

Cross-Party Group in the Scottish Parliament on Postal Issues

Minutes of the meeting on 24 April 2013 at 18.00

Present:

MSPs

Hugh Henry MSP (Co-convenor and Chair)

External Organisations

John Brown – Communication Workers Union (CWU)
Sarah Beattie-Smith - Citizens Advice Scotland (CAS)
Trisha McAuley – Consumer Focus Scotland (now ‘Consumer Futures’)
Gemma Crompton – Consumer Focus Scotland (now ‘Consumer Futures’)
Natasha Dare – Consumer Focus (now ‘Consumer Futures’)
Connie Hewitt – Post Office Ltd.
Felicity MacFarlane – Royal Mail (RM)
David MacKenzie – Highland Council Trading Standards (HCTS)
Claire Mack – Ofcom
Vicky Nash - Ofcom
David Richardson – Federation of Small Businesses Scotland (FSB)
Chris Rowsell - Ofcom

Apologies

Kenneth Gibson MSP (Co-convenor)
Aileen Campbell MSP
Roderick Campbell MSP
Patricia Ferguson MSP
Jamie McGrigor MSP

1. Welcome

Hugh Henry MSP welcomed everyone to the meeting.

2. Minutes from the last meeting

The minutes of the meeting on 26 February 2013 were approved without change.

3. Protecting the universal service obligation – presentation and discussion

Chris Rowsell from Ofcom presented an overview of work undertaken by Ofcom on postal regulation. The presentation focused on the final conclusions of Ofcom’s Review of User Needs, its finalised guidance on end-to-end competition and its current proposals on postbox density requirements.

Hugh Henry MSP thanked Chris for his presentation and opened the meeting for discussion. In response to questions about the impact of the proposed changes to postbox density requirements, Chris highlighted that consumers were generally satisfied with postbox collection points but the consultation aimed to update and improve the access point criteria to ensure it was fit for purpose. The proposals were unlikely to lead to significant changes to

delivery practices, although there may be particular examples where some changes may be required. Chris confirmed that Royal Mail's licensing conditions required it to comply with the access criteria, but it could structure its collection points within these requirements as it saw fit and would not have to discuss any alternations to its current collection points with Ofcom. Chris also confirmed there were not any separate access criteria for the 2% of delivery points falling outwith the proposed criteria that 98% of delivery points should be within 0.5 miles (straight line) of a postbox.

A number of questions were asked about the effect of Ofcom's User Needs Review and end-to-end competition trial on the universal service obligation (USO). Chris Rowsell reiterated that Ofcom did not plan make proposals to Parliament recommending any amendments to the USO at this time, nor had it any specific timeframe within which it would undertake another review of the USO. It was considered unlikely that any consideration of the impact of end-to-end competition would prompt a full review of the USO. Chris explained that the UK was legally only able to have one universal service provider (USP), and so the same USP requirements could not be placed on Royal Mail's competitors as on Royal Mail. However, if competition was having an unmanageable effect on the USO, Ofcom had a number of options available to it to address these problems, for example by increasing the obligations on competitors. Ofcom would continue to undertake its monitoring role, and undertake user satisfaction surveys. If it identified problems impacting on the sustainability of the USO, it would take action necessary to address this, using the powers open to it.

Sarah Beattie-Smith from Citizens Advice Scotland asked what plans Ofcom had to monitor the parcel delivery market and take action in this area. Chris explained that while this was an area Ofcom would continue to monitor, it was unlikely to intervene and make demands on parcel delivery companies to offer certain delivery practices. It felt companies had sufficient incentive to ensure their delivery practices met consumers' needs.

4. Transactional mail – presentation and discussion

Felicity MacFarlane from Royal Mail presented the key findings from recent research undertaken on behalf of Royal Mail, analysing the current choices available to consumers to be able to opt in/out of receiving online and paper transactional correspondence. As a result of this research, Royal Mail would be launching the 'keep me posted' campaign, a stand-alone campaign with the objective of ensuring that consumers are given a genuine choice in how they receive transactional information.

The meeting was opened for discussion. It was noted that Scotland has lower levels of internet access than other parts of the UK and so the impact of companies moving transactional information online could be more keenly felt in Scotland. Concern was expressed that some companies required consumers to pay to receive information in paper format or required them to opt-in to receiving information this way. It was suggested that this might have a particular impact on vulnerable consumers.

A number of questions were asked about Royal Mail's plans for the 'keep me posted' campaign, particularly on the outcomes that the campaign was seeking to achieve. Felicity explained the campaign was at a fairly early stage and it did not yet have a launch date. The current focus for the campaign was on building support for consumers being offered a choice for how they receive transactional information. Royal Mail was engaging with a number of organisations in order to garner their support and involvement in the campaign. Trisha McAuley from Consumer Focus Scotland (now Consumer Futures) drew parallels with concerns about online access to public services and suggested that Royal Mail speak to the Improvement Service about the campaign. Hugh Henry MSP suggested that a potential

route for the campaign might be to seek government action, such as using companies' licensing conditions to ensure provision of information in paper format if that was the consumer's preference.

5. Parcel deliveries working group

Trisha McAuley from Consumer Focus Scotland (now Consumer Futures) provided an update on the parcel deliveries working group being established, to be jointly chaired by the Scottish Government and Consumer Futures. It is intended that the working group will begin work shortly and representatives from retailers have already agreed to be involved. The terms of reference are to be agreed at the first meeting but the Scottish Government had previously indicated its desire that a code of practice for parcel deliveries to be developed. A standing item had been added to the CPG agenda and Trisha will provide updates on the working group's progress at future meetings.

6. Any other matters

No issues were raised.

7. Next Meeting

The next meeting of the group was confirmed, as previously agreed, as Tuesday 18th June, from 6pm – 7pm at the Scottish Parliament.