



Postal Services (Jersey) Law 2004

Case L-012: Strategic Review of Postal Services

Final Notice: Licence and Directions to Jersey Post Limited

Document No: JCRA 24/15

Date: 27 February 2024

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1. Executive summary

- 1.1 The Jersey Competition Regulatory Authority (**the Authority**) is issuing this Final Notice to confirm its exercise of specified regulatory functions with respect to Jersey Post Limited (**Jersey Post**), which are to:
- Grant a Class II Licence (**Licence**) pursuant to Article 15(1) of the Postal Services (Jersey) Law 2004 (**the Law**) to Jersey Post;
 - Direct Jersey Post to implement reporting requirements pursuant to Condition 23.2 of the Licence; and
 - Direct Jersey Post to implement a refined quality of service regime pursuant to Conditions 15.1 and 15.7 of the Licence.
- 1.2 This Final Notice follows the issuing of an Initial Notice (JCRA 24/02) on 11 January 2024 which set out the proposed Licence and Directions set out above. No representations were received prior to the expiry of time allotted, as provided for in Article 24 of the Law. Accordingly, this Final Notice confirms the exercise by the Authority of the said specified regulatory functions and the issuing of the Licence and Directions.
- 1.3 This document is the final stage of the Strategic Review of Postal Services (**Strategic Review**)¹ and is structured as follows:
- Matters contained in the Initial Notice (see chapter 2);
 - The granting of a Class II Licence (see chapter 3);
 - The implementation of reporting requirements (see chapter 4); and
 - The implementation of a quality of service regime (see chapter 5)
- 1.4 Note, for brevity, this document does not repeat all the background material set out in the Initial Notice, though a high level summary is provided in chapter 2.

¹ All case documents are available at: <https://www.jcra.je/cases/2022/l-012-strategic-review-of-postal-services/>

2. Matters contained in the Initial Notice

2.1 Chapter 2 of the Initial Notice set out the background to the directions, including an overview of:

- Statutory background - the Law and relevant Articles and the duties placed on the Authority in the performance of its functions;
- The licence granted to Jersey Post – Jersey Post holds a Class II licence and is designated as a public postal operator and is subject to the Universal Service Obligation. The Licence contains certain provisions, which enable the Authority to issue the directions to Jersey Post; and
- The Strategic Review process – the non-statutory process that the Authority undertook, culminating in the Final Decision (JCRA 24/01). The statutory process was also explained.

2.2 Chapter 3 of the Initial Notice then set out the framework for the issuing of a Licence. Chapter 4 set out the framework and proposed direction for the implementation of reporting requirements and Chapter 5 set out the proposed direction for the implementation of a quality of service regime. Chapter 6 of the Initial Notice, then set out set out the next steps, including the submission of representations.

3. The granting of a Class II Licence

3.1 This chapter sets out the grant of a Class II Licence to Jersey Post.

ORDER

The Jersey Competition Regulatory Authority (**the Authority**) hereby issues a Class II licence under the Postal Services (Jersey) Law 2004 (the Law) to Jersey Post Limited.

Jersey Post Limited is a company incorporated in Jersey under registration number 88764, with its registered office at Postal Headquarters, La Rue Grellier, La Rue Des Pres Trading Estate, St Saviour, JE2 7QS, Jersey.

Such licence will come into effect on 1 March 2024 and is in replacement for an interim licence previously granted by the Authority and takes the form of the Proposed Licence issued alongside the Initial Notice published on 11 January 2024.

The licence will be published on the Authority's website.

By order of the Authority

27 February 2024

4. The implementation of reporting requirements

4.1 This chapter sets out the Direction to implement reporting requirements on Jersey Post.

DIRECTION

Pursuant to Condition 23.2 of the licence granted to Jersey Post Limited (*Jersey Post*) under the Postal Services (Jersey) Law 2004, the Jersey Competition Regulatory Authority (the *Authority*) directs Jersey Post to produce the information specified under the heading 'Requirement' in the following table, meeting the specified Scope and at the stated Frequency according to the specified Timetable, commencing in respect of the following financial years:

- Requirements 1, 2, 3, 5 and 6: 2023
- Requirement 4: 2024

Requirement	Scope	Frequency	Timetable
1. Group level information	Income statement, statement of capital employed and cash flow statement	Annual	By 31 May of the following financial year
2. Reconciliation with Postal business accounts	Reconciliation of Group level accounts to Postal and Logistics division accounts, or such other division or part of Jersey Post as shall carry out equivalent or similar functions from time to time	Annual	By 31 May of the following financial year
3. USO Viability Statement	The data and assumptions underpinning the USO sustainability statement in the annual report with supporting narrative	Annual	Alongside Annual Report
4. Business Plan	Business Plan, to include annual budget	Annual	Before start of financial year, and once approved
5. Postal volume and revenues	Volume and revenue report, to cover actuals and forecasts by format (for example, by letters, large letters, packets and parcels or any other appropriate groupings) for the Postal and Logistics division, or such other division or part of Jersey Post as shall carry out equivalent or similar functions from time to time	Annual	By 31 May of the following financial year
6. Methodology Manual	The document which gives a detailed description of the methodology and sources of data used by Jersey Post to prepare the regulatory data supplied to the Authority. This will allow a consistent approach to the understanding of and reporting of revenues, costs and USO sustainability through time	Annual	By 31 May of the following financial year

This Direction takes effect on 1 March 2024 and each report to be submitted pursuant to the Direction shall relate to a financial year.

By order of the Authority

27 February 2024

5. The implementation of a quality of service regime

5.1 This chapter sets out the Direction to impose quality of service requirements on Jersey Post.

DIRECTION

Pursuant to Condition 15.1 of the licence granted to Jersey Post Limited (*Jersey Post*) under the Postal Services (Jersey) Law 2004, the Jersey Competition Regulatory Authority (the *Authority*) directs Jersey Post that the transit target benchmarks set out in the following table are established and, pursuant to Condition 15.7 of such licence, directs Jersey Post to meet the targets set out in such table and to report the specified information at the times stated.

With respect to the transit target benchmarks the following definitions apply:

- Day of dispatch – This corresponds to the UPU’s measure ‘J’. It is the day from which the counter starts on time taken to deliver an item. It starts when an item is either posted in a postbox or handed over at a post office counter.
- Day of Jersey Post receipt – This corresponds to the UPU’s measure ‘D’. It is the time of receipt by Jersey Post of locally collected mail and mail coming from the UK at its main sorting centre at Rue de Pres. The target applies to the number of days before clearance to a delivery officer; for instance, day of Jersey Post receipt + 1 means mail is processed and cleared to a delivery officer on the next day after receipt.

Origin-Destination	Day of dispatch targets	Day of Jersey Post receipt targets
Jersey-Jersey (Local to local)	Day of dispatch + 2 Quality target: 95%	Day of Jersey Post receipt + 1 Quality target: 95%
United Kingdom- Jersey (Inward Mail)	No formal target, but maintain monitoring and reporting on transit time	Day of Jersey Post receipt + 1 Quality target: 90%
Jersey-United Kingdom (Outward Mail)	No formal target, but maintain monitoring and reporting on transit time	Day of Jersey Post receipt + 1 Quality target: 90%

The transit target benchmarks are to be reported from January to November of each year, with December excluded as a peak month. To collect the benchmark data, sampling should be maintained as the basis for reporting, to be completed independently, and overseen by Jersey Post.

In addition to the transit target benchmarks Jersey Post shall also carry out additional quality reporting, covering at minimum:

- Consumer satisfaction – Based on Jersey Post’s internal survey or other appropriate material;
- Number of complaints – The number of complaints and the breakdown by type of complaint (to include misdelivery). This is to be reported by month; and
- Number of refunds – Information on number of refunds issued through Jersey Post’s compensation scheme. This is to be reported by month.

The transit target benchmarks and additional quality reporting for each year are:

- To be written up into a quality of service report;
- This report will be submitted to the Authority by 31 March each year for review; and
- The Authority will review and consider any potential redactions, before publishing the quality of service report on the Authority website by 31 May each year. The report should also be published on an appropriate page of the Jersey Post website.

This Direction takes effect on 1 March 2024 and supersedes all the previous directions of the Authority pursuant to such Licence Conditions. Consistent with this, the last complete quality of service report under the previous Directions (for the calendar year 2023) will be assessed and issued by the Authority in 2024 consistent with past practice. The refined approach to quality of service set out above will be implemented during 2024 and the first report received in 2025 consistent with the timetable above.

By order of the Authority

27 February 2024