Ofcom investigating Royal Mail failure to deliver post on time

Ofcom is investigating Royal Mail's failure to meet delivery targets during 2021-22.

The regulator said: "Ofcom takes compliance with quality of service targets very seriously.

"Our investigation, on behalf of postal users, will gather evidence to understand the reasons behind this substantial lapse in performance, and determine whether Royal Mail has breached its requirements."

Royal Mail failed to meet a number of its targets during the 2021-22 year.

The operator is meant to deliver 93% of first class mail within one working day of collection, but it managed just 81.8%.

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It is meant to deliver 98.5% of second class mail within three working days of collection, but it managed 95.4%

Its target is for 99.9% of delivery routes to be completed each day a delivery is required, but it reached only 94.09%.

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And 91.5% of first class stamped and metered mail products are meant to be delivered within one working day in 118 UK postcodes — but Royal Mail did not meet the target in any of these areas.

Royal Mail 'disappointed' with performance

Ofcom said performance against the targets is measured as an average performance level on an annual basis, excluding the Christmas period.

A Royal Mail spokesperson said: "We are disappointed with our 2021-22 Quality of Service performance and apologise to all customers that have been affected by any service issues.

"As we return to more normal ways of working and deliver on our transformation programme, we are confident that we are doing the right things to enable service levels to improve going forward."

The spokesperson added that the firm would fully participate in Ofcom's investigation.

Shares fall on stock market

Royal Mail shares were down more than 5% in late afternoon trading.

Earlier in May, Royal Mail <u>signalled it would need to raise</u> <u>prices</u> as it sought a cost saving of £350m over the course of the financial year — up from a previously-planned £290m.

It later confirmed the plan would not involve further job cuts beyond the 700 managerial roles it axed earlier this year.

Royal Mail has already <u>hiked the cost of posting letters</u> by an average of around 7%, and parcel prices by an average of about 4%.

The increases took the cost of a first class stamp to 95p and a second class stamp to 68p.

Royal Mail benefited from a parcel boom during the COVID-19 pandemic, but has said meeting financial forecasts this year will depend on its main labour union agreeing a pay deal which the latter has refused.