

Your response

Question	Your response
Question 1: Do you have any comments on Ofcom's proposed Work Plan for 2025/26?	Confidential? – N

Please complete this form in full and return to planofwork@ofcom.org.uk

NFSP comments on Ofcom's proposed Work Plan for 2025/26

In view of the growth in the parcels market and the decline in letters over the past decade, the NFSP would like to see regulation that supports the changing needs of consumers and SMEs, via affordable and regular universal postal service provision. This provision would support the sustainability of the Postmaster network, which then benefits communities by providing postal and banking services throughout the UK.

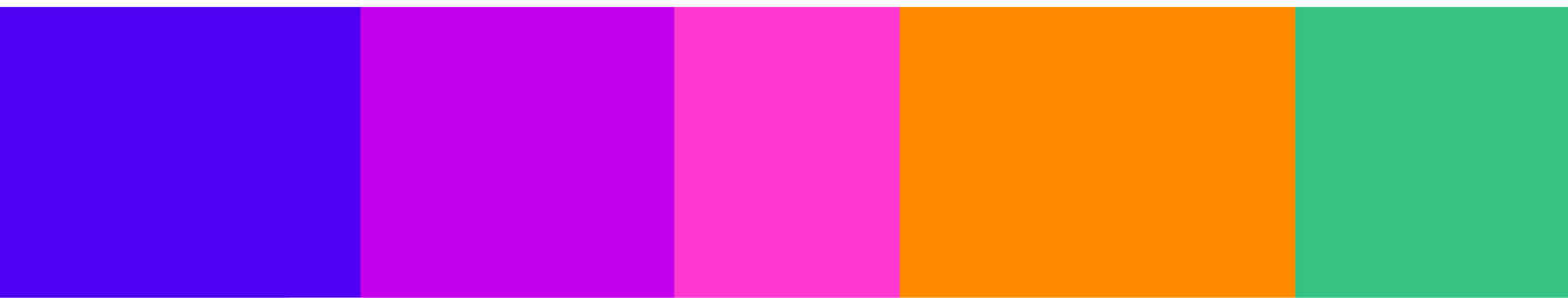
With regard to Ofcom's three proposals:

a) reducing delivery days for Second Class (D+3) letters by removing Saturday with deliveries Monday – Friday (on alternate weekdays);

b) changing the D+2 access letters product to D+3 and removing Saturday delivery. For the D+5 access letters product, removing Saturday delivery. For access letters, deliveries Monday-Friday (on alternate weekdays in line with Second Class letters); and

Proposals a) and b) are formulated by Royal Mail to prioritise their financial sustainability. The NFSP does not believe that financial objectives should drive this change to the USO, and that the needs of the consumer have not been the priority focus.

Recent research found that the volume of letters and cards decreased by more than 130 million after October's stamp price increase, the fifth in three years. In 1995, the price of a first class stamp was 25p. Taking inflation into account, the price should now be 49p, yet today's price is £1.65, a rise of 300% above inflation.



The NFSP is concerned that unaffordable pricing and not behaviour change is preventing people from communicating by letter.

The NFSP requests that:

- Affordability be thoroughly tested in terms of stamp prices and price limits under the scope of Ofcom's statutory duty to ensure affordable provision
- Attention paid to the most vulnerable and disadvantaged to ensure that changes will not exacerbate further social and economic divides
- The needs of rural communities to be assessed separately and look to protect provision

c) whether any amendments to QoS targets for USO services may be necessary in light of the above changes to ensure high levels of reliability.

The NFSP believes that Royal Mail are being rewarded for consistently low service levels. In recent years, prices have increased while Quality of Service standards have not been achieved. Ofcom's proposals will result in those customers who rely on Royal Mail letters effectively subsidising the parcels market.

Due to Royal Mail being a dominant player in a monopoly market, they have not been adequately regulated in the past for letting service levels decline. Therefore, the NFSP suggest that any profits made should be allocated to first ensuring service levels are met before any changes to the USO occur. It would not be fair for RM's monopoly position in the letters market to be used to exploit an opportunity to prioritise the parcels market.

The NFSP request that:

- As the delivery of letters is a social service, the NFSP believes that profit should not be used as a motive to drive this sector forward. Therefore, the NFSP would like to see the letters sector renationalised and given to PO Limited with a subsidy attached
- Ofcom start regulating effectively now before any changes to the postal market, this should include larger fines linked to revenue and profit
- Ofcom to scrutinise and address the structural disorganisations that cause inefficiency within Royal Mail
- The digital divide for postal services should be looked at within the USO, to ensure the same price is offered online as in post offices as per the needs of a universal service. Currently the plan does not address this, even though a price differential diverts customers away from post offices