the counter.”
- “The member of staff did not ask me about the contents or value of the package or ask if I needed insurance. Also she did not recommend any other postal services.”
- “It would be an improvement if the waiting time could be reduced to less than five minutes.”

Parcelforce via post office

- “The assistant could have seemed more interested in serving me – she seemed a bit annoyed that she had been brought from the rear of the store to serve me.”
- “For the staff members, especially those that are more experienced, to actually talk to customers and explain and give more information regarding their services.”

Pass the parcel

- “The parcel could have arrived to the destination the next day, by Special Delivery, for a comparable price whereas sending by Parcelforce delivery was quoted as being a day later, which was Friday. Perhaps these two services should be combined up to a certain weight, as I would imagine, given the options and price of the two products, people would choose the Special Delivery Option.”

myHermes Parcelshop

- “Simplification of the website would help.”
- “It would have been helpful to have had some clear directions to the drop off points on the myHermes website.”
- “I think the shop staff should have more training regarding the myHermes service so they are more knowledgeable when dealing with customer queries.”
- “More locations to drop off parcels would make it more competitive with Royal Mail/Parcelforce.”

myHermes Courier Service

- “The training of couriers in customer service skills would enhance an otherwise easy to use and hassle free service.”
- “Further information on collection times and possible slots for collection as opposed to an all day time frame being provided.”
- “It would be useful if the courier could give a better indication of delivery dates, to within a couple of days. ‘Sometime next week’ and ‘depends on country you’re sending it too’ was a little vague.”

Collect+

- “A lot of paperwork to print off and it seemed a very laborious way of sending a parcel.”
- “I would like to have at least an estimated delivery date, if not an exact one.”
- “A selection where you have to select the postage required rather than a default selection.”
- “The staff at the collection point could know more about timings of delivery.”

Mail Boxes Etc.

- “After filling in and submitting the online form, it should be possible to obtain a quote there and then instead of being told that someone from your local office would contact you with regard to this.”
- “I feel the whole system could be improved by providing instant quotes on the website. Further, I felt the company could have provided a variety of price quotes to give an idea of the options available.”

Parcel2Go

- “I would like a shorter window for collection or a revised ETA (*expected time of arrival*) for the courier on the day.”

- “Perhaps a receipt could be given and a follow up email to advise the parcel is on its way.”
- “A simpler booking system adapted to match those of other competitors who are able to provide a user friendly platform. The service could also be improved by having a better allocation of time slots available to have the parcel collected.”

Recipients

Recipients' suggestions often related to areas of dissatisfaction, such as the need to take more care of the parcel and to leave a card if the parcel had been left outside. Other ideas included:

- attempting delivery the following day if unsuccessful to avoid the need for the customer to have to go to a pick-up point
- longer opening hours for pick-up points
- generally more convenience at the pick-up point, such as better parking
- improved communications and ensuring communications and actual delivery times tie up
- inclusion of further information on any cards left such as exact addresses of pick-up points.

Royal Mail

- “I feel that the least that should happen is that a card should be left to tell the recipient that a parcel was left. I also feel that more consideration should be given to the security of the parcel.”
- “It would be great if Royal Mail attempted to deliver any uncollected parcels the following day.”
- “Ensure that parcels are handled more carefully to avoid damage. Longer opening hours for the delivery office would be useful as it closed at 6pm and I am often not back from work until later than this time.”
- “Nearer collection point, parking bay, easier to find, more staff on.”
- “The office for picking up parcels should be in city centre or on bus route.”
- “It would be nice to have extended hours for the delivery office – even a couple of days per week. It would be nice if the postman could leave the parcel with a neighbour.”
- “Always leave a card through letter box to say the parcel has been left somewhere. If I had returned to my house after dark, I may have missed where it was.”

Parcelforce

- “Putting a card through the letter box saying a neighbour has it.”
- “Opening hours should be printed on the card.”
- “I think it might have helped to have known on the day that the parcel had been despatched. I did receive an email telling me the parcel had been sent, but I

actually received this email after the parcel had been delivered I think. I read the email on the lunchtime and the parcel had been delivered that morning already.”

- “Only improvement, which is very minor, would be longer opening times of the local post office, ie in the evening or on a Saturday to allow working people more opportunity to collect the parcel at a convenient time to them.”
- “I feel that the care of the parcel should be given a high priority as there is no point having a quick delivery with convenient collection points if your parcel is damaged when you receive it.”

myHermes

- “It is good to be able to track the progress of a parcel delivery, but it could be improved if they could tell you the delivery time within say a three or four hour parameter.”
- “The most important improvement would be to make sure any cards are placed directly through the letter-box of the recipient and not left in a communal area where the recipient may well not find it. I also think not having a collection depot/service is a problem. On the myHermes website it states there is a collection shop less than half a mile from my home yet this option is not mentioned at all on the card.”
- “Hermes people should possibly wear a tabard that makes it obvious who they are working for.”
- “A predicted delivery date or an email when the package was out for delivery.”
- “The website had no means of contacting the company by phone if the parcel was not received.”
- “It would have been useful to know that delivery had been attempted and where the parcel had been left.”
- “Leave clearer instructions on the card as to what the process of redelivery is or if you need to collect the parcel from elsewhere.”

Collect+

- “Make it less laborious – took a lot of paper for printing and quite time consuming – I actually felt ‘all this just to accept a parcel’.”
- “The map on the website which shows all the local shops should have distance to my address so it is easier to find the closest one.”
- “An idea of an impending delivery would be good. Had I received a communication (text or email) I would have been able to let the company know where the package could safely be left or arranged to be at home.”
- “The text message only gave the shop name and post code, an address in the text would have been helpful.”

How well does the UK parcel service operate?

Parcels represent the one part of postal market that is experiencing substantial growth. Competition can provide solutions to the problem of sender and delivery convenience, although we found that not all consumers across the UK were able to access parcel competition. It is those companies that tailor their products and services to the varied and changing needs of consumers, while maintaining a high quality of service that are most likely to win the increasing parcel traffic.

We conclude that the majority of consumers wishing to send small parcels are able to access a range of potential services offering them various options from drop-off and pick-up to home collection and delivery. However, prices do vary across supplier and even within supplier. Post offices remain the only despatch choice for a small proportion of the population, where their reach provides a convenient method for sending parcels. This means competition is reduced particularly for those living in rural and remote locations who are less able to take advantage of the products offered by other providers.

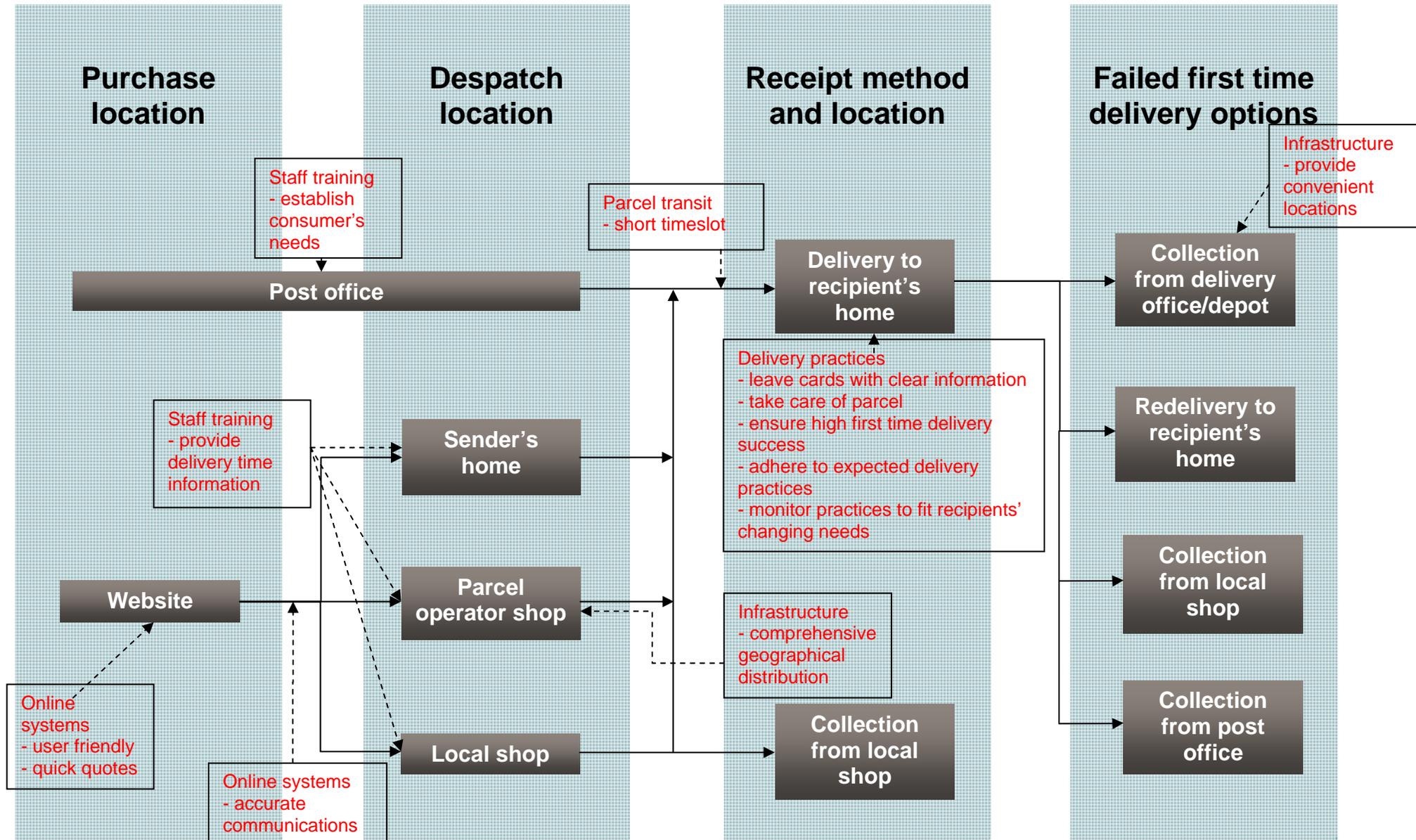
However, the overall results show that there was a substantial minority of cases across all operators in which the most basic operational procedures were not followed, as the figures below illustrate.

- **Non-receipt:** in 13 per cent of cases when parcels were successfully sent they were not received within 10 days.
- **Damage:** recipients reported that the packaging of their parcel was damaged (for example torn or crumpled) in 17 per cent of assessments when the item was successfully received.
- **Delivery procedure errors:** in 28 per cent of deliveries staff did not adhere to standard or expected procedures, including 14 per cent of deliveries when the parcel was left either outside or with neighbour – but with no card.

All of the parcel operators included in this exercise need to work harder at getting the basics right and considering the needs of both senders and recipients. Consumers should be able to trust that their items will arrive on time and in good condition, and that deliveries will be made as expected. Along the delivery chain there are a number of important elements that could be improved; these have been added to the sending and receiving routes diagram displayed earlier.

Pass the parcel

Figure 2: How to improve some primary routes for sending and receiving parcels



Infrastructure

Extending the reach and opening hours of drop-off and pick-up points would improve choice for some consumers. This is particularly relevant to rural areas and to Wales. The high proportion of senders who would have had to travel more than 15 miles to despatch their parcel via Mail Boxes Etc. stands out, and the majority of those who were able to despatch their parcel via both Mail Boxes Etc. and myHermes shops had to travel more than two miles to do so. Additionally, Mail Boxes Etc. received the lowest ratings for location convenience.

Given that Royal Mail has access to such an extensive post office retail network for accessing its parcels services it is surprising that recipients rated the convenience of its pick-up points as lower than that of any other company. This was supported by the recipients' suggestions for improvements which often proposed that Royal Mail offer longer opening hours and more accessible locations. This clearly indicates the advantage of allowing consumers to pick up items at a local shop rather than a delivery office or depot. Royal Mail does offer Local Collect which allows recipients to collect undelivered items at a local post office but it currently charges £1.50 for this service; it will be interesting to assess the impact of the newly-launched joint Click and Collect initiative for online shopping between Royal Mail and Post Office Ltd on delivery convenience.

Staff training

Parcel operators could improve the processes and questions for establishing consumers' requirements – particularly in post offices where staff did not always cover relevant questions. One shopper's suggestion that post offices display the features and requirements of postal products in branch chimes with our previous suggestion that post offices display a product finder decision tree to help consumers identify the most appropriate product before they reach the counter.⁵

Staff in drop-off shops, and couriers, could be more consistent in providing senders with information about the delivery times of their despatches.

Online systems

Operators offering online access to their products could ensure their systems are user friendly, as we found that some shoppers had difficulty following through the purchase process. They could seek to provide senders with a quote straight away, or at least promptly follow up on requests for a 're-contact' telephone call or email if an immediate quote is not available.

They could also take steps to ensure accuracy of communication from website purchase to drop-off shop and courier – in some cases we found inconsistency in the information provided between the two points and/or lack of pre-receipt communication.

Parcel transit

Shorter timeslots for courier collections and all deliveries would improve both the despatch and delivery experience by reducing the need to leave parcels outside where they risk damage or theft.

⁵ Consumer Focus (2012) *Getting the most from the post? Consumers' knowledge of Royal Mail's products* (<http://bit.ly/1CROY3p>)

The experiences of those using couriers to despatch their items mirrored the well-known experience of recipients who have to wait at home all day for their items to be delivered.

Delivery practices

Where parcels are left outside, or with neighbours, delivery staff should leave cards notifying recipients as to the whereabouts of their item. These cards should display clear information about where the package was left, any redelivery options and/or the exact address of any pick-up point, with a telephone contact point.

Operators should ensure they take appropriate care of the parcels themselves: they must eliminate the situations where parcels are thrown about during transit, squashed through letterboxes or left outside in insecure places, especially during inclement weather.

Almost one-quarter of items delivered by Royal Mail were left outside the recipient's property. Although this practice contravenes Royal Mail's stated delivery practices consumers often reported that this was done by mutual agreement with local postmen/women (particularly in rural areas). There is clearly a tension between Royal Mail's formal arrangements and the commendable desire of local postmen/women to improve delivery convenience. Royal Mail could consider building on the trusted relationship that its staff have with consumers by formalising these local safe place arrangements to help reduce failed delivery attempts. This would likely involve amendments to the regulations governing Royal Mail's delivery practices as the universal service provider.

Undelivered parcels impose additional costs on delivery companies and adversely affect customer satisfaction. Overall the proportion of undelivered parcels was relatively high, particularly for Royal Mail and Parcelforce, and it would benefit both consumers and businesses if delivery companies acted to monitor and improve success rates.

Aims and principles

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

The service aims:

- to provide the advice people need for the problems they face
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