

Dame Melanie Dawes
Chief Executive
Ofcom



Sent by email to: chiefexecutive@ofcom.org.uk

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Dear Dame Melanie,

Royal Mail access price increases: revised Royal Mail proposal

We are writing jointly, on behalf of the Credit Services Association (CSA), the UK trade body for debt collection and debt purchase, and the undersigned CSA member firms, further to the CSA's letters of 29th July and 25th September 2026 concerning Royal Mail's proposed increases in bulk business mail prices and their impact on our sector, our members and the consumers and clients we serve.

The organisations co-signing this letter send substantial volumes of correspondence through Royal Mail's network, including notices and other communications required by legislation or regulatory standards. **Postal communications also remain particularly important for consumers in vulnerable circumstances and those who cannot, or prefer not to, engage digitally.**

We welcomed Ofcom's decision to accept the Mail Competition Forum's dispute on 4 September 2026 in relation to the increases notified under Contract Change Notice 129 (CCN 129). We understand that those increases were suspended, that Royal Mail subsequently withdrew CCN 129, and that Ofcom closed the dispute on 5th October because the relevant notice was no longer in force.

We are aware that Royal Mail has now issued a revised proposal which, we understand, would take effect from 7th December 2026 and increase the price of Business Mail Economy by approximately 21%, rather than the 36% previously proposed. Although the reduction is material, an increase of this scale remains a serious concern, especially in the context of increases across the last 18 months. The withdrawal of the original proposal has not resolved the underlying issue; it has replaced an exceptionally large increase with one that is still substantially above inflation and which has not yet been tested through Ofcom's dispute process.

This proposal must be viewed cumulatively. Business Mail prices increased by an average of 14.4% in March 2025 and by a further 9.5% in January 2026. **If the revised 21% increase proceeds, the compounded increase between March 2025 and December 2026 will be approximately 51.6%.** This represents an increase of more than half in around twenty months and a rise of roughly one third across two increases less than a year apart.

The concerns set out in the CSA's earlier correspondence are shared by the member firms co-signing this letter. Many CSA members have no practical alternative to post for certain statutory and regulatory communications, while large mail users have no alternative provider for final delivery. The

resulting costs cannot simply be avoided through a move to digital channels. They will place further pressure on firms already facing significant increases in operating costs and may reduce the resources available to support customers, including the provision of forbearance and accessible communications.

The revised proposal is already expected to impose substantial additional costs across the sector. **Our immediate estimate of the impact of the revised proposals is that CSA members would face costs of more than £5 million** – and likely far more than that, as this is based only on the estimated impact from a selection of CSA members.

We recognise Ofcom's duty to secure a financially sustainable universal postal service and do not dispute that Royal Mail faces genuine cost pressures. However, sustainability should not be achieved through repeated, substantially above-inflation increases imposed on users that cannot readily reduce demand, switch provider or pass on the costs. This concern is particularly acute given Royal Mail's recent service performance, its planned restructure, and Ofcom's wider objectives of ensuring that postal services remain reliable and affordable for people and businesses.

We therefore ask Ofcom to:

1. assess Royal Mail's revised notice against the fair and reasonable access requirements in USPA 3.1A and 3.1B, using its compliance and enforcement powers rather than relying solely on a further referral by an Access Operator
2. consider the cumulative effect of the March 2025, January 2026 and proposed December 2026 increases when assessing whether the revised charges are fair and reasonable
3. ensure that withdrawal and reissue of a pricing notice cannot prevent effective regulatory scrutiny of the substance of a proposed increase
4. use its forthcoming work on postal pricing and affordability to consult on whether an appropriate price control or other safeguard is required for access services

We would appreciate confirmation of how Ofcom intends to consider the revised proposal and whether it will reopen, continue or initiate regulatory scrutiny without requiring a further dispute referral. Given the scale and timing of the proposed increase, we would be grateful for an urgent response.

Yours sincerely



Chris Leslie
Chief Executive
Credit Services Association

Cc: Anne-Marie Buckingham, Ofcom
Secretary of State Rt Hon Jonathan Reynolds MP
Kate Dearden MP

ENC: CSA letters to Ofcom, 29 July and 25 September 2026

Co-signed by:

1st Locate, Tracy Channell-Napier, Group Finance Director
Aberdein Considine LLP, George McNaughton, Risk & Compliance Director
Advanced Collection Systems, Tim Ryan, Operation Manager
Advantis Credit Limited, Sarah-Jane Mulreay, Client Services Director
BW Legal, Rachael Withers, CEO
CCS Collect, John Adderley, Client Director
CDER Group, Carole Kenney, Director
Credit Limits International, Laura Martin, CEO
Conexus Recovery & Field Services, Stephen Smith, Operations Director
Credebt Ltd, Glen Morgan, Managing Director
Crystal Collections Ltd, Rhys Hellen, Managing Director
Drydens Solicitors, Richard Senior, Head of Compliance
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Link Financial Outsourcing Limited, Nick Shepherd, Director
Lowell Financial, Kathryn Morgan, Managing Director
Moorcroft Group, Andrew McRoberts, Operations Director
Pastdue Credit Solutions, Joshua Anthony, Company Director
Perch Group, Craig Hinchliffe, CEO
Percy Verify Ltd, Gary Jones, Managing Director
Phillips & Cohen Associates (UK) Ltd, Stuart Webb, UK Site Director
Restons Solicitors Limited, Chris Garner, Compliance Director
Richburns Ltd, Jamie Davis, Co-Chief Operating Officer
Themis Global Limited, Michael Court, Director
UK Search Limited, Cliff Poole, Managing Director
Zinc Group, Susan Bain, Director of Compliance & Risk