

**Royal Mail
Consultation on
changes to the Postal
Schemes 2023**

June 2023

1. Executive Summary

1.1. Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament.

The Act provides a definition of consumers which includes individual consumers and small businesses that purchase, use or receive products or services.

Our purpose is to improve outcomes for current and future consumers and our strategic objectives are:

- to enhance understanding and awareness of consumer issues by strengthening the evidence base
- to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors
- to enable the active participation of consumers in a fairer economy by improving access to information and support

1.2. Consumer Scotland is the statutory consumer advocacy body for postal services in Scotland.

1.3. We welcome the opportunity to respond to Royal Mail's consultation on their proposed changes to the Postal Schemes.

1.4. Based on the consultation questions, our evidence suggests that:

- Royal Mail should conduct a more substantive consumer communications campaign around the Safeplace scheme. This should set out more detail in specific areas, such as transfer of liability from sender to recipient, and the opt-out process. Consumer Scotland would be pleased to work with Royal Mail to support the development of additional communications material, based on our research in this area.
- Royal Mail should develop a secure and straightforward online form to enable consumers to opt out of Safeplace, complementing the existing opt out option via telephone.
- Although our evidence suggests that consumers may support the introduction of automatic redelivery, Royal Mail should build in safeguards to the implementation of this policy via transparent reporting. This should specifically break down the proportion of complaints for automatic redeliveries compared to the first delivery attempt and other alternative options. This will allow for monitoring to ensure the policy does not create any unintended consumer detriment.
- We welcome the availability of the Royal Mail tracked product at the Post Office.

- In the absence of any supporting data from Royal Mail, our evidence suggests that Royal Mail should retain the compensation level of the Signed For First Class and Second Class products at the historical level.
- Royal Mail should also consider setting out a more transparent methodology and review process for how it determines and uplifts compensation for its entire product set over time.
- In the absence of more specific proposals, we do not support the removal of the International Tracked (non-USO) product from the Overseas Postal Scheme.

2. Background & Context

- 2.1. Consumer Scotland commissioned YouGov plc to survey a representative sample of Scottish adults around their attitudes to postal services. Data was collected between 20 February to 14 March 2023, with a total sample size of 2,007 individuals. The sample was adults aged 16+ in Scotland. The figures have been weighted and are representative of all adults by country, based on age, gender, social grade and region.
- 2.2. This research forms the majority of our evidence base for our response to the consultation. Specific question wording and sample sizes are indicated in the endnotes to this document.

3. Questions related to the UK Post Scheme

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.

- 3.1. The introduction of photo-capture at point of delivery is a reasonable development and brings Royal Mail in line with many other commercial operators who employ similar measures. However, Royal Mail must manage the introduction of this measure carefully to ensure that it supports the delivery of items to safe and secure locations and does not act to undermine this objective.
- 3.2. Consumer Scotland research suggests that 15% percent of consumers have had parcels left in ‘insecure areas’ by Royal Mail.ⁱ
- 3.3. Royal Mail outline in the consultation document that photograph capture on delivery was initially introduced “following successful trials in 2021”. It would provide further reassurance if Royal Mail were able to provide more detail around the success of these trials and the metrics they considered when evaluating them, to determine positive consumer outcomes.
- 3.4. It would also provide reassurance if Royal Mail could outline its assessment of the data protection implications of introducing this policy at scale. In particular, it would be helpful if Royal Mail could detail any potential data protection risks it has identified for consumers

stemming from this policy, and the training and processes they will implement to mitigate these risks.

- 3.5. Royal Mail have outlined that the photocapture on delivery policy is being rolled out nationally. It would be helpful to understand what evaluation mechanisms Royal Mail intend deploy alongside this policy to ensure that customers are satisfied with this change.
- 3.6. Royal Mail should also consider carefully how this roll-out interacts with consumer perceptions of specific products. The consultation document implies that a photograph may be used as evidence of delivery. Given that one example product used is 'Special Delivery Guaranteed' which currently advertises that both a 'photo and signature' will be collected on delivery, Royal Mail should be explicit to customers if any product is transitioning to 'photo-only' as a sufficient source of evidence of delivery, and ensure that customers are clearly aware of these changes.
- 3.7. As with our further commentary around Safeplace in the subsequent question, Royal Mail should be explicit about any effect that photo-capture on delivery may have on transfer of liability from sender to recipient.

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.

Awareness of Safeplace

- 3.8. Consumer Scotland's research shows that there is considerable work needed to continue to educate consumers around the Safeplace policy and Royal Mail's processes in this area.
- 3.9. In our recent research, 63% of consumers were not aware that from the end of September 2022, if no one is at home 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 suitable.ⁱⁱ
- 3.10. The fieldwork period for our primary body of evidence spanned the same time period as the distribution of Royal Mail's 'mailshot' which focused on delivery options. So, it is possible that there was some change in general awareness of the scheme due to this intervention. Consumer Scotland would welcome any evidence that Royal Mail could provide on their understanding of consumer awareness of Safeplace, and if they have tracked specifically whether the mailshot campaign has had any impact on this level of awareness.
- 3.11. However, the mailshot only provides consumers with broad awareness of the scheme and alternative delivery options. It does not provide information on key considerations such as how to opt-out, nor does it define what a 'Safeplace' is.
- 3.12. To support improved consumer understanding of the Safeplace policy, Royal Mail should adopt a transparent approach and publish the definition of a 'Safeplace' as provided to post persons and clear instructions to consumers on how they can opt out. At minimum,

an indicative list of locations defined as a Safeplace should be provided to consumers to support the implementation of the policy.

- 3.13. It would also be helpful if Royal Mail could set out the training that has been provided to post persons regarding implementing the Safeplace policy in practice, and the criteria that Royal Mail themselves are employing to determine if the scheme is meeting its objectives.

Experience and understanding of Safeplace

- 3.14. Our research suggests that the current implementation of the Safeplace policy is already leading to some issues for consumers. As previously highlighted, 15% of our research participants have experienced Royal Mail leaving a parcel at their address in an insecure or poor choice of location.
- 3.15. Of all participants in our research that experienced an insecure delivery, almost half (46%) experience some impact as a result. In total, 27% of respondents suggested that this was either a 'significant' or 'moderate' impact.ⁱⁱⁱ
- 3.16. In light of these reported impacts, Royal Mail should also be transparent to consumers on when liability is transferred from sender to recipient, and how this interacts with a consumer's rights under the Consumer Act 2015. Royal Mail should ensure that future communications about Safeplace clearly explain to consumers when and how liability for an item can be transferred between parties in the transaction.
- 3.17. Royal Mail should set out within their decision document the steps they will take to ensure that consumers are fully aware of the various facets of the Safeplace policy.

Opting out of Safeplace

- 3.18. In our research, the clear majority of our participants (62%) reported that they do not intend to opt out of the Safeplace policy. However, there is a significant minority of respondents (18% overall) that would opt out of delivery to a Safeplace. A further 20% are 'not sure'.^{iv}
- 3.19. Respondents who wished to opt out of the scheme indicated a range of reasons which are driving their intention. The most commonly stated options relate to concerns around security and theft of an item. 54% were 'concerned about my parcel being stolen', 48% were 'concerned about the security of their parcels', and over 40% of respondents believed that their property did not feature a location which either they themselves, or Royal Mail, would define as a 'safe place'.^v
- 3.20. Furthermore, 24% of those who intended to opt out of the scheme stated that it was because "I do not have enough information about how Safeplace works and how it affects me if something goes wrong". Therefore, Royal Mail needs to consider how to provide consumers with accessible and clear information on this issue to ensure it informs their decision making.

- 3.21. Individual differences also factor into perceptions around Safeplace. For example, the evidence from our survey indicates that consumers with a disability are more likely to opt out and more likely to be concerned about parcels being stolen.
- 3.22. Royal Mail should consider how they can integrate flexibility into the Safeplace policy to reflect the preferences of consumers with specific requirements, such as those with a disability. Royal Mail should ensure that their policies, and the implementation of these policies, is undertaken in a way which does not disadvantage those with protected characteristics or distinct accessibility needs. This could take the form of additional communications to highlight the most preferred alternative options, and the ability to opt-out, to these groups.
- 3.23. The current [opt-out mechanism](#) for Safeplace requires consumers to call Royal Mail's customer experience team. Our evidence indicates that consumers would prefer a wider range of channels through which they can opt-out of the scheme. Indeed, only 3% of our survey respondents who intend to opt out of Safeplace said that they would prefer to do so via telephone. In contrast, 57% would prefer to opt out by completing an online form, making this the clearly preferred option by a significant margin within our sample.^{vi}
- 3.24. We recommend that Royal Mail design a secure, online, opt-out form to provide a simplified mechanism for opting out of Safeplace, which is the clear preference of consumers. This opt out mechanism should be clearly highlighted in the wording of the UK Post Scheme.
- 3.25. Royal Mail should also consider how such the opt-out scheme accommodates those who live in households with multiple occupancy, particularly if some occupants wished to opt-out of the scheme and others do not.

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.

- 3.26. Consumer Scotland's evidence in this area would suggest that there is potentially support amongst consumers for the introduction of automatic redelivery.
- 3.27. However, there are some critical differences in the phrasing of our research question. Although redelivery itself is a preferred option for consumers, our survey did not specifically ask consumers their views on 'automatic' redelivery. Instead, the consumer 'arranging redelivery' was the option provided in our proposed scenario.
- 3.28. Redelivery is seen as a favoured option by participants in our recent research. With regards to parcels, 45% of our respondents stated that the choice to "*Arrange redelivery to your own address on another day*" would be one of their preferred three options if no one was available on the day of delivery.^{vii}
- 3.29. Arranging redelivery was the second most popular option out of the choices provided to our respondents. Across our research, the top three most preferred options were "*Collect from a neighbour*" at 47%, "*Arrange redelivery to your own address on another day*" at

45%, and “*Leave parcel at a registered safe place around my address of my choosing*” at 40%.

- 3.30. Given our earlier commentary about Royal Mail improving understanding of liability transfer related to Safeplace, it is also important to highlight the differences between consumers' Safeplace preferences also reported in this question.
- 3.31. 40% of respondents indicated a preference to “*Leave the parcel at a registered safe place around my address of my choosing*”, whereas only 30% stated a preference to “*Leave parcel at a safe place around my address that the post person chooses*”. The stronger preference for the consumer to select the Safeplace, rather than Royal Mail, is consistent across urban, town and fringe and rural areas.
- 3.32. Across both categories, regardless of whether the safe place was chosen by the consumer or the post person, consumers living in urban areas are less likely to prefer the option of a safe place. As an example, a consumer-designated safe place was chosen by 55% of rural respondents as one of their three options, compared to just 36% of urban consumers.
- 3.33. This preference for consumers to determine their own Safeplace location, makes it particularly important that Royal Mail explains to consumers the potential trade-offs regarding liability for an item.
- 3.34. Royal Mail should also consider how it can reassure consumers in urban areas who perceive the policy less favourably than those living in rural or town and fringe areas. This could include additional communications to urban consumers to outline the alternative options offered by Royal Mail.
- 3.35. Royal Mail should consider what safeguards it should put in place to ensure that the automatic delivery option does not have any unintended consequences for consumers. Specifically, this should include transparent reporting around the proportion of complaints received for automatic delivery attempts in comparison to initial delivery attempts, or when compared to consumer determined alternative options.

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? Please explain the reasons for your answer.

- 3.36. Consumer Scotland has no specific comments on the wording related to this proposal.

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.

- 3.37. Special Delivery Guaranteed was indicated identified in our recent research as a valued service by consumers. 63% of respondents stated that the service was either ‘very’ or ‘fairly’ important to them.

- 3.38. Based on this, we welcome Royal Mail's decision to significantly increase the base level of compensation available for the Special Delivery Guaranteed (before 1PM) service, from £500 to £750.
- 3.39. We note that the base level of compensation for the Special Delivery Guaranteed (before 9AM) service remains comparatively low at £50. We would encourage Royal Mail to ensure that customers are fully aware of this differential when making a purchase decision between these two products.

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.

- 3.40. Royal Mail are proposing to reduce the compensation for Signed For First and Second Class, from the current level of £50 to a reduced level of £20 as this is comparable to the compensation levels for standard First and Second class services.
- 3.41. The reasoning stated is to align the compensation of the Signed For product to other untracked services.
- 3.42. This change is also being made in parallel with changes to the Tracked non-USO product, which will be made available via the Post Office.
- 3.43. Broadly, we welcome the increased availability of tracked services. Our research shows that consumers find these valuable. Of all adults who send letters in Scotland within our sample, "tracking of letters" is seen as important by 80%, with 39% indicating that it is 'very important'.^{viii}
- 3.44. The service is seen as even more valued when it comes to parcels, with 90% of all adults that send parcels in Scotland indicating that "tracking of packages" is important. Of these, 53% stated that it was 'very important'.^{ix}
- 3.45. While we welcome tracked services being made more widely available, we have some concerns about the reduction in compensation for the Signed For service.
- 3.46. Our evidence also suggests that 'Recorded delivery' (*i.e., the recipient needing to sign or provide some proof of receipt, and the sender receiving confirmation when the letter has been received*) is a service that consumers value. 84% of consumers in our research stated that this was either 'very' or 'fairly' important.
- 3.47. While it is recognised that Royal Mail provide a 'Tracked with Signature' product, under current pricing structures, it is possible that this will lead to consumers having to pay more than they did previously for signed delivery, if they want compensation above the £20 threshold. As an example, a 'small parcel' is, at the time of writing, charged at £4.89 under the First Class Signed For product. Under the Tracked with Signature 24 product, a small parcel is charged at £5.35.

- 3.48. It would be helpful if Royal Mail could publish more specific data around the average value of compensation claims for each service. This would allow for more informed scrutiny around changes in this area.
- 3.49. Equally, it would be helpful for Royal Mail to provide a more detailed methodology for how it determines the compensation thresholds for each product. We note that the £20 compensation value for Standard First Class and Second Class services has been set at this level since 2013. Given current pressures on consumers, Royal Mail should also consider whether an inflationary uplift to compensation values would be appropriate, or whether an uplift in compensation values should be linked to any increase in the cost of a specific service to consumers.
- 3.50. Royal Mail should take further steps to provide confidence to consumers that these changes are beneficial. This should include publishing an assessment of the impact of these changes, including in relation to previous compensation claims data. Such an analysis should also set out if Royal Mail, in the context of significant inflation in the wider economy, remain content that the £20 compensation level for First Class and Second Class products is still appropriate.
- 3.51. Fundamentally, the £50 compensation level for Signed For First Class provides additional consumer choice and the uplift in compensation relative to standard First Class and Second Class services is more in line with consumer expectations of the Signed For variant as a premium product which is significantly more expensive.
- 3.52. Furthermore, Royal Mail's expressed reasoning for this change is to 'align the product with untracked services.' It is unclear that this is in line with consumer perceptions of the product and expected value of compensation, which may be driven by additional considerations such as the branding of the product and its cost.
- 3.53. For this reason, and the absence of data to make an informed decision on compensation levels, Consumer Scotland would recommend that the £50 compensation level is retained. Ideally, as stated above, it would be helpful if Royal Mail were to go further and set out a more substantive process for regularly reviewing the compensation levels of their products and the methodology for uplifting these in line with changing market and economic conditions.

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.

- 3.54. Consumer Scotland has no additional comments on these changes.

4. Questions related to the Overseas Postal Schemes

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.

4.1. Consumer Scotland does not have any specific comments on this question.

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 and remove legacy information? Please explain the reasons for your answer

4.2. Royal Mail has indicated their intention to remove the International Tracked product from the Overseas Post Scheme. This is a non-USO product.

4.3. The reasoning stated by Royal Mail is to make improvements to this product more quickly, as removing it from the Overseas Post Scheme allows changes to be made without an accompanying consultation process. Royal Mail suggests that *"We are planning to develop this product in the coming years, enabling more services and features for consumers."*

4.4. However, within the consultation, there are no specific product changes proposed or related timelines for the International Tracked product.

4.5. In the absence of specific proposals, Consumer Scotland does not believe that sufficient cause has been provided to justify the removal of the International Tracked product from the Overseas Postal Scheme.

4.6. We recognise that the current structure of the consultation process creates some financial and administrative burden for Royal Mail, and we recognise the challenging financial environment that the organisation is operating within.

4.7. However, the consultation process creates an important safeguard by ensuring that consumer advocacy organisations are able to appropriately inform Royal Mail's product changes.

4.8. Royal Mail have also demonstrated that they are willing to make beneficial changes to consumers prior to conducting a formal review of the Postal Schemes. An example would be the change from a £500 to a £750 compensation level for Special Delivery Guaranteed. This is being consulted on retroactively within this consultation, following a change made in April 2023.

4.9. If Royal Mail continue with this proposal and remove International Tracked from the Overseas Postal Schemes, they should set out clearly how they intend to adequately ensure that the views of consumers are incorporated into the product changes they may propose in future.

4.10. Royal Mail should also set out a mechanism to inform consumer advocacy bodies when they are intending to make any changes to this product, and an appropriate consultation process if necessary.

5. Conclusion & Recommendations

5.1. Consumer Scotland welcomes the opportunity to engage with Royal Mail's consultation on the changes to the Postal Schemes.

5.2. We understand that Royal Mail is attempting to manage the business in a challenging financial and operational context.

5.3. Based on our evidence, we believe that Royal Mail should consider the following when making changes to the Postal Schemes, and when implementing these policies in practice:

- Royal Mail should conduct a more substantive consumer communications campaign around the Safeplace scheme. This should set out more detail in specific areas, such as transfer of liability from sender to recipient, and the opt-out process. Consumer Scotland would be pleased to work with Royal Mail to support the development of additional communications material, based on our research in this area.
- Royal Mail should develop a secure and straightforward online form to enable consumers to opt out of Safeplace, complementing the existing opt out option via telephone.
- Although our evidence suggests that consumers may support the introduction of automatic redelivery, Royal Mail should build in safeguards to the implementation of this policy via transparent reporting. This should specifically break down the proportion of complaints for automatic redeliveries compared to the first delivery attempt and other alternative options. This will allow for monitoring to ensure the policy does not create any unintended consumer detriment.
- We welcome the availability of the Royal Mail tracked product at the Post Office.
- In the absence of any supporting data from Royal Mail, our evidence suggests that Royal Mail should retain the compensation level of the Signed For First Class and Second Class products at the historical level.
- Royal Mail should also consider setting out a more transparent methodology and review process for how it determines and uplifts compensation for its entire product set over time.
- In the absence of more specific proposals, we do not support the removal of the International Tracked (non-USO) product from the Overseas Postal Scheme.

5.4. We hope that Royal Mail finds the evidence and recommendations presented in this response useful to inform upcoming decisions around the content of the Postal Schemes. We would be happy to discuss any aspects of the response with Royal Mail and to engage further with Royal Mail on these matters, to ensure the changes to the Postal Schemes achieve positive outcomes for consumers.

ⁱ Consumer Scotland Postal Services Survey, Q: “Has Royal Mail ever left a parcel at your address in an insecure or poor choice of location? For example, in your recycling bin, hedge or in an insecure communal area?” Base: 2,007.

ⁱⁱ Consumer Scotland Postal Services Survey, Q: “Royal Mail defines a Safeplace as secure, weatherproof area of the property, that is out of sight and easily accessible for Royal Mail. Examples of a Safeplace include a shed, a

garage and an enclosed porch. Royal Mail does not consider bins, including recycling bins, on doorsteps and underneath parked cars as a safe place. 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 suitable?" Base: 2,007

ⁱⁱⁱ Consumer Scotland Postal Services Survey, Q: "How severe or not was the impact on you from Royal Mail leaving your parcel in an insecure or poor choice of location? For example, you lost a parcel of significant value or were financially harmed from the loss of the parcel." Base: 311

^{iv} Consumer Scotland Postal Services Survey, Q: "Would you opt out of delivery to a Safeplace?" Base: 2,007

^v Consumer Scotland Postal Services Survey, Q: "Which of the following, if any, describes why you would choose to opt out of delivery to a Safeplace? (Choose all that apply)" Base: 356

^{vi} Consumer Scotland Postal Services Survey, Q: "And how would you prefer to opt out of Safeplace?" Base: 356

^{vii} Consumer Scotland Postal Services Survey, Q: "Royal Mail offers for free several options to make delivery of parcels more convenient if no one is in to accept the parcel. Which do you prefer? You can pick up to 3." Base: 2,007

^{viii} Consumer Scotland Postal Services Survey, Q: "Thinking about the letters that you send and receive, how important, if at all, are the following Royal Mail services to you personally?" Base: 1,443

^{ix} Consumer Scotland Postal Services Survey, Q: "Thinking about the packages that you send and receive, how important are the following Royal Mail services to you personally?" Base: 1,542