



15<sup>th</sup> February 2013

## **Royal Mail Wholesale**

148 Old Street  
London  
EC1V 9HQ

Dear Customer,

I wrote to you on 13<sup>th</sup> December 2012 to update you on the work we have done with our customers and the mailing industry since the summer, to improve customers' capacity to access our OCR and Barcode mail specifications. I wanted to take this opportunity to update you further on progress made since my last letter.

Just to recap, on 17<sup>th</sup> September 2012, we deployed several changes to our approach to reversions relating to all products, as well as relaxing elements of the OCR and Barcode services' specifications. These changes have led to a significant reduction in the value of reversions and have had a positive effect on our customers as well as being welcomed by the wider industry.

In October, we announced that we would stop checks on the sealing of OCR and Barcoded mail pieces as part of our core revenue protection between 22<sup>nd</sup> October 2012 and April 2013. In addition, as a gesture of goodwill, we refunded 50% of all surcharges that were raised on the basis of any sealing specification failure between 17<sup>th</sup> September and 19<sup>th</sup> October 2012, even though such mailings were non compliant.

Since September, we have made good progress on our approach to be far more transparent in our reversion processes and policies. We have received excellent support from representatives from our customers and industry bodies, who have invested significant time to help us to identify areas where we can improve things even further.

We continue to review the specifications for OCR and Barcoded services and plan to revise the policy to distinguish between elements of the specifications which will be classed as 'mandatory', with the remainder classed as 'recommended'. This change is in direct response to customers who told us it was too onerous for them, in a manufacturing environment, to adhere to all elements of the machineable product specifications, 100% of the time. In making this change it remains essential for us to protect the quality of all mail and the efficiency of our sorting machinery. Therefore, we plan to introduce an approach whereby mail which is not compliant with 'recommended' elements of the specification and is non-machineable when presented to our sorting machinery, will attract a retrospective surcharge. This approach is in line with customer feedback where it was recognised that things can and indeed, do go wrong with their mailings and on these occasions i.e. mail was physically non-machineable, then they would accept such a charge.

I also wanted to take this opportunity to announce that from 18<sup>th</sup> February 2013 the Delivery Address Block visibility requirement of the Barcode specification will be reduced from its current


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high impact status to a low impact status. As such, it will attract a surcharge of 1p per item rather than a full reversion surcharge.

I am very aware that our customers are waiting to hear more news on the sealing element of the specifications, pending the reintroduction of checks on envelope sealing in April. I shall be in touch shortly to share progress and provide detail on our approach to this part of the specifications.

I will continue to share outputs from this programme on a regular basis, and in the meantime, I trust you are assured of our continued commitment to working with customers and the industry to develop our approach to reversions.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Jenny Ledger', with a stylized flourish at the end.

Jenny Ledger  
Network Access Director