

Your response

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<p>Question 1: Do you agree that we have identified the correct aims, supporting principles and features of the USO? Do you consider that these should continue to be respected as far as possible when assessing potential changes to the USO?</p>	<p>Confidential? – N</p> <p>Yes I agree that you have identified the aims and principles and that they need to be respected.</p>
<p>Question 2: Do you agree with our assessment of the direction of change in postal needs of residential (including vulnerable) users and SMEs? Are there other factors relevant to their future demand which we have not considered?</p>	<p>Confidential? – N</p> <p>I do not agree.</p> <p>You State : The evidence indicates that most user needs would continue to be met by changes to the specification of the letters USO in terms of reduced delivery frequency and increased emphasis on certainty of delivery (rather than speed of delivery)</p> <p>I am not sure where the research has come from – but we receive messages every single day from customers upset that Royal Mail is delivering their greeting card too slow for the event for which it is needed. Letters are still a product / gift for thousands of businesses – we are not just talking about bulk mail / NHS letters etc. We absolutely cannot move to a slower service when the entire world is requiring (and moving to) speedier services!</p> <p>You state : The letters market is in structural decline whereas people are sending and receiving more parcels</p> <p>The letter service is in decline BECAUSE of Royal Mail's poor performance in serving the public letters – whilst systematically increasing prices to unprecedented levels, despite such significantly poorer service. If they were to improve both businesses and individuals would send more letters. This is a circle of their own making.</p> <p>We now get messages on Amazon / our website / Etsy etc from customers asking us NOT to send their orders via Royal Mail as they do not receive them / do not trust</p>

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	<p>them etc – this is unfathomable and we do not get such complaints in regards to any other courier. Unfortunately, as a greeting card business we have no choice but to use Royal Mail – and this is why the future of the USO is so important. If not handled correctly, it will bankrupt thousands of low cost good SMEs.</p>
<p>Question 3: Do you agree with our assessment of the bulk mail market? Are there other factors relevant to its future evolution which we have not considered?</p>	<p>Confidential? – N</p> <p>The bulk mail market, whilst we appreciate is hugely important, is entirely different to what the majority of UK SMEs who send letters out need. The bulk mail market will be in decline and will continue to decline as we move to more digital communications for appointments etc. This is not a factor for businesses who need letters for their low cost goods and customers who need letters to send personal gifts.</p> <p>We cannot base the changes of the letters USO on the bulk mail market alone which is in natural decline. The greeting card industry is in natural uplift. If Royal Mail offered better service for a better price the personal market would naturally increase!</p>
<p>Question 4: Are there specific events/changes that could trigger a significant change in demand for large mail users, including public services?</p>	<p>Confidential? – N</p> <p>With the increase of cyber attacks we could find that large mail users who wish to move to digital communication may have to continue to use letters as a failsafe back up method of communication.</p>
<p>Question 5: Do you agree with our proposed approach to estimating the financial burden of the USO?</p>	<p>Confidential? – N</p> <p>I do not agree.</p> <p>Estimating financial burden in the way you have done does not accurately address the financial gains Royal Mail have and have made by, for example the luxury of owning the postal network. Whilst it is adhered to, the financial gain that Royal Mail have received and still do (thanks to geographical post boxes / post offices) etc is such a huge benefit (compared to other couriers) that, if operating their business correctly and efficiently, should largely negate any financial burden of the USO.</p>

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	<p>You State : While some measure of net cost might be justifiable when considered against the benefits associated with owning the postal network, which is a unique national asset.</p> <p>Exactly – no other courier is afforded such luxury and Royal Mail have built their business on such luxury. They should not be allowed to just discard it as and when they feel like it. If they are unwilling to adhere to it then it should be offered to other couriers who are willing to provide letters USO – along with the luxuries (post boxes / post offices or other bricks & mortar shops on easily accessible high streets) that come with that. Then add that loss to Royal Mail’s financial burden for comparison.</p>
<p>Question 6: Do you agree with our considerations regarding the unfairness of the financial burden of the USO?</p>	<p>Confidential? – N</p> <p>You state : The evidence indicates an increasing risk of the current obligations becoming unsustainable both financially and operationally.</p> <p>The hypocrisy upsets me – using the word unfair is not fair! Royal Mail made unprecedented profit during the pandemic and this was in thanks to, letter delivery such as greeting cards being sent and received as way to keep close to loved ones. Royal Mail chose to keep such profit rather than reinvesting some of it back into the system / their workforce. They now wish to blame anybody and everybody else for the poor management of their own business and the strikes (which were extremely damaging Christmas 2022). If they were actually delivering letter post during big events such as Christmas they might make more profit.</p> <p>Secondly, businesses use Royal Mail for parcels in part, due to the fact that we get letter post every single working day and you can rely on Royal Mail to arrive (and know the time they are going to arrive). It’s easy from an operations organisation perspective. If they remove the letter service obligation we would not use Royal Mail for parcel deliveries as they are not business price competitive compared to other couriers such as UPS / Amazon / Evri etc. In short, the profit estimations are skewed – by</p>

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	<p>removing the letter obligation they would lose out on parcel business.</p> <p>Finally, if they are unsustainable financially, they need to make / should have made better management decisions. For example, how much do they spend on rent for working head office staff when the majority of workers have not returned back to the office full time since the pandemic? Their financial instability is not due to the letter portion of their business – it is due to bad business decisions in general and they seem to be unwilling to take any accountability for this.</p> <p>Royal Mail used to be one of the most trusted institutions in the UK and possibly even the world. Now, not only businesses but individual households / customers hardly have a good word to say about them. Fix the internal problems, the service issues and the price and then work out the financial gain to be had from that and take that off the burden of the USO.</p>
<p>Question 7: Do you agree with our considerations regarding the impact of the financial burden of the USO?</p>	<p>Confidential? – N</p> <p>As per the two questions above I think that Royal Mail are not operating efficiently as a business and if they were they would embrace the USO as a financial gain, not burden and recognise any of their previous successes can be directly related to such USO.</p>
<p>Question 8: Do you agree with our analysis of the different options available to change the USO and the impact of those changes on residential (including vulnerable) users, SMEs and bulk mail users? If not, please explain why and set out any option(s) which we have not considered.</p>	<p>Confidential? – N</p> <p>You State : Making changes to the existing First and Second Class and business products so most letters are delivered through a slower service</p> <p>Absolutely not. This is 100% the worst case scenario. In a world where customers increasingly expect next day delivery how can Royal Mail be allowed to go backwards – forcing UK businesses backwards?</p> <p>The UK SMEs who sell low cost goods would be severely punished compared to all other countries. It would hugely damage businesses who send letters as compared</p>

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	<p>to parcels and not allow us to keep up with other businesses on platforms such as Amazon. Plus to be frank the cost of now sending a letter (as a business) – if it gets any slower it’s literally not worth the money – it will put thousands of greeting card businesses (and other businesses sending small goods) out of business from a B2C perspective.</p> <p>You State : Reducing the number of delivery days offered from the existing six-day-a-week obligation down to five or three days</p> <p>This is the better option but only if it is very carefully managed with all households. This should not be a case of Royal Mail making a sweeping statement that they now deliver 5 or 3 days (which I am sure they would like to do). They need to specifically indicate to all households which days they can expect to receive their post – in the same way people know what day the bins are to be collected. That way when customers are ordering online they can work out when the item will be delivered and if that is enough time for their household specifically.</p> <p>You State : Downgrading quality of service is not an option for reform</p> <p>I 100% agree with this statement but for an add on – due to the price increases both businesses and customers have experienced over the past 3 years the service needs actively upgrading.</p>
<p>Question 9: Which option(s) do you consider would be most appropriate to address the challenges we have identified, while also ensuring that users’ needs are adequately met?</p>	<p>Confidential? – N</p> <p>For the price changes experienced we cannot reduce service. Due to the way the world is moving we cannot accept slower or a more unreliable service.</p>

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	<p>The only way forward that would benefit both sides would be to actively utilise the luxuries of the USO so that Royal Mail can make cost savings but customers can have access to their post at all times. This would involve :</p> <ol style="list-style-type: none">1.) Royal Mail need to operate on a location basis (by road) and tell households exactly what days they will receive their post. If this is the case they can reduce the number of days post is delivered. Those days must be adhered to strictly and all post in the system should be delivered to that household on those days.2.) If number 1 goes ahead Royal Mail could also actively utilise sorting offices (and even post offices if they were organised enough) and let all households know where post is to be held in between deliveries. All post should be held at a local office (specific to each area) whereby customers can collect post if they are waiting on something urgent. Otherwise, it will be delivered on the specific days as planned. This means that if a customer has ordered something they need they have the option of collecting, if they do not have time to wait for their specific day. For businesses it means that we can direct customers to local sorting offices if they are in desperate need and are fit and able. <p>If they were to do this correctly, they could in theory and in the future, reduce the day of deliveries down significantly. If they cannot offer the option to collect post then they should have to deliver letters at least 4 days of the week and as above state specifically what days that will be per area.</p> <ol style="list-style-type: none">3.) Royal Mail should allow barcoded letter tracking from an automated perspective. We do not propose that posties should scan each letter (or any manual scanning to take place) but their machinery / systems are automatically scanning business barcodes at depot. This should be made

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	<p>available to look at online – for free with no increase in price. This is a digital advancement they can take advantage of to create better service which, actually, should not be a significant investment because the scanning is already happening. This would allow both businesses and customers to ascertain how close delivery is and if it has at least made it to the correct area. Customers are always more amenable when they have factual information – as opposed to - it will get here when it gets here.</p> <p>4.) Bulk mail needs to be considered as a different entity to other mail. Whilst that is a naturally declining industry, other businesses (such as greeting cards) which are growing should not be lumped with it. Bulk mail predominantly comes from other Government institutions (NHS / HMRC etc) so this should be manageable with the right supervision. Create a new system of coloured envelopes to show the urgency and allow Royal Mail to deliver non-urgent communication at a very slow speed where necessary.</p> <p>5.) No more price increases until we see a significant service improvement and households have regained some trust back – particularly in regards to Christmas cards.</p> <p>6.) If it fits into a letter it can be sent as a letter. As a by note, Royal Mail seem to be trying to push through a rule that business goods cannot be sent via letter and has to go large letter. This would have a catastrophic effect on SMEs and is proportionally unfair to low cost good businesses and in particular online greeting card suppliers. It would also be unfair to customers – if we have to pay more to deliver a greeting card to them, they have to pay more for the greeting card full stop – and it is already at an unprecedented price level.</p>

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<p>Question 10: Do you have any other views about how the USO should evolve to meet users' needs?</p>	<p>Confidential? – No</p> <p>With digital advancements Royal Mail should be working towards fully automated systems that scan barcodes on letters (and all items) that can be accessed via an app or website and let the customer know what date to expect delivery and/or where they can collect it from sooner if necessary. That would be evolvement - when currently Royal Mail only seem preoccupied with how they can get out of their USO without losing any of the afforded luxuries that go with it – predominantly moving backwards not evolving.</p> <p>On that note the way to save money (and ease financial burden) is to be more digitally advanced so they should specifically look for digital advisors on their board to move this forward.</p> <p>A special note about greeting cards – although I am clearly biased I do believe that greeting cards are a significant factor for social cohesion. We send more greeting cards than any other country and it is something we should be proud of. Royal Mail are a huge part of this but they have been consistently downgrading letter service (whilst increasing prices). Combined with the devastating Christmas strikes of 2022 they are hampering this industry like never before. Already the average price of a greeting card online via the third party platforms is £3.50 - £3.99 and we are struggling to profit. Three years ago you could sell at £2.50 - £2.99 without issue.</p> <p>The greeting card industry is worth millions to this country and to Royal Mail – it is an important industry. Royal Mail should embrace themselves as the leaders of such national pride and offer discounts to customers posting bulk cards – e.g. around Christmas time.</p> <p>We are a greeting card company. We understand you are involved with the stalwarts of our industry and they are extremely important- and their views are 100% accurate. However, you have probably heard more (so far) from greeting card companies that are concerned with the issues of customers sending cards on to their loved ones. Most companies sell to shops who then sell to customers who then want to send them on. We are unique in that the majority of our business is done B2C as opposed to</p>

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	<p>B2B. So, whilst that is extremely important to the greeting card cycle - we are also very concerned with getting the greeting card to them in the first place.</p> <p>Fundamentally, it also means that our business effectively generates revenue for Royal Mail twice – we use Royal Mail to send the card to the customer and the customer then uses Royal Mail to send to their loved ones.</p> <p>From the 1st Jan 2018 (when we started online) to 31st Jan 2024 we have paid Royal Mail £170,874.69 via Click & Drop and spent a further £3,785.04 on Amazon shipping labels (who then pay Royal Mail directly).</p> <p>Those figures do not include the future revenue then spent by our customers to send the card on to their loved ones – via Royal Mail.</p> <p>We are considered a small business – and yet as just one company we have actively spent £174,659.73 in revenue for Royal Mail in the past six years. It is in fact our biggest yearly expenditure. I do not think this is a small number – and combine us with all the other online greeting card companies, the revenue is huge. Please do not discount small SMEs selling products online – particularly low cost goods. More research needs to be done to understand the revenue SMEs are providing to Royal Mail both directly and indirectly. If you need further understanding in this area, we would be more than happy to offer our opinion.</p> <p>If Royal Mail do not fix this, sooner rather than later, now that letters can be delivered by other couriers, Amazon logistics will take on letters and that will be the end of Royal Mail as we know it. I do not feel this is good for the country to lose such a vital institution or businesses as when this happens a monopoly will be held and the price will reflect that.</p>

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