



27 July 2007

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**CONDITION 7 NOTIFICATION:
Changes to Royal Mail's Contractual Terms and Conditions**

Dear Caroline,

Further to my email of 21st June to Peter Swatridge regarding two minor less beneficial changes that will be made to our contractual Terms and Conditions, I am now writing to formally notify you, under Condition 7 of Royal Mail's Licence, that Royal Mail will be making those changes, plus a number of others that are no less beneficial to users, to our General Terms and Conditions as allowed under Licence Condition 21 (3). Summarised details of these changes are as follows:

1. **Packetpost.** Customers must present mail for each Packet product by class and format. Mailings must also be presented separately from other services in order for them to be clearly identified.
2. **Packetpost & Packetsort.** Customers must clearly label trays, with details of class, product, format, agreement number and selection information.
3. **Packetpost Returns:** Postings will be permitted via post boxes to avoid the need to visit a Post Office. No loss claims will be allowed for postings made via post boxes, since no proof of posting will be available for these items.
4. **Packetpost:** The Flat Rate price change notification period will be increased to 30 days.
5. **Packetpost Returns:** Maximum compensation will be aligned with all other products.
6. **Receipt & Acceptance of Mail:** We have clarified the meaning of these terms that are used in our Terms and Conditions documents.

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7. **Handover Point Definition:** We will rename the place in Royal Mail premises where customer handover of account mail takes place (if customer is depositing mail with Royal Mail) or the place in customer premises from which Royal Mail collects mail as the 'handover point'.
8. **Latest Posting Time:** We will remove all references in customer literature to 'Latest Acceptance Time'. Latest Posting Time (LPT) will be used at all times for clarity.
9. **Clarification of exact meaning of Latest Posting Time:** We have clarified that the Latest Posting Time (LPT) will be defined as the time by which handover of mail and documentation must be completed.
10. **Consistent approach to forecasting of mailing volumes:** Customers posting 4k or more letters or 1k or more packets or large letters will have until 15:00 on the working day prior to handover to provide accurate forecasts of mailing volumes.
11. **Specification compliance:** We will amend our Terms & Conditions to give customers of all products listed in Annex A (attached) the same standard options in cases when customers do not comply with their contractual duties. The options will be for;
 - a portion or all of any discount to be removed,
 - Royal Mail to re-work the mailing for a charge,
 - Royal Mail to return the items to customers for re-working,
 - Royal Mail to deliver the items using the most applicable alternative service, in which case the charges and conditions of that alternative service will apply.
12. **Use of mail for fraudulent purposes:** We will amend terms to empower Royal Mail to terminate contracts if relevant authorities identify that mail is or may be being used to perpetrate fraud or other illegal activity.

In addition to these changes, we have reviewed the Bulk Mail General Terms & Conditions and the Standard Tariff Services Account Terms & Conditions and will replace them with the Royal Mail General Terms & Conditions of Trading and Royal Mail Account Terms, which contain simpler language and phraseology to ensure they are clear and easy to read and understand.

These changes will take effect from 29th October 2007.

Customers who use the Royal Mail services detailed in Annex A will be affected by the changes above and they will receive a letter during August 2007 to inform them of these changes and the date upon which they become effective.

The letter will also inform customers that the need to provide correct documentation with each PPI mailing will also take effect on 29th October 2007. This change was notified to Postcomm on 5th March 2007. This letter fulfils our promise, made in that letter, to confirm the date of implementation.

All product literature and Terms and Conditions documents will be updated to reflect these changes.

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A copy of this letter has been sent to Postwatch 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
Regulation & Commercial Policy Manager

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Annex A

List of products covered by the General Terms & Conditions and therefore the changes detailed above.

Automated Standard Tariff Large Letter©

Big Book®

Business Mail Secure®

Cleanmail®, Cleanmail Advance©, Cleanmail Plus®

Early Collect©

Early Extraction©

Mailsort®/Mailsort Light®

Mailmedia®

International Bulk Mail©

International Destination Sort©

International Bundle Sort©

Contract Airsure®

International Zone & Format Sort©

International No Sort©

Packetpost®/Packetsort®/Packetpost Returns®

Presstream®

Pre Sorted Delivery©

RM Heavyweight©

Royal Mail Tracked©

Special Delivery©

Standard Tariff Services when purchased on account

(Standard Tariff Services means:

- Inland First Class Letter, Large Letter or Packet, Inland Second Class Letter, Large Letter or Packet, Recorded® and Special Delivery® services;
- International Letters, Printed Papers, Small Packets, Airsure®, and International Signed For© services)

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