



### Regulator Caps Postal Prices in Guernsey

The Regulator today capped the price of postal services in Guernsey at a level designed to be reasonable for consumers and workable for Guernsey Post. For the next two years the price of a local stamp will be held at 26p, more than twenty per cent cheaper than the price in Jersey.

“Postal prices have to go up to ensure the postal service continues, but we have kept that increase to the absolute minimum”, said Jon Buckland, Regulatory Manager at the OUR. “Guernsey’s postal service is facing some extra costs which are unfortunately unavoidable, and we needed to make sure that the Island has a strong, healthy postal service now and into the future; equally we have kept the increase to a level which we believe is fair for Islanders and businesses – it’s a carefully balanced decision”

The cap has been put on prices for a range of postal services from local stamps to bulk mail, and follows an extensive review by the OUR of an application for price increases made by Guernsey Post in November 2003.

The key changes are:

- The local stamp price has been capped at 26p. This remains 7% cheaper than a local stamp in the UK and will be a substantial 21% cheaper than a local stamp in Jersey from April 2004.
- UK stamps will increase to 32p from June, mainly because of the increased cost of the Royal Mail delivery charges. This compares with Jersey Post’s price of 33p which comes into effect next month;

- Taking account of the importance of the bulk mail sector to the postal service and to the Guernsey economy, and after detailed consultation with bulk mail businesses, a clearer more transparent price structure is being introduced to meet their needs and the essential cost increases are being minimised.

The Guernsey postal service faces significant cost increases due to the introduction of charges by Royal Mail for delivery of Guernsey mail to the UK and worldwide, along with upward movement in local costs such as labour and local transport.

“This decision will allow Guernsey Post to continue to adapt and provide a high quality service for Islanders”, says Jon Buckland. “But at the same time it requires the company to tighten its belt and be as efficient as possible”.

“We have listened to the comments made by Islanders and businesses who will be affected by higher postal prices, and I would like to thank them all for taking the time to let us know what they thought. Those views have helped us to make a decision which balances the needs of Islanders and businesses that regularly use the post, with the long term aim of ensuring a healthy postal service for Guernsey”.

Full details of all prices are in the report: “OUR 04/02: Postal Prices in Guernsey, Report on the Consultation and Decision Notice” is available from the OUR website [www.regutil.gg](http://www.regutil.gg), or by contacting the Office of Utility Regulation on 711120.

**ENDS/**

**1<sup>st</sup> March 2004**

## **Information for Editors**

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, Regina Finn 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](http://www.regutil.gg), or by contacting the Office of Utility Regulation on 01481 711120.