



28 March 2022

## **Royal Mail Wholesale**

185 Farringdon Road  
London  
EC1A 1AA

### ROYAL MAIL QUALITY OF SERVICE 2021/22

Dear Customer

In December we wrote to update you on what we were doing to get quality of service back on track and to advise you that Royal Mail's ability to meet its obligations in the Access Contracts was still being impacted by Disruptive Events (**the December Communication**).

Though things are getting better, they are still not where we would like them to be. There are various reasons for this.

In the period since we last wrote to you, we have continued to see the impact of external factors.

The Covid-19 pandemic has continued to evolve (as demonstrated by the onset of the Omicron variant and, more recently, the Deltacron variant). This evolving nature of the pandemic, and in particular the effects of the Omicron variant, have caused us issues and absence rates have been significantly higher than the norm for this time of year. As an example, there were times in January 2022 when we had circa 15,000 people absent with illness and recently, we have seen an increase in Covid related absence in line with infection levels rising across the UK. We are still seeing absence rates far in excess of those experienced pre-COVID and we expect absence rates will continue to vary in line with UK wide infection levels.

We have also, in recent weeks, been hit by some well publicised severe storms (Dudley, Eunice and Franklin) which have resulted in mail centre and delivery operations in certain areas having to be suspended due to flooding and/or to protect our people from travelling/being outdoors in dangerous weather conditions.

We are continuing to work to minimise the impact of these external factors and to get quality of service back to where we all want it to be. For example, we have planned new delivery structures designed to support customer quality and have a task force available to support the Delivery Units experiencing the biggest issues. In the meantime, we wanted to make all customers aware that we have received some responses to our December Communication in which certain Access Customers are seeking clarity about the Disruptive Events Royal Mail was relying on in the December Communication, expressing concern that Royal Mail could be doing more to get things back on track and expressing an opinion that Royal Mail is no longer entitled to relief from the Disruptive Event provisions in the contracts.

We address those concerns here. Firstly, we did not say in the December Communication that the previously notified Disruptive Events had ended or that the Covid-19 pandemic was no longer a Disruptive Event. It was a Disruptive Event throughout 2021 and it has continued to be since (for example, the impact of Omicron, as described above). This is notwithstanding the end of the emergency period, which was declared by Ofcom and which ended on 31 August 2021.

In our December Communication, in addition to the pandemic, we also specifically called out issues such as absences and the state of the labour market. Though these are also effectively caused by the pandemic in whole or in part (and we reserve our position on this), for completeness, we called these out separately in our


communication because they are also continuing issues which are outside of our reasonable control and so fall within the definition of Disruptive Events in their own right.

In relation to Royal Mail's actions in dealing with the Disruptive Events, customers have expressed a view that we could have done more to get things back on track more quickly. For example, concerns have been raised about the way in which we have managed the shortage of labour caused by increased absences and the changing labour market.

We fundamentally disagree with the suggestion that we have not done what is reasonable to get things back on track or to reduce the impact of the Disruptive Events on our business. Though we appreciate some of you may disagree, it is not reasonable to draw a like for like comparison between our business and Access customers' businesses, or in fact, other mail industry operators. The size and make up of our business, together with our national coverage to every address and our regulatory obligations means that the challenges we face, and the speed and manner in which we can reasonably adapt to changes in the market are unique. We consider that we have taken reasonable steps to mitigate the impact of the Disruptive Events and to resume normal performance. We will continue to do so.

We hope this is all clear. We will update you further in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim Cable', written over a horizontal line.

Tim Cable  
Wholesale Products Director  
Royal Mail Wholesale  
[tim.cable@royalmail.com](mailto:tim.cable@royalmail.com)