



8 April 2024

Royal Mail Wholesale
185 Farringdon Road
London
EC1A 1AA

ACCESS LETTER PRICE CHANGES

Dear Customer,

Today, we publish new prices for the Access Letters Contract (**ALC**) that will come into effect from 1 July 2024.

The price changes, which we have carefully considered, are a reflection of the very challenging financial position the Universal Service and Royal Mail is in.

The substantial decline in letter volumes from 20 billion in 2004/05 to 7 billion in 2022/23 means that the Universal Service is now unsustainable. The Universal Service has not changed for over 20 years, despite major changes to how people communicate. Volumes could drop to around four billion in the next five years.

As you are aware, Royal Mail has been calling for reform for more than four years. Ofcom calculates that providing the current Universal Service to the UK has a net cost to Royal Mail of £325 million to £675 million every year – put another way, it costs the company £1 million to £2 million every day to provide the Universal Service to the UK. This is in the context of Royal Mail posting losses of £419 million in 2022/23 and £319 million for the first six months of 2023/24. The combination of declining letter volumes and increasing costs means that the Universal Service faces a very real and urgent financial sustainability challenge.

We are already working hard on a number of initiatives to improve efficiency in the operation and are implementing the changes enabled through the most recent CWU agreement. These all take time to come to fruition but in themselves are insufficient to offset the impact of the structural decline in letters.

Therefore, we are asking Ofcom for changes to the Universal Service that modernise it. Indeed, Ofcom's report states that an over-specified Universal Service leads to higher prices. The longer they delay reform the more challenging the position becomes.

In the meantime, the price changes we are making seek to ensure the Universal Service (and in turn our Access services) can be delivered.

We have summarised the key price changes for you below and enclosed the formal change notice. You can find all the new prices at www.royalmailwholesale.com/pricing.

1. Letters price changes

Minimise cost increases with Mailmark Economy

Our Economy service is now Royal Mail's most popular letter service. The Economy service gives customers greater choice, offering a wider delivery window for a lower price. The service has consistently achieved its service targets since launch in 2021 and customers have increasingly opted for this service.

For Economy Letters, we are increasing our prices by an average of 8% for both Business Mail and Advertising Mail.

Customers taking advantage of the Economy service will receive lower price increases than customers using the equivalent standard services. From 1 July 2024:

- Mailmark Advertising Mail Letters will have a 3.58p per item price differential between standard and Economy. Customers switching from the standard D+2 Advertising Mail Access 70 Mailmark service today, to the Economy option from 1 July would see a 5% decrease when posted in trays; and
- Mailmark Business Mail Letters will have a 8.05p per item price differential between standard and Economy. Customers switching from the standard D+2 Business Mail Access 70 Mailmark service today, to the Economy option from 1 July would see a 6% decrease when posted in trays.

How our other prices are changing

For Standard Business Mail Letters, we are increasing our prices by an average of 15.0% and Large Letters by an average of circa 10.0%. Standard Advertising Mail prices are increasing by an average of circa 12.4% for Letters and circa 10.0% for Large Letters.

For illustrative purposes, the table below shows a comparison of Economy, standard Mailmark and Manual prices for Advertising and Business Mail Letter items posted in trays:

	Access Charges for Letter format items posted in trays		
	<i>Current</i>	<i>From 1 July 2024</i>	<i>Increase</i>
Business Mail Mailmark Economy	£0.4008	£0.4329	8.0%
Business Mail Mailmark	£0.4464	£0.5134	15.0%
Business Mail Access 70 Manual	£0.5347	£0.6149	15.0%
Advertising Mail Mailmark Economy	£0.1885	£0.2026	7.5%
Advertising Mail Mailmark	£0.2134	£0.2384	11.7%
Advertising Mail Access 70 Manual	£0.2685	£0.2999	11.7%

Overall, we are increasing our prices for letter and large letter products by a blended average of 12.1%.

2. Zonal prices

From 1 July 2024, we are also changing the zonal prices for Access Letters as part of our ongoing activity to ensure zonal prices are in line with the actual cost of serving the different zones. For illustrative purposes, the table below shows the D+2 Mailmark prices for Advertising and Business Mail letter items posted in trays for each valid zone:

Mailmark	Zonal Price Plan Access Charges for Letter format items posted in trays			
	<i>Urban</i>	<i>Suburban</i>	<i>Rural</i>	<i>London</i>
Business Mail	-5.75%	-0.50%	8.94%	4.58%
Advertising Mail	-5.75%	-0.50%	8.94%	4.58%
Mailmark	Zonal Price Plan Access Charges for Access Large Letters 0-100g posted in trays			
	<i>Urban</i>	<i>Suburban</i>	<i>Rural</i>	<i>London</i>
Business Mail	-5.68%	-1.53%	9.09%	6.36%
Advertising Mail	-5.68%	-1.53%	9.09%	6.36%

3. Introduction of Mailmark Advertising Mail Catalogue Service

We are pleased to announce that we will be adding a Mailmark variant of the Advertising Mail Catalogue Service from 1 July 2024. Customers who currently send catalogues using Advertising Mail Service and who switch to the Advertising Mail Catalogue Service will see a 5.5% price increase. The service will be VAT rated at the standard rate.

As a reminder, the Catalogue service, with its 10g price steps between 101-150g was introduced to help customers gain greater returns from their Catalogue mailings, by giving them the scope to either increase pagination or sell additional inserts with small price increments. The new Mailmark variant of the Advertising Mail Catalogue Service will only offer 10g price steps between 101 – 150g for large letter format. The maximum weight for a Mailmark letter will continue to be capped at 100g.

The appended contract change notice details the amendments we are making to the Access Letters User Guide to effect the introduction of the new variant.

Finally, I would like to take this opportunity to thank you for your business. We are working hard to provide the highest possible levels of service and value to you and your customers in difficult circumstances and thank you for your patience and understanding during these challenging times. Your Account Director will be in touch to discuss the any queries you may have in relation to the price changes.

Yours sincerely,



Richard Travers
MD Wholesale
Royal Mail Wholesale



ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 105
CHANGES AFFECTING ALL PRICE PLANS

DATE: 8 APRIL 2024

This notice applies to you if you hold an **Access Letters Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 185 Farringdon Road, London, EC1A 1AA.

1. **Definitions and interpretation**

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2. **Changes to the Contract**

- 2.1 We hereby give you notice under clause 13.2(d) of the General Access Terms and Conditions to change the Access Charges with effect from **1 July 2024**, details of which can be found on our Website, www.royalmailwholesale.com/pricing.

Yours sincerely,

Richard Travers
MD Wholesale
Royal Mail Wholesale



**ACCESS USER GUIDE AMENDMENT NOTICE NUMBER 076:
INTRODUCTION OF MAILMARK ADVERTISING MAIL CATALOGUE SERVICE**

Date: 8 APRIL 2024

This notice applies if you hold an **Access Letters Contract (Contract)** with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 185 Farringdon Road, London, EC1A 1AA.

1 Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2 Changes to the Contract

2.1 Under clause 13.2(b)(i) of the General Access Terms and Conditions of the Contract we hereby notify you of the following changes to the Access Letters User Guide:

- 2.1.1 In Section 1, the table at “Figure 1” shall be replaced with the table included at Appendix 1 of this User Guide Amendment Notice;
- 2.1.2 Figure 33 at paragraph 3.2 of Appendix H (Advertising Mail Catalogue) shall be amended as follows:

	<i>max mm</i>	<i>max mm</i>	<i>max mm</i>	<i>max g</i>	<i>Weight Band</i>
<i>Format</i>	<i>Length</i>	<i>Width</i>	<i>Depth</i>	<i>Weight</i>	
<i>Access 70 Mailmark Letter* and Access 70 Manual Letter</i>	<i>240</i>	<i>165</i>	<i>5</i>	<i>Up to 100</i>	<i>WB1</i>
<i>Access 70 Manual Letter only</i>	<i>240</i>	<i>165</i>	<i>5</i>	<i>101 - 150</i>	<i>WB2</i>
<i>Access 70 Mailmark Large Letter* and Access 70 Manual Letter</i>	<i>353</i>	<i>250</i>	<i>25</i>	<i>Up to 100</i>	<i>WB1</i>
<i>Access 70 Mailmark Large Letter* and Access 70 Manual Letter</i>	<i>353</i>	<i>250</i>	<i>25</i>	<i>101 - 250</i>	<i>WB2</i>

<i>Access 70 Mailmark Large Letter* and Access 70 Manual Letter</i>	<i>353</i>	<i>250</i>	<i>25</i>	<i>251 - 750</i>	<i>WB3</i>
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**Advertising Mail Catalogue Mailing Items posted using Royal Mail Mailmark must comply with the terms and conditions of Schedule 8, Part 1: Royal Mail Mailmark of the Contract and Appendix M of this User Guide.*

2.2 The change detailed in paragraph 2.1 will take effect from 1 July 2024.

Yours sincerely,



Richard Travers
MD Wholesale
Royal Mail Wholesale

Appendix 1

ACCESS SERVICE	ATTRIBUTES												
	PROCESSING			FORMAT		WEIGHT BAND					SORTATION		
	Mailmark	Manual Mailmark	Manual	Letter	Large Letter	1 – 100g	101 – 150g	101 – 250g	251 – 750g	Mixed Weight	48-Way Sort	Access 70	Access 70,000
Access 70	•	•	•	•	•	•	•	•	•	•		•	
Access 70 (48-way sort option)	•			•		•					•		
Business Mail Large Letter	•		•	•	•	•		•	•	•		•	
Advertising Mail	•		•	•	•	•		•	•	•	•••••	•	
Catalogue Mail	•		•	•	•	•	•	•	•	•		•	
Partially Addressed Mail	•			•	•	•		•	•	•	•••••	•	
Magazine Subscription Mail	•		•*	•	•	•		•	•	•		•	
Royal Mail Mailmark	•			•	•	•		•	•	•	•••••	•	
Mailmark Economy	•			•		•					•	•	
Manual Mailmark		•			•**	•		•	•	•		•	
Poll Sort			•	•		•							•
General Large Letter***	•	•			•	•		•	•	•		•	