

13 January 2010

**Royal Mail Group**

Robert Whittaker

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Dear Mr Whittaker

**Re: Freedom of Information Request**

I refer to your request for an internal review of our response to your Freedom of Information Act request for information about the costs and processes involved with maintaining the PAF® and Postzon™ databases. This matter has been referred to internal review, and the conclusions reached at that review are set out below.

For the avoidance of doubt, the initial response to your request did relate to the costs of maintaining these databases, and not, as you suggest, to the content of those databases. PAF® is the central database owned and managed by Royal Mail that holds all the postcodes and postal addresses - approximately 28.6 million of them - in the UK. As Royal Mail makes approximately 100,000 changes to the database every month, maintaining the database involves requires considerable effort and resource. Under the conditions of its licence, Royal Mail is obliged to maintain PAF® and make it available to any person who wishes to use it on terms that are reasonable: the product is regulated and monitored by Postcomm and the PAF Advisory Board.

Information about PAF®

Please find below a financial breakdown relating to this product for 2008/09.

	(£k)
Income	24,959
Direct costs (including salaries)	3,411.1
Customer Service costs	2,550.5



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Service delivery and data supply	11,465.9
Systems (IT and technical support)	4,567.5
Profit/loss	2,964.4

In relation to the sources of the data which makes up PAF®, this data is obtained from a large number of parties, including local authorities, customers and other organisations with which Royal Mail has a commercial arrangement for the provision of the data. Royal Mail considers that the terms of those arrangements are confidential, and that disclosure of the terms on which the data is supplied would be prejudicial to Royal Mail's commercial interests, as it would provide useful information to its competitors, and could prejudice Royal Mail's position when re-negotiating those arrangements with data suppliers. Accordingly, this information is exempt from disclosure pursuant to sections 41 and 43 of the Freedom of Information Act.

#### Information about Postzon™

Postzon™ is regularly updated by Royal Mail using data obtained from third parties including Ordnance Survey, the Office for National Statistics, and the General Register Office for Scotland.

Royal Mail is not subject to any regulation regarding the Postzon™ product. Again, Royal Mail considers its data supply arrangements to be of a confidential nature, and that disclosure of the costs associated with maintaining this database (including the terms on which data is supplied by third parties), and the revenues earned, would prejudice Royal Mail's commercial interests: this information would potentially be useful to competitors who provide a similar product, and could prejudice Royal Mail's position when re-negotiating its arrangements with data suppliers. Accordingly, this information is also exempt from disclosure pursuant to sections 41 and 43 of the Freedom of Information Act.

#### Information about the general costs of the Address Management Unit (AMU)

In relation to staffing, there are currently around 70 people involved in address maintenance activity, which includes updating addresses and postcodes from information provided by third parties. These people also manage the Postcode Enquiry Line for members of the public seeking address and postcode information and general address enquiries.

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There are currently around 30 people involved in address management activity, which includes customer relationship management, marketing, customer services, finance, licensing and quality control.

In relation to IT costs, the AMU does not hold a detailed breakdown of this information as this is an allocated figure from the Royal Mail Group IT programme.

The public interest test

There is a public interest in the market in this data operating in accordance with normal market forces, which would be skewed if information about terms on which data is supplied for use in PAF and Postzon, and the costs and revenues associated with Postzon, were made available.

Further, you have asserted that maintenance of these databases involves the expenditure of public money. This is incorrect. The AMU is a self-financing unit and does not receive any public money.

I trust that this answers your queries. However, if you are still not satisfied with our response you have a right to appeal to the Information Commissioner at:

Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF  
Telephone: 01625 545 700  
[www.informationcommissioner.gov.uk](http://www.informationcommissioner.gov.uk)

Yours sincerely

*Emily Sumner*

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