

Reference: 1769264

Information Rights
Information.requests@ofcom.org.uk

19 February 2024

Freedom of Information: Right to know request.

Thank you for your request for information about the universal postal service review.

We received this request on 24 January 2024 and have considered it under the Freedom of Information Act 2000 (“the Act”).

Your request and Our response

Please could you tell me what it was and who it was that prompted you to initiate a review of the terms of the universal postal service and why was that review restricted to solutions that involve reducing the service?

The published [Call for Inputs](#) document sets out the background to our considerations of the postal market and future postal universal service developments – see chapter 2. The work leading to this publication was prompted by our monitoring activities observing increased pressure on the financial and operational sustainability of the universal service, especially since January 2022.

During our latest [Review of Postal Regulation](#), as set out in the Statement published in July 2022, we did not propose any changes to the universal service but highlighted our heightened concerns relating to Royal Mail’s ability to achieve necessary efficiency savings through network transformation plans and to compete effectively in the parcels market in support of revenue growth. Paragraphs 2.94-2.97 of the Statement set out the need for enhanced monitoring of the future financial sustainability of the universal postal service.

In order to provide information on our assessment of Royal Mail’s performance, we publish our Post Monitoring Report annually, with the [2022 update](#) including reference to Royal Mail’s performance in the six months from April to September 2022 (financial year 2022-23). Royal Mail’s trading update dated 17 November 2022 highlighted further financial losses in the period and gave an update on industrial relations between its management and unions representing employees.

Our recent call for inputs sets out the latest information on market developments across both letters and parcels sectors – see chapter 3. This review was initiated by Ofcom as part of the enhanced monitoring activities set out in the [2022 Review of Postal Regulation Statement](#) and our [Plan of Work for FY2023-24](#), which reiterated the need for specific attention on the risks associated with the future financial sustainability of the universal postal service – see paragraphs 3.35-3.36.

Finally, we can confirm that the review is not restricted to solutions that involve reducing the universal postal service:

- The [Call for Inputs](#) includes an assessment of current postal user needs, as outlined in consumer research undertaken across the last review period and since July 2023 – see chapter 5. The findings of our research are reflected in the market data highlighting a shift in demand for letters as well as increased usage and dependency on parcels deliveries.
- The review is ongoing and open to exploring a wide range of options aimed at meeting current postal user needs and securing the future financial sustainability of the universal postal service.
- Our [Call for Inputs](#) highlights how any future proposals must meet the needs of some specific groups who depend on postal services either socially or economically. We are considering what additional services may be required to strengthen the universal postal service as it adapts to current market conditions. At the end of chapter 9 (page 87), Question 8 specifically invites respondents whether they agree with our analysis of the options for changing the USO and to “*set out any options which we have not considered*”, and Question 10 asks: “*Do you have any other views about how the USO should evolve to meet users’ needs?*”

I hope this information is helpful. If you have any further queries, then please send them to information.requests@ofcom.org.uk quoting the reference number above in any future communications.

Yours sincerely,

Information requests

If you are unhappy with the response you have received in relation to your request for information and/or consider that your request was refused without a reason valid under the law you may ask for an internal review. If you ask us for an internal review of our decision, it will be subject to an independent review within Ofcom.

The following outcomes are possible:

- the original decision is upheld; or
- the original decision is reversed or modified.

Timing

If you wish to exercise your right to an internal review **you should contact us within two months of the date of this letter**. There is no statutory deadline for responding to internal reviews and it will depend upon the complexity of the case. However, we aim to conclude all such reviews within 20 working days, and up to 40 working days in exceptional cases. We will keep you informed of the progress of any such review. If you wish to request an internal review, you should contact information.requests@ofcom.org.uk.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. Further information about this, and the internal review process can be found on the Information Commissioner's Office [here](#). Alternatively, the Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF