

Catherine West MP

By email

16th January 2023

Dear Ms West,

Thank you for your letter of 14 December, about Ofcom's decision not to find Royal Mail in breach of its quality of service (QoS) obligations for 2021/22. I am sorry to hear about the ongoing delays that your constituents are experiencing and appreciate how disruptive and frustrating this must be.

Royal Mail's compliance with its QoS obligations is an issue that we take very seriously. We monitor Royal Mail's performance throughout the year and escalate issues of poor performance with them. At the end of each year, we can and do take enforcement action if we consider Royal Mail has failed to meet its annual targets without good justification.

In relation to [our investigation](#) of Royal Mail's QoS performance for 2021/22, we recognised that Covid-19 had a significant impact on Royal Mail's performance during this period and given the severity of that impact, our decision was that it was not appropriate to find Royal Mail in breach. However, we made it clear that we have serious concerns about Royal Mail's current performance. We noted that this performance has not improved as the impact of Covid-19 has lessened and we reiterated that if Royal Mail fails to meet its targets for 2022/23, we will consider further enforcement action.

We will continue to monitor Royal Mail's performance over the remainder of the 2022/23 period closely. We are also in close dialogue with Royal Mail about the contingency plans they are required to maintain to support universal service operations, including how they are keeping these up to date in response to current industrial action. As you note in your letter, Royal Mail has made the operational decision to prioritise the delivery of particular items during the strikes. As stated on its website, Royal Mail has committed to deliver as many Special Delivery and Tracked 24 parcels as possible and to prioritise the delivery of Covid-19 test kits and medical prescriptions wherever possible. Our overall regulatory framework allows Royal Mail commercial flexibility in providing the universal postal service to ensure it can make its own commercial decisions based on the challenges it faces. However, this flexibility must not come at the expense of the Royal Mail's obligations to meet the standards set out in the USO, or to maintain the wider quality of service standards which we have set.

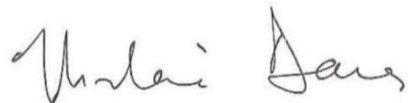
Should Royal Mail fail to meet its targets for 2022/23, we will once again consider enforcement action. As part of any investigation, we would consider whether there were any circumstances beyond Royal Mail's control which it would be appropriate for us to take into account. Where we find that underperformance is not accounted for, we may proceed

to find that Royal Mail has not complied with its regulatory obligations, and this could lead to a fine.

Turning to your concerns over pricing, section 31 of the Postal Services Act 2011 sets out the minimum services that must be provided as part of the universal service. These services must be provided at affordable prices. To ensure affordability, in particular for vulnerable consumers, we impose safeguard price caps for second class letters, large letters and some parcels. As the current caps will expire in March 2024, we have commenced our review of the caps and are considering the affordability of USO services to assist with determining the appropriate scope and level of the caps, if any, that will apply from April 2024. We plan to publish a consultation setting out our analysis and proposals in Q2 2023/24.

I hope this reassures you as to our active engagement with the issues you raise.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Melanie Dawes', written in a cursive style.

MELANIE DAWES