

Briefing: Business & Trade Committee session on Royal Mail

The Business and Trade Committee called Royal Mail to give evidence regarding their ongoing performance issues. The session was held on Tuesday 24 March 2026. Royal Mail, Ofcom (Royal Mail's regulator) and the CWU (Royal Mail's recognised union) all gave evidence. The session was led by Committee chair, the RT Hon Liam Byrne MP. During the meeting, it was suggested that there may be more sessions in the future. You can [watch in full here](#).

In a [letter sent by the Committee](#) to Royal Mail, summoning them to give evidence, concerns were expressed over service failures, missed delivery targets and allegations of prioritising parcels and “batching” letters.

The 500-year-old Royal Mail's buyout was cleared by shareholders in April last year, after new owners EP Group gave the Government legal undertakings that they would maintain the “one price goes anywhere” Universal Service Obligation (USO).

In July, Ofcom announced significant changes to the USO, with Second Class deliveries dropped down to every second day, Monday to Friday only. The rollout of this new model is currently the subject of a dispute between Royal Mail and the postal workers' union (CWU).

The PPA wrote to the Business and Trade Committee ahead of the session to raise concerns regarding the impact of Royal Mail's poor performance on publishers and their customers. This letter was shared as evidence with the committee ahead of the session.

The PPA have written a summary on the key topics discussed during the session. At the end of the document there is an appendix of potentially relevant excerpts from the meeting.

Since the meeting, the Committee have sent letters asking further questions to the [EP Group](#), [the CWU](#), [Ofcom](#), and to [Royal Mail and its owners](#).

Statistics

- The committee estimates that RM are delivering about 220 million letters late each year¹.
- On first class delivery, Royal Mail (RM) are currently at 76.5% against a target of 93%².

¹ Ofcom oral evidence session

² Ofcom oral evidence session

- On second class delivery, RM are at 92.2% against a target of 98.5%³.
- 44% of people say they have a problem sending or receiving letters⁴.
- The CEO of Royal Mail has committed to £100 million of investment a year for the next five years⁵.
- There has been a 70% decrease in the number of letters sent over the last 20 years⁶.
- The number of households posties are visiting has increased from 4 million to 32 million in the last 20 years⁷.
- Since 1 December 2022, 28,000 new postal workers have joined and left⁸.
- Royal Mail invests 71.5% of every £1 received back into people⁹.

Royal Mail

The Committee were highly critical of Royal Mail. They raised concerns over the late arrival of ballot papers, medical letters, and payment notices. The Committee raised concerns over Křetínský's motivations for buying Royal Mail and sought clarity over the alignment between the competing priorities of business and Universal Service Obligation. The Committee argued that, in spite of Royal Mail's stated defences, the numbers and quality of service do not evidence their argument. The Committee lamented that Royal Mail were unable to provide Parliament with the categorical assurance that they would get the service back on its feet.

Royal Mail protested that their service isn't perfect but is not catastrophic. They argued that many of its service issues are caused by uncontrollable human factors such as sickness rates and weather conditions. Looking forwards, Royal Mail feel there will be a day where letters are not going to be used or will be used in insufficient quantity to keep a nationwide service. Onboarding parcels, they consequently argue, preserves Royal Mail. They stated that they operate one economic system, where parcel business subsidises low letter prices. They identified two situations that might call for prioritisation: health and safety and lack of resource. They said that when prioritisation is done, first class parcels and first-class letters are both ranked first, not just parcels.

Royal Mail stressed that there is an absence of level playing field in the UK because Royal Mail's employment costs are so much higher than their competitors, who are able to use contracted drivers. On pricing, they pointed to other countries that charge much more for their First-Class services.

Once USO reform commences, Royal Mail said it will take five to six months to deliver into the organisation to make sure the reform is across every location. They said that an

³ Ofcom oral evidence session

⁴ Ofcom oral evidence session

⁵ Ofcom oral evidence session

⁶ Ofcom oral evidence session

⁷ Ofcom oral evidence session

⁸ CWU oral evidence

⁹ Royal Mail oral evidence

improvement plan is ready to be published after negotiations with the CWU end. The CWU and Royal Mail have since [published a joint statement](#) saying that key principles have been agreed and significant progress has been made in finalising an agreement, which they hope to reach in the week commencing 6th April . You can read the [transcript of the Royal Mail's oral evidence session here](#).

Ofcom

The committee were stern with Ofcom, criticising them for attending the session without their CEO and chairman. The committee expressed the view that Ofcom had allowed Royal Mail's failures to unfold on its watch and that, as Royal Mail's regulator, it had failed to get Royal Mail services operating properly. They sought to understand whether a powers gap or an enforcement gap was affecting Ofcom's ability to effectively regulate Royal Mail. The committee raised concerns that Royal Mail's owners may benefit financially from the USO being loosened, removing performance incentives.

Ofcom agreed that Royal Mail's performance issues were symptoms of a system that isn't working properly. They stressed that they have been pushing for a credible improvement plan, but that they also feel investment is needed from the owners of Royal Mail to back those plans up and that the current service does not reflect the way consumers use Royal Mail. Ofcom argued they have been a driving force in Royal Mail's reforms by forcing conversations on the need for a plan. They pointed to regulatory decisions they have made, including those that facilitate modernisation, as well as their administration of fines over the last three years. The need for an agreement between Royal Mail and CWU to be reached on the implementation of USO reform was also put forward as a barrier to progressing change to Royal Mail's performance. You can read the full [transcript of Ofcom's oral evidence session here](#).

The Communication Workers Union (CWU)

The CWU criticised Royal Mail's chaotic and demoralising working environment and accused Royal Mail of not telling the truth about the scale, extent and reasons for the existence of the quality-of-service problems. They traced problems back to before the sale of Royal Mail to EP Group. The CWU pointed to a number of factors that were driving down staffing levels and consequently impacting deliveries. These included the reduction in postal workers since privatisation, vacancies being held ahead of the implementation of USO reform, high sickness rates and retention problems caused by a two-tier system that has less favourable terms for more recent employees.

The CWU presented a pyramid sent by management to delivery offices that advises prioritisation for deliveries when under resourced. The list starts with special delivery items, to first class parcels, to tracked, down to 48 hours tracked, then second class and downstream access. Although they attribute the catalyst for Royal Mail's performance issues to a period before the sale to the EP group, they stressed that they also believe EP Group are not honouring the agreement made during Royal Mail's sale, and that

failure to adhere to the agreement has contributed to the ongoing issues with the company's service levels.

The CWU said it is their view that the piloted new delivery model has not worked. Out of 35 units- each with 5 quality targets- that were piloted there were a possible 175 quality targets that those units could have done and only 46 were achieved. No unit achieved all five quality targets. They said there is a mutual recognition between Royal Mail and the CWU that the model needs to evolve and that there are currently some constructive talks underway that may see them move towards a model that gives postal workers a more pragmatic chance of being able to deal with the USO reform. They praised scrutiny from government in advancing talks and praised the Secretary of State for taking oversight of delivering on the initial agreements made between EP and the CWU. You can read the [transcript of the CWU's oral evidence in full here](#).