

Royal Mail fires warning shot over jobs and pay as union secures new strike mandate

The union representing 112,000 frontline Royal Mail staff is increasingly “gambling with their members’ futures”, a company source has told Sky News as a new wave of strikes looms in their bitter row over pay and modernisation plans.

Speaking as the Communication Workers Union (CWU) revealed a fresh mandate for industrial action, the source declared that loss-making [Royal Mail](#) was “bleeding” cash and could not afford to raise its “best and final” wage offer beyond the £400m collective hike that was on the table.

They argued that the business was losing customer confidence because of the continuing dispute and risked becoming increasingly uncompetitive as it already paid its staff up to 40% more than cheaper rivals.

“Fewer customers means a smaller business and means we need fewer people”, the source said.

The CWU announced at an event in Manchester that 95.9% of its members had voted in favour of renewed [strikes](#) on a 77% turnout, though it stopped short of announcing new dates immediately.

Its general secretary, Dave Ward, cited recent talks with the company’s chairman which, he said, offered hope of a “new process” after relations with the management team, including CEO Simon Thompson, collapsed last year.

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January: 'Why were you given a bonus?'

But he added that the fresh approach to talks was conditional on management "attacks" on his members' being halted immediately.

"This vote is a historic testament to CWU members across the country who have stood firm against the most severe attacks faced by any set of workers since the miners," Mr Ward said in a statement.

"It is proof that postal workers will not accept their livelihoods being destroyed so that a few at the top can generate serious profits at their expense.

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"It is proof that workers loyal to an historic institution like Royal Mail will not accept it being turned into an Uber-style, bog-standard gig economy employer.

“It is proof that for Royal Mail to begin functioning normally again, there needs to be a change in negotiating approach from its leadership that recognises the depth of feeling from the workforce that make their company.

“These people will never be bullied, intimidated or harassed into submission, and this result is a concrete demonstration of that spirit.”

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December: What will postal union members accept?

The source at Royal Mail signalled a deep frustration within the firm on the lack of progress in the negotiations to date, accusing the union of misleading its members.

They claimed that the CWU had not even given its negotiators a pay demand figure, with the talks becoming entrenched on other

issues such as Sunday working as Royal Mail looks to bolster its parcel operations in the face of increased competition from the likes of Evri and DHL.

“There comes a point when the pay deal becomes unaffordable,” the source added.

The company has previously said that 18 dates of strikes to date, including over the crucial Christmas season, had cost it £200m.

It is battling several other major cost headwinds including the disruption to overseas parcel deliveries caused by a [ransomware attack](#) a month ago that saw hackers demand £67m to unlock the company’s IT systems.

It is understood that no money has changed hands with the Russian-linked group that claimed responsibility but it has hit revenues hard.

Its problems have seen Royal Mail come under increased pressure within parent firm IDS as [operating losses](#) mount.

Its plea to save money through a reduction in the universal service obligation for letter deliveries, over five days instead of six, has been met with government opposition.

The company has pointed to research by the industry regulator suggesting only minimum disruption for households and businesses should it no longer have to deliver letters on a Saturday.

Its other efforts to reduce costs have already resulted in thousands of job losses through voluntary redundancy.

A Royal Mail spokesperson said: “We are disappointed that the CWU members who took part in the ballot have voted to take further industrial action.

“Even the threat of more strike action by the CWU means more

customers will switch their parcel business to our competitors.

“We remain committed to getting around the table with the CWU, resolving this dispute and agreeing a pay and change deal for our people.

“Should the CWU announce further strike action, we have plans to minimise disruption and get our services back to normal as soon as possible to keep people, businesses and the country connected.”