



The Consumer Council



ERGP Secretariat
European Commission
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The Citizens Advice Service response to ERGP Draft Work Programme

As the statutory representative for consumers of postal services across England, Wales and Scotland, the Citizens Advice Service we are pleased to respond to this consultation on the European Regulators Group for Postal Services (ERGP) 2015 Draft Work Programme and we are supportive of the ERGP's proposed work and projects.

We work with the consumer advocacy bodies across the UK (Citizens Advice Scotland and the Consumer Council for Northern Ireland) to conduct research and evidence on postal user needs and deliver strategic projects that contribute to improving the operation of the postal market for all consumers, assessing the value of postal services across the USO, mail and parcels.

Implementation of the Universal Service

Given our submission¹ to the public consultation on the USO in view of market developments and introduction of end-to-end competitors in the mail market in the UK, we feel that the ERGP's proposed analysis of how the regulatory framework could be adapted and the effect of the barrier to entry for operators across the EU will be an important area of work.

End-user satisfaction and monitoring of market outcomes

We are supportive of the ERGP's report on the analysis of trends in quality of service, complaint handling and consumer protection and we have recently published *Delivering Satisfaction: Complaint Handling in the Postal Market*² which identified relevant issues for further exploration and development in any regulatory review of the complaint-handling framework. The report made several recommendations within the UK context, with regard to the role of the UK National Regulatory Authority, Ofcom and the postal redress service, POSTRS to strengthen complaint handling.

As a result of this research, we feel that National Regulatory Authorities (NRAs) should work within their regulatory framework in conjunction with policy makers and other stakeholders to assess whether there is any consumer detriment in complaint handling in the wider postal market. We feel that it would be appropriate for NRAs to re-consider the current framework for postal operators within their remit. As these delivery operators are not otherwise regulated, the consumer benefit afforded by imposing the general consumer protection condition is important but this benefit may be offset if there is limited awareness by these operators of their obligations. Operator awareness and compliance should be investigated and assessed.

¹ Citizens Advice Submission to the European Regulators Group for postal services: implementation of the USO on the postal sector in view of market developments (2014)

² <http://bit.ly/1yaGW2O>

Additional creative mechanisms could also be considered to improve consumer complaint-handling mechanisms across the postal market covering parcel operators who have to comply with the general complaint-handling principles but do not need to belong to a redress scheme.

We believe policy options can cover a range of regulatory and market-led solutions taking into account the EU directive on Alternative Dispute Resolution (ADR) across all consumer sectors while recognising that the primary avenue for consumers with delivery problems from online shopping will often be e-retailers with whom they have a contractual relationship rather than parcel operators.

Development of any regulatory regime will need to take into account the complexity of multiple operators and brokers involved, in a market segment where the greater use of sub-contractors, contracts made with supplier and not the shipper, brokerage of multiple suppliers and the lack of clear parcel markers to identify the carrier will impact on the ease of designing and implementing effective solutions.

E-retailers should establish simple and effective mechanisms that make full use of available technology for consumers to feed back to the e-retailer about their delivery experience.

Online shoppers cannot directly access the competition for their parcels delivery business, but ensuring that the choices that e-retailers make on their behalf follow clear and comprehensive feedback would act as a proxy influence on competition.

We are also supportive of the planned report on the core indicators for monitoring of the European postal market, and feel that Quality of Service information should be widely and easily available to help those buying (and selling) cross-border to compare the performance of delivery operators. Non-regulated delivery companies and couriers might not routinely collect, seek independent verification for, or publish such information but should be encouraged to do so. Those companies who chose to do this would likely benefit from a competitive advantage because of the increased transparency of their service performance.

Cross-border parcels delivery for e-commerce purposes

The UK features as having the highest rate for e-commerce online turnover per capita as share of GDP per capita for e-commerce is found in the UK (4.5 per cent)³, and as the ERGP rightly notes, unlike letter mail services features less homogenous market structures across EU Member States. The ERGP needs to look beyond the traditional national postal service providers, whose activities are governed by existing EU and national legislation and regulation, to actively engage with relevant delivery companies that are currently unregulated, including couriers and local delivery companies. It also needs to consider the mechanisms via which to implement positive changes such as self-regulation and voluntary schemes.

For cross-border trade to flourish online shoppers need a strong voice across the EU to ensure that 21st century EU residents benefit from parcel services that meet their needs. We welcome the ERGP's planned report to identify inconsistencies between legal regimes and provisions that allow parcel delivery operators to evade responsibility for consumer protection due to different domestic and cross-border legal regimes

Yours,

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³ Data for online turnover: IMRG (2013); Data for GDP per capita: Eurostat