

Australia Post's approach to compensation for items sent using the Signature on Delivery service during COVID-19

REPORT UNDER S 19V OF THE *OMBUDSMAN ACT 1976*

September 2022

Report by the Commonwealth Ombudsman,
Iain Anderson, under the *Ombudsman Act 1976*

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EXECUTIVE SUMMARY

This report arises from the Office of the Commonwealth Ombudsman’s (the Office) investigation of complaints about Australia Post’s approach to compensation for items sent but purportedly not received using its Signature on Delivery (SOD) service during the COVID-19 pandemic. While Australia Post resolved many of these claims, this report focuses on 3 complaints to the Office about instances where Australia Post declined to offer compensation for the value of an item the complainant says they did not receive.

Australia Post markets the SOD service as providing added “peace of mind” to senders that an item will be delivered personally to someone at an address. Previously, Australia Post collected evidence of delivery by requiring the person who received the item at the delivery address to provide their name and enter their signature on the delivery officer's hand-held scanner. However, considering the impacts of the COVID-19 pandemic, in March 2020 Australia Post implemented a temporary procedure to reduce contact between members of the public and delivery officers which requires the delivery officer to request the name of the person receiving the item and enter it into the scanner themselves. Under both procedures, if no one is present at the delivery address to receive the item, the delivery officer is required to leave a ‘missed delivery’ notification and take the item to the local post office for collection.

In the 3 case studies in this report, Australia Post acknowledged its staff did not follow the SOD procedure but concluded that, while this may have warranted a refund of the SOD fee to the sender, this failure did not warrant providing compensation for the value of the items. In our view, consumers are entitled to expect that, by paying the extra fee for SOD, Australia Post will provide the service in accordance with the agreed terms and conditions, by confirming someone is present to accept the delivery and recording that person’s details accurately. Where this does not occur and complainants assert that they did not receive their items, we consider Australia Post should provide appropriate compensation.

This report makes 2 recommendations to Australia Post:

1. review the SOD COVID-19 service to consider whether it is still required, fit for purpose and provides the level of assurance it purports to offer customers, and
2. compensate consumers who contact Australia Post about missing items that were sent to them using the SOD service where the SOD process was not correctly followed.

In cases where consumers contact Australia Post about missing items that were sent to them using the SOD service and there is a dispute about whether the correct SOD procedure was followed, our view is that Australia Post should consider compensating in circumstances where there is no reasonable proof of delivery.

Australia Post partially accepted both recommendations. Its full formal response is included in the report as **Appendix B**.

The Office will continue investigating individual complaints about the SOD service and Australia Post’s approach to compensation for items complainants report were not delivered and provide feedback and/or recommendations to Australia Post where warranted.

Part 1: INTRODUCTION

Introduction

Under Part IIB of the *Ombudsman Act 1976* (the Ombudsman Act), the Commonwealth Ombudsman is also the Postal Industry Ombudsman. Under this Part, the Ombudsman handles complaints about postal or similar services provided by Australia Post, and other private postal operators registered with the Postal Industry Ombudsman scheme.

Under s 19V of the Ombudsman Act if, after investigating a matter, the Ombudsman considers Australia Post's action was unreasonable or unjust and action should be taken to rectify or alter that action or a related policy or procedure, the Ombudsman must report accordingly to the investigated body providing reasons for opinions specified in the report and may make recommendations they think fit to make.

This report, prepared under s 19V of the Ombudsman Act, reflects the Ombudsman's views about the reliability of the SOD service, following changes Australia Post made in early 2020 in response to the impacts of COVID-19.

These views were formed after we investigated 3 complaints about Australia Post's decision not to pay compensation for items sent using the SOD service the complainants said they did not receive. In each instance, Australia Post acknowledged its delivery officers did not comply with the COVID-19 SOD procedure, but maintained the disputed items were delivered and the complainants were not entitled to compensation for the value of the article.

In addition to recommending Australia Post provide compensation to individuals who contacted it about missing items sent to them using the SOD service where the process was not correctly followed, this report also recommends Australia Post reviews the COVID-19 SOD process to consider if it is still required, fit for purpose and provides consumers with the level of assurance it purports to offer.

Australia Post's Signature on Delivery service

Australia Post is a government business enterprise providing postal services in Australia and providing most business-to-consumer parcel deliveries. In 2020–21, it estimates that it facilitated 80 per cent of Australia's eCommerce activity.¹

Impacts of COVID-19 on parcel delivery

The global pandemic, commencing in early 2020, continues to have an enormous impact on postal services for consumers and businesses. With ongoing restrictions and extended periods of lockdown, Australians accessed online shopping in record numbers. In 2020–21,

¹ Australia Post Annual Report 2020-21, p. 34

https://auspost.com.au/content/dam/auspost_corp/media/documents/2021-australia-post-annual-report.pdf

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online purchases were 31.8 per cent higher than the previous year.² During the same period, Australia Post’s parcel delivery services increased by 27.1 per cent.³ While this report looks at a small number of complaints that Australia Post did not resolve, the Ombudsman acknowledges that Australia Post successfully handled a very high volume of parcel deliveries and resolved complaints about those services where they arose.

This unprecedented growth in parcel volume coincided with a significant reduction in Australia Post’s transport capacity due to operating restrictions, reductions in air passenger and cargo capacity and border closures.

During this time, Australia Post adapted its products and services to meet demand while bound by public health orders and cognisant of community expectations that services be delivered in a ‘COVID-safe’ manner. These adaptations included changes to its SOD service, an optional extra which can be purchased when using Parcel Post and Express Post parcel services.

Signature on Delivery (SOD)

Australia Post offers standard tracking on many of its parcel services and some letter services, which recipients can use to monitor where an item is in the delivery chain and obtain an estimate of when the item is likely to be delivered.

The SOD service (along with other optional extras) is advertised to consumers to “*add peace of mind to your delivery*”⁴ and at 1 July 2022, cost domestic senders an additional \$2.95 per parcel. Online and in-store, Australia Post recommends that senders purchase SOD when sending items of higher value, or when sending important documents, because the terms and conditions of the service require the delivery officer to record extra evidence to supplement the routine delivery information. This information provides consumers with “additional assurance” their parcel was delivered.

Prior to COVID-19, this additional assurance was a signature. The delivery officer would use a handheld scanner to obtain the name and signature of the person at the address who accepted the item on delivery. If no one was at the address to receive the item and provide a signature, the delivery officer would take the item to a post office where the addressee would need to show proof of identity to collect it.

COVID-19 SOD procedure

In March 2020, due to COVID-19-related physical distancing requirements and public health concerns, Australia Post announced changes to the SOD process. Rather than obtaining a signature from the addressee or another householder, the amended process required the

² Australia Post Annual Report 2020–21, p. 6
https://auspost.com.au/content/dam/auspost_corp/media/documents/2021-australia-post-annual-report.pdf

³ Australia Post Annual Report 2020–21, p. 15
https://auspost.com.au/content/dam/auspost_corp/media/documents/2021-australia-post-annual-report.pdf

⁴ Australia Post website (accessed 30 August 2022)
<https://auspost.com.au/sending/send-within-australia/optional-extras-domestic>

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delivery officer to record the name of the individual present to accept delivery and enter “CV19” (referring to the COVID-19 procedure) into their handheld scanner.

An extract from Australia Post’s website (taken on 18 February 2022), which describes the revised SOD service, is provided at **Appendix A**.

Part 2: ISSUES ARISING FROM INVESTIGATIONS

Complaints about SOD service

After the COVID-19 procedure was introduced in March 2020, our Office received complaints from consumers about parcels sent to them using the SOD service where details of the delivery of the item were entered into Australia Post's system, despite the complainants advising that no one at the address had acknowledged or accepted the item. The complainants explained they believed their items were either left unattended at the postal address or not delivered at all.

While the number of complaints to our Office about missing or undelivered items sent using the SOD service during COVID-19 was relatively small, in preparing this report we were conscious there may be other consumers who experienced similar issues but did not contact us.

CASE STUDY: Relying on other matters to demonstrate delivery

The complainant was expecting a parcel to be delivered to his business address. They said the parcel did not arrive and was not accepted by anyone at their business. The complainant queried the whereabouts of the item with Australia Post.

Australia Post investigated the matter and concluded the parcel was delivered as addressed, citing as evidence GPS data from the delivery officer's scanner which showed the route taken went by the correct location, the delivery officer's description of the individual present at the time of delivery, and scanner sequencing data showing the parcel appeared to have been delivered in correct sequence relative to parcels delivered to nearby addresses. Australia Post also stated that a review of performance over the previous 12 months showed the delivery officer was sufficiently experienced, had received positive feedback about his performance, and was familiar with delivery of items to the business address in question. Finally, Australia Post also felt that the complainant had provided inconsistent information about the value of the item.

During our investigation, we advised Australia Post that, in our view, the evidence cited by Australia Post to support its conclusion was not sufficient to provide assurance the parcel was correctly delivered. In our experience, it is also not unusual for complainants to provide additional or changed information in the course of a complaint and does not necessarily indicate a lack of credibility.

In its response, Australia Post acknowledged the delivery officer did not comply with the COVID-19 SOD process because they did not record the name of the individual who had apparently accepted delivery at the address. However, it maintained the other matters relied upon were sufficient to demonstrate delivery occurred, in the context of what they believed was inconsistent information from the complainant.

In this case and 2 others set out in this report, the complainants alleged they did not receive the item. When they contacted Australia Post to seek reimbursement for the missing item, Australia Post refused to provide compensation beyond a refund of the fee for the SOD service. In each instance, Australia Post conceded the correct delivery procedures were not followed. Instead, Australia Post relied on circumstantial evidence, such as GPS data, scanner sequencing data and delivery officers' personal recall of the premises or the recipient as proof the item was delivered and compensation should not be paid.

The Office's role

The Office is not a merits review body and, when considering a complaint about an organisation's decisions, does not stand in the shoes of the original decision maker to consider whether that decision was the correct or preferable decision. Our role is to assess whether the organisation's decision or action was fair and reasonable in the circumstances. We do this by considering any relevant policies or procedures that guide the decision or action, the individual circumstances of the complaint, and the reasons the organisation provided for its action or decision.

As an overarching principle, we expect that organisations treat their consumers fairly and reasonably by:

- delivering their services in accordance with relevant Terms and Conditions
- making decisions about complaints and requests for compensation from consumers that are fair, evidence-based and consider the power imbalance between the organisation and the consumer – for example, by asking consumers to prove that an item was *not* delivered.

CASE STUDY: Absence of proof of delivery

The complainant was expecting a parcel delivery at home but said they did not receive it, despite Australia Post records showing it was delivered. They complained to Australia Post, but it refused their request for compensation.

Australia Post's records showed that the Australia Post delivery officer entered the addressee's name into the scanner and signed 'CV19' but did not enter information about who accepted the parcel. GPS data showed the driver's route went past the correct address at the time of delivery. Australia Post also felt that the complainant provided inconsistent information about whether his family were home at the time of the delivery.

The delivery officer did not initially recall the specific delivery but acknowledged that, on previous occasions, he pre-entered the name of the addressee (recorded on the parcel) into the scanner. This is not the correct practice, as the procedure requires the delivery officer to record the name of the person accepting delivery of the item. Australia Post advised it gave the delivery officer feedback about the practice of pre-filling the addressee's name, and it would not occur again.

We advised that in the absence of proof the parcel was appropriately delivered to the address, when it was acknowledged that the item had not been delivered in accordance with the SOD procedures that the recipient had chosen and paid for, Australia Post should consider compensating the complainant for the value of the missing parcel. In our view it was not material that the complainant initially stated that his spouse and children were at home but subsequently advised that no-one was at home at the time the delivery was apparently made.

Although it acknowledged the delivery officer had not followed the SOD procedure, Australia Post advised it was nonetheless satisfied the item was delivered and would not provide compensation for the item, in the context of the complainant providing inconsistent information about whether a family member was at home at the time of the delivery.

Our analysis of Australia Post’s compensation decisions

Relevant policies and procedures

COVID-19 SOD procedure

Australia Post markets the SOD service as providing “peace of mind” to senders that an item will be delivered personally to someone at the agreed address. To its credit, Australia Post’s website and other signage make it clear the procedure was updated in response to the impacts of COVID-19 and – contrary to its name – the SOD service does not, under the COVID-19 procedure, require the recipient’s signature. However, despite this change, consumers are entitled to expect that, by paying the extra fee, the delivery officer will provide the agreed service by confirming someone is present to accept the delivery and recording that person’s details accurately.

Australia Post’s COVID-19 procedure for the SOD service requires that:⁵

- If the sender requests a signature, **someone will still need to be home** for delivery. The delivery officer will **ask for and record a name** before confirming delivery on their handheld device and then leave the item at the door.
- If the sender requests **an ID check**, the delivery officer will complete the check at a safe distance before placing the item on the ground.
- **If nobody is home** to receive delivery, the item will be taken to a local Post Office for collection. The staff there will follow the same procedures to confirm delivery.

Australia Post’s compensation arrangements

Australia Post advises that its services are generally suitable for sending items up to \$100 in value and that for items valued over \$100 consumers should purchase Extra Cover which provides compensation for loss or damage for up to \$5,000 (or \$500 for some services). In cases where Australia Post considers Australian Consumer Law (ACL) applies, it pays compensation under the ACL unless it can demonstrate the loss or damage was caused by ‘an event outside of its reasonable control or due to an act or omission on the part of the sender or receiver’. For all other instances where there is loss or damage, and Australia Post caused or contributed to that loss or damage, it generally provides compensation up to the lesser of the replacement cost value of the article or up to \$100 to consumers who did not purchase Extra Cover.

Were the decisions fair and reasonable in the circumstances?

In our view, Australia Post’s decisions to refuse to compensate complainants for items sent but not received, where Australia Post did not follow the SOD procedure, were not fair or reasonable in the circumstances and may not reflect the consumer guarantees that are provided to consumers under the ACL. There are several reasons for this position:

⁵ Australia Post website (accessed 21 January 2021)
<https://auspost.com.au/service-updates/current-updates/no-signature-required-for-delivery-or-collection>

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1. Non-compliance with the procedure

In some instances, the delivery officer acknowledged they did not always comply with the requirement to obtain the name of the individual receiving the item and instead, simply recorded the name of the addressee from the delivery address. These failures to comply with the COVID 19 SOD procedure call into question whether the SOD service was provided with acceptable care and skill and took all necessary steps to avoid loss and damage.

In our view, if the correct SOD procedure was not followed – that is, the service the complainants purchased was not provided – and Australia Post does not have direct evidence that the item was delivered, it should provide compensation.

2. Proof of delivery

In circumstances where there is a dispute about whether the correct SOD procedure was followed, our view is that Australia Post should consider compensating in circumstances where there is no reasonable proof of delivery.

While we acknowledge Australia Post may not have strong sources of evidence available to it, in most instances we consider circumstantial evidence, even taken together, is not sufficient to prove delivery. For example:

- GPS data – while this data indicates the delivery officer was in an approximate location at the relevant time, in the absence of tangible evidence, it does not demonstrate they *made a delivery* or that *an individual was present to accept a delivery* at that time.
- Delivery officers' recall – in instances where a delivery officer has a regular round, it is not surprising they might readily recall details about the appearance of certain homes or businesses, or about the residents or tenants ordinarily present in those locations. However, in the absence of tangible evidence, this recall does not demonstrate *a particular item was delivered* on a particular date, or that *an individual was present to accept a delivery*.
- Delivery officers' experience – while a delivery officer's length of experience or service delivery record may be a factor that impacts the weight Australia Post may reasonably place on their account of events, it does not prove delivery of an item.

In our view, reasonable proof would require actual evidence of the interaction between the person accepting the delivery and the delivery officer, and for that evidence not to be contradicted by information provided by the complainant.

Under previous iterations of the SOD service, delivery officers obtained the name and signature of the individual accepting delivery of the item. While these details were still potentially susceptible to forgery or error, they provided the addressee (and our Office, when investigating complaints) with a clear starting point when deliveries were purported to be missing. In our experience, this often proves significant in resolving the complaint.

As the following case study sets out, we also received complaints from individuals where the delivery officer's recall could not be accepted in preference to the complainant's account, yet Australia Post still preferred their account of events over the complainants' and declined to provide compensation for the value of a missing parcel.

CASE STUDY: Reliance on circumstantial information to confirm delivery, despite clear facts to the contrary

The complainant advised they were not at home on the day a parcel was due to be delivered to their residence. They received a text message from Australia Post in the morning stating the parcel would be delivered and that, if they were not present, the parcel would be taken to the local post office for collection. At lunchtime, the person received an email stating the parcel was delivered.

When they arrived home that night the complainant said that, despite the text message and email they received earlier that day, they could not locate the parcel or a parcel pick-up card. As the parcel was for an item of significant value, they lodged a complaint with Australia Post.

Australia Post responded by advising that the delivery officer confirmed they delivered the package to a man, with a dog, at the delivery address. The person disputed this claim, saying no one was home that day, no men live at their place of residence, and they do not have a dog.

Australia Post reviewed the case and acknowledged the delivery officer did not follow the COVID-19 SOD procedure because they did not record the name of the individual who received the delivery. However, Australia Post maintained the delivery took place, relying on GPS data from the delivery officer's scanner which showed they were in the right location at the relevant time, the delivery officer's recall and positive delivery record, and a review of deliveries for neighbouring addresses to confirm the parcel was not delivered to another address in error.

Based on the conflict between the accounts of events provided by the delivery officer and the complainant, the acknowledgement that the delivery officer did not follow the SOD procedure and the lack of proof of delivery, we were not satisfied Australia Post's decision to refuse compensation was fair or reasonable. Despite our view, Australia Post maintained its decision not to compensate the complainant for the value of the contents of the parcel.

3. Unreasonable onus on complainant

Having considered Australia Post's approach to deciding claims for compensation for missing items sent using the COVID-19 SOD procedure, we are concerned it risks placing the onus on complainants to prove that their item was not delivered to them. However, having agreed a contract to deliver an item using the SOD service, we consider the onus is on Australia Post to demonstrate – if challenged – it has fulfilled the requirements of that service.

We acknowledge Australia Post had sound reasons to adjust the SOD procedure to account for COVID-safe delivery. However, when faced with claims that items sent using the COVID-19 SOD service were not received and the correct procedures were not followed, Australia Post should pay compensation unless there is direct evidence of delivery. Likewise, if there is a claim that an item was not received and there is a dispute as to whether the correct SOD procedure was followed, Australia Post should pay compensation unless there is reasonable proof of delivery (if not a name and signature, perhaps some other process in which a recipient is engaged to actively acknowledge receipt) and this is not directly contradicted by information provided by the complainant.

Part 3: CONCLUSION AND RECOMMENDATIONS

Australia Post delivers millions of parcels every year and this volume has grown during the past 2 years, given the effects of COVID-19. Only some of these items are sent using the SOD service and a very small number result in complaints to our Office.

It is apparent that, in adapting its SOD service and implementing the COVID-19 SOD procedure, Australia Post reduced the level of assurance it provides to demonstrate delivery occurred. By requiring delivery officers to request and record the name of the person present to receive each delivery, Australia Post attempted to replicate, to some extent, the previous process of collecting a name and signature.

However, as the case studies in this report demonstrate, if the COVID-19 SOD procedure has not been followed, the recording of a name or a GPS location at the relevant time or a delivery officer's recall do not constitute proof that the item was delivered. In those circumstances, we do not consider Australia Post has sufficient grounds to refute claims for compensation in those instances where an addressee asserts an item was not delivered.

Noting the important role Australia Post plays in delivering most of Australia's business-to-consumer parcels, we acknowledge its desire to streamline its procedures and maintain COVID-safe arrangements whilst they were necessary. Acknowledging this and noting the risk of exposure to continuing claims for compensation under the current SOD procedure, we recommend:

Recommendation 1

Australia Post should review the COVID-19 Signature on Delivery (SOD) service to consider whether it is still required, fit for purpose, and provides the level of assurance it purports to offer consumers.

Specifically, Australia Post should review its COVID-19 SOD procedure to ensure its processes provide reasonable proof that an item sent using the service was delivered into the care of a named person present at the delivery address. Ideally, the procedure should require proof of the interaction between the person accepting the delivery and the delivery officer.

Recommendation 2

Australia Post should compensate consumers who contact it about missing items that were sent to them using the SOD process where the COVID-19 process was not correctly followed unless it has direct evidence of delivery that is not contradicted by information from the complainant.

There may be instances where an addressee claims not to receive the item and disputes that the correct SOD procedure was followed. In such cases, noting our comments in this report about the onus being on Australia Post – rather than the addressee – to demonstrate the service was delivered in accordance with the terms and conditions, we consider that, unless it can provide proof of delivery in the form of interaction between the delivery officer and the receiving person that is not contradicted by information from the complainant, Australia Post should provide compensation.

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When assessing the amount of compensation it should pay to complainants under Recommendation 2, Australia Post should consider the additional assurance the SOD service purports to offer people sending or receiving valuable, important or otherwise precious items. In our view, consumers' purchase of SOD indicates a concerted effort to ensure the safe delivery of their parcel, which Australia Post should factor into its consideration of the appropriate amount of compensation. Depending on the value of the parcel's contents, this may warrant compensation to some complainants above the standard \$100 Australia Post generally offers for damaged or lost items.

APPENDIX A – AUSTRALIA POST’S AMENDED SIGNATURE ON DELIVERY PROCESS

No signature required for delivery or collection

Delivery times and service updates

Domestic delivery times

Domestic service updates

International delivery times

International service updates

Post Office and retail updates

Pricing updates

Current COVID-19 impacts

13 March 2020

To avoid unnecessary contact, we're not asking you to sign for items at the moment.

If the sender has requested a signature, someone will still need to be home for delivery. The postie will ask for and record a name before confirming delivery on their handheld device. They'll then leave the item at the door.

If the sender has requested an ID check, the postie will complete the check at a safe distance before placing the item on the ground.

If nobody's home to receive delivery, your item will be taken to a local Post Office for collection. The staff there will follow the same procedures to confirm delivery.

As usual, if the sender hasn't requested a signature, the postie will check for a safe place to leave the item. And if a safe place can't be found, they'll take it to the Post Office for collection.

Source: <https://auspost.com.au/service-updates/domestic-service-updates/no-signature-required-for-delivery-or-collection> (accessed 18 February 2022)

APPENDIX B – AUSTRALIA POST’S RESPONSE



1 August 2022

Mr Iain Anderson
Commonwealth Ombudsman
By email

Dear Mr Anderson

Updated Draft report under s 19V of the *Ombudsman Act 1976* – Australia Post’s approach to compensation for items sent using the Signature on Delivery service during COVID-19

I refer to Ms McKay’s 7 July 2022 letter, as Acting Commonwealth Ombudsman. This letter enclosed an updated draft report into Australia Post’s approach to compensation for items sent using the Signature on Delivery service during temporarily amended arrangements during the COVID-19 pandemic (**Draft Report**), which follows an initial draft report received on 24 February 2022.

I again acknowledge and thank Ms McKay, your office and its staff for taking steps to help ensure that postal and similar services are provided in a fair and accountable manner – both in an ongoing manner (via investigating complaints about Australia Post and other members of the Postal Industry Ombudsman scheme) and more specifically by investigating and raising with Australia Post the matters set out in the Draft Report. Australia Post is always looking for ways to improve the experience of its customers, and accordingly has a shared interest in ensuring its services, and its customers’ experience of them, are provided in a way that is fair and reasonable.

As the Draft Report acknowledges, the temporarily amended Signature on Delivery procedures were established during the onset of the COVID-19 pandemic, and have helped to ensure that Australia Post team members, and the broader community, remain as safe as possible during the pandemic whilst continuing to provide delivery services that – during the pandemic more than ever – Australians rely on.

As requested, this letter provides Australia Post’s formal response to the Draft Report – comprising this letter and an enclosed, more detailed response. As requested, an informal response has also been provided to Ms Dwyer in your office, in the interests of identifying errors, omissions and other instances where the Draft Report does not in Australia Post’s view accurately represent circumstances relevant to the matters considered.

Address:
219-241 Cleveland Street
STRAWBERRY HILLS NSW 2012

Contact:
T 13 76 78
E info@auspost.com.au



Australia Post acknowledges the Traditional Custodians of the land on which we operate, live and gather as employees, and recognise their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.

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On the recommendations included in the Draft Report, for the reasons set out in the enclosure, Australia Post partially accepts Recommendation 1 and partially accepts Recommendation 2.

The Draft Report includes helpful observations relating to Australia Post's application of the temporary arrangements, as well as observations relating to how the temporarily amended arrangements relating to the Signature on Delivery services have been communicated to customers, and these observations may inform how the Signature on Delivery service is promoted going forward, and how contactless delivery arrangements might be optimised in the future.

Please feel free to contact me on xxxx xxx xxx should you wish to discuss any aspect of the Draft Report or Australia Post's response. Alternatively, Australia Post team members are available to assist your office with any such enquiries.

Sincerely,



Paul Graham
Group Chief Executive Officer and Managing Director
Australia Post

Encl.

**Australia Post's approach to compensation
for items sent using the Signature on Delivery service during COVID-19**
Further Details

Introduction

As identified in the letter of response to the Ombudsman's draft report under s 19V of the *Ombudsman Act 1976* regarding Australia Post's approach to compensation for items sent using the Signature on Delivery service during COVID-19 (**Draft Report**), this document sets out further details of Australia Post's response to the Draft Report.

The letter and this document have been informed by engagement between Australia Post and the Ombudsman's office over recent months, including the discussion between representatives of Australia Post and the Ombudsman's office in March 2022, and the engagement on the February 2022 version of the Draft Report. This document sets out further information about the matters raised in the Draft Report, in the interests of further assisting the Ombudsman's office in its enquiries, and includes a response to each of the Recommendations contained in the Draft Report.

Australia Post acknowledges the challenges its services have faced during the pandemic, and the associated frustrations of some customers, but is proud of its ongoing commitment to service and deliver for Australia throughout the remainder of the pandemic and beyond.

Context

The Draft Report implies a view that the decisions to decline compensation in the three cases identified in the Draft Report were not fair or reasonable in the circumstances – a view that is not justified in the circumstances of each case.

Further, while Australia Post recognises that each individual experience of its services is, and will continue to be, of critical importance, the Ombudsman has only identified three cases in the Draft Report. This represents a very small proportion of the many hundreds of millions of parcels delivered by Australia Post during the COVID-19 pandemic and is materially outweighed by the cases involving the Signature on Delivery (**SOD**) service in which delivery was determined to not have occurred, and in which assistance and compensation was provided (both with and without the involvement of the Ombudsman's office).

Onus of Proof

Australia Post's approach to considering compensation claims for missing items is consistent with the descriptions contained in the Ombudsman's Draft Report – ie considering all available evidence – and, for that reason, Australia Post does not accept the Ombudsman's view that its approach "*places an unreasonable onus on complainants to provide a negative*".

When reviewing disputed delivery complaints for an item sent using the COVID-19 SOD procedure, Australia Post considers and weighs all of the evidence available to it before determining whether delivery appears most likely to have occurred.

Where there is a dispute, Australia Post starts with an assumption that the item has not been delivered. Australia Post then investigates whether sufficient reasonable evidence in the circumstances exists to indicate that assumption to be incorrect.

This places the burden on Australia Post to prove delivery (as opposed to placing the onus on a complainant to prove non-delivery, as is incorrectly suggested in the Draft Report). Where the balance of evidence available does not support a determination that delivery occurred, compensation is provided. This is explored further below.

All Evidence Considered

Importantly, Australia Post is cognisant of the difference between the successful execution of the COVID-19 SOD procedure, and the successful delivery of an article to a person. Australia Post notes that – while a failure of a delivery officer to strictly comply with the COVID-19 SOD procedure is problematic – such failure does not necessarily equate to a failure to deliver an item to a person. This is an important distinction that has implications on the relevant evidence to be considered, as well as on the potential for compensation to be payable.

When reviewing disputed delivery complaints for an item sent using the COVID-19 SOD procedure, and where the COVID-19 SOD procedure has not been followed correctly, Australia Post is tasked with determining whether there is sufficient reasonable evidence that delivery has in fact occurred to a person in the circumstances. This assessment involves considering and weighing all of the evidence available to Australia Post and includes, but is not limited to, the following (the specifics of which have been provided to the Ombudsman for each of the three case studies in the Draft Report):

- *evidence provided by the complainant* – This information is critical, as it includes the complainant’s experience of the delivery service and can include, for example, camera or doorbell footage, proof of vacancy, or evidence that an item was left unattended, and extends to considering any information provided by the complainant that:
 - contradicts information provided by the delivery officer (for example, if the delivery officer describes the delivery address as containing bins on the left-hand side of the house, and the complainant states they have no bins in that location); or
 - contradicts information previously provided by the complainant, or by the sender of the relevant item. This was relevant to two of the cases referred to in the Draft Report. For example, in the case study referred to in the Draft Report as “*Relying on GPS data and delivery driver recollections to demonstrate delivery*”, the complainant provided inconsistent information as to the value of the lost item – with the complainant’s stated value of the item increasing between contacts;

- *geolocation data* – Geolocation data (ie GPS data recorded in delivery officer equipment) is considered useful. If GPS data does not evidence the delivery officer being at the delivery address at the relevant time, or is inconclusive, this would support the position that an item was not delivered. Alternatively, GPS data that identified the delivery officer being at the delivery address at the relevant time is considered useful evidence. This was relevant to all three of the cases referred to in the Draft Report;
- *scanner sequencing data* – A review of delivery sequencing information available from delivery officer equipment (ie data that identifies whether an item appears to have been delivered in sequence relative to the remainder of a delivery officer's round) is also considered useful, as incorrect sequencing can indicate that a delivery has not occurred. Sequencing data was a relevant consideration in one of the cases referred to in the Draft Report;
- *delivery officer recollection*: While a delivery officer's recollection alone is insufficient evidence of successful delivery, it can be useful when considered in the context of other evidence such as geolocation data or scanner sequencing data. This was a relevant consideration in two of the cases referred to in the Draft Report; and
- *relevant history*: The presence or absence of a history of complaints relating to items delivered by the relevant delivery officer is considered useful evidence. This was a relevant consideration in two of the cases referred to in the Draft Report.

While a complainant's position that an item is missing and has not been delivered is the starting point for an assessment, Australia Post does not (and, acting reasonably, could not) ignore evidence contrary to that position. This includes evidence provided by the complainant which contradicts information that the complainant has previously provided. All evidence that is practically available is taken into account.

For completeness – where the absence of a correctly followed COVID-19 SOD procedure is apparent – compensation is paid by Australia Post if there is any evidence (including delivery officer recollection) that an item was left unattended at the delivery address (ie in circumstances where there was no authority to leave the item unattended in a safe location).

Temporarily Amended Procedures

Australia Post acknowledges that the correct COVID-19 SOD procedure was not strictly followed in the three cases identified in the Draft Report. Australia Post expects correct delivery procedures to be followed at all times, treats instances of non-compliance seriously, provides clear corrective instructions to delivery officers where non-compliances are identified, and takes further steps where required to ensure customers receive the service experience they are entitled to expect.

As identified earlier, a failure to comply with the terms of the SOD service (as amended during COVID-19) does not necessarily mean that there has been a failure to deliver an item altogether. In those instances, and where Australia Post has reasonably determined based on all available evidence that the item was delivered to a person notwithstanding the failure to comply with the terms of the SOD service (as amended during COVID-19), senders are entitled to a refund of the SOD service fee. This was proposed to the Ombudsman in two of the cases referred to in the Draft Report.

That said, the omissions identified in the three cases contained in the Draft Report occurred in the context of significant and unprecedented demand for, and challenges facing, Australia Post's parcel services in connection with the COVID-19 pandemic, and the related safety, operational and other impacts on its operations and services. Whilst the pandemic is by no means an excuse for not providing services to an appropriate standard, it is relevant context noting the volumes and challenges previously identified.

The Draft Report refers to an expectation that organisations treat customers "*fairly and reasonably*" by "*delivering their services in accordance with relevant Terms and Conditions*". Australia Post agrees with and supports this expectation, and confirms that its endeavour is to ensure the SOD service (as amended during COVID-19) is provided consistent with the terms of that service, including by using reasonable endeavours to obtain and record the name of the person receiving the item, in place of a signature from a recipient.

Australia Post Terms and Conditions

The approach to compensation adopted in respect of the three cases referred to in the Draft Report, and more generally for customers in relation to delivery complaints for an item sent using the COVID-19 SOD procedure, is consistent with compensation arrangements set out in the Australia Post Terms and Conditions (**APTCs**), available for review at: <https://auspost.com.au/terms-conditions/general-terms-conditions>.

Section 70 of the APTCs provides that compensation is payable to a customer where an article is lost or damaged, and where Australia Post caused or contributed to that damage. In those circumstances, Australia Post provides compensation of postage paid and an amount equal to the lesser of the replacement cost value of the article and \$100. 'Lost' is defined in section 62.1.2 of the APTCs as: "*unable to be found or located after reasonable inquiries by Australia Post and includes where Australia Post reasonably believes that an article has not been delivered*".

Australia Post determines whether it reasonably believes that an item has or has not been delivered based on all the evidence available to it, as summarised above. If Australia Post does not reasonably believe that an item has been delivered, based on the evidence available to it, the item is deemed lost and Australia Post provides compensation pursuant to the APTCs.

In each of the three cases identified in the Draft Report, Australia Post determined that the items had been delivered to a person based on the reasonable evidence available and, therefore, the items were not lost and compensation was not payable. For completeness, if there is evidence to suggest that an item sent using the SOD service was incorrectly left at the delivery address and later stolen by a third party, Australia Post provides compensation under the APTCs on the basis that the item is lost.

Australian Consumer Law

The Australian Consumer Law (**ACL**) gives a consumer a right to take action to recover any reasonably foreseeable loss or damage caused by a failure to act with due care and skill. As previously advised to the Ombudsman, in circumstances where Australia Post has not provided its delivery service with due care and skill, it seeks to resolve matters with a consumer by offering compensation that Australia Post considers consistent with the reasonably foreseeable loss or damage in the circumstances – compensation up to \$100 as reflected in the APTCs (unless the particular circumstances alter the reasonably foreseeable loss). The payment of this compensation does not preclude a customer from taking action under ACL.

The obligation to provide a remedy under the ACL for a breach of a consumer guarantee crystallises at the point a consumer is successful in (court or tribunal) action taken against Australia Post. If a consumer does take such action, the burden is on the consumer to prove a breach of the consumer guarantees on the balance of probabilities. Irrespective of this technicality, as stated above and in the interest of fairness to its consumers, Australia Post carries the burden of assessing the evidence available to it and determining whether that evidence is sufficient to support the position that delivery did in fact occur.

The balance of probabilities requires an assessment of whether it is more probable than not that the item was delivered to a person. It is a matter to be judged as a whole after considering the evidence available. The evidence taken into account by Australia Post (as described above) is relevant to the assessment of whether it is more probable than not that an item was delivered to a person.

Recommendation 1

Australia Post partially accepts this recommendation.

Australia Post is committed to continuously improving its compensation processes to ensure adherence to policies and procedures, and to ensure fairness and consistency in customer outcomes. This includes considering SOD procedure improvement opportunities in the future and in the context of the progressively easing impacts of the COVID-19 pandemic.

This involves considering whether the SOD procedure should revert to the pre-COVID-19 approach, as well as considering alternative methods of obtaining contactless proof of delivery to a person. Any such options will be considered in the context of relevant practical and operational limitations, as well as ensuring that the privacy (and any privacy-related concerns) of customers is respected. This consideration, combined with learnings from the observations contained in the Draft Report, provide a useful opportunity for Australia Post to consider whether SOD arrangements can be further enhanced and optimised during the remainder of the pandemic and beyond.

The Draft Report's observations on how the SOD service is advertised to senders, including references to "*peace of mind*" and suitability for higher value items, are acknowledged. Australia Post will continue to consider how the service is promoted and the appropriateness of that language (including whether it continues to remain appropriate if any changes are ultimately made to the SOD service offering) will also be considered.

Australia Post would be happy to keep the Ombudsman informed of the progress and outcomes of these considerations.

Also of note is that Australia Post has also recently introduced revised compensation handling processes and even more robust oversight arrangements. In particular, these changes have made compensation the responsibility of a central internal team that has received additional further training, increasing the consistency and monitoring of compensation handling going forward.

Recommendation 2

Australia Post partially accepts this recommendation.

For the reasons previously discussed with Ombudsman’s office and referred to in this response, Australia Post remains of the view that the outcomes provided for each of the three cases referred to in the Draft Report were fair and reasonable in the circumstances. Australia Post is confident that declined compensation relating to the COVID-19 SOD procedure has occurred in circumstances where there was sufficient evidence to determine that delivery to a person did occur.

As identified earlier, while a failure of a delivery officer to strictly comply with the COVID-19 SOD procedure is problematic, such failure does not necessarily equate to a failure to deliver an item to a person. In circumstances where a delivery officer has not strictly complied with the COVID-19 SOD procedure, but Australia Post determines that the item has been delivered based on the evidence available to it, senders are entitled to a refund of the SOD service fee.

Further, the Ombudsman’s view that compensation should be provided in these circumstances unless footage of delivery is available (ie CCTV footage or doorbell camera footage) does not reflect the practicalities of a postal service – noting, for example, the very large volume of parcel deliveries undertaken each year, the various other evidence assessed in considering a case (as summarised above), and that a postal operator could not provide a viable and accessible postal service that respects the privacy of its customers if it were required to maintain surveillance footage of to-the-door deliveries.

In any event, Australia Post encourages any customers who believe that their complaint has not been fairly or reasonably dealt with to approach Australia Post or the Ombudsman for further consideration. Australia Post will continue to consider any such concerns in good faith and on a case-by-case basis, including by taking steps available to consider whether a complainant should have received a different outcome in the circumstances (including considering whether there is reasonable evidence of delivery).