



Siân Berry MP
Brighton Pavilion
House of Commons
London, SW1A 0AA

2 April 2025

To Ofcom

By Email

Re: Submission to the review of the universal postal service and other postal regulation consultation

Dear Ofcom,

Far too frequently, postal deliveries in my Brighton Pavilion constituency are very poor, and the unreliable service means too many of my constituents don't receive important post in time, such as medical appointment letters, benefit decisions, and legal documents.

In May 2023, an unexplained delay delivering 1,423 postal voting packs across Brighton and Hove led to these vital democratic contributions being received only after polls closed, with all these votes never counted. The impacts of delayed post are clearly wide and far-reaching and though I recognise problems will occur at times, the frequency of post delays, and the attitude of Royal Mail bosses when issues have been raised, is of significant concern to me and my constituents.

At the point of privatisation, people were promised by then Conservative and Lib Dem coalition that the universal service obligation (USO) would offer protection to this important public service aspect of Royal Mail's work. The then Business Secretary, Vince Cable, stated that:

“The fact is that the universal service obligation was clearly underwritten by Parliament; it is embedded in legislation and cannot be removed.”

Yet, since privatisation, the public service element of Royal Mail's work feels to many of my constituents as though it has been in managed decline. Evidence supports this view, with national data showing that Royal Mail has failed to meet its delivery targets for first and second class post for almost half a decade.¹

Furthermore, locally here in Brighton and Hove, data indicates that BN Brighton postcodes rank 18th worst in Royal Mail's Quality of Service scores for quarter two of 2024-25, with the number of first class letters delivered on time being 22 per cent below the company's 93 per cent target at just 70.8 per cent. In the most recent period for which data is available, quarter three of 2024-25, on time first class deliveries fell further to just 67.3 per cent.²

¹ <https://www.ofcom.org.uk/post/royal-mail/ofcom-fines-royal-mail-10.5m-for-poor-delivery-performance>

² <https://www.internationaldistributionservices.com/media/12614/quarterly-quality-of-service-and-complaints-report-2024-25-q3-final.pdf>

Given the decline and deterioration of Royal Mail's public service responsibilities following its privatisation, I welcome the opportunity to contribute to Ofcom's consultation. Many of my constituents rely heavily on our postal service and it is very important to secure its long-term future. The USO is also a vital mechanism for consumer protection, particularly in a letters market where Royal Mail holds a virtual monopoly.

However, I am concerned that Ofcom's current reform proposals are overly focused on Royal Mail's profitability, with nothing concrete to address my constituents' demands for a more reliable and affordable postal service.

While the financial sustainability of the service is clearly one element of the review, there must be clarity on how a revised USO will address the missed targets, unreliable deliveries and soaring prices that have become entrenched at Royal Mail in recent years. Anything else paves the way to a slower, more expensive service.

Ofcom has investigated Royal Mail for its quality-of-service failures six times since 2015 (and has chosen not to investigate in several other years in which targets were missed). Yet the regulator has only fined Royal Mail three times. The most recent and largest penalty amounts to just 0.08 per cent of the group's revenue that financial year. Sporadic, minimal fines offer few incentives for Royal Mail to improve its service standards when the company benefits from a virtual monopoly over letter delivery.

My constituents are also now having to pay far more for this failing service - a first class stamp costs 117 per cent more than it did just five years ago. The current USO contains commitments to an affordable service, but Ofcom only caps prices for second class deliveries, and have offered no guarantees that this will continue after 2027. A number of Ofcom's proposals, including further price increases for first class, threaten the principle of affordable access to post at a time when households are under intense financial pressure.

While the financial sustainability of the USO must form part of the conversation, my constituents should not end up with a reduced service - **the current review therefore also provides an important opportunity to strengthen incentives for Royal Mail to tackle the cycle of missed targets and spiralling prices.** Yet Ofcom wholly overlooks this. It makes no assessment of the extent to which Royal Mail is operating efficiently or being run effectively. While the new proposals offer significant savings for Royal Mail - including a reduction in second class delivery days and relaxation of targets - they lack any reciprocal requirements for the company to address those issues that matter most to my constituents. This is of huge concern.

Given the dismissive response from Royal Mail bosses to service issues in my Brighton Pavilion constituency, I am not confident that the company accepts, respects or even cares about its public service responsibilities.

I should add that my concerns do not extend to any individual workers on the ground, who are working at present from a building that Royal Mail has neglected over multiple decades. In fact, my concerns about Royal Mail's business model extends to its treatment of staff who, like my constituents, have been let down by the company due to a deterioration in working conditions. My own view is that with profit, rather than public service, being Royal Mail's key motivator, it will continue to try to water down the USO and public service responsibilities at every opportunity. It is therefore important that, as regulator, Ofcom resists

these attempts in order to achieve the best outcomes possible for those reliant on a functioning and affordable postal service.

There is a wide range of measures that could strengthen Royal Mail's incentives to provide the more reliable, affordable service my constituents are clear they need. None would be incompatible with measures to secure the financial sustainability of a service that breaks even but does not put excessive profits ahead of these priorities.

In order to ensure that the future USO delivers for my constituents, Ofcom must commit to:

A more reliable service

- Routine assessment and reporting of Royal Mail's efficiency - an area Ofcom is legally required to oversee as regulator - to ensure the company is not allowed to simply pass inefficiency costs onto consumers.
- Transparency on penalties to provide clear incentives to improve quality of service, with a wider range of views included in investigations.
- A link between missed targets and consumer compensation - such as price cap freezes - along lines already implemented by other regulators.

An affordable service

- Greater transparency in pricing scenario modelling - which is currently negotiated behind closed doors between Ofcom and Royal Mail.
- Addressing the developing problem of digital exclusion penalties - whereby Royal Mail can charge higher prices for products purchased in person, as opposed to the same product bought online.
- Retain price safeguard caps on second class and expand to cover first class. These both incentivise Royal Mail to ensure efficiency and protect consumers' affordable access to the service.

Finally, **a conversation on the future form of the USO should also address closing important gaps in the existing legislation.** While we talk of a 'universal' postal service, the fact remains it is not accessible to everyone in its current form.

I frequently hear from constituents, such as those experiencing housing insecurity or domestic abuse, who lack a secure address and therefore access to post. This shuts people off from support and services, often when they need them most. The issue would be relatively straightforward to address, with a number of models already in place in other countries. Citizens Advice has set out a proposal for an 'Address & Collect' service, allowing people without a secure address to collect their letters at post offices. I am pleased that Ofcom is supportive of the development of such a service. But if a future USO is to be truly universal, Ofcom should commit to changing the USO guidelines to guarantee that Royal Mail delivers to every individual, not just every address, in the UK.

I therefore urge Ofcom to rebalance its approach to this vital review. As the regulator responsible, it is important to demonstrate how consumer needs will be met, alongside

considerations of financial sustainability. Royal Mail is in a privileged position - it is a private company with a virtual monopoly on a vital public service. The USO is fundamentally there to offer the protection all people deserve, ensuring they continue to receive an **affordable, reliable and universal service**. As Ofcom looks to review this essential national communications infrastructure, it must place the needs of those consumers - and not just Royal Mail profitability - at the centre of its work.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Siân Berry'. The signature is fluid and cursive, with a small arrow pointing to the top of the 'i' in 'Siân'.

Siân Berry MP
Green Party, Brighton Pavilion