Parcel delivery giant Yodel hit by festive capacity crisis

One of Britain's biggest parcel carriers has been hit by a capacity crisis at the start of the crunch festive trading period, forcing it to urge key customers to divert business to rival delivery firms.

Sky News has learnt that Yodel, which was due to recruit thousands of seasonal workers to help it deal with a surge in volumes from Black Friday until Christmas, has told clients including New Look, Gousto and eBay that it has been affected by a series of operational challenges.

In a memo sent to customers this week, which has been seen by Sky News, Yodel said it had seen "significant delays in processing [parcels] therefore impacting the availability of empty trailer[s] and our planned driver schedules".

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"Unfortunately, this combined with a number of our peak HGV drivers not arriving for their agreed time slot has impacted our ability to provide the number of agreed collections.

"Upon investigation, we uncovered that this was due to significant financial incentives being offered elsewhere.

"We are working closely with these drivers as they had made a commitment to Yodel for the peak period."

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It went on to warn clients: “We are currently unable to guarantee a 24-hour service.”

“With this in mind and the reduction in network productivity due to the… high numbers of large, manually sorted parcels entering the network, we are unfortunately requesting that you reduce your planned volume for our network for the upcoming week, if you are able to divert parcels through your other carriers.”

The crisis is the latest to hit Yodel this year, after it came close to collapse in February and was forced to seek emergency funding from new investors.

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Yodel was previously owned by the Barclay family, whose business portfolio also included the Telegraph newspapers and London's Ritz hotel.

A Yodel spokesperson said on Wednesday: "Due to record-breaking volumes and a surge in larger parcels over Black Friday week and Cyber Monday, we worked with a small number of clients to adapt collection schedules to maintain smooth operations.

"We are grateful to these clients for their collaborative

approach and ongoing support.

“Our teams are working tirelessly during the busiest time of the year, and we expect to clear a small backlog by this weekend.”

Yodel makes more than 190 million deliveries annually from its sites across the UK.