

Postal workers must take advantage of deepening crisis over “USO reform” at Royal Mail

Postal Workers Rank-and-File-Committee (UK)
27 June 2025

Pushing through “USO reform” following the takeover of Royal Mail and parent company International Distribution Services (IDS) by billionaire Daniel Křetínský’s EP Group has hit major problems.

This presents fresh possibilities for postal workers to oppose the brutal restructuring agenda—resistance blocked until now by the collusion of the Communication Workers Union (CWU) leadership with the Starmer Labour government and Křetínský.

“Reform” is a codeword for dismantling Royal Mail’s statutory obligations which remained after privatisation in 2013: the Universal Service Obligation to deliver mail to every UK address six days a week at a fixed price.

Downgrading the USO was locked into Křetínský’s £3.6 billion takeover to cut £300 million at the expense of postal workers and the mail service and complete the conversion of Royal Mail into a parcel-led logistics business to compete with Amazon, DPD and Evri. Claims of “oversight” of the takeover are a smokescreen for this next wave of the corporate assault against the 130,000-strong workforce.

In December, Labour fast-tracked the takeover through a Deed of Undertakings (DoU) with EP Group, offering token “protections” to facilitate profiteering and asset-stripping.

Labour gave the green light, but CWU leaders Dave Ward and Martin Walsh acted as chief enforcers. They brokered a Framework Agreement with EP Group—linked directly to the DoU—ratified by the union postal executive without a membership vote.

The foundation of USO reform is the Optimised Delivery Model (ODM), a two-pronged attack: for the public, a hollowed-out service, with alternate weekday delivery of all letters except First Class; for postal workers, gig-style “flexibility” ending fixed duties, longer

delivery spans exceeding 5 hours, and 30 percent more call rates.

Walsh agreed in December, with Royal Mail executives and behind the backs of postal workers, to pilot the ODM at 37 of the 1,200 delivery offices. These pilots, rolled out from February to June, have been a disaster—covered up by Walsh and CWU HQ. Postal workers have condemned the ODM as “unworkable,” with the mail service set up to fail and their working conditions driven into the ground.

Walsh’s demand that postal workers accept this as a fait accompli is now unravelling.

Last Thursday, Royal Mail CEO Emma Gilthorpe abruptly resigned. IDS chief Martin Seidenberg gave no explanation in his public statement, thanking Gilthorpe for her services after only appointing her last May. Her exit followed a rebuke from Ofcom’s Natalie Black on June 3, after Gilthorpe announced that USO reform would go live nationally from July 7, “or the date Ofcom agrees changes.” Black replied in a letter to Gilthorpe that “no decisions have been taken on the proposals for reform of the universal service.”

This revealed nervousness that despite the collusion of the CWU, the company could not take this as a done deal. The notion that Gilthorpe went rogue—or that Ofcom has not rubber stamped USO reform—is risible. In January, Ofcom published a 198-page report backing the ODM, celebrating £425 million in cost cutting. The regulator declared the existing USO “over caters for the reasonable needs of users,” despite fining Royal Mail for violating letter delivery targets three years in a row.

Also last Wednesday, a CWU North East Divisional reps statement was shared on social media announcing withdrawal from “pre-work” on USO reform beyond the pilot sites. The statement was damning:

We believe that plans to roll out USO reform so soon, whilst we are still understanding the impact from the Pilot sites may not be in the best interests of our members, but ultimately this will be a matter for National agreement and until such time that we have that, we, in the North East Division will not be engaging in any “pre-work” and we would encourage you to do the same.

We have registered our objections to Royal Mail and requested that they hold off on this action, however, we have had confirmation that they intend to “carry on regardless”, which is why we have called this meeting today to fully explain our position on this matter.

This was communicated to CWU HQ and endorsed by all 10 CWU Divisions nationally, but Walsh and the CWU have made no public comment. Instead, Walsh closed ranks with management, issuing a joint statement with new interim Royal Mail CEO Alastair Cochrane on June 23 titled, “The Future of the USO.” The five-paragraph statement claimed, “There will be no full deployment of USO reform until we have evaluated and remedied any issues from the ongoing pilot offices, via the agreed PIR process.”

The burying of “issues” in a “Post Implementation Review” was widely seen as a fob-off. Postal workers flooded the CWU’s Facebook page, reporting that their units had already been told USO reform would go live in August or September.

Walsh and the union leadership have been involved in a massive cover-up with Royal Mail. The CWU has not admitted that in at least one pilot office—Cumbernauld in Scotland—its “fatigue monitoring” has involved asking staff to wear heart monitors as they are worked to exhaustion, refuting all claims of achieving “fair and manageable workloads.” This was only disclosed by the Postal Workers Rank-and-File Committee.

The PWRFC has sought to rally opposition to the pilots and expose USO reform as a corporate wrecking ball. We have called on postal workers to hold workplace meetings, scrutinise the ODM, and exercise our right to discuss a collective response to unmanageable workloads and unsafe practices. When these efforts began gaining traction, Walsh attacked the PWRFC in March for encouraging “unofficial action”—showing how deeply the CWU is embedded with management.

Walsh revealed his real position when he said, “No one

should be in any doubt that when an independent regulator says the current USO is no longer financially sustainable, it will change.”

The PWRFC’s warnings have been vindicated. The trials are a fraud, and the CWU postal executive will enforce whatever is demanded in collusion with Ofcom, K?etínský and the Starmer government.

Postal workers must now take steps to break out of the restraints of the CWU’s corporatist Framework Agreement with EP Group it is seeking to ram through.

They should reject the CWU’s tying the deferred April pay award to the destruction of jobs and the mail service through USO reform, and acceptance of punishing workloads based on local productivity targets and management surveillance through the My Performance App. This is all part of Section 5 of its deal with EP Group.

Postal workers should take up the demand for a no-strings, above-inflation pay rise—including recovery of 14 percent of lost wages due to the last three-year deal and reject Walsh’s plea of poverty on behalf of K?etínský, with a net worth of £7 billion.

There is no support among postal workers or the public for the CWU and Labour’s embrace of EP Group. The real “financial burden” is the profits reaped in the interests of the financial oligarchy embodied by K?etínský. This is what must be challenged. The pilots must be stopped, and USO reform ended.

Royal Mail workers are not engaged in a sectional dispute. They must build broader support across the working class against the CWU’s bureaucratic policing role and its ties to a Labour government of austerity and war—symbolised by CWU General Secretary Dave Ward’s recent receipt of a CBE, which is recognised by postal workers as a badge of shame for services rendered to the British ruling class.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact