Ofcom’s “investigation” into Royal Mail: A cover for sabotaging the Universal Service Obligation

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27 May 2025

On May 23, regulator Ofcom announced an investigation into Royal Mail’s continued failure to meet statutory delivery targets for First and Second Class mail during 2024/25. These Quality of Service (QoS) targets have been ignored for years.

Postal workers won’t be taken in. They have demanded action against the management policy of prioritising more profitable parcels over letters—a practice institutionalised with the complicity of Communication Workers Union (CWU) leaders Dave Ward and Martin Walsh.

Ofcom’s investigation is not an act of enforcement but a smokescreen for the dismantling the Universal Service Obligation (USO)—the legal requirement to deliver letters six days a week to every UK address at a fixed price and parcels over five days.

Royal Mail delivered only 76.5 percent of First Class mail within one day—well below the 93 percent target—and 92.2 percent of Second Class mail, versus the required 98.5 percent. This is the third consecutive year of systemic failure. Ofcom’s threat of a fine follows token penalties of £5.6 million and £10.5 million in 2023 and 2024—paltry amounts for a company being restructured to gouge out hundreds of millions in profit.

The CWU is fully aligned with Ofcom, Royal Mail, the Labour government and billionaire Daniel K?etínský’s EP Group in a joint enterprise to gut the USO under the Optimised Delivery Model (ODM). This is to transform Royal Mail into a low-cost parcel courier by slashing jobs, pay, and working conditions.

USO breaches: engineered decline

Royal Mail’s failures are in fact a policy of engineered decline. The company flouts its obligations while Ofcom issues meaningless fines to maintain the pretence of oversight and regulation.

The collapse of the mail service is accompanied by an assault on postal workers, who face staff shortages, overwork, and burnout. The CWU sellout agreement in July 2023 ending the year-long national dispute opened the floodgates for a historic attack on hard won rights, including slashing company sick pay, and implementing a two-tier workforce with new entrants on vastly inferior pay and terms. Royal Mail thanked the CWU for achieving the biggest revision in its history, based on the cost cutting drive to cull duties and expand workloads.

In Shetland, some delivery workers report 70-hour weeks to cover around 25 percent of unfilled vacancies. School children have been used to sort mail on Saturdays, according to local press. This is the sharpest expression of a crisis afflicting 1,200 delivery units across the UK.

Tasked with upholding the USO, Ofcom is laying the groundwork for corporate restructuring in league with K?etínský and the Starmer government. Its 2024 “Call for Inputs” branded six-day delivery an “unfair financial burden.”

Before its sham consultation over “USO reform” ended in April, Ofcom had already endorsed Royal Mail’s ODM in a 198-page January report. It proposed watering down First Class next-day delivery targets from 93 percent to 90 percent, and extended delivery windows--First Class up to three days, Second Class up to five. Its justification? That the USO “over caters for the reasonable needs of users as a whole.”

Ofcom’s objective is clear: to enable, by its own estimates, between £250–£425 million in structural cost cuts—a windfall for EP Group.

Walsh and the CWU apparatus welcomed Ofcom’s report, using it to browbeat postal workers. They told members to abandon a “romantic view” of public service, citing letter volume decline from 20 billion in 2004–05 to 6.7 billion in 2023–24 as justification. But Royal Mail has been allowed to flout this still major public need for a reliable mail service.

The CWU has not issued a public statement on Royal Mail’s breach of the USO for a third year running. But watchdog Citizens Advice explained, “Our research has shown the damaging consequences of late post, like missed health appointments, fines, bills and vital government communications.”

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ODM: delivering profits, not letters

ODM is the tool to dismantle the USO. It underpins the "pilot" schemes launched in February at 37 delivery offices, secretly agreed by Walsh and Royal Mail last December. Their impact is being concealed to rubber-stamp imposition nationally.

ODM scraps fixed duties, extends weekday hours, and expands delivery spans. Parcel prioritisation is being formalised, with six-day delivery for parcels, while Saturday deliveries are ended and reduced to alternate weekday for all letters except for First Class.

On April 30, EP Group finalised its £3.6 billion takeover of Royal Mail. K?etínský is an asset-stripper, transforming Royal Mail into a logistics firm run on skeleton staff, backed by automation and intensified exploitation. ODM and USO "reform" seeks to complete Royal Mail's transformation into a logistics empire, the "Amazon of Europe." Through its takeover of Royal Mail and parent company IDS, EP Group also captured its global parcel arm GLS.

CWU officials: K?etínský's enforcers

The May 16 CWU Letter to Branches underscored how the union bureaucracy is embedded with Royal Mail and EP Group. Signed by Walsh and National Executive Chair Mick Kavanagh, it dressed up capitulation as "strategy."

The CWU leadership isn't negotiating pay, Section 5 ["Resolving Outstanding Issues"], or the USO. It is joined at the hip with management under the slogan, "Working Together"—pushing a deal agreed with K?etínský behind closed doors unleashing brutal restructuring.

The Framework Agreement was signed last December without a member vote, rubber-stamped by Ward, Walsh, and the postal executive. CWU officials then withheld the pay award for 130,000 Royal Mail workers due last month to tie it to a deal with K?etínský. Walsh has claimed four above-inflation offers were rejected but only based on the lower CPI measurement. The CWU presided over a 14 percent real-terms pay cut over three years based on the 2023 agreement. There is no plan to reverse this. Walsh says his task is rather to "manage expectations"--holding down pay to promote performance-related bonuses, enforced by management surveillance through the My Performance app.

Walsh claims there will be "only" around 1,000 voluntary redundancies, but this is based on endorsing the elimination of 6,000 jobs through "natural wastage." The vague pledges of "improvements" in Section 5 on sick pay and harmonising new entrant terms cover hard-won rights surrendered in the 2023 sellout.

Pilot offices are testing grounds for intensified exploitation. In at least one site, heart monitors have been used—by union agreement—in a study of "fatigue" as workers are pushed to new extremes with no health and safety protections.

The CWU is racing to finalise a national agreement with Royal Mail and EP Group by May 30, dressed in jargon about 'deployment planning' and 'flexibility options." They offer Royal Mail logistical support: mapping frame moves, reserve coverage, and smoothing pilot rollouts. Their role is to sell the company line and suppress opposition in the name of "partnership."

For rank-and-file control

The Postal Workers Rank-and-File Committee (PWRFC) has exposed and opposed this conspiracy, fighting to restore power to the shopfloor and build resistance across Royal Mail. The PWRFC calls for:

- An inflation-busting, no-strings pay rise to recover lost wages
- An end to the two-tier workforce—equal pay and conditions are non-negotiable
- Rejection of performance-linked pay and management surveillance
- Defence of the USO as a public service and social right
- Workers' control over new technology—to shorten hours and improve safety, not destroy jobs

This is an international fight. United States Postal Service and Canada Post workers resisting a drive to privatisation face betrayal by union bureaucracies acting as corporate and government enablers. The PWRFC is affiliated to the International Workers Alliance of Rank-and-File Committees (IWA-RFC), building a global counteroffensive of postal and logistics workers.

Join the PWRFC. Build rank-and-file committees in every office. Organise democratically. Link up internationally. Fight to prioritise workers and public service over corporate profits.

To contact the PWRFC, email: RoyalMailRankAndFile@gmail.com

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

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