

## Quarterly Update 6: 1 October–31 December 2020

### 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, FedEx Australia (Federal Express Australia), Cheque-Mates 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

**52.6%** increase in  
complaints received



compared  
to the same time last year

This quarter we  
received  
**1082** complaints  
and  
finalised  
**1050** complaints

How complaints were finalised



### COVID-19 and postal complaints

The Office of the Commonwealth Ombudsman (the Office) received a high number of complaints as a result of the impacts of COVID-19 on postal services. Complaints peaked in September and fell gradually since then. In the 1 October–31 December 2020 quarter, the Office received 52.6 per cent more complaints compared to the same quarter last year. Complaints increased by 92.8 per cent in the June 2020 quarter compared to the June quarter last year. Increases of 69.7 per cent in the September quarter and 52.6 per cent this quarter are positive and show that complaints are decreasing overall.

To place these higher complaint numbers into some context, AusPost reported<sup>1</sup> that December was its busiest month for parcel deliveries ever with 52 million packages delivered, an increase of 20 per cent. This increase took place at the same time as they needed to maintain COVID-19 safe conditions for customers and workers, with restrictions differing in each state. Furthermore, Airfreight has been severely affected

<sup>1</sup> [Australia Post delivers record-breaking Christmas in a year like no other](https://www.auspost.com.au/newsroom/australia-post-delivers-record-breaking-christmas-in-a-year-like-no-other) | Australia Post Newsroom ([auspost.com.au](https://auspost.com.au))

both internationally and domestically, causing a significant number of unavoidable complaints about postal delays and loss.

We can expect the disruptions caused by the pandemic to eventually come to an end, but it is possible that the increase in parcel deliveries seen during the year will continue. If that occurs, postal complaints might remain higher than before simply as a result of this sustained increase in engagements with postal operators.

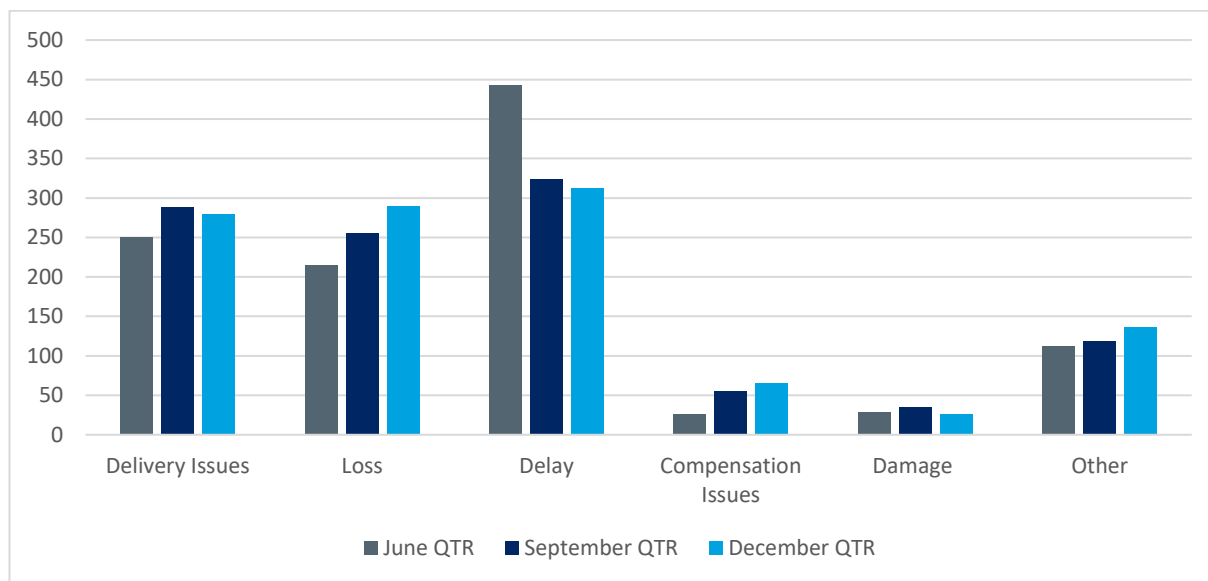
The Australian Bureau of Statistics (ABS) has begun tracking<sup>2</sup> changes in consumer behaviour towards online sales. Their findings indicate it is likely that a sustained level has been reached for online sales. The peak in online sales was in October 2020 which was 70 per cent above 2019 levels. By December 2020 online sales were 55 per cent above 2019 levels. The ABS noted the volume of online sales fell in line with the lifting of COVID-19 restrictions in Victoria and elsewhere.

Comparing the increase in postal complaints the Office received during the year with the ABS figures on online sales indicates a correlation between the volume of online sales and postal complaints. Although postal complaints increased markedly during 2020 and may remain higher than before, this should be seen in the context of increased parcel deliveries and the challenges of operating logistics during COVID-19.

Postal operators have been responsive to complaints during the COVID-19 period, particularly in responding to individual complaints identified as requiring more urgent attention due to the pandemic such as people waiting for deliveries of medicines purchased online.

Figure 1 below shows the effect of COVID-19 disruptions over the last three quarters 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 have been reducing from the peak in the June quarter. However, complaints about postal loss and compensation issues increased.

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



<sup>2</sup> [Online sales, December 2020 – Supplementary COVID-19 analysis | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/online-sales-december-2020-supplementary-covid-19-analysis)

## Australia Post regulatory relief

To address the disruptions brought about by COVID-19, Australia Post obtained regulatory relief in May 2020 which will remain in place until 30 June 2021, subject to review<sup>3</sup>. The most significant service changes for consumers are that Australia Post has been able to reduce mail frequency in metropolitan areas, suspend its priority letters service and extended its required intrastate delivery times.

This Office monitored our complaints to see whether the regulatory relief changes caused a higher level of complaints. It would appear we have very few instances of complainants identifying regulatory relief changes, such as reduced mail frequency, as their primary concern. It is possible that some of the complaints we saw during 2020 were a result of the regulatory relief changes, although the consumer was unaware of the relationship between the changes and their complaint. However, it seems that there has been broad acceptance that Australia Post needed to change its services during the pandemic.

## Case Study—parcel left in unsafe location

A complainant purchased an electronic item from an online retailer, which was delivered through Australia Post. The complainant received a text message notifying them that the parcel had arrived, however, the parcel was not there when they went to collect it from the foyer of their building.

The complainant followed up with Australia Post and was told that the driver had taken the parcel to the concierge. They were given a photograph of where the item had been left but it would appear to have been removed by someone.

The complainant approached our Office to complain because their building did not have a concierge and it was apparent from the photo that the parcel had been left at a neighbouring address in an unsafe location; at the entrance of the foyer and visible to anyone that walked past.

Australia Post had given feedback to the driver that an unattended foyer was not a safe location to leave a package. It also informed its drivers that there was no concierge in the building and it had been delivered to the incorrect address. The misdelivered item could not be retrieved. Australia Post, however, concluded that it would only compensate \$100 plus postage costs for the loss of the package, despite the electronic item costing significantly more. The main reason given for the \$100 limit was that amount was the “foreseeable loss” or expected value of a parcel sent through its service.

Following our investigation, the complainant was compensated for the full value of the item and provided with an apology. One reason why Australia Post decided to do this was because it was clear that the parcel (sent in its original retail box) was worth more than \$100. Australia Post said it would ensure suitable coaching was given to staff in relation to the correct assessment of foreseeable loss.

<sup>3</sup> Supporting Australia Post throughout COVID-19 | Ministers for the Department of Infrastructure, Transport, Regional Development and Communication

## Case Study—business accounts

A complainant ran an online store and started a business account with a private postal operator in early 2019. With their first bill they noticed they had been overcharged and contacted their account representative for help. The complainant was advised that the account would be corrected, however after speaking to a number of agents over several months, the account remained incorrect.

Meanwhile the complainant was operating their business and paying their package delivery bills each month. However the initial incorrect charge remained as an unpaid amount.

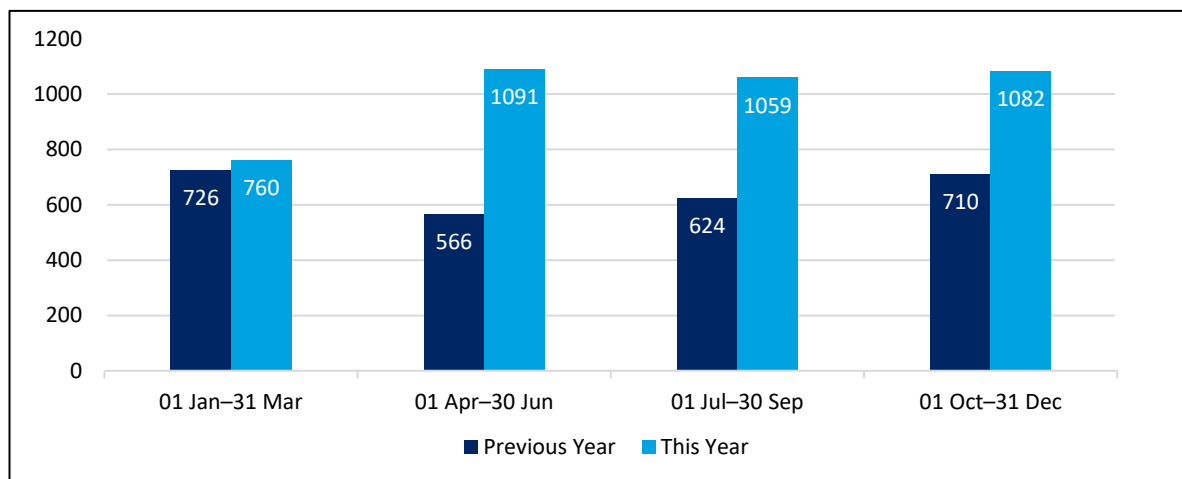
Eventually, the complainant received a notice advising that debt recovery action would start and their account would be suspended due to the unpaid amount. At this stage, the complainant contacted our Office for assistance and we investigated.

In response to our investigation, the postal operator offered to waive approximately \$3,000 and reinstated the account. There was still some amount outstanding to be paid, so with the complainant’s agreement, the postal operator set up a payment plan.

## Complaints received<sup>4</sup>

### Complaints received by quarter

Figure 2—Complaints received by quarter

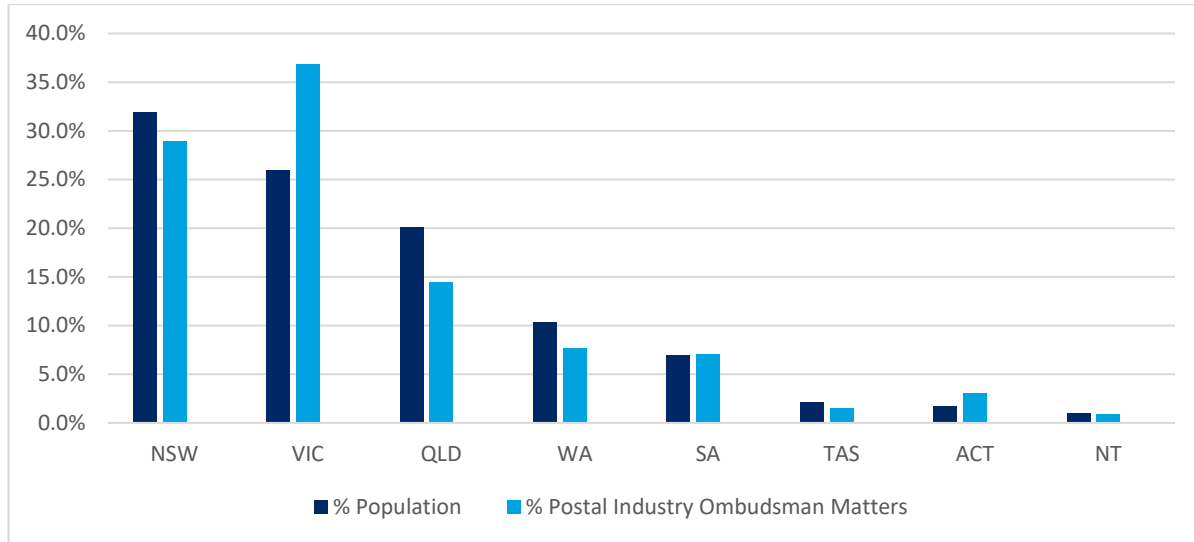


<sup>4</sup> Includes complaints about private postal operators registered by the Postal Industry Ombudsman and complaints about Australia Post under the Commonwealth Ombudsman jurisdiction.

### 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 than expected, considering the population in that state or territory.

Figure 3—Complaints by state/territory



### Complaints by postal operator

During 1 October–31 December 2020 we received 1,082 complaints, comprising:

- 1,032 complaints (95.4 per cent) about Australia Post
- 28 complaints (2.6 per cent) about StarTrack
- 22 complaints (2.1 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.

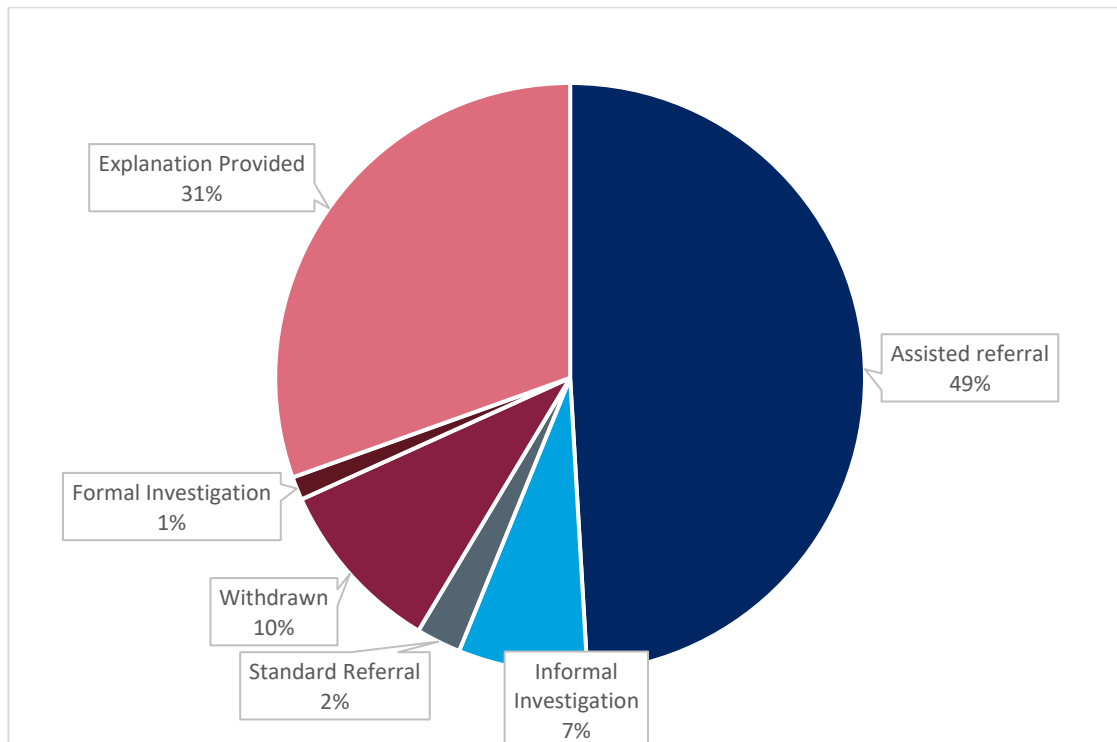
During 1 October–31 December 2020 the Office finalised all postal industry complaints within our service standards, as follows:

Complaints finalised	Timeframe	Service standard
82.9%	Within 14 days	65%
95.7%	Within 45 days	85%
99.8%	Within 90 days	95%
99.9%	Within 12 months	99%

### Actions taken to finalise complaints

During 1 October–31 December 2020 we finalised 1,050 postal industry complaints, which represented a 47.5 per cent increase compared to the same period last year.

Figure 4—How complaints were finalised



### Complaint issues

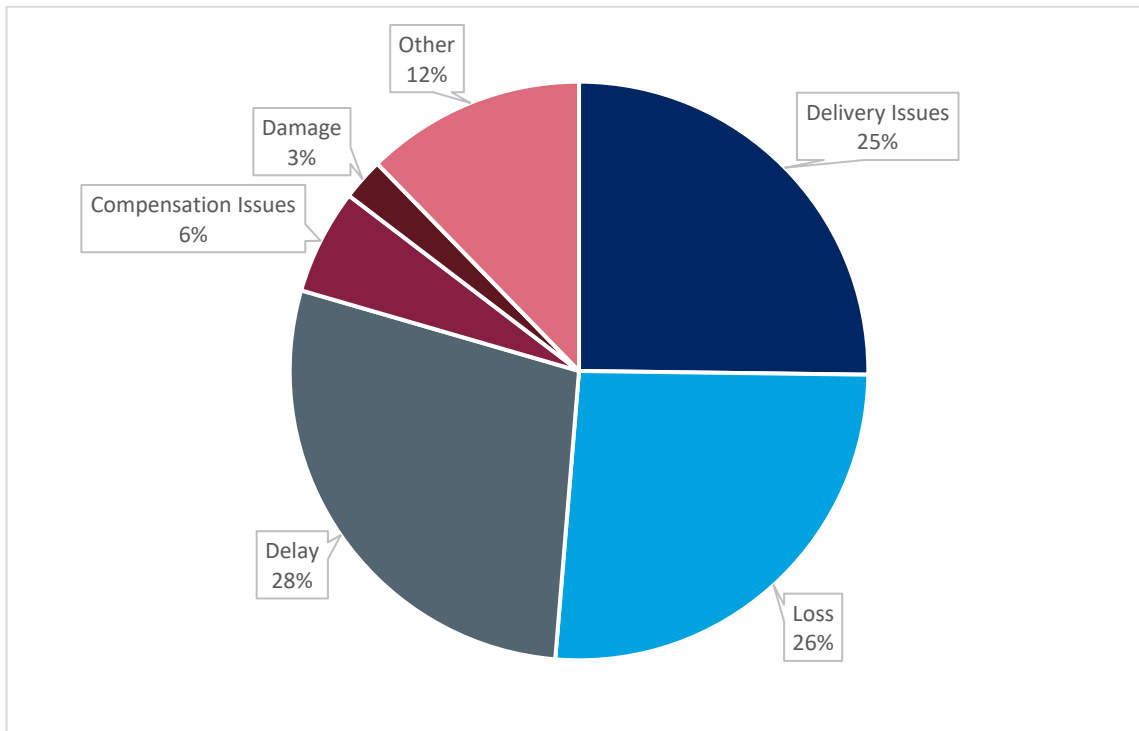
The types of complaints we received are explained below:

- **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 28 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 decreased from 27 per cent to 25 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 24 to 26 per cent in the current quarter.
- **Compensation**—complaints that primarily concern a compensation request.<sup>5</sup> Complaints relating to compensation issue increased from five to six percent in the current quarter.

<sup>5</sup> 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).

- 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 and 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 October–31 December 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](#).

More information is available at [ombudsman.gov.au/How-we-can-help/postal-industry-ombudsman](https://ombudsman.gov.au/How-we-can-help/postal-industry-ombudsman)