




Giving customers choice

The future for mail services



From 1 January 2006, for the first time in over 350 years, the UK postal market will be fully open to competition: a change that will revolutionise the way the UK's postal service works. Until now, Royal Mail has had a virtual monopoly and most mail customers have had no choice. From next year, that will change: for the first time other operators will be able to compete in all parts of the market, to give mail users a choice.

Already there are signs that the emergence of limited competition in the market – until now, confined to big business customers involved in bulk mailings – has encouraged Royal Mail to increase its efficiency and improve its quality and range of services. Once competition is established, Royal Mail will have more opportunity to vary its prices and services to meet the needs of the market.



“

“Competition gave us the chance to move our business to a company that has tailored its services to our own specific requirements. That makes our mailing operations more effective and economic.”

Kevin Trever, procurement manager – marketing and print, BSkyB



”



“

“Full postal competition will enable mail users to access real choice in postal services. UK Mail has already handled around 40 million items for major organisations such as Powergen. We are keen to offer our services to a wider audience and are looking forward to further growth.”

Guy Buswell, managing director, UK Mail



”

However, the company will still be subject to a price control and must still provide the one-price-goes-anywhere universal postal service at a uniform price throughout the UK.

Initially, business customers are the ones most likely to take advantage of the new arrangements, but we expect the effects of competition to feed through to provide better services for all postal users.

We don't expect competition to spring seamlessly into life from 1 January 2006. We have plenty of work to do to make sure that the market works well: that new operators really are free to come into the postal sector; that the licensing system includes robust safeguards for customers, and obliges competing operators to work together over issues such as misdirected mail – and, of course, that users really know they have a choice.

“Ultimately, competition is far more effective than regulation at giving customers the services they want at the right price,” says Nigel Stapleton, chairman of Postcomm. “We hope that people will take advantage of the more flexible services and better prices that will inevitably follow in the free market.”



“We run the whole range of collection and delivery services and – by making the most of the daily routes used by our milk floats – can now reach around a quarter of all UK addresses, offering business users of all sizes a real alternative to Royal Mail's service. We're looking forward to doing even more once the market is fully open.”

Matthew Robertson, director – home delivery, Express Dairies



Postcomm's vision:

“a range of reliable, innovative and efficient postal services, including a universal postal service, valued by customers and delivered through a competitive postal market”

For full details of postal market opening, please contact Richard Moriarty, director, competition and regulation. To view our decision document, *Giving customers choice: a fully open postal services market*, visit Postcomm's website at www.psc.gov.uk.

Contacting us

Postcomm
6 Hercules Road
London SE1 7DB

telephone 020 7593 2100

website www.psc.gov.uk

email info@psc.gov.uk

A large print version of this leaflet is available from Postcomm. **Telephone 020 7593 2100**