



30th October 2009

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**CONDITION 7 NOTIFICATION:
Changes to the Local Collect pricing structure**

Dear Philip,

I am writing to formally notify you, as required by Condition 7 of Royal Mail's Licence, that on 1st February 2010 Royal Mail will increase the prices for the Local Collect Social & Business services.

Following a Direction from Postcomm in November 2008, Royal Mail has undertaken a costing exercise for this service, taking account of any cost savings achieved by avoiding deliveries. A price increase is however necessary to cover the revised cost of providing this service. Appendix A contains the amended pricing structure for Local Collect that will take effect on 1st February 2010.

A copy of this letter has been sent to Consumer Focus and will be published on Royal Mail's website within four working days.

Yours sincerely,

Mark Waples
Head of Regulation and Compliance

Appendix A: Local Collect Social and Business price changes

What has changed?

Local Collect Social price will increase from 50p to £1.50

Local Collect Business – Currently customers pay a charge of £300 per annum for a licence. Going forward a licence will not be required but a charge of £1.00 per Local Collect Label will be applied.

Local Collect Social	Pre February 2010 Price	50p
	New Price from February 1 st 2010	£1.50
Local Collect Business	Pre February 2010 Price	£300 per annum admin fee
	New Price from February 1 st 2010	£1.00 charge per label used (licence fee no longer required)