

£878 million claim brought against Royal Mail for abusing dominant position in UK bulk mail market

London, 20 June 2024: Today, International Distribution Services Limited (formerly Royal Mail plc) (“Royal Mail”) has been served with an £878m collective action claim relating to its anti-competitive behaviour in the “bulk mail” market.

The claim has been filed on behalf of Bulk Mail Claim Limited (“BMCL”). BMCL has been formed for the purposes of bringing the claim on behalf of an estimated 290,000 class members who were overcharged as a result of Royal Mail’s behaviour.

Background

Bulk mail is a type of mail typically sent by organisations such as NHS Trusts, retailers, charities, local authorities, banks, utility companies, advertisers and publishers. It includes bills, council tax statements, bank statements, utility company bills, charity fundraising appeals, advertising mail and some magazine subscriptions.

In 2018, an Ofcom investigation found that during 2014 Royal Mail engaged in conduct that affected competition in the market for the delivery of bulk mail and had abused its dominant position, in breach of EU and UK law. Ofcom fined Royal Mail £50m. A copy of Ofcom’s decision can be found [here](#).

At the time, Jonathan Oxley, Ofcom’s Competition Group Director, said:

“Royal Mail broke the law by abusing its dominant position in bulk mail delivery. All companies must play by the rules. Royal Mail’s behaviour was unacceptable, and it denied postal users the potential benefits that come from effective competition.”

Ofcom’s decision was upheld by the Competition Appeal Tribunal and Court of Appeal. Royal Mail’s subsequent request for permission to appeal to the Supreme Court was [refused](#).

The Claim

The proposed claim is for damages resulting from Royal Mail’s breach of competition law. It is brought on behalf of all persons who purchased or paid for relevant bulk mail services at any time after 10 January 2014.

In summary, the proposed claim alleges that Royal Mail’s anti-competitive behaviour had the effect of cutting off competition for bulk mail delivery services from 2014 onwards, with the result that senders of bulk mail (such as NHS Trusts, retailers, charities, local authorities, banks, utility companies, advertisers and publishers) were overcharged throughout this period. The proposed claim seeks to achieve compensation for this overcharge.

Robin Aaronson of Bulk Mail Claim Limited, the Proposed Class Representative, commented:

“Where there has been an abuse of dominant position, as has occurred in this case, it is important that those suffering loss are able to obtain redress. A collective claim is the only fair and efficient form of redress in this case, given that there are hundreds of thousands of affected customers and it would be commercially unviable for them to bring individual proceedings.”

Andrew Wanambwa, Partner in the Dispute Resolution team at Lewis Silkin, commented:

“Royal Mail abused its dominant position, resulting in hundreds of thousands of bulk mail customers being overcharged. The purpose of this claim is to hold Royal Mail accountable for its actions and secure compensation for affected customers.”

A case management hearing to determine next steps in the claim will be held by the Competition Appeal Tribunal.

Ends

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Notes to editors

The Claim:

- To find out more information about the Bulk Mail Claim, please visit the Bulk Mail Claim website at www.bulkmailclaim.com.
- Bulk Mail Claim Limited is a company specifically formed for the purpose of bringing the proposed claim against Royal Mail. Mr Robin Aaronson, the company's sole director and member, was previously a member of the Competition Commission and PostComm.
- Bulk Mail Claim Limited is working with a specialist litigation funder to bring the claim.

Legal team:

- Bulk Mail Claim Limited is assisted by Lewis Silkin LLP, a leading law firm with a wealth of expertise in complex litigation, and an experienced team of specialist competition law barristers from Monckton Chambers.
- The Lewis Silkin team is led by Andrew Wanambwa (Partner).