

Quarterly Update 5: 1 July–30 September 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

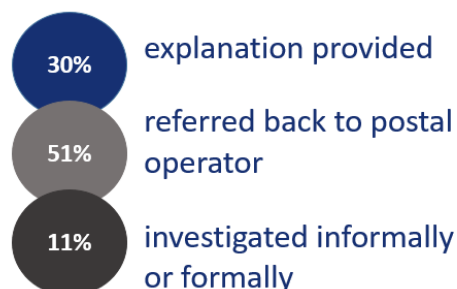
69.7% increase in
complaints received



compared
to the same time last year

This quarter we
received
1059 complaints
and
finalised
1040 complaints

How complaints were finalised



Impacts of COVID-19

The Office of the Commonwealth Ombudsman (the Office) has continued to receive a substantially higher volume of postal complaints in this quarter due to the impacts of COVID-19 on postal services. Complaints were up 69.7 per cent on the same quarter last year. Although this is a significant increase it does reflect a reduction from the 92.8 per cent increase reported for the previous quarter.

A sustained COVID-19 induced shift in consumer behaviour, from bricks and mortar shopping to online, has continued high demand for delivery services.

We have identified that this increase is a result of COVID-19 affecting vital Australia Post distribution facilities in Victoria, as that state managed a second wave of infection, and a result of continuing delays and stoppages of international postal services.

To address the disruptions brought about by COVID-19, Australia Post obtained regulatory relief from the Australian Government in recognition of new operating constraints. These changes are 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.

Complaints about both lost and damaged postal items increased in this quarter with those two issues together comprising 27.4 per cent of the postal complaints received by the Office. It is noteworthy that in a number of cases Australia Post elected to resolve the complaint by providing compensation up to the value of the lost/damaged item(s) even though the sender had not purchased additional insurance.

The Office is monitoring the issue of regulatory relief as we have seen an increase in complaints relating to Australia Post's service standards, particularly delays in delivery. However, anecdotal opinion from the complainants contacting the Office suggest that there is a broad understanding and some acceptance, of the challenges Australia Post is facing due to COVID-19.

Our Office has continued to maintain a productive and effective engagement with Australia Post and the Private Postal Operator's complaints teams. They are continuing to respond to our inquiries, including our urgent inquiries in a co-operative and for the most part, timely fashion.

Case Study—delays on priority services

Jing* sent medication for her father, who is terminally ill, from Melbourne to South Australia via the postal operator's priority service. It didn't arrive on time.

After attempting to resolve the issue with the postal operator, Jing contacted our Office.

We undertook urgent preliminary inquiries with the postal operator. The postal operator continued its search for the parcel, located and delivered it. Although the parcel was ultimately located, this case highlights the reliance customers place in priority services occurring as advertised.

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

Case Study—compensation in special circumstances

Ravi* purchased a used smartphone, which came with a case and earphones, worth just over \$1,000 from a private seller.

The seller packaged the phone in bubble wrap and sent the parcel interstate to Ravi via the postal operator's express service. When he received the item, the packaging was visibly damaged and had been repaired with tape, indicating that it had been repaired by the postal operator. Ravi opened the package and found it only contained the phone case, the phone and earphones were missing.

Ravi contacted the postal operator to complain and provided accompanying pictures of the parcel. The postal operator responded, apologised and explained that it was most likely that the package had been pulled open by machinery during the sorting process and the items 'knocked out'. The postal operator asked for details of the missing items to assist its search, asked if there was a letter from the postal operator inside the repaired package and suggested he contact the seller. Ravi provided details of the missing items, stated there was no letter provided and brought the damaged package to one of the postal operator's stores to examine in the meantime.

Ravi communicated with the sender, who said that they had posted the phone securely with bubble wrap and that the phone case was on the phone so the damaged must have occurred in transit.

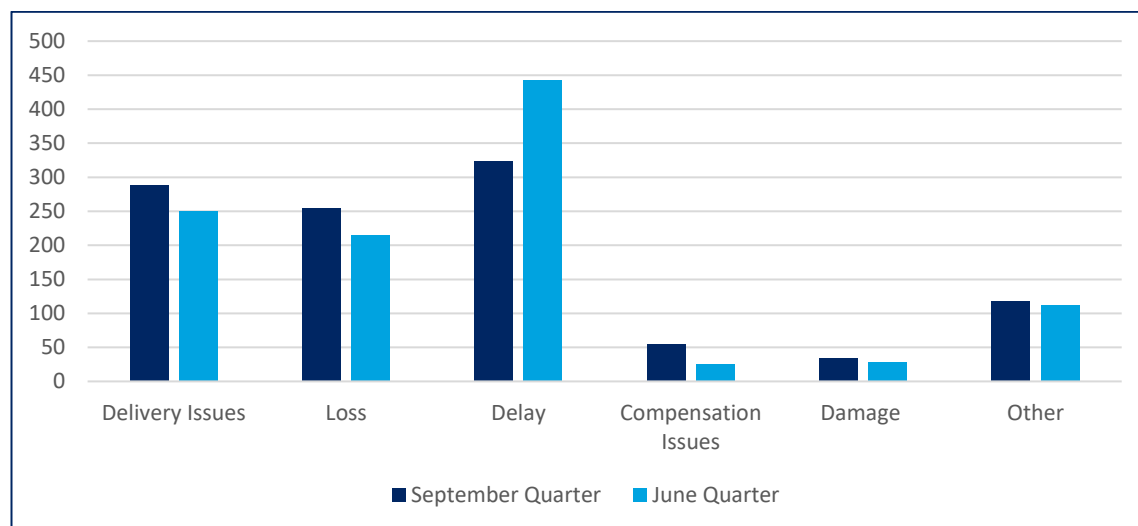
The postal operator informed Ravi that the sender had not purchased any additional insurance for the item, therefore the maximum compensation available would be \$100 plus the cost of postage. The postal operator continued to work with Ravi to try and locate the missing items, but was unsuccessful. Ravi approached our Office as he was not satisfied with the \$100 offer.

We contacted the postal operator to identify what steps had been taken and should have been taken, and to ask whether locating the item or further compensation was possible. The postal operator reviewed the matter and determined that its process for assessing damaged items was not followed in this case. For example, ordinarily, if an item was damaged, the postal operator would include a letter with the damaged parcel explaining what had occurred. The postal operator determined that the case must have been removed from the phone. The postal operator then determined that, in these circumstances, Ravi was eligible for the full compensation of the value of the phone.

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

Figure 1 below shows the effect of COVID-19 disruptions in this quarter, with the most common complaints made to the Office relating to postal delays. It is encouraging to see that the number of postal delay complaints reduced significantly in this quarter when compared to the previous quarter, but it is notable that the volume of complaints in the other categories of delivery, loss, compensation, damage and other issues increased.

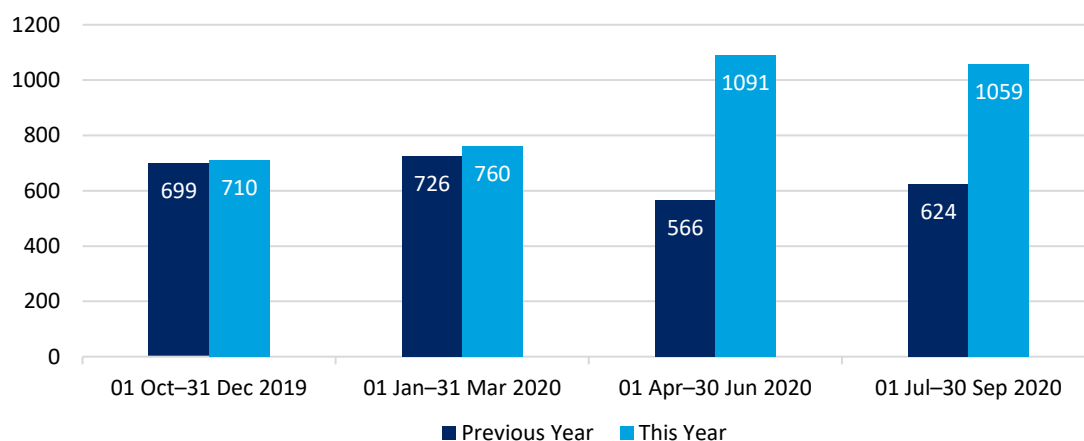
Figure 1—Complaints issues, this quarter (COVID-19) compared to previous quarter



Complaints received¹

Complaints received by quarter

Figure 2—Complaints received by quarter

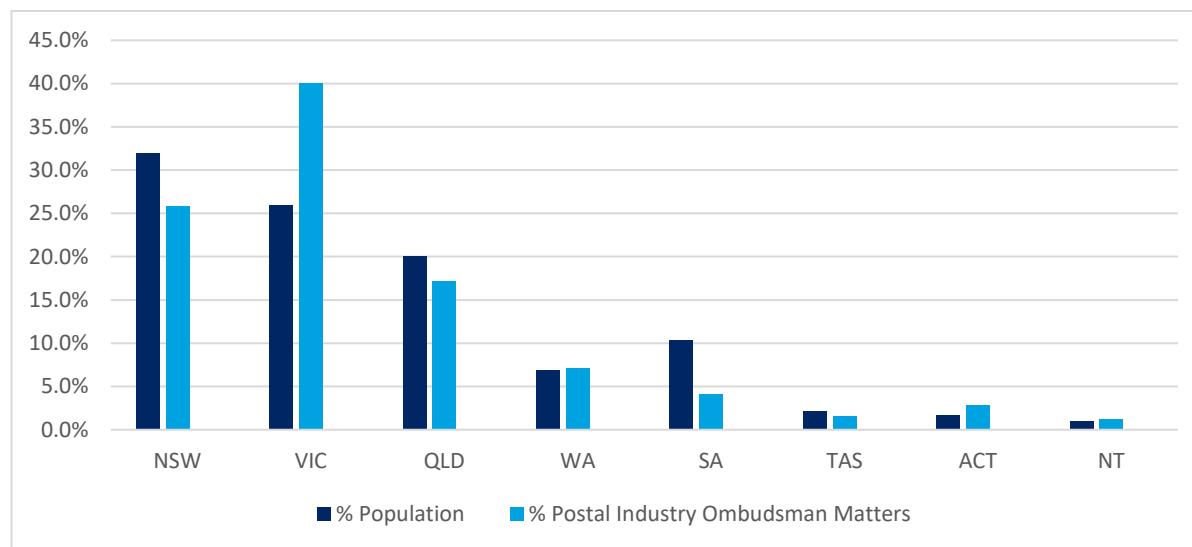


¹ Includes complaints about private postal operators registered by the Postal Industry Ombudsman and complaints about Australia Post under the Commonwealth Ombudsman jurisdiction.

Complaints by state and territory

As outlined in Figure 3 below, consumers in Victoria, the Australian Capital Territory and the Northern Territory were more likely to have a complaint about their postal operator, compared to consumers in the other states.

Figure 3—Complaints by state/territory



Complaints by postal operator

During 1 July–30 September 2020 we received 1,059 complaints, comprising:

- 1,021 complaints (96.4 per cent) about Australia Post
- 21 complaints (1.99 per cent) about StarTrack,
- 17 complaint (1.6 per cent) about Federal Express.

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.

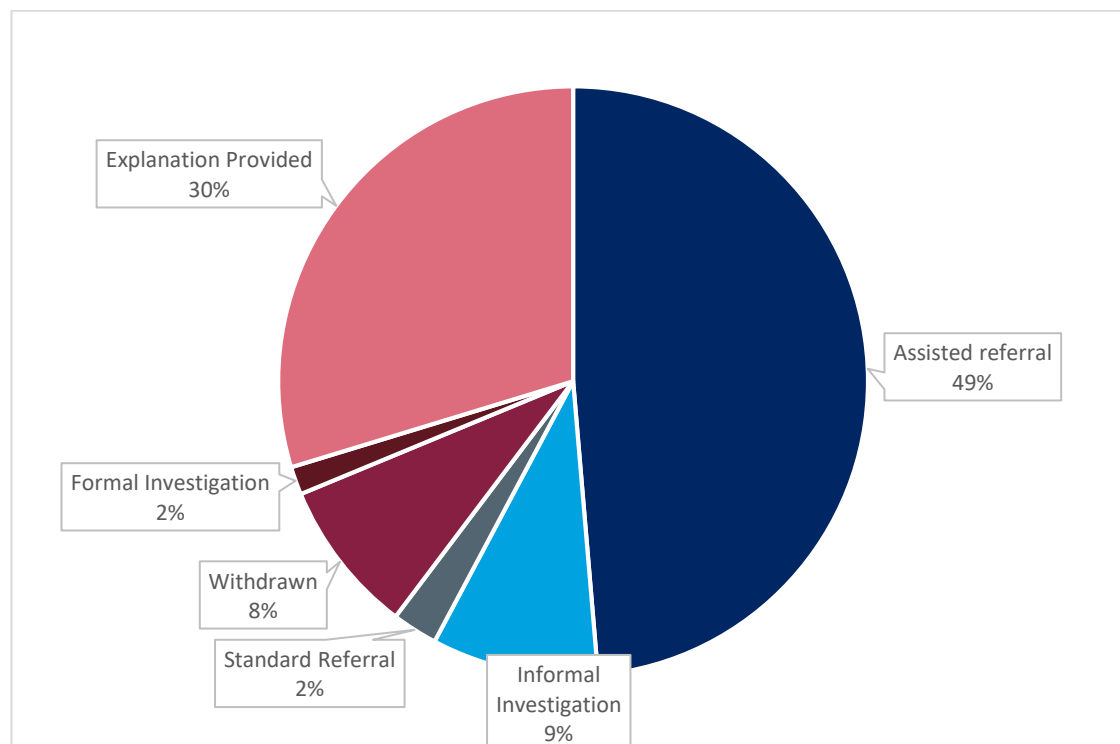
During 1 July–30 September 2020 the Office finalised all postal industry complaints within our service standards, as follows:

Complaints finalised	Timeframe	Service standard
80.9%	Within 14 days	65%
94.5%	Within 45 days	85%
99.2%	Within 90 days	95%
100%	Within 12 months	99%

Actions taken to finalise complaints

During 1 July–30 September 2020 we finalised 1,040 postal industry complaints, which represented an 82.1 per cent increase compared to the same period last year. The sustained increase in complaints during the quarter has continued to present a challenge to the Office. However, in this quarter we managed the high complaint volume by shifting resources from other teams to the postal investigations and early resolution teams.

Figure 4—How complaints were finalised



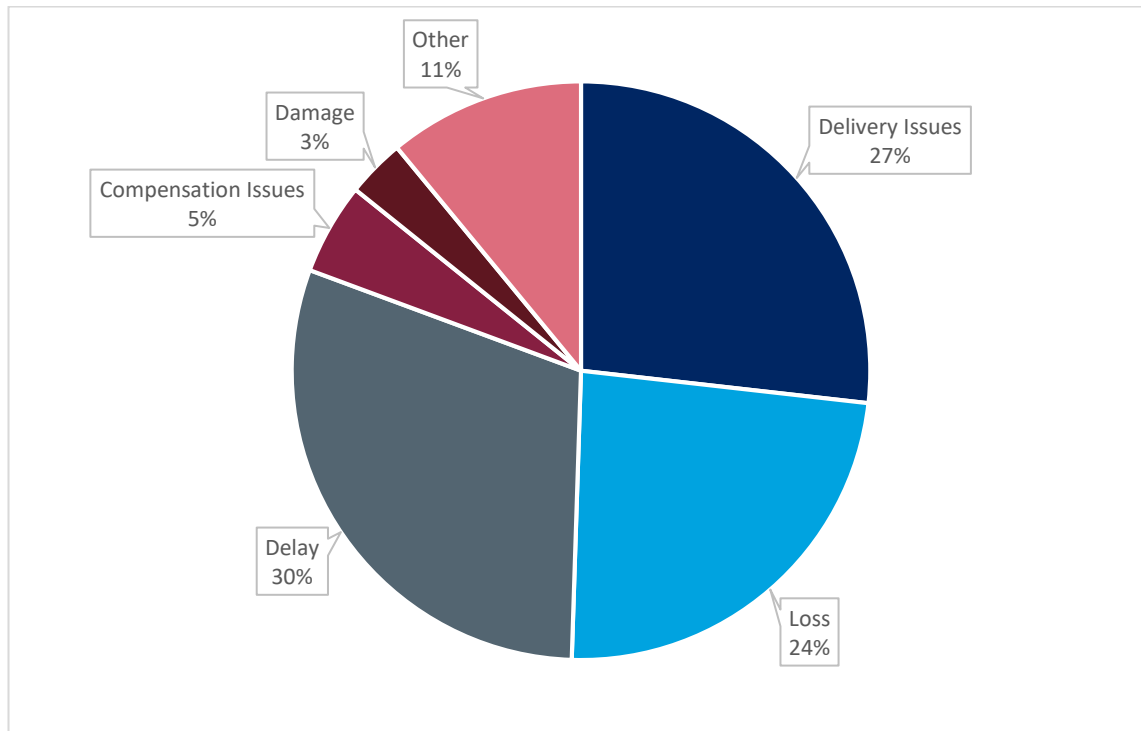
Complaint issues

The types of complaints we received are explained below:

- **Delay**—complaints that relate to letters or parcels that have been delivered later than expected. Following a notable increase in the percentage of complaints about postal delays from 21 per cent in the 1 January–31 March 2020 quarter to 41 per cent in the 1 April–30 June 2020 quarter those complaints decreased to 30 per cent in the current 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. Delivery complaints increased from 23 per cent to 27 per cent in the current quarter.
- **Loss**—complaints where the primary issue was that an article was lost in transit by the postal operator. Loss complaints increased from 20 per cent to 24 per cent in the current quarter.

- Compensation—complaints that primarily concern a compensation request.² Complaints relating to compensation issue increased from two percent to five percent in the current quarter.
- 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.

Figure 5—Complaint issues



Data

The data in this update is for the period 1 July–30 September 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

² 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).