

No. 057/26

27th February 2026

TO: ALL POSTAL BRANCHES

Dear Colleagues,

ROYAL MAIL - IMPORTANT PARLIAMENTARY AND GOVERNMENT DEVELOPMENTS

Further to LTB 56/26 which updated branches on the current talks with Royal Mail, the purpose of this LTB is to set out further Royal Mail developments with parliament and Government.

Branches will be aware that the leaders of Royal Mail have now been called to give evidence in front of the Business and Trade Parliamentary Select Committee and explain their ongoing quality of service failures. **We can now confirm that the Select Committee hearing will take place on the 24th March and that Ofcom and CWU have also been invited to give evidence.**

It is important to recognise the significance of these latest developments. Initially, the company were just asked to provide answers in writing to a series of questions on quality of service failures – now they must also face the scrutiny of a Select Committee hearing. Branches may have also seen that Royal Mail's response was to say that the hearing will give them the opportunity to explain why change is necessary.

The CWU welcomes this latest development, particularly that CWU and Ofcom will also now be able to give evidence.

The union's evidence will focus on what's really happening on the ground, including how our members are treated and the reasons why service quality has been a long-term problem – rather than Royal Mail's claim that these are short-term issues. In essence our submission will broadly cover the following areas:

- Why this is a Royal Mail self-inflicted customer quality and recruitment crisis, caused by their imposed/failed revisions and their decision to impose low wages and poor conditions for new starters in 2022.
- How the company has pursued a deliberate strategy to devalue a postal workers job, which combined with a toxic managerial ethos, has created chaos and demoralisation in almost every workplace across the country.
- Why there needs to be regulatory change and a level playing field to ensure fair competition between Royal Mail and its competitors.
- What needs to be done to align the interests of customers, workers, Royal Mail, Ofcom and Government on a positive vision for the future.

Further meeting with the Secretary of State

We can also report that a further tripartite meeting has been arranged between the Secretary of State, Daniel Kretinsky and the CWU on the 19th March. This meeting will be a report back session on the Governments proposal for both parties to engage in four weeks of intense talks to resolve all outstanding issues.

Next Steps

The CWU will continue to push for the voices of frontline postal workers to be heard by politicians, the public, the media and the company.

As part of this we will be undertaking the activities listed below and engaging branches, representatives and members in supporting each of these actions.

- We will ask members to speak out about what's really happening in their local offices and to write directly to the Chair of the Select Committee Liam Byrne liam.byrne.mp@parliament.uk
- Next week we will ask members to send a digital postcard directly to their MP's.
- We are organising a lobby of parliament for the middle of March and will mobilise branches and representatives to attend on the day (further details of this event will follow in due course).
- In the coming weeks we will be undertaking direct online and face to face briefings with MPs.

In addition to the above activities, we have attached an MP's brief that branches and representatives can also use to engage your local MP's. The union will also be sending this brief directly to all MP's. Further briefing information for MP's and our submission to the Select Committee is also being prepared and will be sent out to branches in due course.

Finally, please ensure the content of this LTB is distributed to our members in every workplace and advise that we will be updating our members directly next week.

Any enquiries on the content of this LTB should be addressed to the General Secretary's Office, Dawn Lynch on dlynch@cwu.org.

Yours sincerely



Dave Ward
General Secretary



Martin Walsh
Deputy General Secretary (Postal)

Briefing for MPs and politicians: Royal Mail

Communication Workers Union

Please see the below briefing from the Communication Workers Union regarding the crucial issues facing frontline postal workers at Royal Mail, which are the driving force behind the service quality and resourcing crisis.

If you have any questions, please contact Chloe Koffman at ckoffman@cwu.org.

1. Royal Mail's quality of service and resourcing crisis

MPs will be aware of Royal Mail's poor service quality in recent years and of the decision of the Business and Trade Select Committee to write to Royal Mail regarding their poor service and the allegation that the company is prioritising parcels over letters.

Royal Mail do not tell the truth about the scale, extent and reasons why service quality is failing in the overwhelming number of delivery offices across the UK. Royal Mail's claim this is a short-term problem are simply not true.

The CWU is clear that these failures are due to previous mismanagement of the company's finances, imposed delivery office revisions and a self-inflicted recruitment crisis, caused by the decision to impose low wages and poor conditions for new starters in 2022. This devaluing of a postal workers job, combined with a toxic managerial culture, has created chaos and demoralisation in almost every workplace across the country.

The company will claim that service delays can only be resolved if USO reform is implemented immediately. While USO reform is needed, Royal Mail's preferred model for implementing USO reform will not work, as evidenced by the results of the pilot, as laid out below. If Royal Mail decide to press on regardless with their preferred model, customer quality will worsen and will result in Ofcom fining the company out of existence.

The CWU has long accepted the need for change to our postal system and has put forward a workable and affordable alternative solution that will keep more posties on their local deliveries, with a more manageable workload that will enable some improvement to service quality. But the truth is, unless the company fixes its resourcing crisis, no model of USO reform will ever work.

The CWU is very concerned that there is a deliberate strategy being pursued by the leaders of Royal Mail to run the service down, accelerate letter decline and to turn Royal Mail into just another parcel courier with gig-economy terms and conditions for its workforce.

The CWU will continue to push for the voices of frontline postal workers to be heard by politicians, the media and the company itself until we are able to resolve this crisis.

2. USO reform- Ofcom's changes

Last year, Ofcom concluded their assessment of postal service reforms and announced that the specification for the postal Universal Service Obligation (USO) will change. The new specification is as follows:

- First Class items and all parcels will continue to be delivered every day, Monday to Saturday (Royal Mail 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**).

Ofcom have also reduced Royal Mail's service quality targets. Letter decline was referenced as a key driver for these changes being introduced, though it should be noted that Royal Mail had previously lobbied Ofcom for less frequent daily deliveries than the changes Ofcom have introduced.

3. Royal Mail's preferred model for implementing USO Reform

Prior to Ofcom's final decision, Royal Mail and the CWU agreed to trial a system of delivering this new specification, called the **Optimised Delivery Model (ODM)**. The ODM is a system designed and initiated by Royal Mail and the CWU had significant reservations about its effectiveness from its inception. However, before any agreement was reached on

how changes would be rolled out, both parties agreed to a pilot with a strict evaluation and success criteria. This method was trialled extensively in 35 workplaces over several months and it has become clear that the ODM is not a workable way to introduce the changes to the USO.

The trials have shown that the ODM will not work in most offices, with only a quarter of sites hitting some of their service targets during the trial. In a few rural delivery offices, they have reduced delivery point failure and the staff have been able to adapt. **However, in many other workplaces (particularly larger and urban delivery offices), the model has not been successful as it has created an unmanageable workload for frontline postal workers and resulted in extra duties being added in an attempt to clear all deliveries. Since July 2025, Royal Mail has refused to evaluate the pilot's overall failure to meet the agreed success criteria, knowing that the results have not been favourable.**

The CWU has long raised concerns about Royal Mail's estimated savings from introducing the ODM and we have frequently asserted, including in submissions to Ofcom, that the claims that the ODM will save approximately £300m are ludicrous and unachievable. The evidence from the trials has proved us to be correct on this matter.

Though the ODM has clearly not succeeded in the pilots, the CWU must be clear- it is not simply a case of finding an alternative model to fix these issues; quality of service will not improve unless the recruitment and retention crisis is fixed.

We are also concerned that the company may use the continued service quality issues and poor performance of the ODM to justify calls to further reduce the USO and letter deliveries, mimicking countries like Denmark, where they have completely phased out letter delivery by their national postal service provider. Though we accept that letter decline is significant and we are enthusiastic about new initiatives to capture parcel growth, the union must be clear that it is not acceptable for the company to accelerate letter decline through poor service.

The CWU has proposed a workable alternative method of delivering the specification changes, referred to as the “**heavy and light**” model. This model complies fully with Ofcom's new USO delivery requirements. **Crucially, this model would allow the vast majority of postal workers to stay on specific walks**, beneficial for both the workers and the customer, whereas the ODM has some individuals covering three or four different walks in a week- leading to issues with deliveries. The union is also confident that this model can

be effective throughout peak periods as it has been tested over the festive period last year. We are urging Royal Mail to adopt this approach.

The CWU has been clear that the method of delivering the specification changes must be agreed and have the support of frontline postal workers, if it is to have any chance of succeeding. Frontline postal workers are equipped to inform how the company can make deliveries more efficiently and to a higher quality of service.

On the 16th February, the CWU and EP Group (the investment arm of Czech billionaire Daniel Kretinsky) met the Secretary of State for Business and Trade. As a result of this meeting, CWU and EP Group agreed to a government proposal for both parties to engage in a period of intensive talks over the next four weeks to conclude an agreement on USO reform, equalisation of the new entrants' pay, terms and conditions and resolving all outstanding issues no later than the 16th March. Both parties are also communicating with the government and will meet again after this period has concluded on the 19th March.

The CWU wants these talks to succeed and for an agreement to be made. However, Royal Mail have threatened to unilaterally impose the ODM. If this happens, the union will respond by taking whatever steps are necessary to protect our members jobs and the service.

4. The recruitment and retention crisis

Service quality issues are being fuelled by a recruitment and retention crisis. **Royal Mail is struggling to retain staff after the senior leadership imposed inferior pay, terms and conditions for new entrants joining the company after December 2022.** For these new entrants, **the national rate is £13.06 per hour**, close to the minimum wage and less than the Real Living Wage. Many delivery offices are therefore struggling to attract and retain staff, due to the inferior pay and given the difficulty of the job and poor management practices that occur in many Royal Mail workplaces.

Over 27,000 new entrants have left the company between December 2022 and October 2025. A staggering 50% of new entrants recruited leave the business within the first year. Royal Mail have previously told the union that new entrants were offered approximately 30 hours a week on average, leading to further issues as many new recruits want to be working full-time hours.

The new owners of Royal Mail, EP Group committed in their groundbreaking agreement with the union, and backed by the Government, to equalise the pay and conditions for the new entrants over a period of time but **are now refusing to do so, claiming that they cannot afford the commitment they made. This is not acceptable and represents a major breach of trust with the new owners.** It is the firm view of the CWU that an agreed pathway to full equalisation of workers terms and conditions must materialise soon, as any fundamental improvements to service quality will be impossible unless recruitment stabilises.

5. The lack of regulation in the wider sector creating intolerable pressure on Royal Mail

There are serious regulatory failures that Ofcom have not acknowledged, which have created additional and unnecessary pressure on Royal Mail, while privileging other parcel courier companies.

Unregulated competitors, such as Amazon, select parts of the universal postal network to utilise for their deliveries in areas that are not profitable without contributing anything to the costs of maintaining this network that reaches over 30 million addresses every day, which fall solely on Royal Mail. This essentially means parcel courier companies use Royal Mail's infrastructure to deliver outside of urban areas that are more profitable for those companies, without needing to pay anything towards the significant costs of maintaining this vast infrastructure.

Without the universal network, they would be forced to bear the costs of delivering to those addresses or pass these on to consumers. This limits Royal Mail's commercial freedom in that they are bearing the costs of the large USO network infrastructure, while competitors hive off profits from that same network. The CWU has proposed that regulation allows for a USO network fund that competitors must contribute to, in order to ensure there is a level-playing field when it comes to the universal network.

We also believe competitors are afforded an additional advantage by not allowing the USO to be modernised to meet user needs- for example, with the inclusion of tracking in USO products. Ofcom has previously declined to do so in the interests of promoting parcels competition over securing the sustainability of the USO through revenue growth.

We also have significant concerns about Ofcom's overall approach to regulation, including their use of the Office for Budget Responsibility average earnings index as a benchmark for efficiency- meaning that Royal Mail is marked as 'less efficient' for paying higher wages than exploitative parcel courier competitors, who often use bogus self-employment practices to further exploit their employees.

The CWU has raised these issues with Ofcom frequently, often with the support of Royal Mail but the regulator has been unwilling to progress them. Fair regulation is an essential part of ensuring service quality is improved.

Ofcom's decision to fine Royal Mail £21m

The CWU strongly supports the need to ensure Royal Mail's service quality improves and that our universal service can provide a comprehensive service across the country. We understand the need for a universal service provider to meet high standards, in order to protect our services and the resilience of our national infrastructure.

However, given the clear lack of regulation in the wider sector, which creates an advantageous environment for unregulated parcel couriers like Amazon and given the historic changes to the universal service that Royal Mail is undertaking, Ofcom's decision to fine Royal Mail a record £21m for their failure to meet service quality targets in 2024/5 is objectively unfair. It will only contribute to the cycle of financial and operational issues that will end up punishing workers and customers.

The CWU believes that, though Royal Mail must address clear mismanagement from senior leadership and fix the recruitment and retention crisis, Ofcom is creating a deliberately punitive environment for Royal Mail while essentially allowing other powerful conglomerate-backed parcel couriers to carry on unregulated, make no contribution to the universal network, hive off profits from workers and pay their workers a pittance. Ofcom must take responsibility for the lack of regulation in the sector and level the playing field, if they are to impose such significant fines on Royal Mail.

6. The EP Group takeover – agreements with the UK Government and CWU

It is concerning that the new owners of Royal Mail are already breaching the important agreements made with the CWU. This agreement set out a positive vision for the future of Royal Mail. A copy of the agreement can be found [here](#). Regrettably, we must report that virtually all of the commitments that EP Group made to specific timelines have not been delivered and we now believe that the new owners may be working to the same strategy as the previous Royal Mail Board, rather than implement what they agreed with the workforce and the government. We also believe that EP Group are now in breach of the spirit and content of the Deed of Undertaking they reached with the UK Government.

Next Steps

The Business and Trade Select Committee has scheduled an evidence session in Parliament for the 24th of March, at which Royal Mail, the CWU and Ofcom will now give evidence. The CWU evidence will broadly cover the following areas;

- Why the customer quality and recruitment crisis has been self-inflicted by Royal Mail, including their imposed and failed revisions as well as their decision to impose low wages and poor conditions for new starters in 2022.
- How the company has pursued a deliberate strategy to devalue postal workers' jobs which, combined with a toxic managerial ethos, has created chaos and demoralisation in almost every workplace across the country.
- Why there needs to be regulatory change in the sector to ensure fairness and that parcel courier companies like Amazon are not unfairly benefitting from poor regulation.
- What needs to be done to align the interests of customers, workers, Royal Mail, Ofcom and the government on a positive vision for the future.

Prior to the Select Committee session, the CWU will be providing MPs with a further briefing that details the toxic managerial culture that exists in Royal Mail.