



# Direction to Jersey Post to amend Quality of Service Targets

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## Initial Notice & Direction

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## Executive summary

Formal Quality of Service ('QoS') targets for Jersey Post Limited ('Jersey Post') were originally put in place in April 2013 through CICRA 13/11<sup>1</sup> with the targets being revised in 2015

Following recently proposed changes by the Royal Mail to inbound mail to Jersey, Jersey Post has provided a paper to CICRA asking that it consider changes to the QoS targets as follows

- (a) The current D+0 target<sup>2</sup>, that 98% of inbound first class mail is delivered on the day of receipt, is removed;
- (b) A D+1 target, that 90% of all inbound mail is delivered on the day after receipt, is set for 2018;
- (c) From 1 January 2019 the D+1 target is set at 95%, and
- (d) The removal of the requirement to report UK-JE J+1

Following CICRA's consideration of the proposal from Jersey Post the JCRA is issuing this Initial Notice of a Direction to Jersey Post proposing targets a) to c) as requested by Jersey Post and instead of removing d), to require Jersey Post to report UK - JE J+2.

The change will have no affect on Local to Local, Guernsey and Special Delivery mail as long as they are separately identified by Royal Mail.

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<sup>1</sup> CICRA 13/11, Measures of the Quality of Postal Services in Jersey, Final Notice of a Direction to Jersey Post Limited, March 2013, [www.cicrga.je](http://www.cicrga.je)

<sup>2</sup> D is the time of receipt by Jersey Post of mail coming from the UK at its main sorting centre. The target applies to the number of days before clearance to a delivery postman, for example, D+0 means mail is processed and cleared to a delivery postman on the day of receipt.

## 1. Introduction and Background

This Initial Notice provides formal notice of a direction to Jersey Post Limited (**'Jersey Post'**), of a variation to its current service and performance targets in accordance with condition 15.7 of Jersey Post's class II public postal operator's licence for Jersey.

The Quality of Service (**'QoS'**) targets against which Jersey Post's performance is measured include the delivery of postal services locally, and to and from the UK, Guernsey and Isle of Man, with targets for inbound and outbound mail delivery. In addition to standard mail, Jersey Post is also required to monitor special delivery services, bulk mail and the quality of its internal operations. As well as these performance measures, Jersey Post is required to monitor and report on its response to complaints, and to monitor the extent of any mis-deliveries by its staff.

The current service targets were implemented through formal directions to Jersey Post set out in the Initial Notice CICRA 13/11 (March 2013) which came into effect in April 2013. Subsequently, the service targets were amended as set out in the Initial Notices CICRA 15/23 (May 2015) and CICRA 15/32 (July 2015). Jersey Post provides annual QoS reports, copies of which are published on CICRA's website<sup>3</sup>, [www.cicra.je](http://www.cicra.je), and are available for inspection.

Jersey Post has recently submitted a formal request to CICRA seeking changes to its QoS targets due to the change imposed by Royal Mail whereby Royal Mail will no longer separate inbound first and second class mail prior to its arrival in Jersey, a change known as 'single label'. The inbound service is a Royal Mail product and it is Royal Mail's decision to move to a single label. Jersey Post submits that as a result of the changes it will no longer be able to meet some of its QoS targets and that these should be changed to reflect the impact of the changes imposed by Royal Mail.

While Jersey Post's request is to amend some of its QoS targets, for consumers the impact of single label is that first class mail from the UK will no longer be delivered on the date it arrives in the island, but instead will be delivered the following delivery day.

A same day delivery requirement is not included in the 2004 Postal Services (Jersey) Law nor in Jersey Post's Licence and is not included in the definition of the Universal Service Obligation. The requirement was imposed by CICRA in its CICRA 13/11 Direction in 2013.

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<sup>3</sup> CICRA 14/67: Jersey Post Quality of Service Report 2013; and CICRA 15/18 Jersey Post Quality of Service Report 2014; at [http://www.cicra.gg/media\\_centre/publications\\_sector.aspx?sector=2](http://www.cicra.gg/media_centre/publications_sector.aspx?sector=2).

Following consideration of the request from Jersey Post, CICRA accepts that there is sufficient justification provided to it by Jersey Post to make changes to its performance targets.

## 2. Proposed Changes

Jersey Post proposed changes to the D+x targets are as follows:

Mail from UK	Current target	Proposed target
1 <sup>st</sup> class mail (D+0)	98%	No target
1 <sup>st</sup> class mail (D+1)	100%	90% rising to 95% in 2019
2 <sup>nd</sup> class mail (D+1)	98%	90% rising to 95% in 2019

The request is directly as a result of Royal Mail no longer separating first and second class mail known as 'single label'. Jersey Post contends that an inbound next day service would continue to meet the needs of Jersey customers and that retaining the existing QoS targets would result in customers receiving mail much later in the day than at present at significantly higher cost.

Jersey Post considers that the introduction of a next day inbound service (ie, J+2 or D+1) would allow postal rounds to start earlier in the day than is currently possible, something that its customers value. To support this change in the delivery process Jersey Post has proposed that the current D+0 target is removed and the D+1 target is set at 90% for 2018, rising to 95% from 1 January 2019. This is compared to the previous (removed) J+1 inbound UK-JE target of 82%.

CICRA has considered the proposal from Jersey Post and given that the cause is outside of the control of Jersey Post and that keeping the D+0 target would involve considerable cost and delays to the mail, CICRA is issuing this Initial Notice of a Direction to allow changes to these quality of service targets prior to the introduction of the single label by Royal Mail.

Jersey Post has also asked for the removal of the requirement to report UK-JE J+1. However, CICRA does consider that it is important to monitor the overall performance of mail from the UK to ensure transparency. Therefore CICRA proposes that Jersey Post instead reports a J+2 performance for mail received from the UK. The reporting of J+2 takes into account the implementation of a single label by Royal Mail. In terms of outbound mail Jersey Post should continue to target and report performance against J+1 for JE – UK.

The change will have no effect on Local to Local, Guernsey and Special Delivery mail as long as they are separately identified by Royal Mail.

### 3. Direction to Jersey Post

In accordance with condition 15.7 of Jersey Post’s class II postal licence for Jersey, CICRA directs that Jersey Post’s formal performance targets shall be amended as follows:

- 1) That the existing D+0 QoS shall be removed.
- 2) That targets for inbound mail shall be introduced as follows:

	<b>D+1 Target</b>
<b>Inbound from UK &amp; IoM (1<sup>st</sup> and 2<sup>nd</sup> class mail)</b>	<b>90%</b> (until 31 December 2018)
	<b>95%</b> (from 1 January 2019)

In addition Jersey Post will be required to report its performance for (inbound) UK – JE J+2<sup>4</sup>. For the avoidance of doubt the JE-UK (outbound) performance should continue to meet its target and report the J+1 performance.

All other targets are to remain as set out in the Initial Notice and Direction to Jersey Post in CICRA 13/11 published in March 2013 and subsequently amended in 2015.

This Direction shall take effect from the implementation of this Initial Notice (which may come into force 29 days after publication of the Initial Notice if no responses are received) or subsequent Final Notice if one is required.

CICRA will continue to monitor Jersey Post’s performance against these targets in line with its licence conditions. Jersey Post will continue to be required to report to CICRA and to publish annually its performance against this and existing service targets. These reports can be found on CICRA’s website, [www.cicra.gg](http://www.cicra.gg), as set out above.

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<sup>4</sup> The posting day is referred to as “J” day and a performance of “J+2” is the mail that should be delivered two working day following the day of posting.

## 4. Consultation

CICRA invites interested stakeholders to comment on this Initial Notice and Direction.

All comments or responses to this consultation should be addressed to CICRA and submitted in writing to the address below, or preferably by email to [info@cicra.ie](mailto:info@cicra.ie).

CICRA  
2<sup>nd</sup> Floor Salisbury House  
1-9 Union Street  
St Helier  
Jersey JE2 3RF

The deadline for responses is **5.00pm on 5 March 2018**.

All comments should be clearly marked: ***“CICRA 18/05: Direction to Jersey Post”***.

CICRA’s normal practice is to publish responses to consultations on its website. It should be clearly marked if any part of a response is held to be commercially confidential.

## 5 Conclusion & Next Steps

CICRA will carefully consider the responses it receives to this Initial Notice and take into account any comments received before publishing its Final Notice. If no responses are received, this Initial Notice and the direction under licence condition 15.7 will take effect 29 days after publication, on 6 March 2018.

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## ANNEX 1: Legal Background and licensing framework

### Legal Background

The *Postal Services (Jersey) Law 2004* (the Postal Law) provides that CICRA may include in licences such conditions as the Authority considers necessary or desirable or issue directions to postal operators.

A copy of the postal service law is available on the CICRA's website, [www.cicra.je](http://www.cicra.je).

### Licensing framework

Jersey Post Limited holds a Class II postal operator licence which carries a Universal Service Obligation.

Licence condition 15.7, under which CICRA may issue directions to Jersey Post on quality of service measurement and targets, reads as follows:

*“The Licensee shall comply with any Directions issued by the JCRA from time to time regarding any other quality of service indicators and measurement methods for Postal Services and shall, as and when required, supply to the JCRA, in a form specified by the JCRA, the results of its measurements of actual performance against any quality of service indicators and measurements so specified, and the JCRA may publish or require publication of such Information as it considers appropriate.”*

A full copy of the class II postal licence for Jersey Post is available on the JCRA's website ([www.cicra.je](http://www.cicra.je)), under the postal – licensing section at the following link: [http://www.cicra.gg/post/licensee\\_framework.aspx#Licensees](http://www.cicra.gg/post/licensee_framework.aspx#Licensees).