

CWU Call for a Cap on Competition to Royal Mail

Monday 3 November, 2014

Regulator Ofcom should introduce an immediate cap on competition to Royal Mail said the Communication Workers Union (CWU) today (Friday).

The union said a cap would help to "support a healthy, sustainable level of competition in the postal sector" and ensure the future of the universal service obligation (USO), which it believes is currently being undermined by the ability of rival companies to cherry pick profitable city locations.

The call came in the CWU's submission to the Business, Innovation and Skills (BIS) Select Committee which sought evidence for its inquiry into competition in the UK postal sector and the universal service obligation.

Royal Mail has a legal obligation to provide a one-price-goes-everywhere postal service, and to deliver once a day, six days a week to all UK addresses.

Billy Hayes, CWU general secretary, said: "Ofcom must urgently put a cap on unregulated competition to Royal Mail if it wants to secure the future of the universal postal service. At the moment it seems to favour its duty to promote competition in the postal sector instead of ensuring the financial sustainability of the USO.

"Customers receive a good quality service from Royal Mail's postmen and postwomen and competitors rely on the flexibility of the universal service, which allows them to pass on responsibility for delivering high-cost mail.

"The universal postal service is highly-valued by the British public and essential to a fully functioning economy and society. We believe a cap will help to support a healthy, sustainable level of competition in the postal sector."

Notes to Editors:

The Communication Workers Union represents over 200,000 members in the telecoms and postal sectors.

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