

SECURING THE FUTURE OF THE UNIVERSAL SERVICE



 April 2025



DELIVERING A RELIABLE SERVICE AND A VIABLE FUTURE

The Universal Service plays a vital role in connecting the nation.

As the designated service provider, Royal Mail is required to deliver a one-price-goes-anywhere service, six days a week, to all 32 million addresses in the UK, which is regulated by Ofcom.

Royal Mail is committed to protecting the choice of price and speed for organisations using mail to reach people in all corners of the UK. However, change is needed to make the postal service more reliable and financially sustainable.

WHY DOES THE USO NEED REFORMING?

The letters market has changed.

To deliver the Universal Service Obligation (USO) in its current form, Royal Mail must maintain a high fixed-cost network without the revenue to sustain it.

Ofcom calculates that providing the current USO to the UK has a net cost to Royal Mail of between £325m to £675m every year.

Many countries across the world – from Germany and France to Canada and New Zealand – have already made changes to how quickly and how often letters are delivered.

In the last 20 years:

-  Letter volumes have declined, from 20 billion in 2004-5 to 6.7 billion in 2023-24.
-  The average number of letters per household each week has dropped from 14 in 2004-5 to just four in 2023-24.
-  The number of addresses Royal Mail delivers to has increased by five million, from 27 million in 2004-5 to around 32 million in 2023-24.

WHAT WOULDN'T CHANGE?

Royal Mail ran an extensive independent consultation exercise to understand how different groups use its services.

It conducted over 3,500 interviews across all four regions of the UK, including consumers, large and small businesses, vital public services like the NHS and groups representing vulnerable customers. It also consulted widely with its people and unions.

The findings of the extensive consultation informed the proposal, which is designed to protect what matters most to customers.

There would be no changes to:

- **The one-price-goes-anywhere service to all parts of the UK.**
- **First Class letters delivered daily, six days a week, Monday to Saturday.**
- **The option of First Class and Second Class, giving people the choice of price and speed.**
- **Collections continuing to be six days a week, Monday to Saturday.**
- **Parcels delivered up to seven days a week as currently.**



WHAT ARE THE PROPOSED CHANGES?

The core principles of the USO remain unchanged. However, the proposal includes vital changes to deliver a modern and more financially sustainable Universal Service.

Key changes to letters services include:

- **All non-First Class letter deliveries, including Second Class, would be delivered Monday to Friday.**
- **The delivery speed of standard bulk business mail (used by large mail shippers for bulk mailings such as bills and statements) would be aligned to Second Class, so it arrives within three weekdays instead of two.**

New reliability targets for First Class and Second Class services, alongside modernised speed targets, have also been proposed to improve customer confidence.



SECURING THE FUTURE

The proposed reform will protect the USO and enable Royal Mail to:

- Deliver a national postal service that is fit for the future.
- Maintain the one-price-goes-anywhere service, six days a week.
- Continue to invest in modernisation and transformation to provide the products and services customers want.
- Keep reducing its environmental impact, remaining the greenest delivery company in the country.
- Continue to be the backbone that businesses, public services and consumers rely on.



WHAT HAPPENS NEXT?

- Following a period of consultation which ended on 10 April 2025, Ofcom plans to publish its decision in the summer of 2025.
- If Ofcom decides to make any changes to the existing rules, it has said they will come into effect on the day it publishes.
- Royal Mail will only look to implement the new operating model if Ofcom's new regulations come into force. Until then, the current regulatory framework remains in place and any proposals are subject to change.
- In preparation for change, Royal Mail is piloting the proposal in 37 delivery offices. The first pilot office went live in February 2025 with other pilot offices rolling out over the following months.

FIND OUT MORE

For more information about Ofcom and the Universal Service, visit: <https://www.ofcom.org.uk/>

Or visit the Royal Mail website for the latest information: royalmail.com/receiving/the-future-of-letter-deliveries

