

## Your response

Please tell us how you came across about this consultation.

- ☐ Email from Ofcom
- ☐ Saw it on social media
- ☐ Found it on Ofcom's website
- ☐ Found it on another website
- ☐ Heard about it on TV or radio
- ☐ Read about it in a newspaper or magazine
- ☐ Heard about it at an event
- ☐ Somebody told me or shared it with me
- ☒ Other (please specify) Aware of proposed changes and the consultation due to being a user of bulk mail postal services and a member of an industry group considering postal services.

Question	Your response
<b>Question 2.1:</b> Do you agree with the provisional conclusions set out in our Equality Impact Assessment? Please state your reasons and provide evidence to support your view.	
<b>Question 2.2</b> Do you agree with our assessment under the Welsh Language Standards? Please state your reasons and provide evidence to support your view.	
<b>Question 3.1:</b> Do you agree that we have identified the reasonable needs of post users? Please provide reasons and evidence for your views.	<p>Confidential? – N</p> <p>The RHS agrees that Ofcom has in part identified the reasonable needs of users. The RHS believes that Ofcom has correctly identified that users have increased their use of digital communications and that there has been a decline in letter traffic.</p> <p>The RHS does not believe, however, that Ofcom has fully considered the specific needs of recipients of subscription-based publications such as The Garden magazine. Members of the RHS expect to receive The Garden magazine via a timely and consistent delivery. Any decline in delivery standards due to a move to</p>

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	<p>a D+3 service, or delays or inconsistencies in delivery levels, would reduce the value proposition for our members.</p> <p>As a charity, the RHS is also concerned that Ofcom has not fully considered the impact of the proposed changes on affordability to users of subscription-based mail. The RHS has struggled to absorb previous postal price increases and would not be able to absorb the cost of upgrading to a higher level of delivery, e.g. First Class. Passing on the cost of postal price increases to our members – users who are often 55+ and in more rural areas – is likely to reduce affordability for our end users.</p>
<p><b>Question 3.2:</b> Do you agree that the market is meeting the reasonable needs of post users? Please provide reasons and evidence for your views.</p>	<p>Confidential? – Y / N</p>
<p><b>Question 5.1:</b> Do you agree with our proposals and impact assessment on changes to the delivery frequency of Second Class letters so that those items would be delivered every other day from Monday to Friday, and would not have to be collected, processed or delivered on Saturdays? Please provide reasons and evidence in support of your views</p>	<p>Confidential? – Y / N</p>
<p><b>Question 6.1:</b> Do you agree with our proposal to set the First Class national D+1 performance target to 90%? Please provide reasons and evidence for your view.</p>	<p>Confidential? – N</p> <p>The RHS does not agree with the proposal to set the First-Class national D+1 performance target to 90%. Although we understand that there is a need to amend performance targets to allow Royal Mail to address operational and financial pressures, we are concerned that lowering the performance target will lead to a continuing decline in overall service standards. First-Class mail is marketed as a priority</p>

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	<p>service. Reduced performance targets, however, risk creating a perception among users that First-Class mail no longer offers a reliable, premium service. Reducing the performance target when postal prices continue to increase substantially will also undermine the value of First-Class mail.</p> <p>For these reasons, the RHS does not support the proposed reduction in the First-Class national D+1 performance target.</p>
<p><b>Question 6.2:</b> Do you agree with our proposal to set the First Class PCA D+1 performance target to be 3% lower than the national target (i.e. for the PCA target to be 87% to align with our proposed 90% national target)? Please provide reasons and evidence for your view</p>	<p>Confidential? – N</p> <p>The RHS does not agree with the proposal to set the First Class PCA D+1 performance at 3% lower than the national target of 90%. While we understand the need to provide flexibility for individual postcode areas due to regional factors such as geography and staff resources, setting a lower local target risks creating inconsistent service levels for users. Inconsistency of service could negatively impact businesses and users who rely on timely and consistent deliveries, including recipients of The Garden magazine.</p> <p>Setting a lower PCA target could lead to a variation in service levels that reduces user confidence in the postal service and undermines the value of First Class mail.</p> <p>The RHS would therefore recommend that Ofcom maintain a consistent performance target of 90% for both the national and PCA D+1 targets to ensure a reliable and uniform service across the UK.</p>
<p><b>Question 6.3:</b> Do you agree with our proposal to introduce a new First Class ‘tail of mail’ target of 99.5% at D+3? Please provide reasons and evidence for your view</p>	<p>Confidential? – N</p> <p>The RHS agrees with the proposal to introduce a new First Class ‘tail of mail target of 99.5% at D+3. Should Ofcom agree to a reduction in</p>

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	<p>performance targets for D+1 services, businesses and consumers need to be able to have confidence that 'tail of mail' deliveries will take place as close to the intended delivery date as possible. The introduction of a new 'tail of mail' target for First Class services will help to ensure that Royal Mail has to strive to deliver all D+1 items within a timely manner, Royal Mail's performance can be monitored, and Ofcom can take appropriate action if the target is not being achieved.</p> <p>The RHS believes that the introduction of 'tail of mail' targets is therefore essential to maintain user confidence in the reliability of postal services.</p>
<p><b>Question 6.4:</b> Do you agree with our proposal to set the Second Class D+3 performance target to 95%? Please provide reasons and evidence for your view.</p>	<p>Confidential? – N</p> <p>The RHS does not agree with the proposal to set the Second-Class D+3 performance target to 95%. Although we understand that there is a need to amend performance targets to allow Royal Mail to address operational and financial pressures, we are concerned that lowering the performance target will lead to a continuing decline in overall service standards. Ofcom is already proposing reducing delivery days to enable Royal Mail to improve delivery services. The RHS believes that also lowering Royal Mail's performance target would be counterproductive. A reduction in the performance targets as well as a reduction in delivery days could reduce user confidence in the reliability of postal services.</p>
<p><b>Question 6.5:</b> Do you agree with our proposal to introduce a new Second Class 'tail of mail' target of 99.5% at D+5? Please provide reasons and evidence for your view.</p>	<p>Confidential? – N</p> <p>The RHS agrees with the proposal to introduce a new Second Class 'tail of mail target of 99.5% at D+5. Should Ofcom agree to a re-</p>

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	<p>duction in performance targets for D+3 services, businesses and consumers need to be able to have confidence that 'tail of mail' deliveries will take place as close to the intended delivery date as possible. The introduction of a new 'tail of mail' target for Second Class services will help to ensure that Royal Mail has to strive to deliver all D+£3 items within a timely manner, Royal Mail's performance can be monitored, and Ofcom can take appropriate action if the target is not being achieved.</p> <p>The RHS believes that the introduction of 'tail of mail' targets is therefore essential to maintain user confidence in the reliability of postal services.</p>
<p><b>Question 7.1:</b> Do you agree with our proposal to regulate D+3 access services, subject to a margin squeeze control and the other protections outlined above? Please provide reasons and evidence for your views.</p>	<p>Confidential? – N</p> <p>The RHS supports Ofcom's proposal to regulate D+3 access services, including the application of the Universal Service Provider Access (USPA) condition and a margin squeeze control.</p> <p>A lack of regulation would present a significant risk that Royal Mail could seek to abuse its position as the dominant provider of final mile delivery to apply inequitable terms and/or excessive pricing on access operators. If regulatory controls were to be reduced or removed, access operators may be subject to unfair commercial practices.</p> <p>Royal Mail has previously abused its dominant position, leading Ofcom to apply fines to Royal Mail for anti-competitive behaviour in the access postal market. In the case brought by Whistl, Royal Mail's anti-competitive behaviour was a major factor in forcing Whistl to abandon its aim to create new delivery options and routes, reducing competition in the access and bulk mail marketplace. Failure to</p>

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	<p>regulate D+3 access services could allow Royal Mail to adopt similar tactics in future.</p> <p>We believe that regulation is also required to ensure that Royal Mail does not seek to offset any increase in operational costs by introducing higher D+3 access charges.</p> <p>The RHS therefore believes that it is essential to ensure that all access services are, and continue to be, subject to regulation to maintain an open, fair and competitive market for access and bulk mail services.</p>
<p><b>Question 7.2:</b> Do you agree with our proposal to change the specification of D+5 access services to remove Saturday as a delivery day? Please provide reasons and evidence for your views.</p>	<p>Confidential? – N</p> <p>The RHS partially agrees with the proposal to remove Saturday as a delivery day for D+5 access services.</p> <p>The RHS believes that the change of specification to remove Saturday as a delivery day for general letter mail would be acceptable. We believe, however, that this change would adversely affect time-sensitive subscription-based mail, such as The Garden magazine. The removal of Saturday deliveries could result in an extension of the number of days between the fall to earth of first copies and last copies mailed. This is likely to lead to member dissatisfaction and perceived reduced value of the publication and postal services.</p> <p>The RHS believes that Ofcom should consider the specific needs of recipients of subscription-based publications such as The Garden magazine and the service for subscription-based publications should be equivalent to that provided for parcels, with Saturday maintained as a delivery day.</p>
<p><b>Question 7.3:</b> Do you agree with our proposals to maintain a margin squeeze control on D+2 access services, where</p>	<p>Confidential? – N</p>

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<p>the relevant retail services are Royal Mail's First Class retail bulk services? Please provide reasons and evidence for your views.</p>	<p>The RHS supports Ofcom's proposal to maintain a margin squeeze control on D+2 access services.</p> <p>Failure to apply margin squeeze controls presents a risk that Royal Mail could seek to abuse its position as the dominant provider of final mile delivery to apply inequitable terms and/or excessive pricing on access operators.</p> <p>The maintenance of a margin squeeze control on D+2 access services will therefore ensure that Royal Mail cannot price access services in such a way as to result in access operators being subject to unfair commercial practices. This will maintain a competitive bulk mail market.</p> <p>The RHS therefore believes that it is essential to ensure that all access services are, and continue to be, subject to a margin squeeze control to maintain an open, fair and competitive market for access and bulk mail services.</p>
<p><b>Question 7.4:</b> Do you agree with our proposals for pricing transparency and amending how access services are defined? Please provide reasons and evidence for your views.</p>	<p>Confidential? – N</p> <p>The RHS supports Ofcom's proposals to improve pricing transparency and to amend the way access services are defined.</p> <p>Pricing transparency and service definitions are crucial for access operators to provide businesses and consumers with clear service options and accessible prices, allowing users to make informed choices about the services they select.</p> <p>The RHS believes that greater transparency and clearer definitions are essential to ensure an open, fair and competitive market for access and bulk mail services.</p>

Please complete this form in full and return to [futurepostaluso@ofcom.org.uk](mailto:futurepostaluso@ofcom.org.uk).