



11<sup>th</sup> December 2009

Philip Groves  
Postcomm  
Hercules House  
6 Hercules Road  
LONDON  
SE1 7DB

Mark Waples  
1<sup>st</sup> Floor  
Royal Mail Letters Centre  
35-50 Rathbone Place  
LONDON  
W1T 1HQ  
[mark.waples@royalmail.com](mailto:mark.waples@royalmail.com)

Copied for information to:

Nigel Woods & Cem Suleyman  
Consumer Focus  
4<sup>th</sup> floor  
Artillery House  
Artillery Row  
LONDON  
SW1P 1RT

**CONDITION 7 NOTIFICATION:  
Amendment to Royal Mail Tracked™ Terms and Conditions**

Dear Philip,

Further to my letter on 19<sup>th</sup> March 2009 regarding the amendments to the Terms and Conditions of the Royal Mail Tracked product, I am writing to notify you, as required by Condition 7 of Royal Mail's licence, that on 11<sup>th</sup> March 2010 Royal Mail will be making a further amendment to the Terms and Conditions of Royal Mail Tracked™. This change is being made in response to a market demand from both large and small business customers for a revision to the price review process for Royal Mail Tracked.

**Existing price review process**

At present the Royal Mail Tracked terms and conditions contain a section ("Charges") which, with Appendix 1, sets out in some detail how the initial charges to the customer are set and also how the final charges will be arrived at. All Royal Mail Tracked customers are subject to a price review process, which is set out in the Terms & Conditions. The initial price for the service is agreed using the web based Pricing Calculator and the best estimate of the customer's annual posting profile (e.g. item weights, annual volumes). The customer posting profile is then reviewed on a quarterly basis, where sampling data from Mail Centres or Regional Distribution Centres is used to determine if the customer is on the correct price. A tolerance of 5% applies to all customers. For example, if as a result of the posting profile analysis the customers price is due to change by less than 5%, then the existing price will carry on until the next quarterly review.

Cont...

### **New price review process**

From 11<sup>th</sup> March 2010, the following changes will be made to the price review process:

1. A price tolerance of +5% and -0% will apply to all customers. For example, if as a result of the posting profile analysis the customers price is due to increase by less than 5%, then the existing price will carry on until the next quarterly review. If the customers price is due to decrease, then Royal Mail can amend the charges to reflect this with immediate effect.
2. Customers who have known variations in posting profile from Quarter to Quarter in the year will have the option of providing in the Appendix of the Agreement the profile details for each Quarter. For example if a customer plans to post 5,000 items in Quarter 1, 2,000 items in Quarter 2, 1,000 items in Quarter 3, and 1,000 items in Quarter 4 then the customer can provide this information in the Appendix. At the Quarterly price review the actual quarterly posting profile will be compared with the planned Quarter profile and the remaining Quarters planned profiles to determine a new price. Royal Mail will then change the price according to the revised price tolerance rules.

A copy of this letter has been sent to Consumer Focus and will be published on Royal Mail's website within four working days. The Royal Mail Tracked Terms and Conditions will be amended and published on Royal Mail's website prior to deployment.

Yours sincerely,



Mark Waples  
Head of Regulation and Compliance