



Mr Paul Hamilton
Jersey Competition Regulation Authority
2nd Floor
Salisbury House
1-9 Union Street
St Helier
JE2 3RF

26th April 2010

Dear Paul,

Ref: **Citipost DSA Limited for a Class I Postal Operators License**

feelunique.com fully support the above application by Citipost and the introduction of competition in this area of the postal service offering.

As one of the companies most affected by this proposed change, we would also like to put forward the below points:

1. This year we have seen unexpected rises in our pricing structure in excess of 18% by Jersey Post. For a business of our size this equates to tens of thousands of pounds of increased costs per month for the year ahead and hence reduced investment, reduced jobs and reduced tax for the government.
2. As a large part of our sales are presently over the LVCR threshold we are currently evaluating the cost-savings of moving a large proportion of our distribution to the UK and the above price increase will almost certainly tip the balance, which will result in the loss of many local jobs. If such a move was made, then over time it would make sense for us to look to transfer other elements of the business to the UK where there are much lower costs of operation. This is the way it has worked with other businesses in the internet retail sector. We would much rather keep our entire operation Jersey based, however once certain elements of our business move, it is inevitable others parts will follow leading to further job losses.
3. We feel that the Ecommerce sector in Jersey should not be asked to pay huge increases in their postal costs to subsidise other areas of the postal network and Jersey Post's push into new markets such as Ship2Me and me:mo.
4. We are confident we will still work with Jersey Post in other areas of the business in the future if Jersey remains the base for our operations. We hope that, along with the regulator, they can solve some of the issues they have in other areas of the services they provide, but if competition is not allowed in the local market very soon much of the bulk mail market will probably leave Jersey anyway and Jersey Post will still lose this part of their profitable business.

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5. An important part of competition from our perspective is the increased range of services that Citipost will bring to the Island such as courier delivery with trackable and insured options which are far too expensive for us to use currently (Special Delivery, FedEx). Citipost can utilise the Home Delivery Network and couriers such as DHL once our mail is in the UK and the cost to us of using these services will be much lower than we can currently access.
6. As an online retailer the one area of failure we have that does not have fail-safe redundancy is mail provision, during the recent Royal mail strike we lost a substantial sum of money due to there being no alternative service available. Jersey Post had no 'Plan B' to get our mail to our customers and that had a considerable cost to our business. Citipost have alternative distribution options once in the UK and in the event of a similar disruption in the future our business is safe-guarded.

In summary, we believe strongly that if this application does not proceed many dozens, perhaps even hundreds of jobs will be lost in the growing online retail and fulfilment industry in Jersey and feelunique.com for one will be forced to re-evaluate Jersey as our base of operations. The price increase we saw earlier this year has certainly been the catalyst for us opening discussions with Citipost and forced us to seriously evaluate Jersey as our base going forwards.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Aaron Chatterley', with a stylized, looping flourish at the end.

Aaron Chatterley

CEO
feelunique.com