

Royal Mail's quality of service

Under the conditions of its licence, Royal Mail is obliged to meet certain quality of service standards covering a wide range of products, including First and Second Class mail, Special Delivery and certain bulk mail services.

Royal Mail is also obliged to perform to set standards in relation to collections from post boxes, Post Offices and deliveries to residential and commercial premises. Where deliveries are concerned, Royal Mail is also required to meet a target in respect of the percentage of mail that is correctly delivered.

Postcomm monitors Royal Mail's compliance with these standards and, if the company fails to meet them, we may consider investigating these failures. Ultimately, Postcomm can consider taking enforcement action - such as obliging Royal Mail to put matters right or imposing a financial penalty.

Royal Mail publishes quarterly quality of service figures on its website. The results for the first quarter of 2008-09 were encouraging, as they showed improved performance. Prior to this, performance levels have generally been less satisfactory, largely due to the large-scale industrial action that took place in the summer and autumn of 2007.

Royal Mail operates a number of compensation schemes relating to both domestic and business mail. These provide for compensation in the form of stamps and/or money in the case of mail that is lost, damaged or delayed. Revised arrangements for retail compensation came into force on 1 August 2008. Full details are available on Postcomm's website.

At the end of 2007-08, Postcomm received a request from Royal Mail to suspend until the end of 2008-09 the payment of compensation to bulk mail customers, and to ensure that the company is not subject to a downward adjustment to its allowed revenues (the 'C' factor) for the years ahead. Royal Mail's request was made in view of its desire to transform its business in order to become more efficient, and the fact

that Royal Mail believed that such transformation activities could result in industrial action.

Having consulted on and carefully considered Royal Mail's request, Postcomm made a provisional decision, explaining that it had provisionally decided to suspend the bulk mail compensation scheme, and to ensure that Royal Mail is not subject to the 'C' factor in 2008-09, because this was in the long-term interest of customers. Postcomm also explained that the relief only has effect where quality of service failures are caused by industrial action which is a response to Royal Mail's transformation activities. Postcomm would make a final decision at the end of the year, taking into account any relevant considerations.

Useful links

- **www.psc.gov.uk** – Postcomm's website, for further information on all aspects of the UK mail market, including details Royal Mail's quality of service standards and a link through to Royal Mail's web page showing quality of service results by postcode area
- **www.royalmailgroup.com** – Royal Mail's website, including full customer service information and details of its quality of service results

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

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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.
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