

Quarterly Update 7: 1 January–31 March 2021

Introduction

The function of the Postal Industry Ombudsman (PIO) is to investigate complaints about postal and similar services provided by Australia Post (AusPost) and Private Postal Operators. Australia Post is the only mandatory member of the PIO scheme. Private operators join voluntarily. Currently registered are StarTrack, Cheque-Mates and D Mailing Services. FedEx Australia (Federal Express Australia) was registered up to 1 April 2021 and complainants have up to one year to lodge complaints for issues that arose before that date.

We place a high priority on quick 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

14.7% increase in
complaints received



compared
to the same time last year

This quarter we
received
872 complaints
and
finalised
915 complaints

How complaints were finalised



COVID-19 and postal complaints

Complaints relating to COVID-19 disruptions to postal services peaked in September 2020. Since the peak, complaints gradually returned to normal and in the 1 January–31 March 2021 quarter, postal complaints received by the Office of the Commonwealth Ombudsman (the Office) were only 14.7 per cent above normal. In establishing what is considered a 'normal' level of postal complaints we compare complaint numbers to the same quarter in the previous year. In this case the March 2020 quarter was a period before COVID-19 started to have a major impact on postal services.

To address the disruptions brought about by COVID-19, Australia Post obtained regulatory relief until 30 June 2021, subject to review¹. The most significant service changes for consumers were that Australia Post has been permitted to reduce mail frequency in metropolitan areas, suspend its priority letters service and extend its

¹ Supporting Australia Post throughout COVID-19 | Ministers for the Department of Infrastructure, Transport, Regional Development and Communication

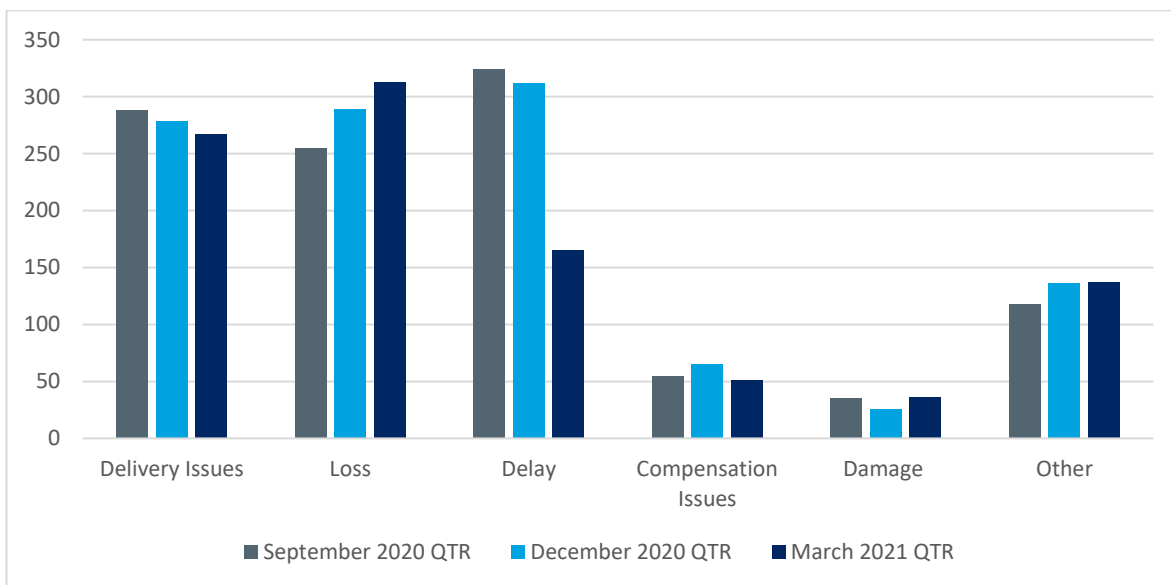
required intrastate delivery times. At time of writing, it is expected that regulatory relief will expire on 30 June 2021 and customer services will return to normal.

It is pleasing to see a reduction in complaints due to Australia Post and other postal operators adapting their operations around COVID-19 disruptions, as well as management ensuring appropriate resourcing of complaints teams.

Figure 1 below shows the effect of COVID-19 disruptions over the last four quarters. Overall the number of postal delay complaints have been reducing since the peak in the June quarter. However, complaints about postal loss gradually increased, partly due to items being considered lost after a certain time passing.

Disruptions to international and domestic air services that occurred at the start of the pandemic are still partially in place. A significant cause of the increase in complaints about delivery loss has been parcels going missing after being transferred between different services. It is expected that it will take an extended time for services to return to normal and for complaints about parcel loss to fall.

Figure 1—Complaints issues, this quarter compared to two previous quarters



Compensation for lost or damaged parcels

Australia Post advises customers that its services are generally suitable for sending items up to the value of \$100. For items valued more than \$100 it sells an additional service called “Extra Cover” that can provide compensation of up to \$5,000 subject to some conditions.²

Complaints about compensation made to this Office are generally from customers who experienced loss or damage of an item costing more than \$100 and who, for a variety of reasons, did not purchase Extra Cover. Our dispute resolution team routinely considers whether a customer should have been aware of the option to purchase Extra Cover, but can also consider whether Australia Post should reasonably compensate for loss or damage even though the consumer chose not to purchase Extra Cover.

Australia Post considers claims for compensation over \$100 where Extra Cover was not purchased on a case-by-case basis. When this Office considers a complaint from someone whose case has been refused by Australia Post we consider whether the decision is reasonable based on the available evidence.

² [Compensation for lost or damaged items - Australia Post \(auspost.com.au\)](https://auspost.com.au/compensation-for-lost-or-damaged-items)

For consumers who experience loss or damage to a parcel and believe they should be entitled to compensation, this Office recommends they first contact Australia Post to complain and later, if they are still unsatisfied, we can consider their complaint.

Case Study—who is responsible for an uninsured item?

A complainant purchased a metal detector from an outdoor adventure store worth about \$900 and requested delivery to her address. The complainant had moved address at the same time, but the parcel was sent to her previous address where a mail direction had been put in place.

After receiving a notification from Australia Post that the item had been successfully delivered, the complainant queried where it was. The parcel had mistakenly been sent to the previous address despite the mail redirection in place and attempts to retrieve the item were unsuccessful.

In recognition of the error that had been made, Australia Post offered \$100 in compensation for the value of the item as well as a refund of redirection fees. The complainant came to our Office because they believed they should be entitled to a full return of \$900.

The amount of \$100 compensation had been offered because the sender, which in this case was the store, had not purchased Extra Cover. Unless Extra Cover or some type of insurance such as those offered by companies like PayPal applies, the default value of an item in the Australia Post network is \$100.

During our investigation of this complaint, the store decided to provide a replacement metal detector to the customer. This was a reasonable outcome because although the item had been delivered to an incorrect address and lost, the sender of an item can choose to take insurance for high value items it sells. In this case, the store had not taken insurance and it was reasonable for the complainant not to experience a loss because of that action.

Case Study—Items that don’t fit into a letterbox

A complainant purchased a prepaid Express Post packet from Australia Post to provide to an embassy so that a passport could be delivered to their address. The passport item was posted back to their address and tracking information showed that it had been successfully delivered. However, the passport was not in their letterbox and, upon querying what happened, Australia Post confirmed that the package had been successfully delivered to the address.

The replacement cost of the passport would be approximately \$450. After not receiving compensation for their loss, the complainant contacted our Office. In providing their version of events, the complainant explained why they did not think the item had been delivered. The letterbox in question was locked and therefore it was unlikely that the item could have been stolen if it had been correctly inserted into the box.

Australia Post initially offered \$100 in compensation for the loss as the standard amount it compensates for items not received when Extra Cover is not taken. In investigating the matter, there was some uncertainty about whether the package had been placed in the letterbox or “in the vicinity of the letterbox” and also whether the Express Post packet could have fitted into the letterbox because it was too large for the slot.

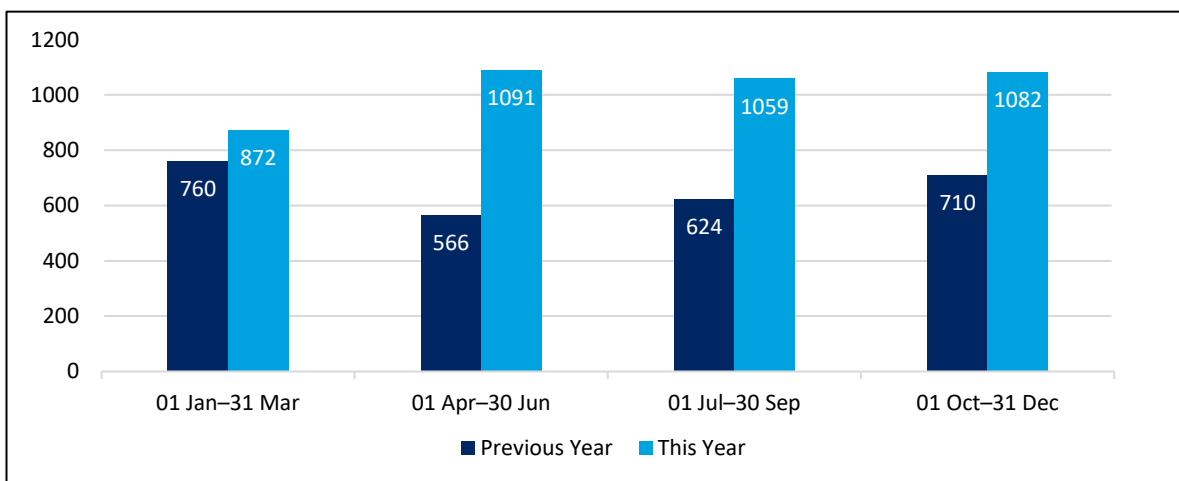
After considering the complainant’s circumstances, Australia Post decided to compensate the full replacement cost of the passport.

Generally, consumers are recommended to only send passports through the post with a recorded signature to ensure safety of their personal information and protection of a valuable item.

Complaints received³

Complaints received by quarter

Figure 2—Complaints received by quarter compared to same quarter in previous year

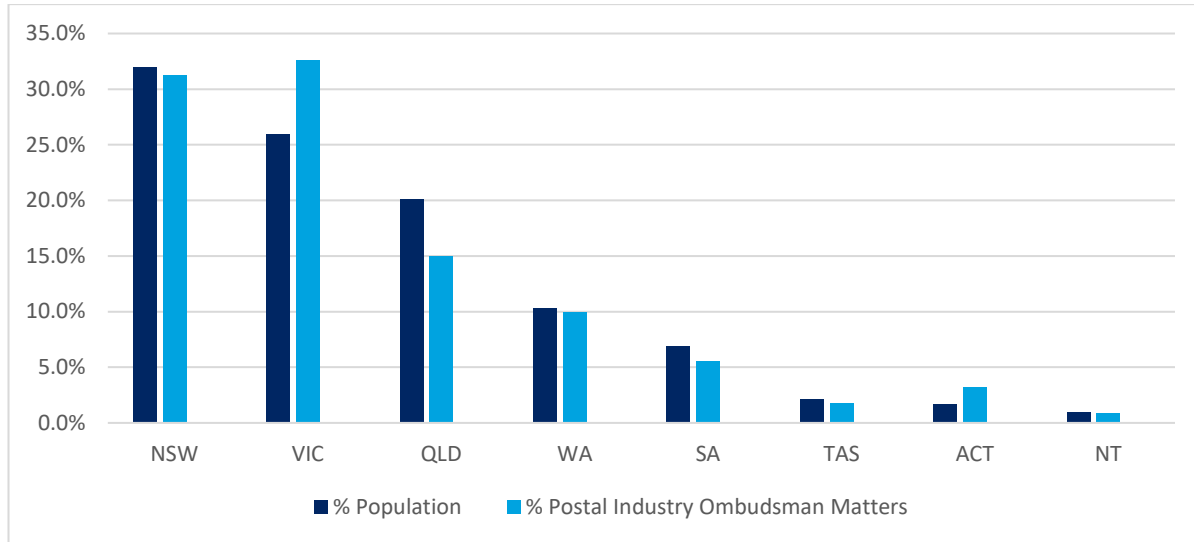


³ Includes complaints about private postal operators registered by the Postal Industry Ombudsman and complaints about Australia Post under the Commonwealth Ombudsman jurisdiction.

Complaints by state and territory

As outlined in Figure 3 below, consumers in Victoria and the Australian Capital Territory were more likely to complain about postal matters, taking into account the relative population in that state or territory.

Figure 3—Complaints by state/territory relative to population



Complaints by postal operator

During 1 January–31 March 2021 we received 872 complaints, comprising:

- 821 complaints (94.2 per cent) about Australia Post
- 30 complaints (3.4 per cent) about StarTrack
- 21 complaints (2.4 per cent) about Federal Express.

Complaints finalised

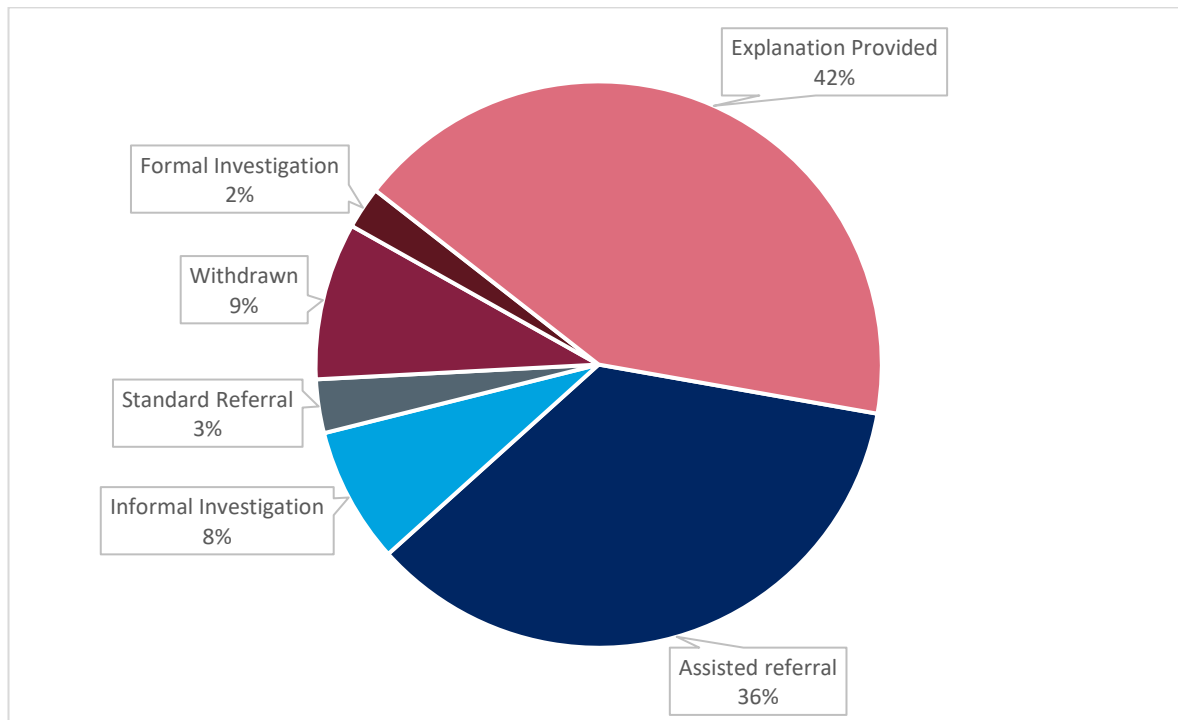
During 1 January–31 March 2021 the Office finalised all postal industry complaints within our service standards, as follows:

Complaints finalised	Timeframe	Service standard
66.5%	Within 14 days	65%
91.2%	Within 45 days	85%
98.4%	Within 90 days	95%
100%	Within 12 months	99%

Actions taken to finalise complaints

During 1 January–31 March 2021 we finalised 915 postal industry complaints, representing a 11.7 per cent increase compared to the same period last year.

Figure 4—How complaints were finalised



Data

The data in this update is for the period 1 January–31 March 2021. 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](#).

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