



Office of Utility Regulation

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OUR Consults on further Postal price increases

The Office of Utility Regulation (OUR) is considering whether to accept an application from Guernsey Post to increase its charges for mail sent to the UK. The application from Guernsey Post follows a £1m increase in the charges Royal Mail bills the company for handling mail into the UK for the rest of the year to March 2012.

This is an increase of nearly 10% compared with what Guernsey Post was paying in 2010-11.

“Postal customers in Guernsey are reliant on Royal Mail for the ‘last mile delivery’ of post to homes and businesses in the UK and for the onward handling of mail to international destinations. Therefore any change in the charges Royal Mail applies for such services has a direct impact on what we pay locally for postal services,” said John Curran, Director General at the OUR. “When Guernsey Post’s price control was set in January we were aware further changes were likely. However, while these proposed price increases are significant and unwelcome, we are of the view that it is right that they are passed on to customers.”

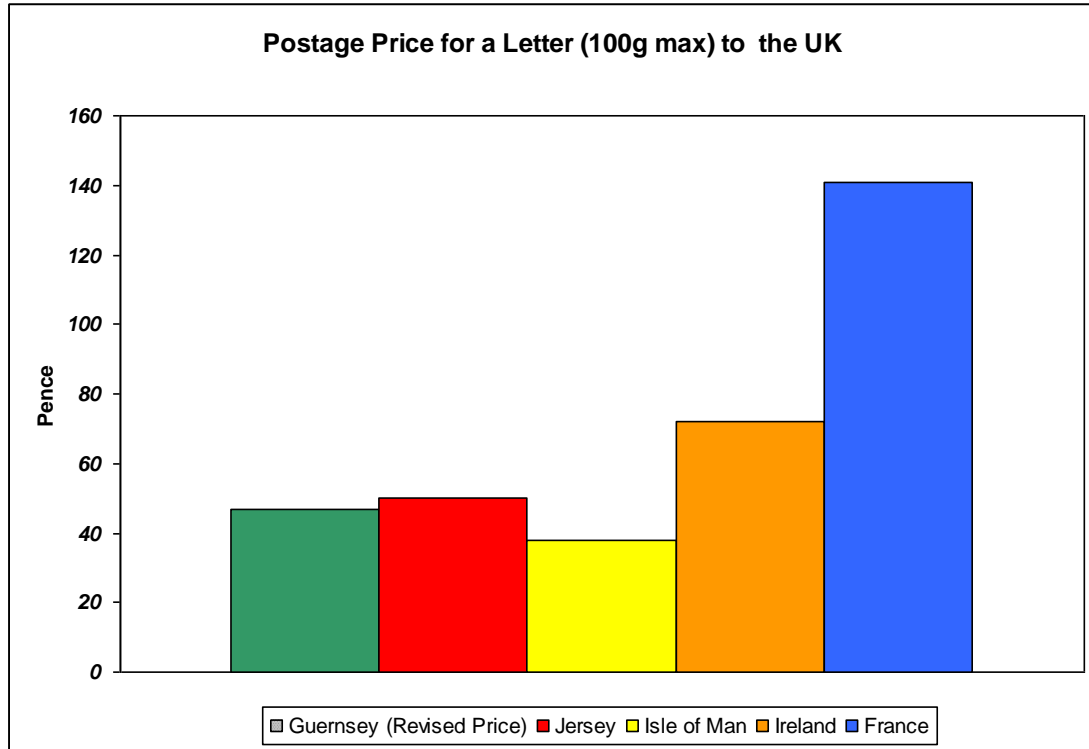
Guernsey Post proposal is that the price of sending an ordinary letter to the UK should go up by two pence to 47p, a Large Letter should increase by three pence to 61p and a packet should cost nine pence more. Parcel prices would go up by £2, whatever their weight, reflecting a nearly doubling of the charge that Royal Mail makes to Guernsey Post.

The consultation runs until Monday 4th July 2011. Further details on the proposals submitted to the OUR by Guernsey Post are included in document OUR 11/09 which is published on the OUR website www.regutil.gg. Copies are also available by calling the OUR on 711120.

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Information for the Editor

The table below compares the price of sending a 100g letter to the UK from various countries with the proposed price for a letter from Guernsey.



About the OUR

The Office of Utility Regulation was established in 2001 to regulate the three utilities of post, telecommunications and electricity in the Bailiwick of Guernsey. The Office is headed up by Director General, John Curran and has four staff.

The role of the OUR is to protect the interests of Guernsey consumers and the economy. It does this by ensuring that customers receive the best in price, choice and quality services in the three regulated sectors, while at the same time ensuring that those sectors are vibrant and robust so that they can positively contribute to and underpin a successful Guernsey economy.

The OUR licenses and regulates telecommunications operators, Guernsey Electricity Ltd and Guernsey Post Ltd. Wherever possible, the OUR promotes the introduction of competition by ensuring that there is fair play and a level playing field between the operators. Where competition is not yet effective or where it is not feasible, the OUR regulates prices and quality of services to end customers. More information is available from the OUR website www.regutil.gg, or by contacting the Office of Utility Regulation on 01481 711120.