

Future development of the postal USO team
Ofcom
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Dear Ofcom

Countryside Alliance response to Ofcom's Consultation reviewing the universal postal service and other postal regulation

The Countryside Alliance works for everyone who loves the countryside and the rural way of life. Our aim is to protect and promote life in the countryside and to help it thrive. With over 100,000 members and supporters we are the only rural organisation working across such a broad range of issues.

The Countryside Alliance welcomes this opportunity to respond to the Ofcom 'Reviewing the universal service and other post regulation' consultation. The Countryside Alliance recognises that the postal market is evolving, with a shift towards parcels over letters and the need for Royal Mail to adapt in order to remain financially sustainable, we urge Ofcom to ensure that the changes proposed do not undermine the core purpose of the Universal Service Obligation (USO). However, we remain firmly committed to ensuring that rural communities and businesses are not unfairly disadvantaged by changes to the USO. It is important to make clear that we have one red line and that is to maintain the one-price-goes-anywhere service that Royal Mail provides and our members and rural communities value so much. Any changes to the frequency of second-class letter deliveries must be accompanied by appropriate safeguards for rural areas to ensure that they continue to receive reliable, affordable postal services.

With this in mind, we would like to highlight several concerns regarding the proposal to reduce the frequency of second-class letter deliveries.

Impact on rural communities and businesses

As we have previously noted in our responses to past consultations, postal services are of vital importance to rural communities. For many in these areas, postal services remain a reliable and essential means of communication, particularly for those who are less able to access digital services due to limitations in broadband services and digital literacy. As demonstrated by our survey on the future of the USO, 43% of our members and supporters prefer to communicate via letter, with 40% relying on it for their business or household needs.

The proposal to reduce the frequency of second-class letter deliveries could significantly impact rural residents, particularly in areas where access to other services is more limited.

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Reduced delivery frequency would create gaps in communication, which could harm individuals, businesses, and public services that rely on timely postal delivery.

Furthermore, rural businesses, which are crucial to the UK economy, may suffer from delayed communication, affecting everything from customer orders to invoices and legal correspondence. A reduction in second-class deliveries could also lead to increased reliance on more expensive or less accessible alternatives, further disadvantaging rural areas.

Consideration of the one-price-goes-anywhere principle

The Countryside Alliance has long supported the principle of a "one-price-goes-anywhere" postal service, which ensures that all communities, regardless of their location, receive the same service at the same cost. We are concerned that reducing the frequency of second-class letter deliveries could erode this principle, leading to a two-tier system where rural communities receive a reduced level of service compared to urban areas.

Maintaining a fair, equitable postal service for all communities is essential, and we urge Ofcom to consider the potential for rural areas to be disproportionately affected by any changes to delivery frequency. The USO has played a critical role in ensuring that rural areas are not left behind, and we believe that any changes to this must continue to uphold the principle of equal access.

Support for a sustainable postal service

While we understand the need for Royal Mail to remain financially sustainable, we urge Ofcom to ensure that the changes proposed do not undermine the core purpose of the USO. A reduction in second-class deliveries must not result in service reductions or additional costs for rural communities. We believe that the current USO requirements for parcels, with delivery up to seven days a week, should remain unchanged, as parcels are an increasingly important part of the postal service.

Any changes to the frequency of second-class letter deliveries must be accompanied by appropriate safeguards for rural areas to ensure that they continue to receive reliable, affordable postal services.

Recommendations

In light of the above, we offer the following recommendations:

1. **Maintain the one-price-goes-anywhere principle:** Any changes to the delivery frequency of second-class letters must not undermine the principle that rural communities should not face higher costs or reduced service compared to urban areas.
2. **Ensure rural areas are not disadvantaged:** Consider the unique needs of rural areas in the proposed changes and ensure that rural residents and businesses are not unduly impacted by the reduction in delivery frequency. This includes ensuring that any service reductions do not disproportionately affect rural communities.
3. **Maintain consistent service for rural businesses:** Rural businesses rely on timely postal deliveries for their operations. Any reduction in second-class delivery

frequency should be evaluated to ensure it does not hinder business communications.

Conclusion

The Countryside Alliance recognises the evolving nature of the postal market and the need for Royal Mail to adapt to maintain financial sustainability. However, any changes to the delivery frequency of second-class letters must be carefully considered to ensure that rural communities and businesses are not disproportionately affected. We believe that a balance must be struck between financial sustainability and the continued accessibility and reliability of postal services, particularly for those who rely on them the most.

We appreciate the opportunity to provide our feedback and hope that Ofcom will consider the points raised in this response. Should you require further clarification or wish to discuss any aspects of this submission, please do not hesitate to contact us.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'T.P.C. 12' followed by a stylized flourish.

Tim Bonner
Chief Executive