

Mailmark

SURCHARGES & ADJUSTMENTS FRAMEWORK



CITIPOST MAIL

SMART MAIL MANAGEMENT

Mailmark surcharges & adjustments framework

This surcharges and adjustment framework document will give you a quick overview of the charges and adjustments that will be implemented by Royal Mail and therefore passed on by us, Citipost Mail, should Royal Mail deem any of your mail to be non-compliant with their Mailmark Guidelines.

The details in this document are taken from the Royal Mail's main Mailmark specification which can be found in the relevant up to date Royal Mail User Guide¹. The full Royal Mail User Guide must be referred to when preparing your letters, to ensure compliance to all Royal Mail tariff and presentation guidelines as well as the Mailmark guidelines specifically. For additional help, please ask your account manager.

Royal Mail developed the Mailmark option for your highly machine readable mail, which should mean Royal Mail have to do less manual processing and checking. And the client in turn receives free reporting, arming the client with more information regarding the processing and expected door drop dates of their mail.

If the mail a client hands over has errors, then it costs Royal Mail more to handle and they therefore need to apply Mailmark Surcharges: either by correcting the client's mail docket or by raising an adjustment charge. Royal Mail may alternatively, take other action as set out in Schedule 20: Royal Mail Mailmark of the Royal Mail Wholesale Access Contract.

The Mailmark adjustment framework is explained in this document and Annex 1 details the Mailmark Surcharges. If you have any questions or comments regarding the Mailmark adjustment framework please contact your Citipost Mail Client Account Manager.

The Mailmark Adjustment Framework

Mailmark Surcharges - Corrections to the Docket or Adjustments

If you give Royal Mail mailing items that are different to what you have told them on the Docket, then Royal Mail will correct the Client Docket to reflect what has been received by Royal Mail. If they find mail with errors they will apply adjustment charges.

Corrections to the client Docket will be made for the following areas:

Volume Discrepancies - where Royal Mail's machines have seen duplicates or mail that is not listed on the eManifest the Docket (Bag Manifest) will be corrected or a new Docket raised.

Product Non Compliance - the Docket will be corrected to reflect the actual items processed for incorrect format.

Adjustment Charges will be made for the following areas:

- Missorts² — items presented at the wrong Mail Centre
- Machine readability related errors including:
 - Unable to resolve
 - Not machine processed³
 - Postcode accuracy
 - Delivery Point Suffix (DPS) accuracy
- eManifest ID is missing from or incorrect in the Bag Manifest
- Un-manifested volumes
- Duplicates manifested or seen
- Incorrect SCID used
- Item ID mismatch

Please Note: Annex 1 sets out the value of the Mailmark Surcharges

How will these appear on your invoice?

If Royal Mail have to correct a docket in relation to a Mailmark posting on your account, you will see, on your invoice, a revised volume or a credit against the mail volumes declared with the wrong format and new lines listing those mail volumes with the correct format with debits for the corrected amounts.

If we have applied any adjustment charges to mail items with errors, then you will see a description of the errors that these charges relate to on a weekly invoice.

What are the minimum charges and thresholds?

Postcode and DPS Accuracy of 90%

With the Mailmark option there is a minimum required level of address. Postcode and DPS accuracy of 90% per eManifest. This means you benefit from a 10% tolerance on these combined measures.

Because Postcode inaccuracy incurs the higher Mailmark Surcharge Royal Mail will count this within the 10% tolerance first before DPS inaccuracy is counted as per the examples below:

| Minimum charges and thresholds examples | | |
|--|------------------------------------|--|
| | Example 1 | Example 2 |
| Postcode inaccuracy | 7% | 12% |
| DPS inaccuracy | 5% | 5% |
| Total inaccuracy | 12% (2% over 10% tolerance) | 17% (7% over 10% tolerance) |
| Royal Mail will raise adjustment charges of: | 2% DPS inaccuracy | 2% Postcode inaccuracy and 5% DPS inaccuracy |

Royal Mail has previously given notice of their intention to increase the 90% threshold with time. They will provide clients with notice of any changes in line with their contractual obligations to Citipost Mail and subsequently our clients.

Minimum machine readability of 75%

The Mailmark option is for highly machine readable mail and so Royal Mail have set a minimum machine readability rate of 75%. This rate will be subject to review and they reserve the right to change it by publishing a revised figure on their Website.

If Royal Mail receives mail that does not achieve the 75% machine readability threshold, then they will cap the level of the Mailmark Surcharges⁴ to ensure that you pay no more than the Access service that those items actually meet the specification for: likely to be Access 70. If they receive mail that does not achieve the 75% machine readability threshold on more than one occasion they will work with us to correct the issues but reserve the right to withdraw the Mailmark Schedule from your posting contract⁵ (SCID).

Minimum Mailmark Surcharge of £10

Royal Mail will only raise Mailmark Surcharges against an eManifest where the total value is equal to or more than £10. For example:

- If the chargeable amount in error is less than £10 then they won't issue a Mailmark Surcharge.
- If the chargeable amount in error is equal to or more than £10 in total, then they will issue a Mailmark Surcharge.
- If they are going to raise a Mailmark Surcharge then you will see the correction and/or adjustment charge against the relevant Docket number on the next available invoice.

Manual checks

Royal Mail will continue to make manual checks: for example, checks relating to containers, paperwork, format and service and so on. If they find anything wrong during these checks, then they will raise an adjustment just as they do for OCR Non Compliances, and Citipost Mail will then bill the adjustment charges accordingly.

What if I want to query the Adjustment?

If you want to query any adjustment on your invoice, then you can request that you're Client Relationship Manager at Citipost Mail challenge and query this on your behalf as is the process now. However please note that if Royal Mail maintains the charge Citipost Mail will have to pass on the charge accordingly.

Annex 1 – Mailmark Surcharges

| Mailmark Adjustment Name | Format | Charge Per Item 2021 |
|--|--------------|----------------------|
| Postcode accuracy | Letter | 8.29 pence |
| | Large Letter | 16.27 pence |
| Delivery Point Suffix accuracy | Letter | 0.89 pence |
| | Large Letter | 0.89 pence |
| Barcode not seen | Letter | 2.10 pence |
| | Large Letter | 3.74 pence |
| Missort | Letter | 12.95 pence |
| | Large Letter | 37.75 pence |
| Missing or incorrect eManifest id ¹ | Letter | £28.10 |
| | Large Letter | £28.10 |
| Un-manifested, Duplicates, Wrong SCID etc ² | Letter | £28.10 |
| | Large Letter | £28.10 |
| Unmanifested per item charge | Letter | 0.47 pence |
| | Large Letter | 0.74 pence |

¹ For Downstream Access Services through Citipost Mail the full Mailmark specification is detailed in its own Appendix of both the 'User Guide for Condition 9 Access Services' and the 'Access Letters User Guide'. Customers must ensure their posting complies with the most up to date Royal Mail User Guides; this 'Citipost Mail Mailmark surcharges and adjustment framework' document is a reference guide only.

² Please note that under the Mailmark option Royal Mail do not offer customers the option of having Missorts returned. However if they cannot read the Mailmark barcode (because it taps out of the window, is infringed, or poorly printed etc.) these will be treated and charged as non mailmark missorts and may be returned.

³ Where additional manual checks have proved that a mail item cannot be read as a Mailmark item by Royal Mails machines and/or machine processed

⁴ The cap applies to 'not machine processed' and 'unable to resolve' charges.

⁵ As per Schedule 20: Royal Mail Mailmark Clause 9.5

*The charge is shown NET, this product attracts VAT at the standard rate.

Get in touch

to find out how we can help.

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