

Quarterly Update 1: 1 July–30 September 2019

Introduction

The Office of the Commonwealth Ombudsman (the Office) investigates complaints about postal and similar services provided by Australia Post and Private Postal Operators (PPOs) under the Postal Industry Ombudsman (PIO) Scheme. The Office also investigates complaints about administrative actions and decisions taken by Australia Post under the Commonwealth Ombudsman jurisdiction.

Australia Post (including StarTrack) is a mandatory member of the PIO Scheme, while other PPOs may choose to voluntarily register. As at 30 September 2019, there were three voluntary members on the PPO Register:

- FedEx Australia (Federal Express Australia)
- Cheque-Mates
- D and D Mailing Services.

The Office considers it important to provide public information about what causes complaints and the work we do to resolve complaints. Similar to our other industry ombudsman functions,¹ we will be providing regular public information about postal industry complaints in these quarterly updates.

PIO quarterly updates will provide details of the complaints we receive, how we handle complaints and analysis of systemic issues for consumers as well as case studies.

This update sets out our PIO activities for the period 1 July–30 September 2019.

Quarterly update at a glance

5.6% decrease in
complaints received



compared
to the same time last year

80% of complaints
related to delivery issues,
loss and delay.



This quarter we received 624 complaints and
finalised 571

How we finalised complaints:

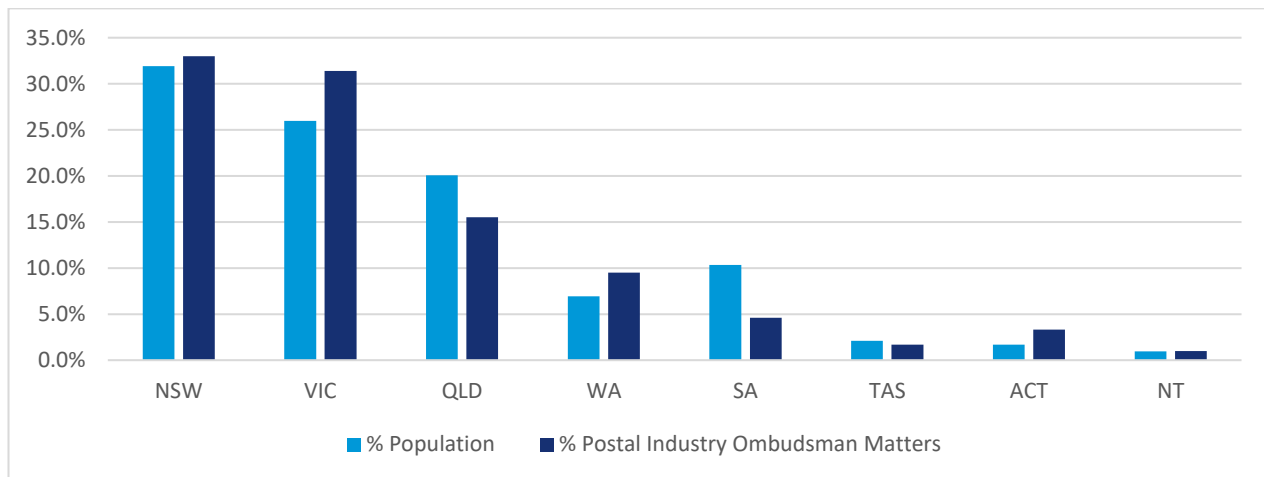
43% explanation provided
31% referred back to postal operator
15% informally investigated
3% formally investigated

¹ See the Office's industry updates for Overseas Student Ombudsman, [VET Student Loan Ombudsman](#) and the Private Health Insurance Ombudsman [here: https://www.ombudsman.gov.au/publications/industry](https://www.ombudsman.gov.au/publications/industry).

Complaints received

During 1 July–30 September 2019 we received 624 complaints, which represented a 5.6 per cent decrease when compared to the same period last year. Consumers in Victoria, Western Australia, Australian Capital Territory and New South Wales were more likely to have a complaint about their postal operator, compared to consumers in other states and territories (see graph 1 below).

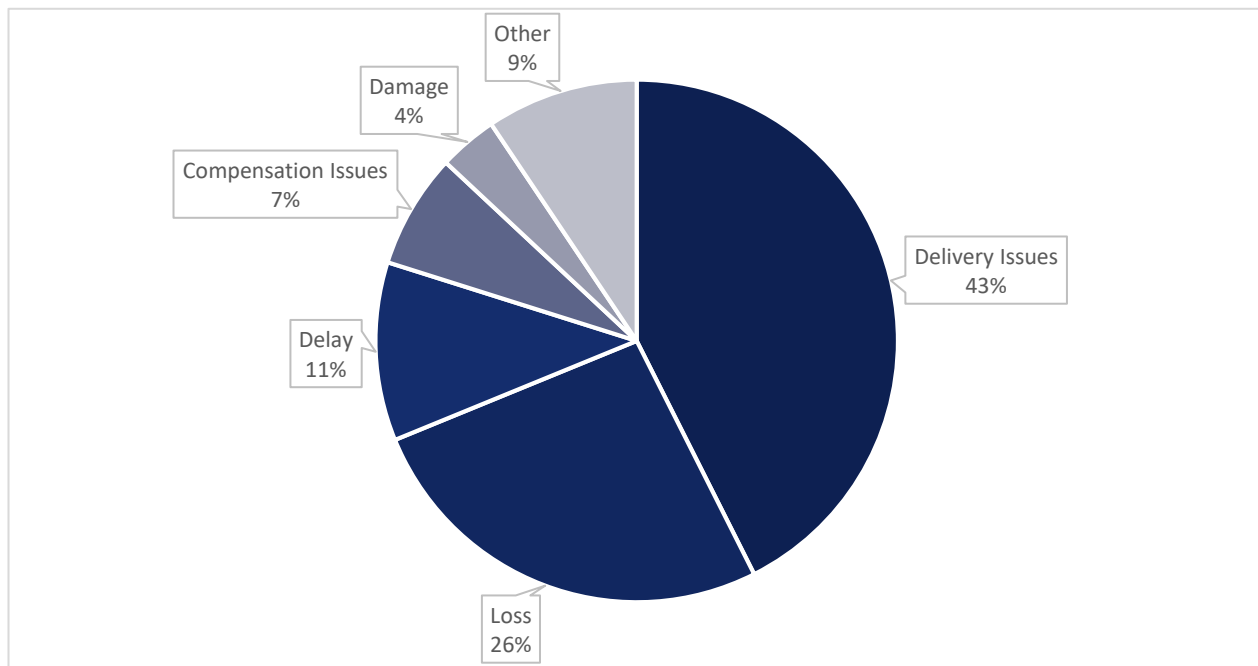
Graph 1: Complaints by state/territory for the quarter



Complaints issues

Graph 2 below summarises the key issues we identify in postal industry complaints - delivery issues, loss and delay continue to be the major driver of complaints, accounting for 80 per cent of complaints this quarter.

Graph 2: What were complaints about in the quarter



The types of complaints considered in each complaint issue are explained below:

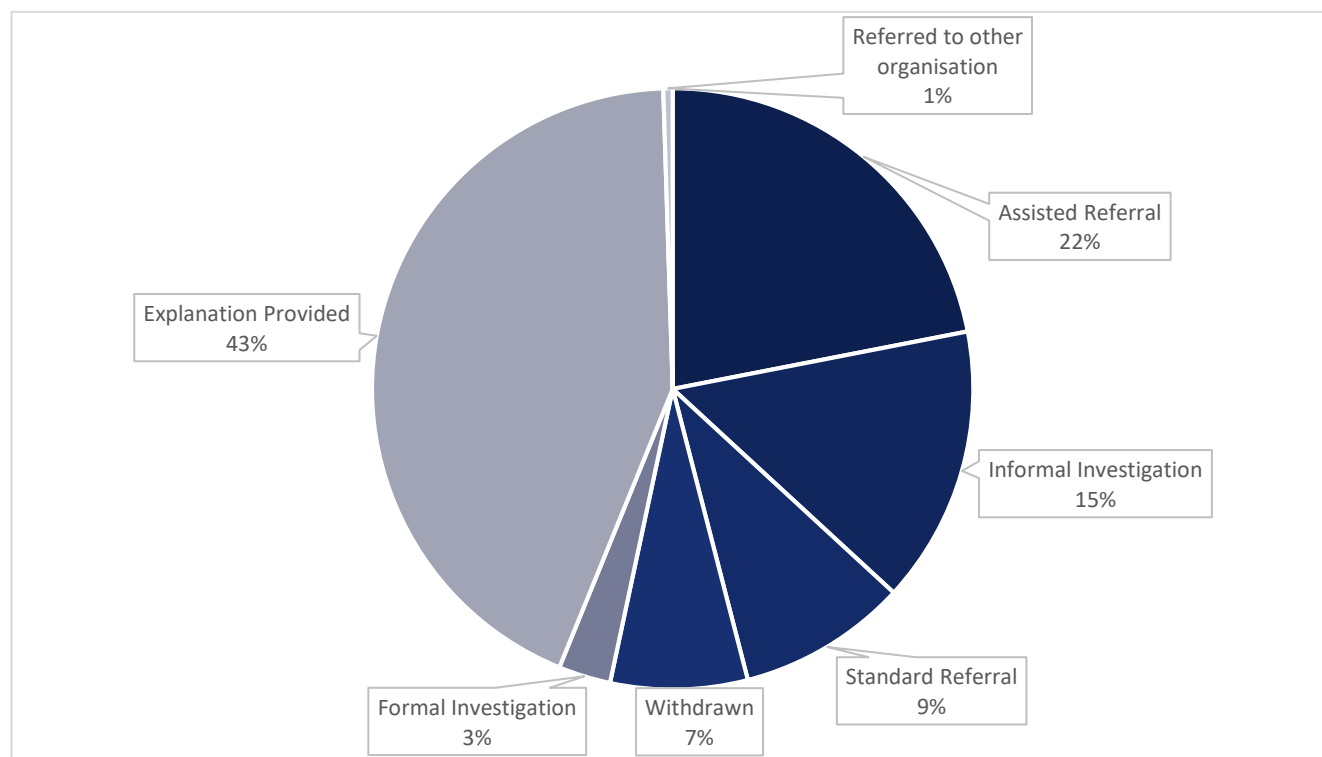
- **Delivery Issues** are complaints about the way mail and parcels are delivered. For example, parcels not being properly delivered to a person’s address, or left in an unsafe location.

- Loss are complaints where the primary issue was that an article was lost in transit by the postal operator.
- Delay are complaints that relate to letters or parcels that have been delivered later than expected.
- Compensation Issues are complaints that primarily concern a compensation request. Most complaints about a postal operator also include a request for compensation, so this does not represent the total number of compensation requests. Only complaints where compensation application or calculation was the primary issue are included in this category.
- Damage complaints are where the main concern is that the contents of an article has been damaged during delivery.
- Other complaints relate to a range of different issues, examples include disputes about the amount charged for a service and online parcel tracking services.

Action Taken to Finalise Complaints

The Office uses a number of different processes to manage postal industry complaints. Graph 3 below provides a summary of how we finalised complaints in the quarter.

Graph 3: How we finalised complaints in the quarter



Assisted Referral

In consultation with Australia Post we introduced an assisted referral process in July 2019. Under this process, if we identify a matter as suitable for an assisted referral, the complainant will be advised that their complaint has been referred to Australia Post for follow up and response. They can approach us again if they are dissatisfied with the outcome of Australia Post’s handling of the matter.

Compared to advising complainants to contact a postal operator directly, this process allows a postal operator to identify why people have contacted the Ombudsman in the first instance or why a matter was unable to be resolved in a timely manner. In the future, we will consider offering this complaint resolution pathway to other postal operators.

Informal Investigation

An informal investigation is when we contact a postal operator to make a simple enquiry to clarify details of a complaint or we may consider there could be benefit in giving the postal operator another opportunity to resolve a complaint before we consider initiating a formal investigation. We handle the complaint by dealing directly with a postal operator and the complainant until a suitable resolution has been reached.

We currently offer this complaint resolution approach to Australia Post and, in the future, will consider offering it to other postal operators.

Standard Referral

A standard referral is when we advise the complainant to contact the postal operator directly to lodge a complaint or take reasonable steps to follow up on the progress of a matter that has already been raised. It is used when a complaint has not been raised with the postal operator as we usually do not investigate a complaint until the postal operator has had an opportunity to resolve the matter first. We have found that this is usually a more efficient way of resolving a complaint.

Formal investigation

If a postal operator has been contacted, but the complainant has been unable to agree on a resolution, we may decide to conduct a formal investigation. We handle the complaint by dealing directly with the postal operator with a focus on early resolution.

In some instances, we may continue to investigate if the matter is not resolved or if other potentially systemic issues are identified as part of our investigation.

Referred to other organisation

There are a number of regulatory or oversight agencies or bodies whose functions include dealing with complaints and reviewing decisions. These bodies have specific statutory powers that enable them to carry out these functions. When assessing complaints, we consider if we are the most appropriate body to handle the complaint. If we identify there is another organisation better suited to assist, such as Offices of Fair Trading, the Australian Competition and Consumer Commission or a court or tribunal, we will advise the complainant and provide contact details.

Assessment and then explanation provided

We listen to the concerns of the complainant and provide either advice on what we would consider an appropriate response from the postal operator or a better explanation of the response provided by the postal operator. The complaint is then finalised, either because the complainant accepts the explanation we provide or they decide not to continue with the complaint.

Withdrawn

This includes complaints that are resolved by the postal operator before it has been considered further by us.

Complaint Outcomes

Some complaint outcomes we achieved from the actions we took, included:

- faster resolution of complaints through the assisted referral and informal investigation processes
- further explanation by our Office and postal operators
- apologies to individuals from the postal operator
- financial outcomes including compensation, refunds, goodwill payments and in-kind services, or
- feedback to postal operator staff.

Case Study

Gerry* had sold a piece of audio equipment online, he packaged it up and posted it to Eric*, the buyer. Eric subsequently contacted him after receiving the item damaged and not working. He requested a full refund which Gerry provided, which left him significantly out of pocket.

Gerry contacted the postal operator to see if they would compensate him for his loss. The postal operator offered compensation of \$50 for the contents, plus the delivery fee. However, the audio equipment cost more than \$50. The postal operator advised Gerry that he would have been fully compensated if he had purchased an additional cover for loss and damage at the time when he paid for postage and sent the item.

Dissatisfied with the response from the postal operator he contacted our Office for assistance. We made enquiries with the postal operator and confirmed that Gerry had packaged the audio equipment properly and should expect the item to arrive undamaged. After reconsidering the matter, the postal operator recognised it was at fault for the damage to the audio equipment.

Postal operators, like any business operating under the Australian Consumer Law, are required to guarantee that goods and services are of an acceptable quality and that services in particular are performed with due care and skill. In this case, there was reliable information showing that the postal operator had mishandled Gerry's audio equipment.

The postal provider agreed to pay Gerry the full replacement cost of his damaged audio equipment.

** Names have been changed for privacy reasons*

More information is available at ombudsman.gov.au