

# **POSTAL SERVICES ACT 2000**

## **Sections 11 and 13**

### **Licence granted to Royal Mail Group plc**

#### **Schedule 2 Part 3 Condition 7**

##### **Direction in relation to Royal Mail's Sameday service**

Whereas:

- (1) Royal Mail Group plc ("Royal Mail") is the holder of a licence ("the Licence") granted on 23 March 2001 by the Postal Services Commission ("Postcomm") under section 11 of the Postal Services Act 2000 ("the Act");
- (2) The Licence was amended on 1 April 2003, 2 November 2005 and 25 May 2006;
- (3) Paragraph 2 of Condition 7 in Part 3 of Schedule 2 to the Licence ("Condition 7") requires Royal Mail, except as Postcomm after consultation may by direction determine, to submit to Postcomm and to the Consumer Council for Postal Services ("Postwatch") a statement setting out details of the tariffs under which Royal Mail offers to provide, and other information relating to, licensed and unlicensed services;
- (4) Paragraph 3 in Condition 7 further requires Royal Mail, except as Postcomm after consultation may by direction determine, to notify Postcomm and the Council promptly in writing of any changes to the matters referred to in any statement submitted pursuant to paragraph 2 not less than three months before any such changes come into effect.
- (5) On 2 October 2006 Royal Mail applied to Postcomm for an exemption from the requirements of Condition 7 for a service known as Sameday on the basis that the service operates in a competitive market.
- (6) A description of the Sameday service is set out in the Annex to this Direction.
- (7) The effect of such a direction being issued is that Royal Mail would no longer be required to submit to Postcomm, or to publish, details of the tariffs, standards of service and compensation arrangements or any

other information applicable to the Sameday service or changes to those details and information.

- (8) Postcomm considered Royal Mail's request for a direction under Condition 7 in respect of the Sameday service and agreed that, because the service appeared to be offered in a developed sector of the market, so that lifting the notification requirements for the service should not adversely affect customers, an exemption from the application of Paragraphs 2 and 3 of Condition 7 in principle could be made, subject to consultation.
- (9) Postcomm further agreed, because the Sameday service appeared to be offered in a sector of the market in which Royal Mail is not dominant, that a one month consultation would be proportionate.
- (10) Postcomm received three responses to its consultation paper, including a letter from Postwatch dated 20 December 2006.
- (11) All respondents supported Postcomm's assessment that Royal Mail's Sameday service operates in a competitive environment and no respondent raised any issue with Royal Mail's application.

**Now, therefore, pursuant to and for the purposes of paragraphs 7(2) and 7(3) in Condition 7 in Part 3 of Schedule 2 to the Licence, Postcomm by this direction hereby determines as follows.**

1. This Direction shall be interpreted in the same manner as the Licence.
2. Royal Mail is excepted from the requirements to include in any statements submitted under paragraphs 2 or 3 of Condition 7 any details of the tariffs, standards of service and compensation arrangements under which it offers to provide, or any other information relating to, the Sameday service or any changes to such details and information.

The seal of Postcomm hereunto  
affixed is authenticated by –

Authorised for that purpose by  
Postcomm

Date: 30 January 2007

## **Annex to Direction dated 30 January 2007**

### **SAMEDAY SERVICE DESCRIPTION**

#### General Description

The Sameday service comprises a courier service that collects urgent and/or important items from customers and delivers them to specified addressees in most locations in the UK on the same day (which may span midnight).

#### Package sizes

From a single document to a load of one or more pallets

#### Tracking

In most cases, real time tracking and on-line confirmation within 10 seconds of delivery.

#### Payment method

By credit or debit card, or with a Royal Mail account.

#### Compensation

Standard maximum – £2,500

Enhanced compensation is available for an additional fee.

#### Service options

“ad hoc” – in response to a requirement for collection of a consignment for delivery to a single point that may vary from day to day;

“multi-drop” – a variant of the ad hoc service providing collection of consignments for delivery to multiple and variable locations in a local geographic area;

”scheduled” – planned regular collection from customers and delivery to addresses at known locations at specific times on a regular or frequent basis.

#### Service Provision

The majority of the Sameday service is provided under the capability created through a joint venture between Royal Mail and the Business Services Group.com Ltd (BSG) based in Peterborough. Other sub-contractors or Royal Mail operational resources may occasionally be used.