

# Royal Mail consultation: Changes to the Postal Schemes 2023

THE CONSUMER COUNCIL RESPONSE

2 June 2023

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# 1. EXECUTIVE SUMMARY

We look forward to engaging with Royal Mail to ensure all Northern Ireland consumers have access to safe and secure parcel deliveries, and that parcels sent by Royal Mail's customers<sup>1</sup> from Northern Ireland to the EU are no longer mishandled.

#### Photocapture on delivery

Consumers require clarification on how this will be used when no-one is at home to accept delivery and how Royal Mail will ensure consumers are protected when things go wrong. Photocapture on the doorstep is not adequate evidence that the item has been securely delivered to the recipient if no-one is home and the item is left around the property. It is important that Royal Mail retains liability in these circumstances and is responsible for putting things right when something goes wrong. The wording of the Scheme must ensure there is clarity on this issue, and that the delivery risk is not passed to consumers. Also, we would ask that the Scheme allows consumers to use the photo to support their case in any delivery dispute scenarios.

#### Safeplace deliveries

Consumers have various reasons for wanting to opt out of safeplace deliveries such as having no suitable locations around the property for Royal Mail to leave parcels and concerns about parcels going missing or being damaged. This highlights the importance of Royal Mail retaining liability for parcels left in safeplaces and that it ensures the delivery risk is not passed to the consumer. The wording of the Scheme should reflect this to protect consumers. Additionally, consumers require a range of opt out mechanisms and Royal Mail should make available an online opt out facility. Royal Mail should also provide sufficient information on how its safeplace policy works with specific advice and information how this practice affects consumers when something goes wrong.

#### **Automatic redelivery**

We welcome the introduction of the automatic redelivery option which should be a key priority for Royal Mail. There is a greater proportion of consumers that prefer this type of option compared to delivering to locations around the property that it considers a safeplace. We recommend capturing that this is a free service within the wording of the Scheme and making clear the sequencing of Royal Mail's delivery approach.

### **Reduced compensation level for Signed For services**

Royal Mail should provide assurances that it has fully assessed the impact of the reduced compensation level on those currently using Signed For. It is important that tracked services are available at post offices before Royal Mail reduces the compensation level of Signed For services and we recommend a transition period. Royal Mail and Post Office Ltd will also need to ensure that those that buy this service are fully aware of the reduced compensation level so they can make an informed choice. Consumers should also be able to pursue any unresolved complaints through the Postal Redress Service.

#### **Overseas scheme**

The wording in the Scheme will need to reflect the agreement between the UK Government and the EU on parcel movements between Northern Ireland and the EU. Royal Mail will need to review and update its website to deliver the following key outcomes:

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<sup>&</sup>lt;sup>1</sup> Consumers and businesses

- ensure customers across Northern Ireland have access to visible and accessible information and advice;
- correct the online postage tool which currently inaccurately requests that those sending from Northern Ireland to the EU complete customs documentation; and
- implement effective long-term solutions to support its Northern Ireland customers sending parcels to EU destinations to help prevent parcels being mishandled.

Overall, the universal postal service, and wider delivery experience must fully meet the needs of consumers. Royal Mail must consider the impact of its initiatives on Northern Ireland consumers and produce a delivery convenience model which ensures consumer detriment is avoided.

# 2. ABOUT US

The Consumer Council was established in April 1985 as a non-departmental public body (NDPB) under the General Consumer Council (Northern Ireland) Order 1984 (The Order). We operate under the Department for the Economy (DfE) on behalf of the Northern Ireland Executive.

Our vision is to protect and empower consumers in Northern Ireland by ensuring the legislation and regulation for consumer protection works effectively for consumers here.

Our mission is to be the trusted go-to organisation for Northern Ireland consumers, working with governments and stakeholders to inform policy and decision making, using our research, insight and expertise to deliver positive outcomes for consumers.

We have statutory duties in relation to consumer affairs, energy, postal services, transport, water and sewerage, and food accessibility. These include responding to enquiries, investigating complaints, carrying out independent research, educating and empowering consumers, and advising government on matters relating to consumer affairs.

With regards to postal services, the Consumers, Estate Agents and Redress (CEAR) Act 2007 and the Office of Communication's regulatory conditions for Royal Mail, as the universal service provider, provides the Consumer Council with statutory responsibility for representing postal consumers in Northern Ireland.

Our work focuses on carrying out research, influencing policy, providing advice and information, and investigating complaints made by consumers in vulnerable circumstances, and gives us information gathering and investigation powers to help fulfil this statutory function. Our investigation powers also include issues relating to the number and location of post offices across Northern Ireland.

Our non-statutory functions educate and empower consumers against unfair or discriminatory practices in any market including financial services. We are also a designated super-complaints body under the Enterprise Act 2002 and the Financial Services and Markets Act 2013.

As an insight-led evidence based organisation, we:

- Provide consumers with expert advice and confidential guidance.
- Engage with government, regulators and consumer bodies to influence public policy.
- Empower consumers with the information and tools to build confidence and knowledge.
- Investigate and resolve consumer complaints under statutory and non-statutory functions.
- Undertake best practice research to identify and quantify emerging risks to consumers.
- Campaign for market reform as an advocate for consumer choice and protection.

We have responsibilities under the Rural Needs Act 2016 and Section 75 of the Northern Ireland Act 1998 to ensure government policies recognise consumer needs in rural areas, and promote equality of opportunity and good relations across a range of equality categories.

We represent and campaign on behalf of all Northern Ireland citizens, in particular those in vulnerable circumstances, and pay particular regard to consumers:

- who are disabled or have long term health conditions
- who are of pensionable age

- who are on low incomes
- who live in rural areas

We use a set of eight guiding principles developed by the United Nations to assess where the consumer interest lies, and develop and communicate our policies, interventions and support. These provide an agreed framework through which we approach regulatory and policy work.

**Figure 1: Consumer Principles** 



The principles ensure we apply a consistent approach across our statutory and non-statutory functions, and in all our engagement with consumers and stakeholders.

They serve to protect consumers, setting out the minimum standards expected from markets when delivering products or services in Northern Ireland. They also frame our policy position and approach to resolving consumer disputes with industry, offering a straightforward checklist to analyse and validate outcomes, in particular among vulnerable groups.

The Consumer Council recommends that Royal Mail adopts these eight principles to inform its decision-making process before finalising its Postal Schemes. This will help Royal Mail protect all consumers across the Northern Ireland.

# 3. BACKGROUND

Royal Mail plays a key role in Northern Ireland with 87% of consumers reporting that it has delivered parcels to their home address over the last 12 months<sup>2</sup>.

Safe and secure parcel delivery is vital for consumers to receive goods. The final mile consumer delivery experience when items are left around the property over the last 12 past months regardless of which operator delivers parcels shows that<sup>3</sup>:

- 20% have had their parcel left at an insecure location in full view of others
- 13% have had their parcel left at an insecure location out of public view
- 11% have had their parcel left at an insecure location and it got damaged by weather conditions
- 5% have had their parcel left in an inaccessible location.

Taking account of these findings, it is essential that developments in Royal Mail's delivery options framework meet consumer needs across Northern Ireland. The desired key outcome must be that parcels are delivered safely and securely to consumers.

# 4. RESPONSE TO CONSULTATION QUESTIONS

Question 1. Do you have any comments on Royal Mail's proposed changes to the relevant wording in the UK Post Scheme to allow for the capture of photos on the doorstep at the point of delivery? Please explain the reasons for your answer.

Royal Mail will need to ensure that the delivery risk is not passed to consumers. Photocapture on the doorstep is not adequate evidence that the item has been securely delivered to the recipient if noone is home and the item is left around the property.

The Consumer Council requests clarification within the Scheme on how the photocapture facility will be used when no-one is at home at the recipient's address to accept delivery. It is unclear what delivery scenarios apply when Royal Mail will take photos as evidence of delivery and how this approach works with Royal Mail's safeplace policy.

We do recognise that photo confirmation adds improved visibility of delivery, but items must not be exposed to the risk of loss or damage. To highlight the importance of this point, the mean value of items bought online by consumers across Northern Ireland was £56.46 and the median value was £30.00 when they experienced a delivery related problem<sup>4</sup>.

It is also important to note the overall delivery related issues experienced across the parcel market (Figure 1). For instance, one in five (20%) consumers across Northern Ireland have had their parcel left at an insecure location in full view of others over the last 12 months and over one in ten (13%)

<sup>&</sup>lt;sup>2</sup> Consumer Council Research (February 2023). In the past 12 months, to the best of your knowledge, which couriers or postal operators have delivered your parcels. (Base size: 1069)

<sup>&</sup>lt;sup>3</sup> Consumer Council Research (February 2023). [In the past 12 months] have you experienced with any of the following? All operators (Base size: 1069)

<sup>&</sup>lt;sup>4</sup> Consumer Council Research (February 2023). [Experienced a problem with the delivery] And the last time this happened, to the best of your knowledge, what was the value of the item that you bought online? (Base size: 647)

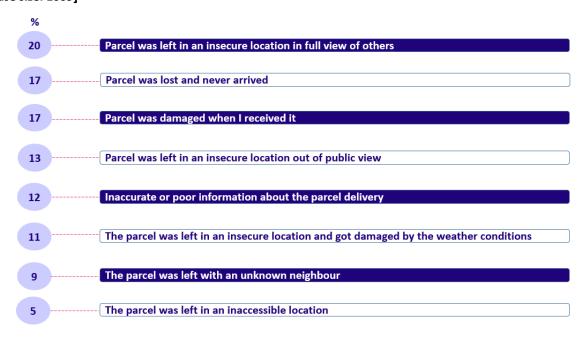
have had their parcel left at an insecure location out of public view. The practice of leaving parcels at insecure locations is a concern.

Leaving parcels around the property and taking a photo to say the item was successfully delivered would be inaccurate and could not be relied upon as evidence. It would also place consumers in a difficult position resulting in an unnecessary dispute with the sender. Also, it could negatively affect their consumer rights. We also note that the proposed wording of the Scheme - New Paragraph 16 – will create issues as it is currently worded in a way that implies consumers are unable to use the photo to help resolve delivery disputes especially when parcels are left at insecure locations. We recommend that this aspect is reviewed and the wording is updated to allow consumers to use the photo as part of any dispute resolution process.

We would ask that the wording of the Scheme provides clarity, and that the delivery risk is not passed to consumers when no one is home. It is also important that Royal Mail captures that it retains liability in these circumstances.

We would also request more detail on how Royal Mail will ensure receivers of parcels are protected when things go wrong, and that this information is made visible and accessible to consumers within the Scheme and with complementary information on Royal Mail's website.

Figure 1: In the past 12 months have you experienced with any of the following [All operators. Base size: 1069]



Question 2. Do you have any comments on Royal Mail's proposed changes to the relevant wording in the UK Post Scheme to allow for the introduction of safe place deliveries? Please explain the reasons for your answer.

Royal Mail delivering parcels to a safeplace location around the property that the delivery person chooses, is only preferred by 11% of consumers across Northern Ireland and this decreases to 8% for

those with a disability<sup>5</sup>. This indicates the need for caution with this approach when no-one is at home to accept delivery.

It is important to make consumers aware of Royal Mail's safeplace deliveries. Over half of consumers (50%) were unaware that Royal Mail adopted the elective safeplace practice from September 2022<sup>6</sup>.

Consumers also require an opt out with over half (56%) saying this is important and we welcome that this is covered in the Scheme<sup>7</sup>.

However, Royal Mail can further support consumers by making available an online opt out facility. This was the most preferred option for over half (55%) of consumers. In contrast, 13% preferred opting out by contacting Royal Mail's customer service team<sup>8</sup>. We recommend that Royal Mail takes positive action in this area to better protect consumers and improve consumer choice. We understand that Royal Mail anticipates increasing the range of opt out options which is welcomed news for consumers.

Of those consumers that would opt out of Royal Mail's safeplace deliveries, nearly two-thirds (64%) would do this as they are concerned about getting into disputes if the item goes missing or damaged if the parcel is left at a location around their property. The majority (61%) also want parcels delivered to them or someone else at their address. Additionally, many consumers that would opt out (61%) say this is because they have no suitable locations around the property for Royal Mail to leave parcels. Royal Mail will need to take this into account as it formalises its safeplace delivery policy and applies it in Northern Ireland. (Figure 2).

Figure 2: Which of the following, if any, describes why you would choose to opt out of delivery to a Safeplace? (All that would opt out. Base size: 242)



<sup>&</sup>lt;sup>5</sup> Consumer Council Research (February 2023). Royal Mail offers several options to make delivery of parcels post more convenient if no one is in to accept the parcel. Which one of these do you most prefer? (Base size: 1069)

<sup>&</sup>lt;sup>6</sup> Consumer Council Research (February 2023). Are you aware from the end of September 2022 if no one is in to accept delivery, that Royal Mail may decide to leave most parcels at a location around your address if its postman or postwoman deems that location is suitable? (Base size: 1069)

<sup>&</sup>lt;sup>7</sup> Consumer Council Research (February 2023). How important or unimportant is it to be able to opt out of this approach when receiving parcels at your home address and no one is in to accept delivery? (Base size: 1069) <sup>8</sup> Consumer Council Research (February 2023). [all that would opt out] how would you prefer to opt out? (Base size: 242)

It is vital for Royal Mail to retain responsibility for its delivery practice and ensure the risk is not passed to the consumer especially when something goes wrong. We would ask that this is reflected in the wording of the Scheme by Royal Mail making it clear that is retains liability. We would also request clarity on the term absolute discretion. Royal Mail should make it clear what this means and how this affects the recipient. Again, Royal Mail should not pass the risk and burden to consumers.

Consumers also feel they have insufficient information on how safeplace delivery works and how it affects them when something goes wrong. These aspects need addressed by the Scheme and by strengthening the information available on Royal Mail's website.

Additionally, consumers require clear information which is easily accessible about how providing their consent for Royal Mail to deliver a parcel to a location around their property affects them. We understand that if a consumer requests this Royal Mail will pass the delivery risk to the consumer. While some consumers (26%) prefer that a parcel is left at a registered safeplace around their address that they choose, they have insufficient understanding of the risk if the parcel is lost, stolen or damaged. The Consumer Council would like to discuss this in more detail.

Question 3. Do you have any comments on Royal Mail's proposed changes to the relevant wording in the UK Post Scheme to allow for the introduction of automatic redelivery? Please explain the reasons for your answer.

The Consumer Council welcomes the introduction of the automatic redelivery option. Our research shows that free redelivery to the address on another day is an important option for around one in four consumers (23%) especially for those that live in an apartment or flat (26%)<sup>9</sup>. This option should be a key priority for Royal Mail alongside the successful first-time delivery to the person or someone else at the address.

We agree with Royal Mail that other delivery options may not be suitable including delivery to a neighbour or to a safeplace location. Our research findings support this. Royal Mail delivery to a neighbour option is only preferred by 12% of consumers across Northern Ireland which reduces to 6% for those living in an apartment or flat<sup>10</sup>.

We have provided comments and evidence relevant to the introduction of safeplace deliveries in response to Question 2 and its suitability. As already highlighted, this is only preferred by 11% of consumers.

In this context, automatic redelivery is an important addition to the range of delivery options. We would recommend capturing that this automatic redelivery is a free service within the wording of the Scheme and that Royal Mail outlines the sequencing of its delivery approach.

Question 4. Do you have any comments on Royal Mail's proposed changes to the relevant wording in the UK Post Scheme to make changes to the arrangements for change to the definition of due date for delivery to the Bailiwicks of Guernsey and Jersey and Isle of Man?

<sup>&</sup>lt;sup>9</sup> Consumer Council Research (February 2023). Royal Mail offers several options to make delivery of parcels post more convenient if no one is in to accept the parcel. Which one of these do you most prefer? (Base size: 1069)

<sup>&</sup>lt;sup>10</sup> Consumer Council Research (February 2023). Royal Mail offers several options to make delivery of parcels post more convenient if no one is in to accept the parcel. Which one of these do you most prefer? (Base size: 1069)

Please explain the reasons for your answer

And

Question 5. Do you have any comments on Royal Mail's proposed changes to the relevant wording in the UK Post Scheme to increase the level of compensation available on Special Delivery Guaranteed items? Please explain the reasons for your answer.

The Consumer Council has no specific comments on the wording relating to Question 4 and 5.

More generally we welcome the increase in the compensation level available on the Special Delivery Guaranteed service.

Question 6. Do you have any comments on Royal Mail's proposed changes to the relevant wording in the UK Post Scheme to change the level of compensation on Signed For? Please explain the reasons for your answer

The Consumer Council is seeking assurances from Royal Mail that it has assessed the impact of the reduced compensation level on those currently using Recorded Signed For. We recommend that this is addressed in Royal Mail's decision document. We would also welcome further discussion to allow the Consumer Council to understand Royal Mail's analysis, for instance, the proportion of compensation claims that exceeded £20 over the last 12 months. This will allow for a better understanding of the impact of this proposed change on consumers.

The Consumer Council notes from the consultation document that Royal Mail's customers are moving towards products with tracking features, and it plans to make trackable services (Tracked 24 and Tracked 48) available at post offices.

Consumers across Northern Ireland value post offices as an access point to postal services. Our research which shows that 84% of consumers say access to a post office is important when deciding to use Royal Mail. In this context, we welcome the plan to make tracked services available at post offices, and suggest this is co-ordinated with Royal Mail's proposed reduction in the level of compensation available for its Signed For products so there is an adequate transition period.

It is also vital that consumers get the same protections if they move to Tracked 24 and Tracked 48 and something goes wrong. Consumers should be able to pursue any unresolved complaints through the Postal Redress Service.

When pricing its tracked products at the Post Office we would ask Royal Mail to take account of those consumers across Northern Ireland that are not online and that are unable to benefit from better online pricing and that the price is comparable to Signed For services.

Additionally, Royal Mail will need to ensure that those that buy the Sign For service are fully aware of the reduced compensation level so they can make an informed choice on which products best meets their needs. We recommend that this awareness raising activity is carried out in collaboration with Post Office Ltd.

Question 7. Do you have any comments on Royal Mail's proposed changes to the wording of the relevant sections of the UK Post Scheme to simplify and update the Scheme and remove legacy information? Please explain the reasons for your answer.

The Consumer Council has no specific comments on the wording relating to these proposed changes.

Question 8. Do you have any comments on Royal Mail's proposed changes to the wording of the relevant section of the Overseas Post Scheme to account for the provision of electronic customs data on international mail carrying goods? Please explain the reasons for your answer.

And

Question 9. Do you have any comments on Royal Mail's proposed changes to the wording of the relevant sections of the Overseas Post Scheme to simplify and update the Scheme

Royal Mail will need to reflect its wording in the Scheme to fully take account of the agreement between the UK Government and the EU on parcel movements between Northern Ireland and the EU. In summary, it means there are no customs requirements for parcels sent from Northern Ireland to the EU with Royal Mail. The Scheme will need to clearly reflect this along with the same messages on all other supporting information, and customer interfaces.

The Consumer Council would request that the relevant sections in the proposed Scheme are updated accordingly.

Additionally, the relevant sections of Royal Mail's website will need reviewed and updated to ensure consumers, and small and micro businesses across Northern Ireland have access to visible and accessible information to support them when posting items from Northern Ireland to the EU. We recommend a standalone webpage.

The Consumer Council has also requested that Royal Mail reviews and corrects its online postage tool available on its website which currently inaccurately requests that those sending from Northern Ireland to the EU complete customs documentation. We look forward to future discussions on this.

Parcels sent with Royal Mail from Northern Ireland to the EU being incorrectly handled has been a reoccurring issue since January 2021. It is vital that Royal Mail urgently implements effective long-term operational solutions that work for consumers and small and micro businesses across Northern Ireland. Again, we look forward to future discussions on this issue.

The Scheme should also take account of our comments and recommendations related to safeplace deliveries and automatic redelivery.

# 5. CONCLUSION

The Consumer Council is pleased to respond to Royal Mail's consultation on changes to the Postal Schemes 2023.

It is crucial that all Northern Ireland consumers have access to safe and secure parcel deliveries, and parcels sent from Northern Ireland to the EU by consumers and small and micro businesses are no longer mishandled.

By taking positive action in the following areas Royal Mail will better protect its customers, be in a position to better meet its customers delivery needs and address problem areas when parcels are sent from Northern Ireland to the EU.

Photocapture on the doorstep is not adequate evidence that the item has been securely delivered to the recipient if no-one is home and the item is left around the property. We recommend that Royal Mail clarifies how the photocapture facility will be used when no-one is at home to accept delivery and how Royal Mail will ensure consumers are protected when things go wrong. The wording of the Scheme must ensure there is clarity and that the risk is not passed to consumers, and Royal Mail makes it clear that it retains liability. We would ask that the Scheme also allows consumers to use the photo to support their case in any delivery dispute scenarios.

Consumers across Northern Ireland have various reasons for wanting to opt out of safeplace deliveries which includes that they have no suitable locations around the property for Royal Mail to leave parcels and have concerns about the parcels going missing or getting damaged. We recommend that Royal Mail retains responsibility for parcels left in safeplaces and that it ensures the delivery risk is not passed to the consumer when something goes wrong. This should be reflected in the wording of the Scheme. Royal Mail should also make available an online opt out facility and provide sufficient information on how safeplace delivery works and how its policy affects consumers when something goes wrong.

We welcome the introduction of the automatic redelivery option which should be a key priority for Royal Mail moving forward. We recommend capturing that this is a free service within the wording of the Scheme.

Royal Mail should provide assurances that it has fully assessed the impact of the reduced compensation level on those currently using Signed For. We recommend that this is addressed in Royal Mail's decision document. We also recommend that Royal Mail makes tracked services available at post offices before reducing the compensation level of Signed For services and that transition period is applied. It is also imperative that the postage prices of tracked services remain comparable to Signed For. Royal Mail and Post Office Ltd will need to ensure that those that buy the Sign For service are fully aware of the reduced compensation level so they can make informed choices. Consumers should also be able to pursue any unresolved complaints with Tracked 24 and Tracked 48 through the Postal Redress Service.

We recommend that Royal Mail reflects its wording in the Scheme to fully take account of the agreement between the UK Government and the EU on parcel movements between Northern Ireland and the EU. We also request that Royal Mail reviews and updates its website to ensure consumers, and small and micro businesses across Northern Ireland have access to visible and accessible information to support them when posting items from Northern Ireland to the EU. We would recommend a standalone webpage.

We also recommend that Royal Mail corrects its online postage tool which requires that those sending from Northern Ireland to the EU complete customs documentation. Parcels sent with Royal Mail from Northern Ireland to the EU being incorrectly handled has been a reoccurring issue since January 2021. Consumers and small and micro businesses across Northern Ireland require Royal Mail to implement effective long-term operational solutions. We look forward to future discussions on this issue with Royal Mail.

# 6. CONTACT INFORMATION

To discuss our response in more detail, please contact:

Michael Legg Head of Postal Services Policy

E: michael.legg@consumercouncil.org.uk

T: 02890 251641

The Consumer Council consents to this response being published.