



Communications Consumer Panel and ACOD's response to Ofcom on its call for inputs in its review of postal services in the UK

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the citizen and consumer voice is represented in communications policy development.

The Panel's job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular people who may be in a more vulnerable position in society. We carry out research, provide advice and encourage Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

We welcome the opportunity to contribute to this call for inputs on behalf of consumers, citizens and micro businesses who rely on postal services. We are keen to ensure that postal services work fairly for everyone and that the Universal Service Obligation remains fit for purpose, protecting all USO postal users in the UK.

We were already aware - through our stakeholder engagement - of the impact of parcels surcharging, before the pandemic began - as well as the difficulties experienced by people who have additional access requirements to enable them to use services on an equivalent basis.

We also heard from rural charities and the FSB that many micro businesses had had to diversify during the pandemic, to offering regular online deliveries for the first time, while paying expensive redirection costs. At the same time, many were having to navigate new processes and charges, due to the UK's exit from the EU.

Our stakeholders told us that the COVID-19 pandemic was accelerating already rapid growth in the use of the parcel service, with ever more people relying on online shopping



and parcel delivery as non-essential retail venues closed, and ‘clinically extremely vulnerable’ people told to stay in and shield from the virus.

Inequity in access to parcel services

We are concerned that any surcharge on postal costs could undermine the principle of the universal service obligation (USO) - to receive the same standard of postal service at the same cost across the UK. We have recently heard from CCNI that NI consumers are facing significant surcharge costs for postal deliveries from GB and the EU. The Panel’s Chair has raised concerns with Ofcom and UK Government on this matter.

We therefore commissioned research to understand whether potentially vulnerable parcel service users had requirements that were not being captured by the market, and might not be meeting the intentions of the USO, which currently covers and what changes might be needed to ensure these needs were met.

The research involved 40 in-depth interviews with parcel service users across the UK that focused mostly on people who had particular needs from the service, whether access requirements due to age, a health condition, impairment or disability, or living in a rural or deep rural area, or running a micro business.

Our objectives were to understand:

- What do customers require from the parcel service?
- How do customers currently use the service, and has that changed over time?
- What sort of constraints are customers under, given their individual situations?
- How well do customers feel their needs are being met by UK parcel services?
- How does the Royal Mail parcel service, governed by the USO, compare to its competitors in terms of price, delivery options and reliability?

Key insights

1. Users have a variety of needs from the parcel service, including certainty, reliability, simplicity and well as options for urgency, tracking and proof of sending
2. Some needs, including reliable delivery, affordability and personal safety, have become more important during the pandemic.
3. There is general satisfaction among users with services for sending and receiving parcels - while not generally top-of-mind for people, the service is largely trusted.
4. Even so, many experienced issues sending or receiving parcels at some point in the last year including misdelivery or delays.
5. Service users’ engagement with providers and their ability to exercise consumer choice was limited.
6. People with access requirements have distinct and often unmet needs around communication, familiarity and accessibility.



7. Rural service users also need better communication options to improve reliability and service coverage.
8. Micro businesses are more engaged and reliant on the parcel service than other groups, and see space for improvements in reliability and certainty of parcel delivery.
9. Service users in Northern Ireland generally experienced disruption in early 2021, notably delivery delays and additional fees.

The Panel will soon publish its research, with practical steps for governments, Ofcom and other stakeholders to take to improve the experience of consumers, citizens and micro businesses, on its website: www.communicationsconsumerpanel.org.uk. We have shared our draft recommendations with Ofcom, which we look forward to sharing with stakeholders and we hope these are helpful in response to question six of the call for inputs.