



The DX Group is the leading alternative provider of end-to-end postal services in the UK

Sharing redirections data

Postcomm's revised proposals to facilitate a multi-operator redirections service

October 2007

To the Postal Services Commission,

Thank you for the opportunity to contribute to your thinking about the future of the UK postal redirections service. As members of the Mail Competition Forum we (DX Network Services and Secure Mail Services) have been closely involved in the formulation of its response to this consultation, which we wholeheartedly support and to which we would like to refer you. This submission illuminates and reinforces some of the issues raised in that response.

Keepsafe (Chapter 3, Table 1)

Postcomm has determined that OLOs should not be allowed to supply Royal Mail's Keepsafe product. In its justification Postcomm states that Keepsafe "is in the interests of a small number of receiving customers. However, it is low value to Royal Mail in overall revenue terms and sending customers do not place great value in the Keepsafe service as the mail items will be delivered to the correct addressee in any event".

We believe that Postcomm's justification is flawed for several reasons:

- a) The interests of the small number of receiving customers should not be cast aside so lightly. Customers who use Keepsafe often do so in order to avoid an accumulation of mail when they are on holiday. This makes it less apparent to burglars that the property is vacant. For the customer it defeats the object of buying Keepsafe if operators other than Royal Mail continue to deliver mail during the period of the contract;
- b) The value of the product to Royal Mail is irrelevant in this context. It is only the value of the product to the customers that matters;
- c) In any case, it might be the case that the value of the product to Royal Mail is low because Royal Mail has not been promoting the service adequately;
- d) We believe that the Keepsafe service might be of value to sending customers whose mail contains sensitive items such as bank cards, chequebooks and identity documentation;
- e) If the usage of Keepsafe really is so low then the provision of a Keepsafe service (actually a redirection to the nominated Keepsafe location) by OLOs will not be onerous.

We urge Postcomm to reconsider this aspect of its revised proposals and to allow OLOs which provide redirections services to access the Keepsafe data.



Provision of Redirections Services and use of Redirections Data

Postcomm's revised proposals discriminate between different types of postal service provider in an unjustified manner. Specifically, Postcomm is discriminating in favour of all access operators (who are unable to provide base redirections services themselves because they do not have final mile delivery facilities) to the detriment of some delivery operators (who are unable to provide base redirections services because it is not economically viable for them to do so). How can any decision by Postcomm to allow open access to redirections data to access operators and yet oblige all delivery operators to undertake a base redirections service in order to qualify not be discriminatory?

Paragraphs 2 and 3 of the draft OLO licence condition are reproduced below:

2. Subject to paragraph 3, if the Licensee is supplied with (or is otherwise given access to) Redirections Data by Royal Mail, the Licensee shall, in relation to Relevant Postal Packets, provide a Base Redirections Service for the area in respect of which the Licensee provides postal services (including where in accordance with arrangements agreed between the Licensee and its customer, the Licensee is responsible for the provision of postal services).

3. The Licensee shall use the relevant Redirections Data solely for the purpose of providing a Base Redirections Service or an Additional Redirections Service.

Postcomm's proposals will allow access operators to obtain redirections data from Royal Mail and share this data with mailing customers for address list cleaning purposes. However, this opportunity will be denied to delivery operators which do not provide base redirections services. Postcomm will, therefore, be granting marketing rights over redirections data to access operators that are denied to their delivery counterparts.

We can follow the logic that Postcomm has applied in developing this proposal although we do not agree with Postcomm's conclusion.

Postcomm has broadened the objectives of the redirections project (2.53) to include:

- ensuring that mail arrives at the correct address in the most efficient way possible; and
- ensuring there is a level playing field between all licensed operators in delivering mail to the correct address.

One way of ensuring the mail efficiently arrives at the correct address is to allow operators to share redirections data with mailers so that they can update their mailing lists. This means that mail is more likely to be delivered to the correct address first time, avoiding the inefficient process of manual redirection. Inefficiencies will be avoided by all operators who handle the mail. We do not, therefore, disagree with Postcomm's proposal to allow operators to share redirections data with their mailing customers.

However, Postcomm's proposal to prevent delivery operators which do not provide base redirections services sharing redirections data with their mailing customers is completely inconsistent with the objective of ensuring that there is a level playing field between all licensed operators in delivering mail to the correct address. Not only will access operators benefit from marketing rights that are denied to some delivery operators but, for the foreseeable future, access operators will tend to use Royal Mail in preference to other delivery operators because only by using Royal Mail for delivery will they be able to obtain the redirections data. Postcomm is therefore strengthening Royal Mail's de facto monopoly.



We therefore urge Postcomm to reconsider its proposal that delivery operators that do not provide base redirections services will not be allowed to obtain the data and share it with their mailing customers. For Postcomm to do otherwise would mean that it would be neglecting its duty to promote effective competition on a level playing field.

Yours sincerely,

Michael MacClancy
Head of Regulation, The DX Group (DX Network Services and Secure Mail Services)

Secure Mail Services delivers to 99.7% of UK business and residential addresses