

**Postwatch Response to
Postcomm's Consultation Document (Stage 2) -
A Review of Royal Mail's
Collection and Delivery Times –
The Way Forward**

August 2007

Executive Summary

In its response to Postcomm's consultation 'A review of Royal Mail's Collection and Delivery Times – A Way Forward', Postwatch have made the following points.

Access criteria

Postwatch believes Postcomm should have sought comment on the Post Office Network in relation to final collection times as part of this consultation. It is important that a sufficient number of access points capable of receiving the largest postal packets and registered mail are available to customers to enable them to post mail as late as possible in the day.

Postwatch strongly believes that Postcomm need to ensure a reasonable level of access points is safeguarded at least until the Post Office Network programme is complete at the end of 2008. Therefore, a Code of Practice should be developed to govern overall access provision (with regards to post boxes, including those located in, or externally to, Post Offices) which should include consideration of post offices.

Postwatch is still concerned that in deep rural areas¹, the lack of access points could result in many social and small business customers having to travel to urban centres in order to post mail at access points with a reasonable final collection time. A lack of access points in deep rural areas could result in vulnerable groups finding it difficult to access mail services and may also have a significant adverse environmental impact as a result of the additional need for travel.

Furthermore, Postwatch is also concerned that the current regime does not stipulate any level of access points in rural areas excluding post office access.

Classifications

Postcomm and Postwatch (or its successor body) should continue to be consulted on any changes to collection and delivery time specifications and their approval sought under Condition 4.6 of Royal Mail's licence.

Postwatch believes it is vital for Royal Mail to clarify how classifications are specified, thereby providing a more transparent approach for customers when Royal Mail change their collection times.

Collection and Delivery time window

Postwatch believes it is important for customers to have the ability to respond to correspondence on the same day, should they need to. Therefore, late collection times and early delivery times need to be protected, either through guaranteed limits on collection or delivery times or through regulation, requiring Royal Mail to give a

¹ Royal Mail definition of deep rural areas – Postcode sector more than 20 minutes driving time from the centre of town/city on Monday to Friday.

specific window of time for each location. Postcomm should undertake further research on this issue before reaching a decision.

Most important elements of collections postal service

Postwatch believes that the most essential needs in relation to collections is that they should be made no earlier than the advertised times, and at a consistent time. The final collection times need to adhere to the advertised times as, by making collections earlier than these times, Royal Mail are misleading customers, causing significant detriment.

Postwatch disagrees that customers should pay for a guaranteed collection time. As the Universal Service Provider, Royal Mail has an obligation to collect mail until there is sufficient end-to-end competition, customers should not be expected to pay for a guaranteed consistent collection time.

Most important elements of delivery times

Postwatch believes the most essential need for a sender/recipient of mail in respect of delivery is that the delivery is made at both an early and consistent time.

Postwatch does not consider that customers should pay more for a delivery that is early enough to be of use within a working day.

Postcomm options

Postwatch remains convinced that Option D² provides the best way forward for customers. However, if Royal Mail can provide the evidence to substantiate the claim that this option would cost significantly more than £280m, Postwatch may be persuaded to accept Option B³. Postwatch would, however, need assurances that safeguards are introduced to protect customers ensuring the level of current access points remain the same.

² Postcomm consultation – June 2007 – Option D – Minimum time window of four hours

³ Postcomm consultation – June 2007 – Option B – No final collection times before midday.

1. Introduction

- 1.1 Postwatch welcomes the opportunity to comment on Stage 2 of Postcomm's consultation on Royal Mail's Review of Collection and Delivery Times. Postwatch is the statutory body with a specific remit to protect and promote the interests of consumers of postal services in the UK, representing the views of all senders and recipients of mail, including responses from isolated, vulnerable and disadvantaged residents.
- 1.2 Postwatch's regionally based structure and its independence from Government, the Regulator, Royal Mail, postal trades unions and other postal operators, combined with our well-established formal network of contacts provide it with the ability to speak authoritatively on behalf of consumers throughout the UK.
- 1.3 The consultation and Postwatch's response refers to the joint research into 'Customer Needs'⁴ which was commissioned by Postwatch, Postcomm and Royal Mail. This includes important results regarding collection and deliveries.
- 1.4 The first part of this response will consider the comments by Postcomm on Postwatch's initial views, and why some of the proposals were not considered to be appropriate by the Regulator.
- 1.5 Key issues that will be highlighted within the response will be the analysis of the four options presented by Postcomm for the best way forward regarding collections and deliveries. They are:
 - Option A - maintaining current regulation
 - Option B - no final collection times before midday
 - Option C - no deliveries to be made after midday
 - Option D - minimum time window of four hours

2. Background

- 2.1 Postwatch has monitored the issue of final collection times on a national basis since January 2005. The evidence that has illustrated some major changes of final collection times (Annex A) has been sent to Postcomm. Postwatch has also collated information of complaints on later deliveries within the same time frame (Annex B).

⁴ Roland Berger Research – [The Needs of Postal Users – Customer Survey 2006](#)

3. RECAP OF POSTWATCH'S FIRST CONSULTATION RESPONSE

- 3.1 Postwatch's response to the first consultation highlighted a number of key issues which customers had stated were integral to collections and deliveries. The key concerns from the first response are re-stated below, together with how they have been considered by Postcomm.

4. Provision of access points

- 4.1 Postwatch believes Postcomm should have sought comment on the Post Office Network in relation to final collection times as part of this consultation. It is important that a sufficient number of access points capable of receiving the largest postal packets and registered mail are available to customers to enable them to post mail as late as possible in the day.
- 4.2 Postcomm has stated that they recognise Postwatch's concerns; however, it has also stated that this issue is being considered by the project commissioned by Postcomm recently on 'Access to Postal Services', which focuses on assessing the impact of the Post Office closure programme.
- 4.3 The research company NERA has been commissioned by Postcomm to undertake the 'Access to Postal Services' project. This research considers a number of different types of access criteria in relation to postal services including distance. The findings are yet to be published, but the research includes access versus sustainability as an issue. Postwatch's vision is of a post office network that is sufficient in overall size and reach to ensure that every citizen has reasonable access, in terms of both geographical proximity and travelling time, to a defined range of post office services. The network should be funded and supported so as to provide a network with long term stability and flexibility.
- 4.4 Therefore, until such a decision is made we would like to see a Code of Practice that ensures a reasonable level of provision of access points is safeguarded.
- 4.5 Postwatch believes that the Code of Practice should include as a minimum, the following:
- maintaining the existing number of post boxes throughout the UK;
 - the removal or relocation of any postbox can only occur if Royal Mail has sought permission from the regulator and provided specific information e.g. if a post box is removed how far is it to the next access point;
 - criteria on the distance/travelling time from access points and;
 - how much mail is normally collected per day from the box.

- 4.6 Postwatch acknowledge that the detailed outcomes of this research are yet to be finalised, but Postwatch urges Postcomm to take this into account in the final stage of its consultation process on collections and deliveries.

5. Density of access points

- 5.1 Postwatch believes that Postcomm should place a requirement in Condition 3 of Royal Mail's licence to ensure the provision of adequate access to collection points in rural areas. As already stated, a Code of Practice should be developed to govern overall access provision which should include consideration of post offices.
- 5.2 Postwatch is still concerned that in deep rural areas⁵, the lack of access points could result in many social and small business customers having to travel to urban centres in order to access collections at reasonable times. This may not always be possible, particularly for many elderly and disadvantaged groups in rural areas, due to poor public transport provision and the distances between urban centres and deep rural locations. This could result in vulnerable groups finding it more difficult to access the mail service even at its most basic level.
- 5.3 In addition, those with access to vehicles will be driving rather than walking, having an adverse impact on the environment. In other words, one Royal Mail van not undertaking late collections could result in a greater number of vehicles travelling further to find a convenient access point. Therefore, environmental considerations should not be limited to Royal Mail's impact, but the effects of additional customer journeys should also be taken into account.
- 5.4 Postcomm recognises the importance of this issue, and it has initiated a separate project 'Access to Postal Services' to focus on the access which will cover issues relating to Condition 3 of Royal Mail's licence. Postcomm has stated it will bear in mind Postwatch's comments when deciding the most appropriate way forward for this review.

6. Classifications

- 6.1 Postcomm and Postwatch (or its successor body) should continue to be consulted on any changes to collection and delivery time specifications and their approval sought under Condition 4.6 of Royal Mail's licence.
- 6.2 Although Postcomm did not refer to this directly in their response, the results of Royal Mail's current review of the collection and delivery specifications should be notified to Postcomm and Postwatch under Condition 4.6. In addition, Postwatch has stated that Royal Mail need to produce a meaningful and workable definition of how it calculates specifications.

⁵ Royal Mail definition of deep rural areas – Postcode sector more than 20 minutes driving time from the centre of town/city on Monday to Friday.

- 6.3 It is essential for Royal Mail to clarify how classifications⁶ are specified, thereby providing a more transparent approach for customers when Royal Mail change their collection times.
- 6.4 Postwatch considers that it is essential for discussions to take place between Royal Mail, Postcomm and Postwatch to ensure the Code of Practice (mentioned in Sections 4 and 5) is agreed by all parties. It is vital that when Royal Mail moves boxes into a different classification or changes times, they should provide evidence of their reasons for doing so, and these should take full account of customer usage. We have not always found this to be the case. For example:

In the Greater London region, box CR0 587 is very near the centre of Croydon and was changed from 'City/Town' to 'Rest of UK' last year. The local Residents' Association would have preferred a new final collection time of 5.15pm (still within Royal Mail's new specification), but instead it was changed to 4.45pm. Despite frequent requests at various levels, Royal Mail has been unable to provide any usage-related evidence for this particular change. By contrast, the box in Wyvern Road, which is much further from the centre of Croydon, has a later collection time of 7.15pm. Details are shown in Annex D.

- 6.5 Associated to this example, Postwatch believes that the importance of information plates that clearly indicate the location of alternative boxes (that have a later collection time) needs to be addressed. Furthermore, to make later collection boxes clearer, Postwatch believe that late collection boxes should be noticeably marked, for example, with a yellow band or similar.

7. Collection and delivery time window

- 7.1 One of the main arguments put forward by Postwatch was to ensure that customers have the opportunity to respond to mail the same day, should they need to. Information received from businesses and residential customers indicated that it was important for customers to have an opportunity to respond to correspondence the same day. Therefore, it is essential that final collection times are significantly later than delivery times. Both need to be protected, either through guaranteed limits to changes on collection or delivery times from Royal Mail or through regulation, requiring Royal Mail to give a specific window of time between each service.
- 7.2 Postcomm has stated that it recognises that a four hour time window between deliveries and collections would be desirable for postal users, however it has stated that the evidence gathered in the review so far does not support such a change at this time.

⁶ Definition of classifications – Royal Mail's definition of classification times – e.g. Commercial, Town/City, Rest of UK, Deep Rural, Business Boxes and Post Office Branches.

7.3 Postwatch believes that further research should be undertaken to find out more specifically whether this initiative is strongly supported by customers.

8. POSTCOMM STAGE 2 CONSULTATION

- 8.1 The remainder of this response focuses on the four options presented by Postcomm in its second consultation document. Postcomm has provided an Initial Impact Assessment of each option (see Annex C). Postwatch has commented on each option and indicates what it considers to be the best option for both domestic and business customers.
- 8.2 Further to Postwatch's first response on Collections and Deliveries, several issues have emerged in greater detail – these are the effect the EU Directive of 56mph and Delivery Best Practice. Postwatch would like Postcomm to ensure it has seen sufficient evidence to ensure that the impact these initiatives will not adversely impact on customers either now, or within the timescale envisaged for the decisions following this consultation.

9. Option A: Maintaining current regulation

- 9.1 The first option provided by Postcomm is to maintain the current regulation. Postwatch rejects this option because it adds no benefit to customers, both domestic and business. Maintaining the current regulation allows Royal Mail to provide a lower service level (both in terms of collections and deliveries) to customers than they require. As referred to in Annex A, Postwatch has received 8,916 notifications of changes to collection times, of which 7,446 were earlier.
- 9.2 There is a risk that if this option is implemented, there will be increased dissatisfaction from customers with their mail service, which could lead to further migration to alternative media as a means of communication. This would then result in lower mail volumes thereby providing a possible risk to the provision and financing of the universal service obligation. This could result in higher stamp costs for postal users.
- 9.3 Benefits stated by Postcomm for this option are that Royal Mail will not remove post boxes in excess of the licence requirement as, by maintaining its current regulation, it will not have to change any operational procedures. However, Postwatch does not consider this approach a benefit as Royal Mail have said that any option, apart from maintaining the current regulation requires operational change, would threaten the access criteria.

This option does not provide customers with any improvement to the current collections and delivery service. On the contrary, it allows Royal Mail to continue to bring final collection times forward and more delivery times back, which could cause severe adverse consequences for customers.

10. Option B: No final collection times before midday

- 10.1 The second option provided by Postcomm is to have no final collection times to take place before midday, where practicable. This option would be an improvement in the service to some customers in rural areas, but would be detrimental in that it would also allow Royal Mail to bring forward collections to midday in a far greater number.

Further information

- 10.2 According to figures published by Postcomm, 88% of post boxes have final collection times at or after 4pm⁷. Royal Mail has stated that 8% of post boxes have final collection times (predominantly in rural areas) that take place before 3pm. Approximately 2% of that figure has a final collection time before 9am.
- 10.3 Postwatch would like to know how many post boxes would not be 'practicable' for a final collection time of 12 noon and would therefore have a collection before midday. Royal Mail also needs to explain what circumstances it would consider 'impractical' and what level of additional cost incurred would be regarded as unacceptable.
- 10.4 Postwatch would also like to see what criteria is used to determine whether a collection point is 'practicable' to have a midday collection together with its programme for reviewing the collection points. The criteria used, and any future collection and delivery time specifications, should be readily available to customers. Furthermore, Postcomm would need to have oversight of any review to ensure it is completed in a timely manner.

Effects of collections in rural areas

- 10.5 The majority of Postwatch's stakeholder responses to Postcomm's first consultation favoured a later final collection time. In considering later collection times, it is important to note that deliveries in some rural areas would not be completed until 3pm. This option would therefore not enable customers (especially those in rural areas) to respond to mail on the same day, should they need to.

Effect of deliveries in rural areas

- 10.6 Postwatch wants assurance that, even if final collection times are not made before midday, deliveries, especially in rural areas, would not be later than they are at present and would be brought forward to allow customers to respond to mail on the same day.

⁷ Postcomm consultation – June 2007 – Measured from Monday to Friday and excludes Post Offices

- 10.7 Option B does not favour small businesses that are located in rural areas, which depend on early delivery times and later collection times in order to help manage their resources. For these businesses, e-commerce cannot always be seen as a substitute.

Non-mandatory approach – Risks

- 10.8 Postcomm has also stated that it would not intend to make this option a requirement within Royal Mail's licence, because it identifies certain associated risks. The main risk identified is that Royal Mail may begin to remove post boxes that are in excess of the current access criteria in order to ensure collections do not take place before midday. Postwatch's previous consultation response highlighted this risk, and asked Postcomm to ensure some form of Code of Practice was introduced to safeguard the current levels of post boxes, with further licence requirements for post boxes in rural areas. Postwatch still believe this to be a key issue and would urge Postcomm to consider the benefits of safeguarding current post boxes.
- 10.9 Royal Mail has stated that it has always received a low level of customer complaints relating to collection times and does not perceive it to be a widespread problem⁸. However, Postwatch considers that regardless of the level of complaints, having earlier collection times combined with later delivery times ultimately leaves customers (both social and business) with a diminished service⁹.
- 10.10 If Royal Mail as the universal service provider is allowed to collect mail as early in the day as they wish and to deliver it as late in the day as they see fit, users are potentially being deprived of their right to a next-day service. Indeed, if mail were collected so early on D1 that it had to be prepared on D0, and it was then delivered 'first-class' 'next-day' – but not until the end of D2 so that it could not in practice be actioned until D3, this is more akin to a 'second-class' D+3 service.
- 10.11 In 2005, Royal Mail planned to implement an initiative called 'Optimising Collection Times' which aimed to have rural collections performed by delivery staff throughout the rural delivery round. Postwatch agrees that this option would have advantages in deep rural areas where post boxes can have a low level of use and Royal Mail would like to remove them. Postwatch acknowledge that customers in these areas do not have the opportunity to respond to mail delivered to them the same day and the initiative would provide an increased opportunity to do this. Postwatch also notes that Royal Mail decided to cease this initiative acknowledging the potential impact on customers. Postwatch calls on Postcomm to question why service/customer considerations that were relevant then, appear not to apply today.

⁸ Postcomm consultation – June 2007 – The Way Forward - Chapter 3

⁹ Roland Berger Research – [The Needs of Postal Users – Customer Survey 2006](#) – C.4.3

- 10.12 If Option B were implemented, despite the objections made, Postwatch believes it is vital for Postcomm to ensure that the level of service provided by Royal Mail does not deteriorate in urban areas. There is a risk that by changing the licence to reflect this option, Royal Mail could exploit the ruling by bringing forward collection times in urban areas from evening to early afternoon. Therefore, Postcomm should ensure that the current levels of collection times are safeguarded in areas where late collections already occur.

Option B provides a better service for some customers in rural areas, however, it is vital to ensure that collections in urban areas are protected if this option is implemented.

To make this option favourable to customers, Postwatch would want to see how much impact would changing the collection times to no earlier than 4pm instead of midday have on Royal Mail (both in terms of cost and operations).

11. Option C: No deliveries to be made after midday

- 11.1 This option is beneficial for customers (both domestic and business) both in rural and urban areas. However, it is important to note that the current arrangement of deliveries due to Single Daily Delivery means that Royal Mail aim to deliver mail by 2pm in urban areas and 3pm in rural areas. The Single Daily Delivery initiative was seen to balance commercial necessity against customers needs. By bringing forward these times as suggested in Option C, it benefits customers who depend on the delivery of mail to start their working day.
- 11.2 However, this option does not guarantee a later collection time. By providing earlier deliveries and continuing to bring forward collection times, there is no real benefit for customers as they would still not have the opportunity to respond to mail on the same day should they need to.

Effect of Royal Mail's planned operational changes

- 11.3 Royal Mail has suggested that in order to improve deliveries, a better option would be to implement an initiative known as 'Delivery Best Practice'. Although Postwatch has little detail on Royal Mail's Delivery Best Practice project. Postwatch understands that it is a new initiative that Royal Mail plan to implement by 2008-09, with the main aim being to optimise and make deliveries more effective (in terms of operational procedures for Royal Mail). However, it also means that deliveries can be made much later than the current arrangements, with the earliest delivery being as late as 10.30am. Therefore, customers could still have later deliveries but have final collections as early as 9am. Postwatch believes that this is more detrimental to customers than maintaining the current requirement. Postwatch do not

understand how a worse service for customers can be seen as an effective 'initiative'.

- 11.4 It is imperative for Royal Mail to be more transparent with their modernisation plans in order to provide customers with a clearer view of how the plan will provide a more effective and efficient service. By introducing the 'Delivery Best Practice' scheme, it is extremely unclear how customers would benefit from this initiative; it would seem that it only benefits Royal Mail.

Evidence for costs

- 11.5 Postcomm has stated in its consultation document that it would cost Royal Mail at least £280m¹⁰ by 2009/10, if this option is implemented. Postwatch would like to have a breakdown of how this cost is calculated or at least assurances from Postcomm are required that Royal Mail has provided it with a full breakdown of the costs and that these have been robustly assessed. Postcomm has stated that this option 'restricts Royal Mail's ability to implement efficiency savings which puts pressure on its ability to finance the universal service'¹¹. If this is the case, Postwatch would like to see further explanation on how much impact this option has on the universal service, if implemented. Postwatch considers that by not providing customers with an earlier delivery, especially businesses, that they are more likely to migrate to alternative media, thereby providing a possible risk to the provision and financing of the universal service.
- 11.6 Postcomm stated in the consultation document, that it is more essential for businesses to have earlier delivery times as they rely on responding to mail on the same day more than social customers. Royal Mail has stated that if business customers would like to have earlier deliveries in the current framework, they have to pay £2,661 per annum. Therefore, there is an argument that it is potentially in Royal Mail's interest to deliver mail as late as possible, thereby forcing businesses to pay the early delivery premium.
- 11.7 Although this option would help ensure earlier deliveries, as reflected in the Roland Berger research¹², the research also states that customers prefer later collections.

Option C provides some benefit as it would ensure earlier deliveries, which is reflected in the conjoint research. However, what the option does not guarantee is a later collection time. In order to make this a favourable option, there needs to be a balance that provides earlier deliveries and later collections in order to provide customers with a better service.

¹⁰ Postcomm consultation – June 2007 – The Way Forward - Chapter 5

¹¹ Postcomm consultation – June 2007 – Initial Impact Assessment

¹² Roland Berger Research – [The Needs of Postal Users – Customer Survey 2006](#) – C.4.3

12. Option D: Minimum time window of four hours

12.1 Option D presented by Postcomm aims to have a minimum time window of four hours in order to provide customers with the opportunity to respond to mail on the same day, should they need to. Postwatch had favoured this option in its response in the first consultation but notes the issues which Postcomm highlight associated with this option.

Evidence for costs

- 12.2 Postcomm has stated that Roland Berger research showed that customers favoured the window to be between midday and 4pm. However, Royal Mail has said that this option is ‘impractical because its operation cannot support the option as it would result in a major remodelling of its business’¹³. Postwatch would like Royal Mail to be more transparent about this statement by providing a breakdown of the level of change to its business this approach would actually result in since 94.4% of deliveries are already made by midday and 88% of collections are after 4pm. Postcomm has stated in its consultation document that it knows that the option of no deliveries later than midday would cost at least £280m. In the same way and for the same reason stated in the previous section (paragraph 11.4), Postwatch would like to have a breakdown of how this cost is calculated or at least assurances from Postcomm that Royal Mail has provided it with a full breakdown of the costs and that these have been robustly assessed.
- 12.3 Postwatch would also like to know what evidence Royal Mail has provided to Postcomm that by bringing 5.6% of deliveries forward to midday and 12% of collections later than 4pm the cost would be more than £280m.
- 12.4 Given the alleged costs provided by Royal Mail to implement this option, Royal Mail states that it could jeopardise its ability to finance the universal service. It has stated that this could also impact on all postal operators if safeguarding measures needed to ensure provision of the universal service are threatened. Once more, Postwatch would like to see evidence of how Postcomm and Royal Mail have come to this conclusion.
- 12.5 Royal Mail claims that if the minimum time window was implemented it would be ‘unable to provide a next day service for some customers’¹⁴. Postwatch would like to know why it would not be able to provide a next day service for some customers and if so, which ones and how many are likely to be affected. Postwatch understands that Royal Mail needs to collect mail and take it to hubs before transferring it to mail centres. However, it would be useful to know what proportion of the 12% of mail collected from post boxes

¹³ Postcomm consultation – June 2007 – The Way Forward - Chapter 5

¹⁴ Postcomm consultation – June 2007 – The Way Forward - Chapter 5

moved to a 4pm collection time would not arrive at the mail centre in time and therefore miss the final dispatch time and consequently the next day delivery that is referred to in the consultation document.

- 12.6 Postwatch still believes this option to be the most favourable, especially for social and business customers, as it provides them with the option of responding to mail on the same day should they need to and would therefore like to see further information on the costs.

This option provides a better service for customers, as it allows them to respond to mail on the same day, should they need to.

Summary

Postwatch remains convinced that option D provides the best way forward for customers.

If Royal Mail can provide the evidence to substantiate the claim that this would cost substantially more than £280m, Postwatch may be persuaded to accept Option B, but would need assurances that safeguards are introduced to protect customers.

These assurances include:

- ***the number of access points would remain the same;***
- ***collection times in urban areas would not be brought forward; and;***
- ***meeting the requirements of the Code of Practice***

Any removal or reduction in the provision of an access point can only happen providing it meets requirements of the Code of Practice and once customers have the chance to object and approval is given by Postcomm and the relevant consumer organisation.

ANNEX A**TOTAL NUMBER OF FINAL COLLECTION TIME CHANGES FROM JANUARY 2005 –
DECEMBER 2006**

Region	Number of Changes	M-F	M-F Earlier	M-F Later	Sa	Sa Earlier	Sa Later
Scotland	140	67	66	1	73	69	4
East	624	624	566	58			
Midlands	602	584	579	5	18	18	
Greater London	469	469	340	129			
South East	5				5	3	2
Wales	821	519	464	55	302	103	199
North	1470	1254	1187	67	216	31	185
South & West	2616	2461	2330	131	155	153	2
Northern Ireland	1	1	1				
Total:	6748	5979	5533	446	769	377	392

Note 1: These changes do not include 121 changes to Sunday collection times

TOTAL NUMBER OF FINAL COLLECTION TIME CHANGES FROM JANUARY 2007 – JULY 2007

Region	Number of Changes	M-F	M-F Earlier	M-F Later	Sa	Sa Earlier	Sa Later
Scotland	270	92	75	17	178	144	34
East							
Midlands	209	183	167	16	26	3	23
Greater London							
South East	369	156	154	2	213	209	4
Wales							
North	126	89	76	13	37	17	20
South & West	1194	556	320	236	638	371	267
Northern Ireland							
Total:	2168	1076	792	284	1092	744	348

Note 1: These changes do not include 88 changes to Sunday collection times

MAIL DELIVERY COMPLAINTS TO POSTWATCH - JANUARY 2005 – JULY 2007

Region	Late Delivery	Single Daily Delivery*	Total:
Scotland	15	13	27
East	22	13	34
Midlands	37	7	39
Greater London	56	22	74
South East	15	10	24
Wales	9	5	11
North	57	26	80
South & West	39	13	50
Northern Ireland	7	8	14
Total:	257	117	374

*Please note that the complaints for Single Daily Delivery were recorded from January 2005 – December 2006.

TABLE OF BENEFITS AND COSTS PROVIDED BY POSTCOMM

	Impact on:	Benefit	Cost
Option a: Maintain current regulation	Postal users	<ul style="list-style-type: none"> Price of stamps will not increase (especially relevant to low income and pensionable) Non-regulation of times will not hinder the development of competition, which could increase choice available to domestic users Less risk of post boxes in excess of the licence requirements being removed 	<ul style="list-style-type: none"> It will not prevent Royal Mail from reducing the collection service it currently provides in deep rural areas to 9am and, therefore, would not protect rural customers' needs.
	Postal operators	<ul style="list-style-type: none"> Non-regulation of times does not create competition issues on quality grounds No increased cost to universal service provider (Royal Mail) Operational freedom which could be used to respond to customers' needs, and implement efficiency initiatives (Royal Mail) 	<ul style="list-style-type: none"> Potential risk to Royal Mail's reputation if it takes advantage of non-regulation by making further changes to collection and delivery times which negatively impact customers Customers receiving a poor collection and delivery time service may migrate to alternative media, therefore, accelerating issue of market volume decline
Option b: No final collection times before midday	Postal users	<ul style="list-style-type: none"> Price of stamps will not increase (especially relevant to low income and pensionable) Customers in rural areas will have improved access to the universal service Efficiency initiatives unaffected so financial savings still able to be made (Royal Mail) which should benefit customers 	<ul style="list-style-type: none"> Some customers will still not be able to respond to mail on the same day, but less than if option I was implemented Small risk of post boxes in excess of licence requirements being removed
	Postal operators	<ul style="list-style-type: none"> Positive impact on reputation of the postal service, which increases customer confidence in the postal market Marginal restriction to the collection time specification should not create competition issues on quality grounds Customers less likely to migrate to alternative media if they are satisfied with the postal service, so less risk of market volume decline than if option I was implemented Efficiency initiatives unaffected so financial savings still able to be made (Royal Mail) 	<ul style="list-style-type: none"> Financial cost of approximately £10m to implement on Mondays to Fridays (Royal Mail) Small restriction on Royal Mail's operational flexibility
Option c:	Postal users	<ul style="list-style-type: none"> All customers will receive mail by midday 	<ul style="list-style-type: none"> Price of stamps will increase (especially relevant to low

No deliveries to be made after midday		<ul style="list-style-type: none"> Limits the impact 'Delivery Best Practice' would have had on customers affected by it 	<p>income and pensionable)</p> <ul style="list-style-type: none"> All stamp users would pay for an improved service which only some customers need/benefit from, which may motivate those customers to switch to alternative media
	Postal operators	<ul style="list-style-type: none"> Positive impact on reputation of the postal service, which increases customer confidence in the postal market Customers less likely to migrate to alternative media if they are satisfied with the postal service, so less risk of market volume decline than if option I was implemented 	<ul style="list-style-type: none"> Financial cost of a minimum of approximately £280m to Royal Mail Restricts Royal Mail's ability to implement efficiency savings which puts pressure on its ability to finance the universal service
	Environment		<ul style="list-style-type: none"> Increased CO² emissions because Royal Mail will need to transport more mail by air in order to meet regulations and quality of service targets
Option d: Minimum time window of four hours	Postal users	<ul style="list-style-type: none"> All customers will have the opportunity to respond to mail on the same day, regardless of location, which is especially important for SMEs. 	<ul style="list-style-type: none"> Price of stamps will increase (especially relevant to low income and pensionable) All stamp users would pay for an improved service which only some customers need/benefit from which may motivate those customers to switch to alternative media The restriction on collection and delivery times could hinder the development of competition Large risk of post boxes in excess of licence requirements being removed
	Postal operators	<ul style="list-style-type: none"> Positive impact on reputation of the postal service, which increases customer confidence in the postal market Customers less likely to migrate to alternative media if they are satisfied with the postal service, so less risk of market volume decline than if option I was implemented 	<ul style="list-style-type: none"> Financial cost of significantly more than £280m to Royal Mail which could jeopardise its ability to finance the universal service. This could impact all postal operators if safeguarding measures are needed to ensure the provision of the universal service Restricts Royal Mail's ability to implement efficiency savings which puts pressure on its ability to finance the universal service The restriction on collection and delivery times could hinder the development of competition
	Environment		<ul style="list-style-type: none"> Increased CO² emissions because Royal Mail will need to transport more mail by air in order to meet regulations and quality of service targets

FINAL COLLECTION TIMES IN CROYDON (CR) – 7 AUGUST 2007

