



23 May 2008

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CONDITION 7 NOTIFICATION: Changes to Response Services

Dear Philip,

I am writing to you about a change that Royal Mail is making to its Response Services portfolio that will fully take effect over the next twelve months or more.

Response Services Barcoded is a legacy product that relies on a machine-readable barcode for sortation purposes and is priced at standard 1st & 2nd class account (i.e. PPI) rates.

Response Services Automation was introduced in 2005 along with a new machine-able product Response Plus™. Response Plus™ uses a new 16 digit licence number instead of a barcode. This 16 digit licence number means that items can be machine sorted by Royal Mail more efficiently and returned in the shortest possible time. Customers have been encouraged since that time to migrate across to the new service, however approximately 9,000 customers are still paying for licences to use the old product. Only 2,500 of which have spent more than £499 over the last 18 months.

Royal Mail will be writing to all customers with details of a new style licence number that they will need to add to their items in place of a barcode.

Customers that use Response Services Barcoded would, in any event, have needed to replace the old style barcode with one that contains an accurate DPS (Delivery Point Suffix) which is required by the introduction of walk-sequencing. However, instead of writing to all customers to give them a new barcode, Royal Mail will write to all customers and give them a new-style licence number. As the Barcoded service mandates that items meet the machineable specification required for Response Plus™ no additional mailpiece changes are required.

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Royal Mail is not seeking to make any changes to the existing Terms & Conditions of the Response Service products; these changes are being made under Section 3.1, which states:

“The Customer shall ensure that any items sent using the Response Services comply with Royal Mail’s design, layout and technical requirements as set out in the “getting it right” brochure (as amended from time to time) which are necessary to ensure that such items can be sorted, recorded and delivered using Royal Mail’s mail machinery and/ or staff.”

Customers are simply being asked to abide by new design requirements. However by using a new style licence number, customers will benefit by an additional 1p per item discount.

We have discussed this with Postwatch, DMA and MUA as part of our scoping, feedback received has been positive.

To make the change as convenient as possible we will be contacting customers with their new licence details and communicating the requirement to replace the barcode with a new licence number. Customers will be given six months to make this change. The first customer will be contacted in June 2008. Royal Mail hopes to have contacted all customers by January 2009.

We will be working closely with our customers to ensure migration is as smooth as possible and have set up a dedicated Customer Services unit to deal with the migration and support will be available via our Service and Sales teams. Packs containing new licence details and requirements will be sent out to customers with a Helpline number and Royal Mail website address.

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

Yours sincerely,

A handwritten signature in black ink that reads "M Waples". The signature is written in a cursive, slightly slanted style.

Mark Waples
Regulation & Commercial Policy Manager