

Quarterly Update 4: 1 April–30 June 2020

Introduction

The function of the Postal Industry Ombudsman (PIO) is to investigate complaints about postal and similar services provided by Australia Post and Private Postal Operators. Australia Post is the only mandatory member of the PIO scheme. Private operators join voluntarily. Currently registered are: StarTrack, FedEx Australia (Federal Express Australia), Cheque-Mates and D and D Mailing Services.

We place a high priority on speedy and informal dispute resolution and seek an outcome that is fair to both parties. Where complaints indicate systemic issues, we work with the postal operator to address the problems and improve service and administration.

Quarterly update at a glance

92.8% increase in
complaints received



compared
to the same time last year

This quarter we
received
1091 complaints
and
finalised
1066 complaints

How complaints were finalised



An increase in postal industry complaints from the COVID-19 pandemic

The Office of the Commonwealth Ombudsman (the Office), which includes the PIO as one of our functions, received 92.8 per cent more complaints than the same quarter last year. This increase was a result of postal delays affecting people throughout Australia and due to delays and stoppages of international postal services.

Since the COVID-19 shutdown on 23 March 2020, there has been a significant increase in demand for delivery services as Australians remain home and use online shopping in far greater volumes. Australia Post has faced a considerable challenge in providing its essential services to Australians, while ensuring the safety of its employees and customers.

It has been pleasing to see a low number of complainants needing urgent assistance from the Office. This indicates Australia Post are appropriately managing complaints.

To address the disruptions brought about by COVID-19, Australia Post obtained regulatory relief from the Australian Government in recognition of new operating constraints. The change is intended to allow Australia Post to refocus its services where immediately needed. The most significant service changes are that Australia Post is able to reduce mail frequency in metropolitan areas, suspend its priority letters service and extend its required intrastate delivery times.

The Office anticipates the potential for some complaints about the regulatory relief service changes over the coming months and will monitor the issue closely. Anecdotal opinion from the complainants contacting the Office suggest there seems to be a level of understanding from consumers that some Australia Post services would be affected by the COVID-19 pandemic.

Case Study—COVID-19 causing international delays

Ervin* operates a small business selling custom clothing both in Australia and internationally.

He sent forty items overseas in late March 2020 at the time that international flights were being severely affected by COVID-19 disruptions. These items would normally travel by international flights within a short period of being lodged with the postal operator, instead they were stopped at the airport.

Ervin contacted the postal operator to query when the items would be sent. He received advice that they would be delayed by approximately three weeks. Based on this advice, Ervin says he continued to send parcels using the same service for a few weeks, until the advice changed to say that delays would be longer than three weeks. Ervin switched to another postal operator who was experiencing less problems sending internationally. He sought assistance from the Office regarding the outstanding parcels still stopped at the airport.

The COVID-19 pandemic has caused unprecedented disruption to postal services and there are limits to what an Australian postal operator can do in relation to international delivery outside their control. In Ervin's case, the parcels did arrive eventually but they were much later than expected and he experienced losses due to the delays.

The postal operator offered to compensate him for some of the postage costs incurred during March and April when information about international delays was unclear. After considering his complaint, we explained that the postal operator was not required to compensate for consequential losses such as the impact of the COVID-19 pandemic on international postal systems, and that by offering him compensation as a result of unclear information, its response was reasonable given the circumstances.

**Names and some details have been changed for privacy reasons.*

Case Study—COVID-19 effect on business accounts

Kirra* was operating a business until March 2020 when it closed down due to the COVID-19 pandemic. As part of the finalisation process, she needed to close her business account with a postal operator. She was advised that she was unable to close the account until an outstanding balance had been paid.

Kirra paid the outstanding balance on the account and expected it to be closed. Instead, she started receiving an invoice every week with the amount she had paid outstanding as well as late fees for not paying.

On contacting the postal operator, Kirra was advised that there were processing delays affecting the timeframes for settling payments onto business accounts. She would now need to ask the postal operator's credit department to remove the last fees to be able to finalise the account. She followed their process to obtain a credit and ask for the account to be closed again. Despite Kirra receiving a response from the credit department that the charges had been removed, she continued to receive invoices and the outstanding amount was growing due to late fees.

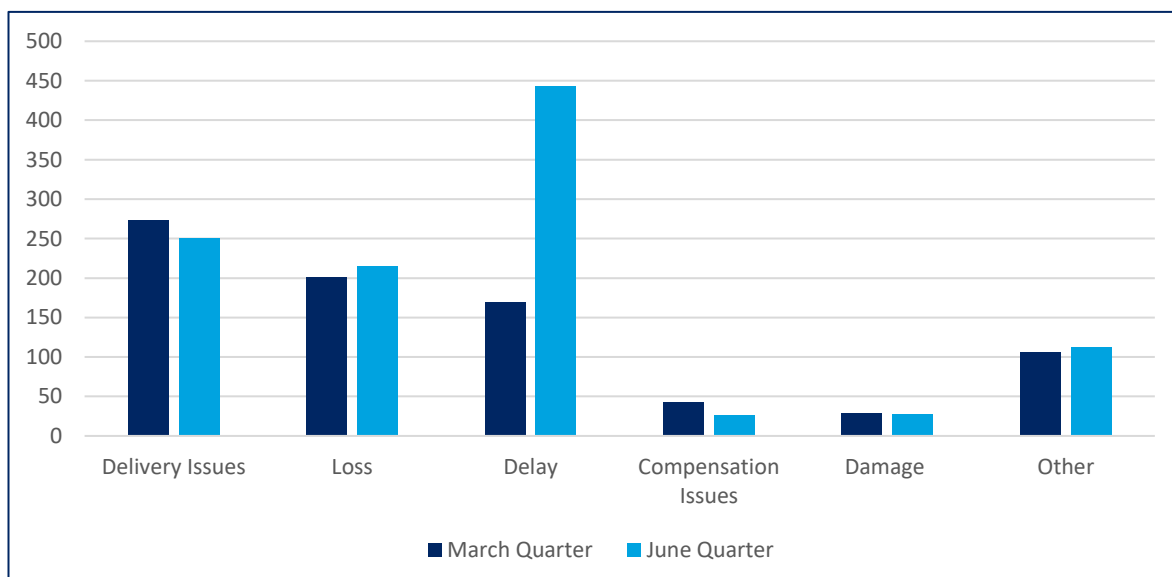
Kirra contacted the Office for assistance. We considered her case and asked the postal operator why it was charging her late fees for an account she had apparently paid and appeared to be late due to the postal operator's own processing delays.

In response, the postal operator acknowledged its error, removed all the late fees on the account and ensured Kirra's account was finalised.

**Names and some details have been changed for privacy reasons.*

Figure 1 below shows the effect of COVID-19 disruptions in this quarter and the increased complaints to the Office about postal delays. It is encouraging that the number of complaints about other issues remained relatively similar to what they were in previous quarters. It is also encouraging that the problem of postal delays and need to adapt was recognised early by Australia Post.

Figure 1—Complaints issues, this quarter (COVID-19) compared to previous quarter



2019–20 in focus

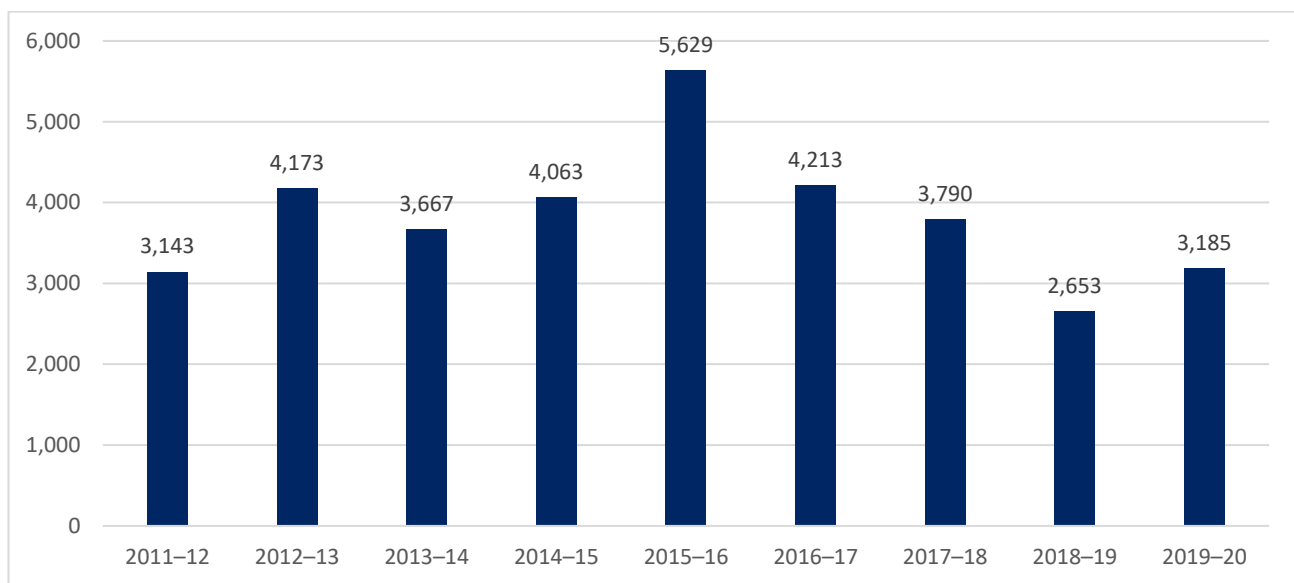
During 2019–20, our Office, like the postal industry, was impacted by bushfires and COVID-19. However, even with the disruptions, we still received and finalised more complaints than in 2018–19:

- an increase of 20 per cent in complaints received (commensurate with the increased on the postal industry as a result of COVID-19)
- an increase of 15 per cent in complaints finalised.

During the year 1 July 2019–30 June 2020 we received 3,185 postal industry complaints, which represented an increase of 20 per cent compared to the previous year where 2,653 complaints were received. Despite the increase, complaint numbers were moderate compared to the previous few years.

This year, we also commenced publishing more information on consumer issues and complaints about the postal industry through quarterly updates.

Figure 2—Complaints received by year¹



The Office started the year in July 2019 with a new assisted referral process where we assist complainants by referring their cases directly to postal operators. During the year 1 July 2019–30 June 2020 we handled 1,230 (39 per cent) of finalised complaints as assisted referrals.

Previously, if our dispute resolution officers felt a complaint warranted a further response from a postal operator we would provide guidance to the complainant and ask that they contact the operator themselves. Under the assisted referral process, we explain to people that the postal operator has a certain time period in which respond to them, and if the operator doesn't respond within the time period, or the person is unhappy with the response, the person is welcome to return to the Office and we will consider their complaint further.

During the year 1 July 2019–30 June 2020, 70 (6 per cent) of people for whom we facilitated assisted referrals returned to the Office because they were dissatisfied with the operator's response. Approximately half returned because they didn't receive a response within the agreed timeframe and the remainder because they were unhappy with the outcome offered.

The process provides a better service to complainants, especially those that might find it difficult to navigate a complaints process due to their abilities using online services or talking on the telephone. Another benefit

¹ Includes complaints by postal operators registered by the Postal Industry Ombudsman and complaints about Australia Post under the Commonwealth Ombudsman jurisdiction.

to complainants is that in most instances it provides a quick response and resolution to their complaint, especially compared to the time involved if the Office seeks further information ourselves.

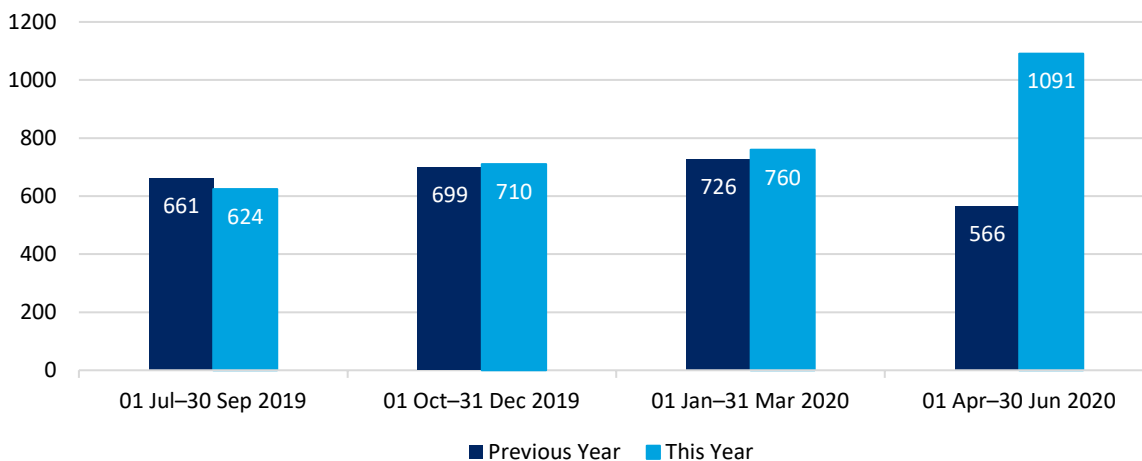
The new process assisted the Office by allowing easier matters to be resolved, leaving our dispute resolution officers to concentrate on the smaller number of cases that require our action, including matters that return to the Office after being referred.

The assisted referral process appears to have served complainants and the Office well during a busy year, where complaints increased significantly and we managed to keep our complaint handling times to acceptable levels. The feedback we have received about the process and the low (6 per cent) return rate is reassuring. During 2020–21 we will seek further feedback from complainants we refer under this process to ensure it is meeting their needs.

Complaints received

Complaints received by quarter

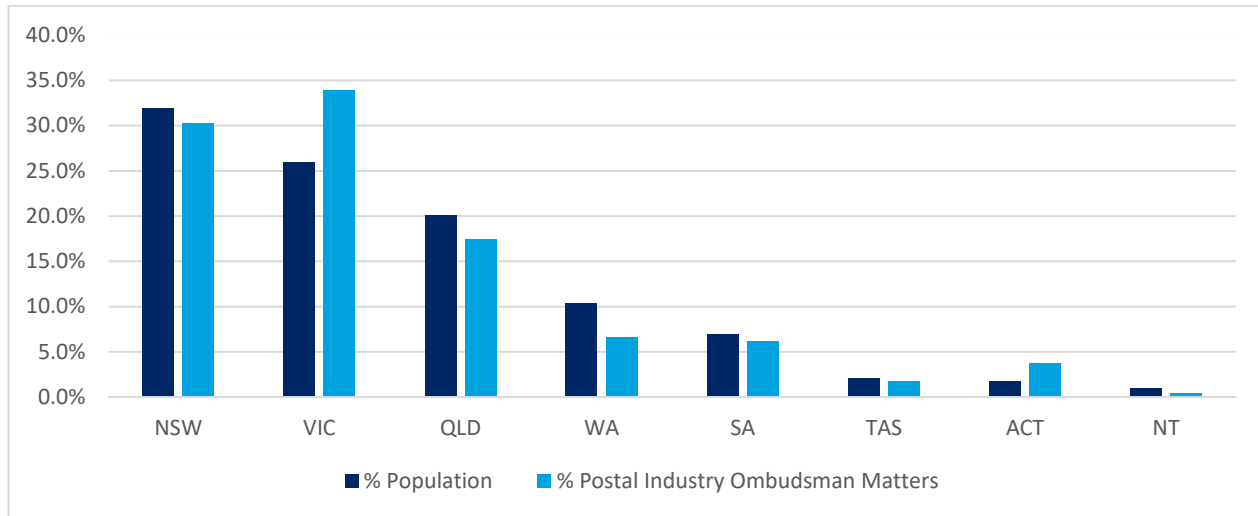
Figure 3—Complaints received by quarter



Complaints by state and territory

As outlined in Figure 4 below, consumers in Victoria and the Australian Capital Territory were more likely to have a complaint about their postal operator, compared to consumers in other states and territories.

Figure 4—Complaints by state/territory



Complaints by postal operator²

During 1 April–30 June 2020 we received 1091 complaints, comprising:

- 1077 complaints (98.8 per cent) about Australia Post
- 12 complaints (0.9 per cent) about StarTrack
- 2 complaint about other postal operators (Federal Express and D&D Mailing Services).

Complaints finalised

The Office uses a number of different processes to manage postal industry complaints. A matter is finalised when no further action is being taken with the complaint.

During 1 April–30 June 2020 the Office finalised all postal industry complaints within our service standards, as follows:

Complaints finalised	Timeframe	Service standard
85.3%	Within 14 days	65%
97.1%	Within 45 days	85%
99.4%	Within 90 days	95%
100%	Within 12 months	99%

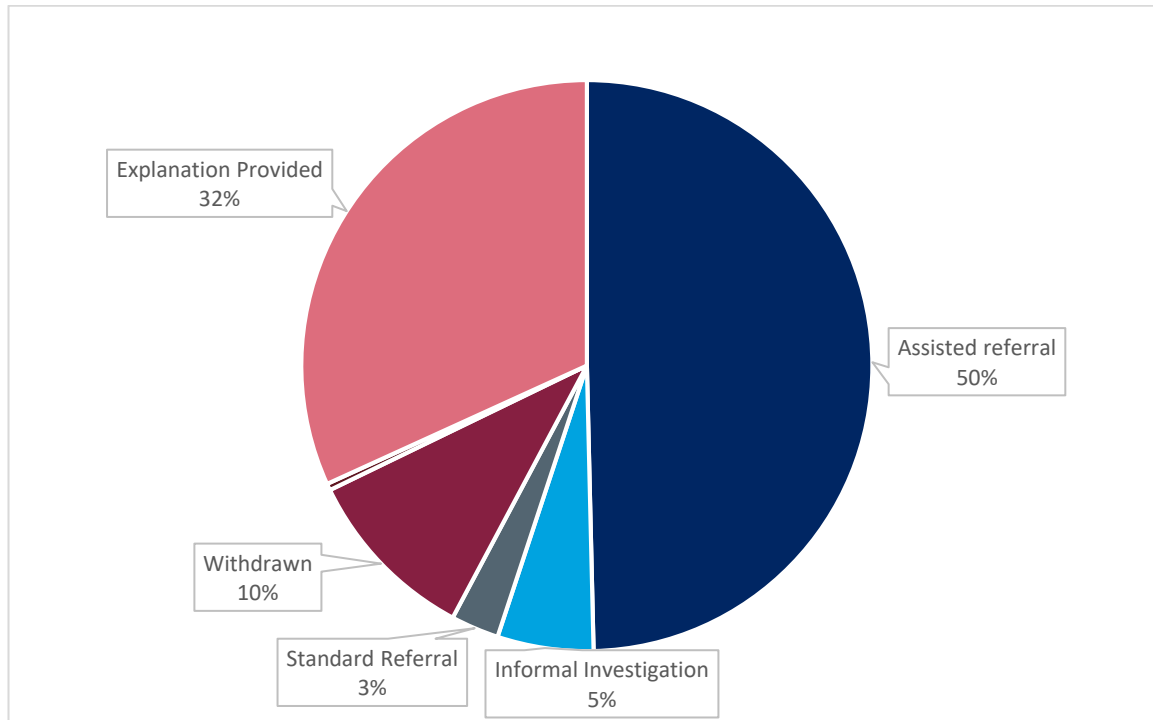
Actions taken to finalise complaints

During 1 April–30 June 2020 we finalised 1066 postal industry complaints, which represented an 83.5 per cent increase compared to the same period last year. The large increase in complaints during the quarter presented a challenge to the Office. However, an improvement in our case handling procedure made from 1 July 2019 meant that a significant number of matters were able to be finalised through our early resolution processes.³

² Includes only postal operators registered by the Postal Industry Ombudsman.

³ For further information about the different types of actions the Office uses to finalise postal complaints refer to [Quarterly Update 1](#).

Figure 5—How complaints were finalised



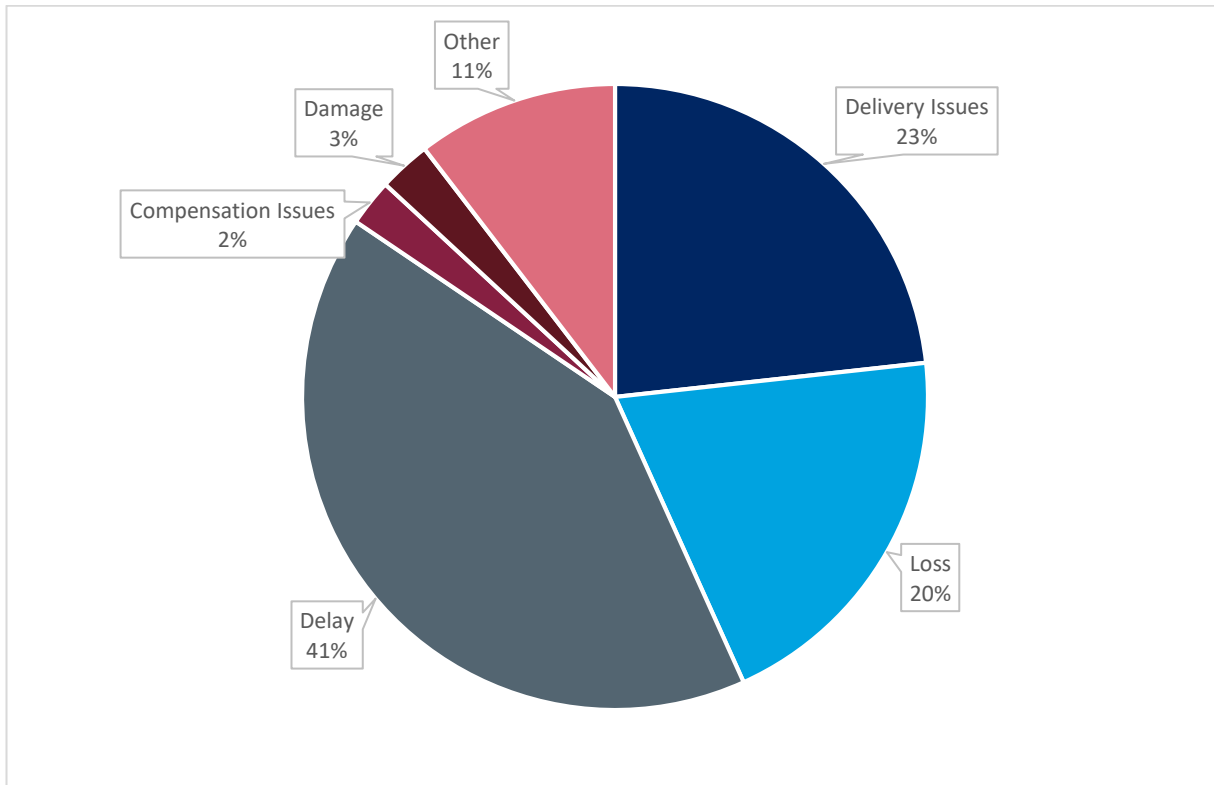
Complaint issues

The types of complaints we received are explained below:

- Delay—complaints that relate to letters or parcels that have been delivered later than expected. There was a notable increase in the percentage of complaints about postal delays from 21 per cent last quarter to 41 per cent in the 1 April–30 June 2020 quarter.
- Delivery Issues—complaints about the way mail and parcels are delivered. For example, parcels not being properly delivered to a person’s address, or left in an unsafe location.
- Loss—complaints where the primary issue was that an article was lost in transit by the postal operator.
- Compensation—complaints that primarily concern a compensation request.⁴
- All other—includes complaints about Australia Post concerning services other than postal or similar services. This can include services provided in a postal retail outlet (e.g. retail products, bill payment, passport services), actions of staff, the handling of requests under the *Freedom of Information Act 1982*, tenders and contracts and some pre and post-employment matters.

⁴ Most complaints about a postal operator include a request for compensation to remedy another issue. This category is used for those complaints that relate primarily to compensation (for example, a complaint about the operator’s compensation process).

Figure 6—Complaint issues



Data

The data in this update is for the period 1 April–30 June 2020. Our data is dynamic and regularly updated as new information comes to light. For this reason, there may be minor differences in data when compared to what was reported in the last quarterly update. Previous quarterly updates are available on the Ombudsman's [website](https://www.ombudsman.gov.au/).

More information is available at ombudsman.gov.au/How-we-can-help/postal-industry-ombudsman