



16th September 2010

Philip Groves & Rebecca Churchill
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CONDITION 7 NOTIFICATION:
Business Point credit facility – Post Office Ltd

Dear Philip & Rebecca,

In accordance with Condition 7 of Royal Mail's Licence, I am writing to advise you of developments that we will be making to the Business Point service from 16th December 2010. The developments will improve the customer experience. We would like to introduce this new option as soon as possible but are mindful of our obligation under Condition 7 and so are giving three months' notice.

Business Point currently gives registered customers the ability to use a fast track dedicated Business Point mail desk in selected branches. Business Point allows the counter clerk to build relationships with customers and provide expert advice on mail products and services.

From 16th December Post Office Limited will introduce a new credit account facility for registered Business Point customers who spend over £500 per annum on postage.

This new service is aimed at regular small business customers and allows them to come into a Business Point branch with a bag of items and simply drop them off without needing to be present whilst they are processed by the Post Office.

The new service requires customers to ensure each item is labelled indicating the service they want to use. Customers will visit the fast track Business Point and drop their items off together with a handover form. The clerk will confirm the handover form and hand it back. The Post Office will then process those items at a later time without requiring the customer to be present.

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Customers will have a credit facility with a maximum account spend limit. The customer will need to apply for a credit account and will be subject to the relevant terms of the Business Point account. The customer may settle this account when they wish, but every week the Post Office will issue an account summary and request payment as required. Settlement will need to be made within 7 days and payment will be accepted using cash.

The branch will monitor each customer's spend to ensure that customers do not run up credit in excess of the credit limit. This will be rolled out gradually. Should the initiative not meet expectations Royal Mail & Post Office retain the right to withdraw the credit facility without serving a three month notice period although Customers, Postcomm and Consumer Focus would be advised in advance.

There will be no change to the Royal Mail services being made available to the customer.

A copy of this letter has been sent to Consumer Focus and will be published on Royal Mail's website within 4 working days.

Yours sincerely,

A handwritten signature in black ink that reads "M Waples". The signature is written in a cursive style with a large, stylized 'M'.

Mark Waples
Head of Regulation and Compliance