



News Release

Date:

ROYAL MAIL RECEIVES UNDERTAKINGS FROM CWU OVER ACCESS MAIL

Royal Mail has today received legally binding undertakings from the Communication Workers Union (CWU) not to induce its members employed by Royal Mail to refuse to handle Access mail.

Letters and parcels delivered by Royal Mail under Downstream Access contracts account for around half of the daily post bag and make a significant contribution to the business. Any action against Access mail delivery would adversely impact on large numbers of the general public, and the postal industry as a whole by increasing e-substitution. It would also severely impact on our business, our reputation and that of our employees.

Royal Mail is fully committed to the delivery of all of the mail entrusted to us and we have consistently made clear we will take all appropriate steps to prevent any disruption of this. We regret that it was necessary to pursue this matter by way of legal action. We recognise employee concerns over postal market competition and we don't go to court lightly. However, we were given no choice but to seek a court order to protect our business, our Access customers and the homes and businesses that receive mail.

The CWU held a consultative ballot¹ to seek its members view on a number of issues, including a threatened 'boycott' of Access mail. It has not held a ballot for industrial action as required by law ahead of any stoppage in the workplace. Furthermore, we believe any action against Access mail delivery would be unlawful.

The CWU has highlighted concerns over unfettered competition in direct delivery and its potential impact on the universal service and Royal Mail. Earlier this year, Royal Mail made a detailed submission to Ofcom raising similar concerns. In response, and following a consultation, Ofcom set out its guidance for the postal market. We welcomed Ofcom's acknowledgement of its duty, powers and willingness to act at any time if it sees the universal service under threat as a result of direct delivery competition.

We are also pleased the regulator made clear how it would intervene if direct delivery competition threatened the financial sustainability of the universal service. It could, for example, require other postal operators to deliver to a certain specification, such as a minimum number of days a week or a specified geographic area. Ofcom also made clear it would continue to review the situation in the market to consider the need for any intervention to protect the universal service.

We are satisfied that Ofcom has put in place a framework sufficient to protect Royal Mail and the universal service from the impact of direct delivery competition.

Stephen Agar, Managing Director Consumer and Network Access, said: “We are very clear at Royal Mail that we need to deliver every single item of mail that arrives in our network as the law requires. As a business or as an employee, we cannot be selective and treat one piece of mail any differently from any other.

“If Royal Mail does not deliver Access letters and parcels, our customers may look for alternatives, including using more email. We operate in a very competitive market and customers can move their business very quickly. This could result in a significant loss of business.”

ENDS

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Notes to editors

- 1 The consultative ballot merely sought members' views on issues, it did not meet the legal requirements on balloting procedure and notification to the employer that a Union must follow before taking industrial action in the form of a strike or action in short of a strike in order to benefit from protection from a claim for damages that may arise as a result of that industrial action ballot.
- 2 Royal Mail is the designated provider of the universal postal service in the UK. We are required by law to allow access to our network and deliver all the mail we are asked to. Under Downstream Access contracts, Royal Mail accepts letters and parcels at its mail centres that have been partially sorted by large customers and other postal operators, and delivers them across 29 million homes and businesses for an agreed price. Access mail typically includes items like bank statements, hospital appointments, energy bills and charity fund raising communications and accounts for around half of the daily post bag.