

Royal Mail workers challenge CWU's claim of a “no strings” pay deal with billionaire Kretinsky

Tony Robson
15 August 2025

The Communication Workers Union (CWU) is conducting an online vote of postal workers between August 6 and 26 on “Rebuilding Royal Mail Parts 1 and 2”. These are the packages drawn up between CWU leaders Dave Ward and Martin Walsh and billionaire Daniel Kretinsky’s EP Group—now sole owners of Royal Mail.

The terms under which the ballot has been organised are a fraud from start to finish.

Eight months after the fact, postal workers are expected to rubber-stamp a 12-page framework agreement (described as Part 1) endorsed unanimously by the CWU postal executive last December that embraced EP Group’s £3.6 billion takeover and agreed a massive overhaul of the mail service without any say from the workforce.

Together with the Starmer government’s Deed of Undertakings with EP Group, the framework agreement laid the ground for a wrecking operation against the Universal Service Obligation (USO) and the imposition of punishing new workloads.

The framework agreement cemented the role of the Ward-led bureaucracy as EP Group’s junior partner—formally recognised with a seat at the corporate boardroom through the creation of an “Advisory Committee”. The CWU has been doing EP Group’s running with a PR campaign announcing a “fresh start” to neutralise opposition among postal workers and the public.

Far from “rebuilding Royal Mail,” the CWU-Kretinsky deal is aimed at dismantling the mail service through “USO reform” as set out in Point 5.7 of the agreement. It is already being implemented via the “Optimised Delivery Model” (ODM) co-authored and piloted by the CWU. The only thing being optimised is profit: £425 million in annual structural cost-cutting is targeted for EP Group’s coffers, paid for through mass job losses and gutting of the mail service.

The Ofcom regulator approved the downgrading of the USO from July 28, with alternate weekday delivery for second-class and non-priority letters. The claim that first-class mail is protected is a lie: quality-of-service targets are watered down and allowances made for speed of delivery will be extended

from one to three days.

In the workplace, this corporatist alliance between CWU and EP Group has wreaked havoc, overturning working practices based on a gig-economy ODM: removing fixed duties, extending delivery spans beyond five hours, and hiking call rates by 30 percent. In December, Walsh agreed to roll out the ODM at 37 delivery offices. By June, it had been implemented at 33 units, producing what the CWU’s own report could not conceal was a workplace disaster. But the pilots are only a down-payment on full deployment across all 1,200 units nationwide.

Royal Mail workers agreed to none of this. In a grotesque abuse of the balloting process, members are being asked to cast their vote on an agreement signed in December, which is already being enforced at the direct expense of the entire workforce. This is reason enough to vote No.

Postal workers reject CWU’s “no-strings” lie

The Part 1 agreement on brutal restructuring explodes the central fiction peddled by Walsh and his functionaries: that the Part 2 three-year pay settlement is a “no-strings” deal.

The pay offer locks in wage stagnation: 4.2 percent for 2025–26, barely above the current CPI inflation rate of 3.6 percent, and still below RPI (which includes housing costs) at 4.4 percent. The second and third year are tied to CPI or a 2 percent minimum, with only a vague “reopener” clause if inflation surges.

On social media postal workers have slammed the pay offer as an insult and profit-gouging exercise. As a widely “liked” comment from a postal worker on CWU Facebook put it:

“Money for management bonuses. Money to pay OFCOM fines caused by the driving down of standards. Money to pay off departing CEOs. Money for the Robin [monitoring] app. Money for those who break their bodies trying to uphold standards and quality of service... sorry guys, we’ve looked

behind the sofa and there isn't any spare change."

As the ballot opened, Walsh sought to defend the pay deal and part 1 agreement with EP Group, calling on members to vote Yes. Posting on X, he repeated the lying mantra of an "unconditional" three-year pay deal not tied to an overhaul of the USO, once again pleading poverty on behalf of EP Group—owned by a man worth £7 billion.

"Every 1% on pay costs the company £50 million," wrote Walsh. "This pay deal in year 1 is worth £220 million which will get compounded in years 2 and 3. The company will make less than £20 million for 2024/2025."

Many postal workers responded in anger to Walsh's sob story:

• "Unconditional? Workloads are increasing under the CWU's noses and the CWU powerless to do anything about it"

• "The company will make less than £20 million for 2024/2025" But when they made £500m they gave it away to shareholders"

• "How much in bonuses do you receive for trying to talk us into voting yes? Terrible deal and you know it."

Another worker explained "The real deal", with a poster taking apart every aspect of the pay settlement. He asked: "We're doing more deliveries, more parcels, more pressure: working harder and faster with less support: where's the recognition in this deal for increased workloads?"

The chasm between the workforce and CWU bureaucrats fully embedded with management, could not be starker.

Walsh claims a Yes vote will improve the lot of new entrants. This from the same executive that introduced the two-tier workforce in 2023, agreeing inferior contracts for new entrants, with lower pay, no paid meal breaks and compulsory Sunday working. Part 1 speaks about "a new career path" to equalize pay, terms and conditions, "alongside ensuring the necessary flexibility to grow the business". An unspecified "first step" will take place in September, with a "full plan" (again unspecified) in December. Walsh has stated the promised "pathway to equalisation" will mean new entrants having to have worked for three years.

As justification for EP Group's derisory pay offer, Walsh stated, "the world is volatile due to a combination of the issue in the Middle East, Ukraine and the introduction of tariffs." This is how union bureaucrats like Walsh pass the costs of militarism, genocide and trade war onto the backs of the working class, blocking a political fightback against the Starmer government.

The way forward

The Postal Workers Rank-and-File Committee (PWRFC) calls for an emphatic No vote in the ballot. Ward, Walsh, and

the entire postal executive have forfeited any right to speak for workers—they are a mouthpiece for the company.

But a No vote is not enough. A fight must be organised to remove the unaccountable pro-company bureaucracy and restore power to the shop floor. Rank-and-file committees based on the will of the majority and led by trusted militants must be built at every workplace to fight for workers' interests.

The PWRFC puts forward the following demands:

An inflation-busting, no-strings pay rise

Enough of below-inflation settlements and productivity. We demand a real pay increase that restores what has been stolen through years of wage suppression.

Abolish the two-tier workforce—equal pay and conditions for all

No more divide and rule. New entrants must not be condemned to poverty pay, unpaid breaks gig economy flexibility

Defend the Universal Service Obligation

The USO must be protected as a vital public good—not dismantled for private profit.

Workers' control of technology to shorten hours and improve safety

Automation and digital tools must serve workers, not billionaire shareholders. Use technology to reduce workloads, improve health and safety, not to destroy jobs.

There is no shortage of anger toward the CWU bureaucracy, but real power lies in a collective struggle by Royal Mail's 130,000 postal workers. This needs to be organised on a perspective that challenges the dictates of the corporate billionaires, to defend postal workers and the mail service.

As part of the International Workers Alliance of Rank-and-File Committees, the PWRFC is fighting to coordinate struggles across the postal and logistics sector internationally. The carve-up of Royal Mail by EP Group is part of a global process, with postal services being dismantled to prioritise profits and prepare for privatisation in countries including Canada and the US.

We urge Royal Mail workers to make contact and join the fightback.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact