

# POSTAL SERVICES ACT 2000

## SECTION 39A(6)

### MODIFICATION OF THE CONDITIONS OF THE USO AND NON USO LICENCES

#### Whereas-

- (1) The companies listed below are the holders of licences granted to them on various dates between 3 July 2009 and 2 October 2009 by Postcomm under section 11 of the Postal Services Act (“the Act”):
  - i. Mr Stephen James Young, a sole trader, (trading as Cycle 4 U) of the Friends of the Earth Warehouse, 54-57 Allison Street, Birmingham, B5 5TH
  - ii. First Scottish Group Limited, registered in Scotland with company number SC204657 and having its registered office at St David’s house, St David’s Drive, Dalgety Bay, Fife, KY11 9NB
  - iii. Product Development Corporation, a private limited company registered as branch number BR005127 and having its registered office at First Floor, Regency House, York Business Park, York, YO26 6RW
  - iv. Mr Peter Camplin, a sole trader (trading as Wightpost) of 34 Hill Street, Ryde, Isle of Wight, PO33 2QN
  - v. Yellow Jersey Delivery Limited, registered in England and Wales with company number 06391552 and having its registered offices at Grove House, Coombs Wood Court, Steel Park Road, Halesowen, West Midlands, B62 8BF
- (2) Taken together these Licence Holders are referred to in this notice as the “Licensees”.
- (3) The Consumers Estate Agents and Redress Act 2007 (“the CEARA”) received Royal Assent on 19 July 2007 and set out a new framework for consumer representation by creating a new statutory National Consumer Council (“Consumer Focus”) to replace the existing National

Consumer Council (a company limited by guarantee) and the Consumer Council for Postal Services ("Postwatch")

- (4) Under section 30 of the CEARA, the functions of Postwatch under the Act were transferred to Consumer Focus.
- (5) Postcomm considers that in accordance with section 39A (4) and (5) of the Act it is necessary and expedient in consequence of the establishment of Consumer Focus and the abolition of Postwatch to modify the 'payments of amounts to Postcomm' Condition of the non USO Licence and on 20 April 2009 Postcomm gave notice of a proposal to modify the non USO Licence in the manner set out in the notice ("the April notice").
- (6) The April notice said that representations regarding the modifications should be made to Postcomm within the period commencing and including the date of the April notice and ending on 29 May 2009.
- (7) Postcomm considered the responses to the April notice and communicated further with respondents. On [X] November 2009, Postcomm modified the non USO Licence in the manner set out in the notice ("the November notice"). Between representations to the April notice closing in May 2009 and the November notice modifying the non USO Licences, the Licensees were granted licences. The Licensees licences now need to be modified to bring them in line with the non USO Licence.
- (8) Postcomm provided the Licensees with information on the modification in addition to this modification notice.
- (9) Postcomm has not been directed not to make the modifications.
- (10) The following Licensees have consented in writing to the modifications.

Mr Stephen James Young

First Scottish Group Limited

Product Development Corporation

Mr Peter Camplin

Yellow Jersey Delivery Limited

**Postcomm hereby modifies Condition 10 of the non USO Licences as follows:-**

- a) Insert “and paragraph 7” after the words “paragraph 2” in paragraph 1.
- b) Insert “ ‘postal services customers’ means consumers of relevant postal services within the meaning of section 41 of CEARA” after the definition of “independent auditors”.
- c) Delete paragraph 6(b) and replace it with the following text:

“(b) the appropriate proportion that the Secretary of State considers is reasonable, having regard to the functions exercisable by the Council in relation to postal services customers, of the estimated expenses of the Council (including expenses which relate to its establishment but not expenses within paragraph (d)), likely to be incurred during the relevant year”,
- d) After paragraph 6(b), insert paragraphs 6(c) to (f) with the following text:

“(c) the appropriate proportion that the Secretary of State considers is reasonable, having regard to the functions exercisable by the Council in relation to postal services customers, of the estimated expenses of the Secretary of State which relate to the establishment of the Council, likely to be incurred during the relevant year.”,

“(d) the estimated expenses of the Council, the Secretary of State or the Consumer Council for Postal Services which relate to a transfer scheme made in respect of the Consumer Council for Postal Services under section 35(2)(a) or (7) of the CEARA, likely to be incurred during the relevant year.”,

“(e) the estimated expenses of the Secretary of State which relate to the abolition of the Consumer Council for Postal Services, likely to be incurred during the relevant year.”,

“(f) the estimated expenses of the Office of Fair Trading which relate to the expansion of Consumer Direct to enable it to cater for postal service customers, likely to be incurred during the relevant year.”,

e) Amend the numbering of the current paragraph 6(c) to 6(g), and after the reference to “(b)” in that paragraph insert “or (c) or (d) or (e) or (f)”.

f) Insert paragraph 7 which will read:

“The amount payable under paragraph 1 in respect of a relevant year shall also include

- i. the appropriate proportion that the Secretary of State considers is reasonable, having regard to the functions exercisable by Consumer Direct in relation to postal services customers of the Licensee, of the estimated expenses of the Office of Fair Trading on or in connection with the support of Consumer Direct, likely to be incurred during the relevant year, and
- ii. the amount of the difference, if any, between
  - a) the costs which Postcomm considers were actually incurred during the previous relevant year and
  - b) the estimate of the costs in question made by it for the purposes of paragraph 7, where the latter exceeds the former the amount of the difference being treated as a negative amount.”.

In witness whereof the Seal of the Commission hereunto affixed is authenticated by –



Tim Brown

Chief Executive

authorised by the Commission

Dated: 10 December 2009