



## Post Office News - September 2018

### Mail Redirections

Royal Mail's redirections service is overpriced and out of date with modern living arrangements according to new [research](#) from Citizen's Advice.

The service charges 'per surname' rather than 'per household', meaning that when cohabiting couples, families and friends who do not share the same surname move house, they must pay for each surname individually. Adding just one surname to the service makes it the most expensive service across the 21 countries that the report investigated.

The research also finds that the price of the service has increased 74% since 2012. It must be paid for in one off payments for 3, 6 or 12 months, a pricing structure that makes it out of reach for many consumers. A quarter (26%) of consumers reported that price was one of the reasons they had not used the service when they last moved home.

Citizens Advice recommends the 'per surname' charge is reviewed, and that a monthly installment payment option is introduced to ensure that the service does not exclude the most vulnerable consumers.

Royal Mail states that it agrees with the report's recommendations and will work towards a new pricing structure.

### ASA rules Amazon is misleading consumers over Prime service

The Advertising Standards Authority (ASA) has [ruled](#) that Amazon Prime's next-day delivery claims are misleading. After receiving 280 complaints from consumers they found that whilst the majority of Amazon Prime items were delivered on time, there was a smaller but significant proportion of orders that were not available for next day delivery. They have asked Amazon to change

how they advertise their Prime service and make clear which products are not available for next day delivery.

Premium delivery services now account for around 50% of all parcel deliveries. Citizens Advice [research](#) found that 23% of consumers who use premium delivery services, such as Amazon Prime, have had a parcel arrive late. This rises to 40% of all consumers who have parcels delivered through the post. Late deliveries are the number one problem faced by consumers.

Currently consumers who have paid for a next day delivery or for a premium service have the right to a refund of the difference between the standard delivery cost and the extra paid for premium delivery. Consumers who have parcels delivered for free currently do not have straightforward access to compensation, as there is nothing to refund. Citizens Advice is advocating that all consumers have access to compensation. Gillian Guy, Chief Executive of Citizens Advice, said:

*It's more difficult for consumers to work out what they're owed when their parcels don't arrive on time if they've paid for a service like Amazon Prime, compared to when they pay for one-off deliveries.*

*Companies need to honestly advertise delivery dates and make sure consumers have easy access to compensation when they fail to meet their promises.*

## **Royal Mail fined £50m**

Royal Mail has been fined £50 million by the regulator Ofcom for breaching competition law.

The investigation began following a complaint from postal delivery company Whistl (then TNT) about Royal Mail's proposed price changes in 2014. In 2014 Whistl had sought to enter the bulk mail delivery market, delivering bulk mail such as utility bills in some parts of the country. Royal Mail is required by the Universal Service Obligation to deliver mail to every address in the country, however Whistl would only be delivering to selected, mostly urban areas. Royal Mail announced a pricing change which meant that wholesale customers, such as Whistl, who wished to compete with them would be charged an extra 0.25p for every letter delivered in the areas in which they used Royal Mail for delivery.

Ofcom has ruled that Royal Mail abused its dominant market position and discriminated against Whistl. Royal Mail has launched an appeal, arguing that the proposed pricing changes were never implemented or paid. It will not have to pay the fine until the appeals process is exhausted.

## **Royal Mail paid £7 million in compensation last year**

Royal Mail has announced that they received a total of 1,025,799 complaints last year that resulted in £7,725,510 worth of compensation being paid out. This was a 10% increase from the previous year. The most common complaints were about lost letters and parcels.

## **House of Commons briefing paper released on the post office network**

The House of Commons Library Research Service has released a briefing paper analysing the post office network. This follows on from the network report which was released in July. The paper found that the size of the post office network is similar to 2009 levels, however since the 1980s the network has roughly halved.

As mentioned last month, there has been an overall increase in outreach post offices with a fall in agency and Crown branches. Outreach post offices are making up an increasingly larger share of the network, the proportion has increased from 1% in 2000 to 13% in 2018.

The majority of post offices continue to be located in rural areas, sparsely populated areas have more post offices per person than urban areas. Since 2009 the number of rural and urban post offices has been relatively stable.

In the last year Wales (2.5%), East of England (1.8%) and the North East (1.4%) saw the biggest decline in post office numbers. Northern Ireland (0.8%), London (0.2%) and the North West (0.2%) are the only regions that saw an increase. Since 2010, Northern Ireland is the only region that has seen an increase in post offices, all other regions have seen a decrease. In total, Scotland continues to have more most post offices than any other UK region with Northern Ireland having the least despite a rise in recent years.

## **Royal Mail launches new parcel post boxes and tracking features**

Royal Mail has made updates to the ways it informs online shoppers about their parcel deliveries. The new features include enhanced tracking for customers sending and receiving parcels, and electronic 'something for you' notifications, which will make it easier for online shoppers to collect or rearrange the delivery of their parcels.

A new style postbox that is big enough for parcels is on trial for 3 months in the Midlands. The boxes aim to attract small businesses and eBay sellers by giving

them the flexibility to post parcels outside of traditional working hours. Royal Mail will measure customer satisfaction with the boxes and their frequency of use before deciding whether to roll them out across the country.

### **Ofcom publishes Communication Market 2018 report**

Ofcom has published some key trends in the post sector from the last year:

- Letter volumes decreased by 5% between 2017 and 2018, with Royal Mail end-to-end addressed letter volumes decreasing by 11%
- There was a continued decline in direct mail expenditure
- Parcel sending increased by 12% between 2016 and 2017
- The number of international inbound parcels grew by 23%

Further updated post data is due later in 2018 from Ofcom with the publication of their annual 'Monitoring Update on the Postal Market' report.

### **Paypoint and eBay agree deal for Collect+ access**

Paypoint and eBay have agreed a deal with Collect+ which will allow eBay buyers and sellers to use the click and collect services in the Collect+ network. The deal complements an already existing deal between eBay and Argos, and when rolled out in full will give eBay customers an additional 9,500 locations from which they can collect and send parcels.

The first stores offering this service are expected to go live in September, with a rollout of 2,500 stores planned in time for the Christmas period, and a further 7,000 following that.

### **More on Citizens Advice post policy work**

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