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Dame Melanie Dawes,  
Chief Executive, Ofcom

Dear Melanie,

I welcome Ofcom's decision to begin a review of the Universal Service Obligation (USO). As you will know from my correspondence with you previously, I have had many constituents reach out with concerns about the poor postal service in Brighton and its impact. These include a 96-year-old resident, happily living independently, but reliant on post for appointment letters and services. With so many constituents making me aware of the problems they have experienced, it is vital that we secure the long-term future for our postal service in a way which puts people at its heart, and properly delivers the public service aspect that was underwritten by legislation when Royal Mail was privatised just over a decade ago.

Whilst I welcome the review, I am concerned that Ofcom's current paper is too focused on Royal Mail's profitability, with options offering big cost savings for Royal Mail but nothing to address my constituents' demands for a reliable service. All changes to the service must protect reliability, affordability and universality. These qualities are the basis upon which our public services were founded – including our treasured postal service.

#### The USO principle

The USO is a vital mechanism for protecting service users and I'm deeply concerned that Ofcom's paper lacks concrete solutions to tackle Royal Mail's entrenched culture of missed targets, unreliable deliveries and soaring prices. While the financial sustainability of the service is clearly one element of this review, I need clarity on how the USO will form the basis of a reliable and affordable postal service for my constituents going forward.

Put simply, the USO is not delivering in its current form. Residents in Brighton are experiencing very real problems with post deliveries, causing them to miss hospital appointments because letters do not turn up on time. One particularly significant case was that of a mother who received beautiful letters meant for her adult son. He never got to read any of these as they arrived after he died. A bundle of the post that this constituent received after her son's death also contained the order of service for his funeral, which had taken place weeks before. As I am sure you can imagine, this was incredibly painful for the resident and vividly demonstrates the real-world impacts if the postal services falling standards are not remedied.

When I have raised concerns directly with Royal Mail, there has been an utter failure on their part to recognise the scale of postal issues in my constituency – nor do they appear to have investigated individual issues in any in-depth way. I have not yet seen evidence that Royal Mail accepts its failings or that it is concerned by anything other than profit.

### Postal votes

As I set out in my letter of 7<sup>th</sup> of July last year, 1,423 postal votes were received after the polls close in the May 2023 local elections in Brighton and Hove and therefore could not be counted. To provide some context, data published by the Electoral Commission suggests that for the General Election in December 2019, over the three constituencies in Brighton and Hove, there were just 17 late postal votes received within 24 hours of the polls closing. The increase seen at the last local elections is staggering. Royal Mail's lackadaisical response to the Brighton and Hove City Council's Returning Officer is also extremely alarming – Royal Mail has been unable to offer a clear explanation for the delivery failure, or clear reassurance that the same will not happen again.

### Missed targets and deliveries

The latest Quality of Service results reveal Royal Mail has now failed to hit its target in every single postcode area for six quarters in a row. Here in Brighton, in quarter three of 2023, first-class deliveries fell to just 44.1% of its 93% target. Comments from residents such as “we are now in our third week of having no Royal Mail post whatsoever” are sadly not uncommon. With recent investigations by the Sunday Times and BBC Panorama all concluding that Royal Mail routinely prioritises parcels over letters, in clear breach of its legal requirements to deliver letters 6 days a week, the enforcement of obligations under any revised USO urgently needs strengthening.

Parcel delivery in my constituency sits around 98.9%, yet Royal Mail consistently say parcel prioritisation is not happening in Brighton and Hove, despite delivery data, which hovered around the 60% mark in 2022/23, suggesting otherwise.

On top of this ongoing cycle of missed targets with minimal sanctions, my constituents are now having to pay nearly twice as much to use a failing service – a 1<sup>st</sup> class stamp costs 93% more than it did just 5 years ago. Letters are a monopoly market – people have to pay Royal Mail's prices or not send a letter at all. Several proposals recently discussed, including relaxing targets for 1<sup>st</sup> class and creating a premium service, or removing the 2<sup>nd</sup> class price cap, further threaten the principle of affordable access to post at a time when households are under intense financial pressure.

### Ofcom proposals

Ofcom proposals do nothing to address these issues. The two options set out – relaxing Royal Mail's delivery targets or reducing the number of delivery days – would pave the way for an even slower service, and at a point when my constituents already wait weeks for bills, court documents or hospital letters. This has led to alarm, with organisations representing patients and NHS leaders recently sharing an [open letter](#) to express their concerns.

Most importantly, the options presented by Ofcom would secure significant savings for Royal Mail, without any corresponding requirements for the company to address the missed targets culture which has blighted the service for the last five years. This is of huge concern. The financial sustainability of the USO must of course form part of the conversation, but there are several measures – including more meaningful penalties for missed targets, or consumer representation within Ofcom's investigative process – which could incentivise the more reliable service my constituents are clear they need. The fact Ofcom has wholly overlooked consumer protection in the options it sets out runs entirely counter to a key purpose of the USO.

I'm also concerned that this review represents a missed opportunity to address important gaps in the existing legislation. For example, my constituents who can't buy postage online end up paying over 20% extra for some USO products – a clear case of digital exclusion. I also frequently hear about constituents shut out of communication via post because they have no access to a secure address – this primarily affects those who experience housing insecurity or are impacted by domestic abuse. Both of these issues are relatively straightforward to address, with a number

of model's already in place in other countries. Citizens Advice has set out a proposal for a service called Address & Collect, whereby people without a safe address can pick up their post at post offices. If a future USO is to remain truly universal, I'm disappointed to see no concrete proposals on tackling either post-exclusion or price penalties for digital exclusion.

Royal Mail is in a privileged position – it's a private company with a virtual monopoly on a vital public service. I therefore urge Ofcom to rethink its approach to this vital review and seek to future-proof our essential national communications infrastructure by addressing consumer needs alongside financial sustainability.

Yours sincerely,

Caroline Lucas MP

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