

No. 141/25

10th July 2025

TO ALL POSTAL BRANCHES

Dear Colleagues

OFCOM ANNOUNCEMENT – USO REFORM

All branches will be aware that earlier today Ofcom has announced the outcome of their latest consultation is that Royal Mail's Universal Service Obligation will be reformed as follows:

- First Class items and all parcels will continue to be delivered every day, Monday to Saturday (RMG will continue to deliver parcels on a Sunday).
- Non First Class letter items will be delivered every other weekday, Monday to Friday (not on Saturdays).
- For First Class mail, the target will be moved from 93% of mail delivered next-day to 90% and for Second Class the target will be moved from 98.5% delivered within three days to 95%. Ofcom are also introducing new 'back-stop' targets, where 99% of mail must be delivered no more than two days late.

The CWU recognises that Royal Mail now operates in a permanently changed world of communications and that these reforms are necessary to build a sustainable future for employees and the business, alongside enabling investment in new growth areas and delivering major improvements to quality of service.

Now that Ofcom have confirmed these changes, how and when they are implemented will now be subject to negotiations with the company, in line with the rebuilding Royal Mail part 1 and 2 agreements.

Branches are also aware that the Union has highlighted our concerns over the problems that our members have experienced in the pilot sites with Royal Mail's current approach. Therefore, we have made it clear that the evidence of the pilots demonstrates that Ofcom's and Royal Mail's targeted savings are totally unrealistic and will not be achieved at the levels stated.

Ultimately the financial savings that will arise from these changes will depend on the ability of our members to have an achievable daily workload and the need for Royal Mail to finally step up and deliver on the new quality of service targets that have been set by Ofcom. Making both of the above points a reality will be integral to any agreement that the CWU reaches with the company and is also the only way that Royal Mail can be successful in the future.

We are confident that our recent agreements will allow us to fix these issues and ensure that USO change can now be delivered in a more pragmatic way with additional benefits for employees, customers and the company.

We can also go into these negotiations knowing that we have secured important commitments on job security that guarantees no compulsory redundancies will arise from USO Reform.

Finally, we have attached our press release issued earlier today which also makes the point that the Government now need to intervene and change the way that Ofcom regulates the post and logistics sector, to ensure there is a level playing field with our competitors. We know that the new owners are also committed to this objective and the union will now make the case politically for regulatory reform and we look forward to working with the new owners to achieve this.

Please ensure that this LTB is distributed into all workplaces as soon as possible.

Any enquiries regarding Ofcom's announcement should be addressed to the General Secretary's Office, Dawn Lynch on dlynch@cwu.org and enquiries on the negotiation with Royal Mail and the operational aspects of this change should be addressed to Deputy General Secretary (Postal) Department, Hayley Ford on hford@cwu.org.

Yours sincerely



Dave Ward
General Secretary



Martin Walsh
Deputy General Secretary (Postal)

PRESS RELEASE

CWU RESPONSE TO OFCOM ANNOUNCEMENT ON ROYAL MAIL UNIVERSAL SERVICE OBLIGATION

Responding to today's announcement, CWU General Secretary Dave Ward said "The CWU understands the reasons for today's announcement and accepts the need for change to the specification of the Universal Service Obligation (USO). The sustainability of the universal postal service is our utmost priority and we have long called for reforms that benefit both customers and postal workers, in order to secure the long-term future of Royal Mail.

However, Royal Mail has been trialling these changes in delivery offices across the country and there are clear problems on the ground. These changes are not a 'one-stop solution' for the problems in the postal service- the real culprit behind these issues is Royal Mail's inability to properly recruit and retain staff, which has led to workloads piling up in delivery offices and vital letters being left behind. The new owners of Royal Mail must ensure that the culture of mismanagement and inferior pay and conditions for new staff does not continue under their leadership. In addition, we need to see the Government intervene with Ofcom, who have failed in their duty as a regulator, and ensure that there is a level-playing field when it comes to regulating parcel courier giants like Amazon.

It is in the interest of customers and postal workers that these changes are implemented in the right way and the CWU must be at the heart of this. We will continue working with both the new owners of Royal Mail and the Government to ensure that we are all able to benefit from a reliable and sustainable postal service for generations to come.