

Royal Mail's Postcode Address File

The Postcode Address File (the PAF) is a list of all postal addresses and postcodes in the United Kingdom, built up and managed by Royal Mail.

Many organisations – including new postal operators, banks, insurance companies and others offering to deliver goods to your door - have a need for this information. It would be very time-consuming and costly for anyone to try and replicate the list, so Royal Mail licenses PAF data, for a fee, allowing others to use it.


The PAF is also used in other business processes, including mailing list “cleaning”, anti-fraud activities and various customer services.

Postcomm took these uses into account in reviewing how the Postcode Address File is managed.

In 2007, Postcomm announced new safeguards for the management of the address information held in PAF. Our aim is to make sure the PAF is maintained properly and made available on fair and reasonable terms.

The four key issues covered in the new safeguards are:

- **The definition of PAF:** The ‘PAF data’ Royal Mail must supply is not only made up of postcode details, but also includes any other information needed to allow users to identify specific addresses.
- **PAF advisory board:** Royal Mail has agreed to set up an advisory board, representing users’ views, to oversee management of the database.
- **Ringfencing:** As competition develops in the mail market – and also with other suppliers of similar address data – it is crucial that Royal Mail ringfences PAF from the company’s other activities, in order to avoid potential conflicts of interest.
- **Profits:** There is increasing demand for PAF data from a wide range of organisations, which rely very heavily on the information it provides. This puts Royal Mail in a very powerful position where setting prices is concerned. To make sure of fair pricing, Royal Mail has agreed that any money it makes in excess of an operating profit



margin of 8-10% will be either returned to customers or reinvested in PAF. The company will only be allowed to recover “reasonable costs” incurred in supplying PAF.

Although we have a role in ensuring that PAF is managed well, Postcomm does not intervene to resolve disputes involving individual postcodes. A postcode is a routing instruction, allowing a postal operator to sort and deliver mail accurately and efficiently. It is not necessarily a geographically accurate description of where a property is located.

Royal Mail has set up a code of practice setting out the process postal users must go through to modify any postal address held on the PAF, as well as the processes the company itself must use to let customers know about postcode changes.

If you believe your postcode is incorrect, you should contact Royal Mail directly to resolve the problem.

Useful links

- **www.psc.gov.uk** – Postcomm’s website, for further information on all aspects of the UK mail market, including details of our review of the PAF
- **www.royalmail.com** – Royal Mail’s website, including full customer service information
- **www.postwatch.co.uk** – website for Postwatch, the independent consumer watchdog for postal services in the UK

Please contact Postcomm for a full list of titles in this series.

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Postcomm is the independent regulator for postal services in the UK. This is one of a series of fact sheets designed to provide background information on key issues in the postal services sector. Contact us at 6 Hercules Road, London, SE1 7DB. **Tel** 020 7593 2100, **Email** info@psc.gov.uk

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