

## Access

Royal Mail's vast size presents a significant barrier to entry for rival operators. This is especially true in delivery, where over its 350 year history the company has built up a network that delivers to almost every residential and business address in the country.

A key part of opening up the postal market for competition has been allowing "access" to that delivery network.

Access means allowing mail users (usually big business users) and licensed postal operators to make commercial agreements with Royal Mail allowing them to use the company's staff and facilities to carry post for part of its journey.

For licensed operators, access can provide a launch pad to build up their contacts with customers, as well as the volumes necessary to consider developing an end-to-end (collection through to delivery) network. For mail users, the benefit is a greater choice of operators – and therefore more choice of products and services.

So far, access has been to Royal Mail's local sorting centres, where mail is sorted ready for final delivery. Mail users or postal operators would collect and/or pre-sort mail before feeding it into Royal Mail's systems at these local sorting centres.

Royal Mail is required to negotiate "access agreements" with any interested large mailer or rival licensed operator. These are commercial agreements, negotiated independently of Postcomm - but if organisations are unable to agree with Royal Mail a fair price for access, we can intervene to ensure that it is made available on appropriate terms.

The first access agreement was negotiated between Royal Mail and UK Mail in 2004. Since then, more agreements have been set up and, according to Royal Mail's latest figures (December 2008), approximately 450 million items of mail per month are now handled under access arrangements.

Royal Mail also applies zonal pricing to some of its access agreements where it offers discounts to its customers (depends on the geographic mix of delivery addresses).

### Useful links

- **[www.psc.gov.uk](http://www.psc.gov.uk)** - Postcomm's website, for further information on all aspects of the mail market and a glossary of postal terms, including those relating to access
- **[www.royalmail.com](http://www.royalmail.com)** – Royal Mail's website
- **[www.royalmailwholesale.com](http://www.royalmailwholesale.com)** - Royal Mail's website for national and zonal access services

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Postcomm is the independent regulator for postal services in the UK. This is one of a series of fact sheets designed to provide background information on key issues in the postal services sector. Contact us at 6 Hercules Road, London, SE1 7DB. **Tel** 020 7593 2100, **Email** [info@psc.gov.uk](mailto:info@psc.gov.uk)

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