

1.0 Introduction

- I. Citizens Advice Scotland (CAS), our 61 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer service, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website Adviceguide provides information on rights and helps people solve their problems.
- II. We are champions for both citizens and consumers and in 2013/14 the Citizens Advice Service in Scotland helped over **330,000 clients** in Scotland and dealt with **over one million issues** overall. In addition, the Scottish zone of our self-help website Adviceguide received approximately **4.2 million** unique page views. In 2013/14, our citizens advice bureaux recorded a financial gain for clients of over **£124 million**. If we paid our volunteers it would cost the service **£10 million**. Research by the Fraser of Allander Institute into the economic benefits of advice shows that the Scottish CAB Service contributes an annual total benefit to the common good in Scotland of nearly **£180 million**.
- III. Our Citizens Advice Bureaux network, which includes telephone helpline Citizens Advice Direct, deliver frontline advice services through more than 200 service points across the country, from city centres to rural communities. This network of bureaux is staffed by a team of paid staff and nearly 2500 volunteers.
- IV. In addition the Citizens Advice consumer service provides a freephone service for those needing advice and information on consumer rights and helps to solve problems with consumer goods and services. Citizens Advice Scotland delivers part of this Great Britain wide service from a call centre in Stornoway, helping people in Scotland and across other parts of Great Britain.
- V. The Extra Help Unit, through a team of telephone caseworkers based in Glasgow, helps people throughout Great Britain who have complex energy or postal complaints or are at risk of having their gas or electricity cut off who are referred through our consumer helpline, Ofgem, the Energy Ombudsman, or their local elected representative.

Citizen Advice Scotland's simple but robust vision is paramount to all our goals:
"A fairer Scotland where people as citizens and consumers are empowered and their rights respected."

2.0 Overview

Our response relates specifically to the call for evidence on the question:

'Can you identify the main infrastructure and policy obstacles to the free flow of freight in Scotland, whether carried by rail, road, air or sea?'

Citizens Advice Scotland welcomes the opportunity to respond to the call for views on freight transport in Scotland. As the statutory representative for consumers of postal services across Scotland our submission addresses the role of infrastructure as a support system for postal service freight. Sufficient freight infrastructure is essential to support the postal service, which is pivotal in the delivery of physical

items to and from households and businesses. The body of evidence which we have gathered to date suggests that current infrastructure is not supporting an affordable, reliable goods delivery service for all householders and businesses in Scotland. Issues encountered by consumers and businesses throughout the country can include non-deliveries, delivery surcharges and lengthy journeys to collect undelivered items.¹

Postal delivery services across the UK play a key role in facilitating communications despite challenges from digital technology and the consequential reduction in letter volumes. Quantitative research from Ofcom found that amongst residential users post is more important to users aged 65+, disabled users and housebound users, and those in rural areas and offshore areas. The valuable role of a wider postal delivery service has been bolstered by increasing volumes of parcels ordered online. In Scotland 57.4 million orders worth £2.5 billion are made online each year.

Our 2012 report, [The Postcode Penalty](#)² revealed that at least 1 million Scots face surcharges, delayed parcels or are refused delivery altogether, with consumers in the Highlands charged an average of £15 extra for delivery, and those in Scotland's island communities facing a 500% mark up on the standard delivery price to receive goods they order online.

As part of the survey of over 3,000 individual consumers that shaped 'The Postcode Penalty', comments were received from a small number of businesses based in rural Scotland. They reported that problems caused by excessive 'remote area' surcharges being levied for goods ordered online affected their operations, cut into their profit margin and placed them at a competitive disadvantage based on their location. We also heard from businesses who felt they had no choice but to pass on extra charges from third party carriers to their customers.

Our follow up report [The Postcode Penalty: The Business Burden](#)³ found that amongst survey respondents almost nine out of every ten businesses reported that they regularly faced an additional surcharge for delivery due to their geographic location.

3.0 Conclusion

The Citizens Advice Service has been campaigning on the issue of unfair delivery charges for the past three years. There is substantial evidence of the difficulties consumers in Scotland, particularly those in rural and remote areas, experience in relation to problems with parcel deliveries by operators other than Royal Mail and beyond the universal service obligations. These issues include: higher costs of

¹ BIS Select Committee Submission into Competition in the UK postal sector and the universal service obligation 2014

² http://www.cas.org.uk/system/files/publications/Postcode%20Penalty%20with%20covers_0.pdf

³ <http://www.cas.org.uk/system/files/publications/The%20Postcode%20Penalty%20-The%20Business%20Burden.pdf>

delivery; no delivery to their location; longer delivery times; lack of transparency of delivery costs; and a lack of up-front information about delivery costs.⁴

The geography of the country clearly influences any potential infrastructure developments. However it is clear that the rurality and remoteness of significant areas of the nation - whether perceived or real – can result in additional costs, inconvenience and even detriment to householders and businesses.

CAS believes that an investigation into freight infrastructure should consider the importance of supporting effective and affordable parcel deliveries throughout the nation. Innovation in the methods by which postal service freight is provided has the potential to positively impact upon:

- Greater connectivity, in addition to increased availability, affordability and choice of goods for consumers and businesses in rural and remote locations
- Lowered operating costs and increased viability for businesses in Scotland, particularly small businesses in remote and rural areas
- Increased potential for the distribution and export of Scottish goods

⁴ Consumer Focus Scotland; *Effective parcel delivery in the online era: what consumers in Scotland need*, 2012; Citizens Advice Scotland; *The postcode penalty: how some online retailers are disadvantaging Scottish consumers*, 2012; Office of Fair Trading; *Price and choice in remote communities*, 2012