

Royal Mail shake-up could see Saturday deliveries scrapped in bid to save service

Ofcom is assessing potential reforms for the UK postal service, suggesting modifications to second class letter deliveries as part of a strategy to rejuvenate Royal Mail.

The impetus for these considerations comes from a “national debate” initiated earlier in the year about how to ensure the postal service can be kept affordable, efficient, and sustainable in light of decreasing letter volumes and significant financial shortfalls faced [by Royal Mail](#).

Insights from the review indicate that the public supports keeping postal services affordable with the availability of a next-day first class service available six days a week. However, most people recognise that not all letters are urgent and accept that changes may be necessary.

Royal Mail will not, however, receive a carte blanche; it will be required to make investments in its network, no matter the proposed changes.

Today, Ofcom posits that Royal Mail could realise “substantial” cost savings and enhance dependability if the delivery of second class letters was switched to a three-working-day model excluding Saturdays, as reported by [City AM](#).

“If we decide to propose changes to the universal service next year, we want to make sure we achieve the best outcome for consumers,” remarked Lindsey Fussell, Group Director for Networks and Communications at Ofcom.

Further elaborating, Fussell stressed: “So we’re now looking at whether we can get the universal service back on an even

keel in a way that meets people's needs. But this won't be a free pass for Royal Mail under any scenario, it must invest in its network, become more efficient and improve its service levels,".

Ofcom has reported that maintaining the current universal service in the UK costs Royal Mail between £325m and £675m annually. The regulator is set to conduct further research and will seek opinions on detailed reform proposals in early 2025, with a decision anticipated by summer 2025.

Martin Seidenberg, Group Chief Executive of Royal Mail's parent company International Distribution Services (IDS), commented: "To save the Universal Service, we have to change the Universal Service."

"Letter volumes have fallen from their peak of 20bn to just 6.7bn a year today meaning the average household now receives just four letters per week. Yet whilst most countries have adapted their Universal Service requirements to reflect the new reality, in the UK the minimum requirements have not changed."

"The Universal Service faces a very real and urgent financial sustainability challenge. Change cannot come soon enough. We look forward to continuing to engage with all our stakeholders to secure a financially sustainable Universal Service for many years to come," added Seidenberg.

In response to Ofcom's request for input, Royal Mail unveiled its modernisation strategy in April. It recorded losses of £348m in 2024 and £419m in 2023, during which time Ofcom imposed a £5.6m fine on Royal Mail for not meeting its first and second class delivery targets.

Ofcom is presently investigating Royal Mail's inability to fulfil its delivery objectives for 2024.

The British government is presently scrutinising the

acquisition of IDS by billionaire Daniel Kretinsky, who is often referred to as the 'Czech Sphinx'.

In May, IDS's board indicated they were "minded" to approve Kretinsky's £3.6bn bid to purchase the company through his EP Group.

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