

Campaign by “We Own It”

Explanatory Note

Following the publication of our Call for Input (CFI) on the future of the universal postal service on 24 January 2024, a campaign called “Tell Ofcom - bring Royal Mail into public ownership” was launched by **We Own It**.¹ The campaign encouraged members of the public to respond to our CFI arguing against changes to the USO letters specification and for Royal Mail to be renationalised (taken back into public ownership) instead.

The campaign provided instructions on how to respond to our CFI by sending an email to Ofcom. This email included a standard response to two questions from the CFI which the campaign identified as relevant to its calls (questions 8 and 9, set out below). Respondents were also invited to add their own words in their email to Ofcom.

When the CFI closed on 3 April 2024, we had received 1,468 email responses which used the standard response provided by the We Own It campaign. Though the precise wording of the response was subject to slight variations by some respondents, the core argument was that privatisation of Royal Mail had not worked and that options to change the USO letters specification were not acceptable due to their impact on people and businesses, particularly those in rural and remote areas, and vulnerable users.

Some respondents also included additional comments in their email. Additional themes included in responses were (a) dissatisfaction with the current quality of service/reliability; (b) the impact of increased stamp prices on customers; (c) the negative effects of increased stamp prices on businesses and (e) the importance of letter delivery and role of Royal Mail postal workers, especially for those living in rural and remote places, and vulnerable users.

The standard response is set out below:

“The consultation has 10 questions, but only the two below are relevant to our demand for Royal Mail to be taken into public ownership. You may choose to use your own words in responding to these questions in your email to Ofcom.

8. Do you agree with our analysis of the different options available to change the USO and the impact of those changes on residential (including vulnerable) users, SMEs and bulk mail users? If not, please explain why and set out any option(s) which we have not considered.

Answer: NO

¹ We Own It campaign website: [Let's take Royal Mail into public ownership: make your voice heard now | We Own It](#) [accessed 25 April 2024].

Royal Mail was sold off on the cheap in 2013. The National Audit Office found the government could have received at least £750 million more for the company than it got.

The sell-off of Royal Mail came after the 2010 government-commissioned Hooper Review identified the decline in letters, as undermining the sustainability of the service. Privatisation and private investment were supposed to fix these issues.

Ofcom now identifies those same issues as justifications for changing the universal service obligation (Royal Mail's obligation to deliver letters to every house in Britain, at a set price, within a set time).

This proposal to change the universal service obligation is an admission that privatisation has failed to deliver.

We Own It and New Economic Foundation analysis shows that by 2025, Royal Mail will be worse off in private hands than it would have been if it had remained in public ownership. Perhaps it is time to rule out the continued privatisation of the service as an option.

In 2021, Royal Mail shareholders received £400 million in dividends. And despite losses in 2023, Royal Mail's parent company, IDS, promised shareholders a dividend. These dividend payments have taken place while users have faced stamp price rises. First Class stamp prices went up by 47% in the 18 months to September 2023.

Cutting the service will hurt ordinary people even more, especially people in remote and rural parts of the UK's nations, and businesses that depend on Royal Mail's letter deliveries.

Why should the public be asked to bear the burden of fixing Royal Mail now by accepting a reduction in the service they get, after a decade of private shareholders extracting profits from the company?

If Royal Mail's current private owners can no longer manage the service, taking the company back into public ownership must be an option.

9. Which option(s) do you consider would be most appropriate to address the challenges we have identified, while also ensuring that users' needs are adequately met?

Ofcom has offered two options for public discussion: (1) allow Royal Mail to take longer to deliver letters, or reduce the number of days on which they deliver letters.

We choose a third option: If the private shareholders cannot continue to deliver a full service, instead of cutting services, the government should take the company back into public ownership.

According to We Own It's latest polling, 68% of the public support this third option.

In its current form, cutting services by watering down the universal service obligation will only serve to increase private shareholders' profits from Royal Mail, not improve the quality of services our communities receive.

We recognise that with fewer letters being sent, Royal Mail must change how it provides the service in order to be sustainable. But changing the universal service obligation is not an option, because families and businesses across Britain depend on letters being reliably delivered six days a week.

Any changes to how the company does business must be done in the context of putting the public good before private shareholder profits. And that cannot be achieved under privatisation.

Taking Royal Mail into public ownership would save the service £171 million a year, which can be reinvested into improving the service for users, including expanding postal banking.

Before being sold off, Royal Mail turned a profit and had high levels of customer satisfaction. It is time to return to a Royal Mail that works for people, not profit. And that means taking it into public ownership.