



23 June 2017

Royal Mail Wholesale

4th Floor
185 Farringdon Road
London
EC1A 1AA

We are making changes to our revenue protection processes and Mailmark adjustments

Dear Customer,

Four years ago, prior to the introduction of the Mailmark barcode, we relied totally upon manual sampling to see whether or not your machineable mail met the specification for the product you were buying. Whilst the sampling we carry out is statistically valid, our ambition is to use the Mailmark data as this provides us with reporting of how your mail actually performs.

Reducing manual RP checks

Today, in Access, over 80% of machineable mail is posted as Mailmark and the reporting is providing you and us with transparency on its performance. I am delighted to say that we have reached that point where we are confident that we can reduce the manual checks of your non-Mailmark machineable mail whilst retaining the option to revert the mail should it 'fail' in our machines. For Mailmark, we continue to use our in-process revenue protection to check your mail's performance. It is very rewarding to be able to deliver on this aspiration and our thanks to our customers for the work they have done making the switch to the Mailmark product.

Treatment of Mailmark unmanifested items

Accurate Mailmark performance reporting requires an eManifest that details the Mailmark items you have handed over to us for that mailing on a given day. Indeed, this is one of the key requirements for qualifying for the Mailmark service. We will see the items run through our machines but without an eManifest, or a correct eManifest to register them against, we are unable to check effectively the payment and performance of the mailing or apply in-process adjustments to it. This is not a position that is fair, particularly for all those Mailmark customers who are providing us with an accurate eManifest.

Currently, our remedy for dealing with unmanifested items includes prior investigation and communication with the customer before we conclude to apply an administrative fee of £25.40 to the affected mailing. Unfortunately, with the uplift in Mailmark mailings, we have seen an increase in the number of unmanifested items. From working with some affected customers since autumn last year, we know there are several reasons why items may be unmanifested – all are process driven and can be avoided. To encourage correct practise, we intend to change the remedial process and the adjustment charges for unmanifested Mailmark items. We will also introduce a report which will enable customers to see on "First Seen day +2" if they have unmanifested items. This will allow customers to fix the issue before we run our analysis after day 5 and not incur

charges. Please see Annex A for more details. We will implement the changes from **1 January 2018** to give customers time to review and improve their eManifest processes.

Mailmark Missorts price reduction

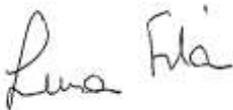
I am also delighted to inform you that we will decrease the charge for Mailmark missorted Letter items by 2p per item from **4 September 2017**. The percentage of Mailmark missorts has decreased from the high of 0.24% but remains at 0.19%. We will monitor the effect this reduction in price has on missort volumes and if we see the volumes reduce, we may offer further reductions in the future.

Contract Change Notices

We are making these changes to Schedule 20: Royal Mail Mailmark® of the Access Letters Contract and to section 15 of the Access Letters User Guide. Please find enclosed with this letter:

- Annex B - Change Notice 029 on decreasing the Mailmark Letter missort charge;
- Annex C - Change Notice 030 on Mailmark Schedule changes; and
- Annex D - User Guide Amendment 041 on unmanifested remedies.

Yours sincerely,



Luisa Fulci
Regulated Products Director
Consumer and Network Access

ANNEX A: Understanding and resolving the ‘unmanifested’ mail problem in Mailmark

What do we mean by unmanifested mail?

A Mailmark mail piece is unmanifested if it is tracked in Royal Mail’s automation but no corresponding item level entry in an eManifest is received within 5 working days of the track event.

What have we done to address unmanifested mail?

We have been discussing the issue with customers since late 2015. In November 2016, we put in place a process where every week we provide the affected Access contract holders with a report detailing their worst performing SCIDs from the previous week’s postings and ask them to resolve them. From our discussions, we have learned what causes unmanifested mail.

Table 1: Reasons for unmanifested mail

1.	No eManifest: customer did not submit one.
2.	Incomplete eManifest: customer fails to upload all items for the posting before the automatic cut-off time and fails to add the unmanifested volume to the next day’s eManifest.
3.	Late handover of items: customer creates eManifest but delays handing over the items within 6 days of submitting the eManifest.
4.	Incorrect eManifest: Customer creates an eManifest but fails to deal with the “error messages” to correct it and the mail is sent regardless e.g. product code incompatible with batch upload.
5.	Incorrect eManifest: SCID printed on items do not match the SCID declared on the eManifest.
6.	Incorrect barcode: duplicate barcode applied to items or items were printed with barcode but customer decided not to send them as Mailmark.
7.	Access issue: eManifest system of carrier closes earlier than ours and it does not accept eManifests retrospectively which means we get the mail but no eManifest.
8.	Empty eManifest: customer omitted to populate it with product and volume details.

What is changing from 1 January 2018?

From 1 January 2018, we will follow a new remedial process that we hope will encourage those responsible for creating and submitting an eManifest to design their processes to minimise the volume of unmanifested mail.

Table 2: New remedial process

	Remedy	Change to the Mailmark schedule or User Guide?
1.	Apply unmanifested tolerance: Allow a tolerance for unmanifested items per SCID per day of <500 items	User Guide
2	Apply Unmanifested admin fee: apply only when a SCID posting has 500 – 6000 unmanifested items per day	User Guide

3	Apply unmanifested item charge: apply only when a SCID posting has more than 6000 unmanifested items per day	User Guide and Price change. For 2018, the item charges are: 0.45p for letters & 0.71p for large letters
4	Charge for the postage: when a SCID posting has 500+ unmanifested items per day, we will assume non-payment and apply the Mailmark Business Mail tariff. A customer may claim a refund of this charge if they are able to provide evidence of payment of the items to us within 30 days from the invoice date.	No change (see section 15.3.3 of the User Guide)
5	Suspend the SCID: when the number of unmanifested items exceeds 25% of the total volume posted, we will ask for an improvement plan. If the customer's improvement plan fails to achieve +75% compliance within the agreed time, we will suspend the SCID until such time as the SCID has been fixed.	Schedule 20, paragraph 9.2
6	New unmanifested report: the report will enable customers of a SCID to see on "First Seen day +2" that they have unmanifested items. A customer can use the report to prompt them to submit an eManifest for the unmanifested volumes in time to avoid unmanifested adjustment charges.	No change (the schedule provides for reports)

ANNEX B: ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 029

DATE: 23 JUNE 2017

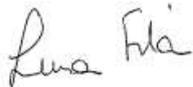
This notice applies to you if you hold an **Access Letters Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

1 Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2 Changes to the Contract

- 2.1 We are reducing the Mailmark Missort charge for Letters from 20.87p to **18.87p** per item with effect from **4 September 2017**.
- 2.2 We assume your consent to the change detailed at paragraph 2.1 unless you write to inform us otherwise.



Luisa Fulci
Regulated Products Director
Consumer and Network Access

ANNEX C: ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 030

DATE: 23 JUNE 2017

This notice applies to you if you hold an **Access Letters Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

1 Definitions and interpretation

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- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2 Changes to the Contract

- 2.1 Under clause 13.2.1(a) of the General Access Terms and Conditions of the Contract, we notify you of a change to paragraph 9.2 of Schedule 20: Royal Mail Mailmark® to introduce a new remedial process as follows:

(i) at paragraph 9.2.4 to add the word “or” to the end of the sentence so it reads “reject the Mailmark Mailing Items; or”

(ii) introduce 9.2.5 to read “if the number of non-compliant Mailmark Mailing Items exceeds 25% of the total volume of a Mailmark Mailing in a day, request an improvement plan for the affected Supply Chain. If the improvement plan fails to achieve 75% compliance within the agreed time, we will suspend the Supply Chain until such time it achieves 75% compliance.

- 2.2 The changes detailed in paragraph 2.1 will take effect from 1 January 2018.



Luisa Fulci
Regulated Products Director
Consumer and Network Access

Access User Guide Amendment notice number 041 (UGA41): Unmanifested remedial process

Date: 23 June 2017

Dear Customer,

We are changing our remedial process and surcharges for dealing with Mailmark unmanifested items with effect from 1 January 2018 to encourage reduced incidences and volumes of unmanifested items. We are making the following changes per the red text to the Access Letters User Guide and the Condition 9 Access Services User Guide with effect from 1 January 2018:

<p>15.1.5 For Mailmark Mailing Items, the eManifest has not been received or is incorrect or incomplete or no longer valid.</p>	<p>Where our automation sees Mailmark Mailing Items and</p> <p>a) # you have not uploaded your posting data for them to the eManifest Handling Service (eMHS) to create the eManifest:</p> <ol style="list-style-type: none"> i. by 025:00 on the day of handover, for mail you produce via a machine consolidation process; and ii. by 21:023:30 on the day before handover, for all other pre-sorted Mailing Items; <p>or</p> <p>b) if there are errors known by you prior to handover to us relating to the upload of your posting data to the eMHS to create they do not correlate correctly to the eManifest submitted; or,</p> <p>c) the eManifest for them is no longer valid; or</p> <p>d) the eManifest does not detail all of the Mailing Items received; or</p> <p>e) there is no eManifest for them,</p> <p>we may:</p> <ul style="list-style-type: none"> • hold the Mailing Items until you give us complete and accurate documentation; • reject the Mailmark Mailing Items; • process them; and, • apply a Surcharge to cover our administration costs relating to any actions taken. <p>The Surcharges are applied using the following criteria:</p> <table border="1"> <thead> <tr> <th>Number of unmanifested items per SCID posting per day</th> <th>Apply Mailmark Business Mail postage price</th> <th>Apply fixed admin fee</th> <th>Apply per item unmanifested adjustment charge</th> <th>Apply per item non-compliance charges (e.g. DPS/Postcode Inaccuracy /Missorts)</th> </tr> </thead> <tbody> <tr> <td>Less than 500</td> <td>X</td> <td>X</td> <td>X</td> <td>✓</td> </tr> <tr> <td>Between 500 - 6000</td> <td>✓</td> <td>✓</td> <td>X</td> <td>✓</td> </tr> <tr> <td>More than 6000</td> <td>✓</td> <td>X</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table>	Number of unmanifested items per SCID posting per day	Apply Mailmark Business Mail postage price	Apply fixed admin fee	Apply per item unmanifested adjustment charge	Apply per item non-compliance charges (e.g. DPS/Postcode Inaccuracy /Missorts)	Less than 500	X	X	X	✓	Between 500 - 6000	✓	✓	X	✓	More than 6000	✓	X	✓	✓
Number of unmanifested items per SCID posting per day	Apply Mailmark Business Mail postage price	Apply fixed admin fee	Apply per item unmanifested adjustment charge	Apply per item non-compliance charges (e.g. DPS/Postcode Inaccuracy /Missorts)																	
Less than 500	X	X	X	✓																	
Between 500 - 6000	✓	✓	X	✓																	
More than 6000	✓	X	✓	✓																	

Yours sincerely,



Luisa Fulci
Regulated Products Director
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