

POSTAL SERVICES ACT 2000

SECTION 22

FINAL ORDER

Whereas:

A The Postal Services Commission (“the Commission”) is satisfied that Royal Mail Group plc, formerly known as Consignia PLC (“Consignia”) is likely to contravene paragraph 6 of Condition 4 of the licence granted to it under section 11 of the Postal Services Act 2000 (“the Act”) on 23 March 2001 (“the licence”);

B The Commission is satisfied that the duties imposed on it by sections 3 and 5 of the Act do not preclude it from making this order;

C Consignia is not taking all the steps that the Commission considers appropriate to secure or facilitate compliance with that condition;

D The apprehended contravention is not trivial; and

E The Commission gave notice under section 26 of the Act of its proposal to make this order and has taken into consideration all representations made in relation to the proposed order;

Therefore:

Under section 22 of the Act, to the extent necessary to ensure that Consignia complies with its obligation under paragraph 6 of Condition 4 of the licence, the Commission orders Consignia to:

1. comply with the specifications in respect of Response Services set out in Annex 1; and
2. comply with the outward processing specifications in respect of PPI services set out in Annex 2.

Under section 22 of the Act, the Commission also orders Consignia to:

3. provide evidence of the steps taken to comply with the specifications in Annexes 1 and 2 and the effects thereof, by means of monthly progress reports as prescribed in Annex 3, to be supplied not later than two weeks after the end of each calendar month until the end of the year ending March 2003, without prejudice to the obligation imposed by the Licence to produce other reports, including quarterly reports.
4. This order shall have immediate effect.

Graham Corbett
Chairman
Postal Services Commission
23 December 2003

Response Services Specification

Specification No. 1

All Response Service items must be delivered on the day of receipt at the Delivery Unit. Priority (fee paid) & Barcoded Response Service items must be delivered on the first delivery on the day of receipt. Standard Response Service items must be delivered on the second delivery. Where no second delivery coverage exists, then standard items must be delivered on the first delivery.

N.B. Should Priority (fee paid) & Barcoded Response Service items be received after the first delivery has departed from the unit, these items must be delivered by the second delivery time window. (The only exception to this is if a customer has provided written confirmation that they do not require a later delivery and OR&S have been notified. This circumstance must be recorded in the unit's operational workplan).

N.B. Should a customer confirm in writing that they do not require their Standard Response Service items to be delivered on the second delivery, these items must be delivered on the first delivery of the following day. This circumstance must be reported to OR&S and recorded in the unit's operational workplan.

Specification No. 2

Where the accounting process is performed in the Mail Centre

All Bar-coded & unique Postcode (non bar coded) items to be Billed via the Inward Automation and despatched direct to Walk at DO's. All other Response Service items (Priority, Standard & suspect box items) must have been through the accounting procedures for billing purposes to ensure all Response Service items are despatched to delivery units on or before Wave 4c using the correct bundle labels.

Specification No. 3

Where the accounting process is performed in the Delivery Unit

The accounting process other than the Bar-coded & unique Postcode (non bar coded) items that have been Billed via the Inward Automation and despatched direct to Walk at DO's, must be completed to ensure Priority Response Service items are delivered on the first delivery.

Specification No. 4

Where the accounting process is performed in the Delivery Unit

The accounting process must be complete to ensure all none Priority Response Service items are delivered on the scheduled delivery, recorded in the Delivery Unit's Workplan.

Specification No. 5

Where the accounting process is performed in the Delivery Unit

Mech. selections for Response Service items (such as the suspect box items & non unique postcodes), where the accounting process for billing purposes is not undertaken at the Mail Centre, must be despatched to the Delivery Unit Response Service locker as per the National Workplan, i.e. throughout the Inward processing cycle.

Specification No. 6

Non-accounted Response Service items received at the Delivery Office (other than items received in automated bundles), where the billing process is performed within the Mail Centre, must be delivered as per Specification 1 and not returned to the Mail Centre. These items must be recorded on the correct form. This form must be forwarded to the Mail Centre Response Service locker on a daily basis.

Specification No. 7

Response Service must be identified on both Mail Centre Inward and Delivery Office workplans in the work areas where Response Service items are processed discrete from other products.

PPI Outward Processing Specification

Specification No. 1

PPI dockets must be handed over to Revenue Protection immediately after the mail collection vehicles have been unloaded. Any missing dockets must be reported by drivers to the collections manager who must forward a summary to Revenue Protection.

(The minimum requirement is 1 posting docket per customer per day)

Specification No. 2

PPI mail processing must be a clearly identifiable element of the Mail Centre outward workplan and must not be subjected to unnecessary delay. This must include handover times by collection wave, between work areas where PPI is handled as discrete product.

This must include a Mech. utilisation plan showing correct PPI operating modes, which is clearly displayed and adhered to.

Specification No. 3

Any PPI mailings delayed in Revenue Protection for financial and/or mail volume investigation and as a consequence released later than the Mail Centre workplan, must be reported to OR&S by the Revenue Protection Manager.

Specification No. 4

There must be designated, clearly identifiable handover points for PPI mail. The minimum requirement is:

- PPI mail required for Revenue Protection. (Mails for this area must be clearly identified using the standard method as defined by Revenue Protection)
- PPI mail that does not require Revenue Protection procedures and therefore can be processed immediately.
- Mail that has been released by Revenue Protection.

Specification No 5

From the loading bank, PPI mail must reach the next handover point detailed in Specification 4 within 10 minutes of arrival at the Mail Centre.

Specification No. 6

Where a customer presents a combined posting of 1st and 2nd class PPI mail in identified 1st and 2nd class Yorks, the 2nd class Yorks must be checked. The 1st class PPI trays must be extracted and mail processed in accordance with the 1st class workplan.

Specification No. 7

Any customer non - compliance must be recorded using the standard PPI Customer Error Report.

	Requirement to provide the Commission with monthly progress reports on performance against the March 2003 licence target for 1st Class Response Services and 1st Class PPI: the reports should contain the following information
1.	Quality of service performance results to be provided at national level and on a calendar month basis for each scheduled standard referred to in the order
2.	An explanation of the reasons for any failure by Consignia to implement any aspect of the product specifications, together with details of the postcode area locations where this has occurred
3.	Verification that the product specifications have been implemented in the form of signed statements from the Consignia staff responsible at postcode area level for ensuring the specifications are deployed
4.	The above requirements will be subject to an audit process administered by Consignia involving testing compliance at postcode area. This audit process, and the units to be audited, will be subject to agreement with the Commission.