



Yellow Jersey Post will deliver a letter in Coventry for 32p

Mail strikes spawn cheaper rivals

**Robert Watts
and Georgia Warren**

THE deal to suspend postal strikes has come too late to save Royal Mail from a new wave of competitors.

Private post and courier firms promising faster and cheaper services have been awarded licences to deliver letters, capitalising on public disillusion caused by the months of industrial dispute.

The fledgling rivals to the Post Office range from large city operators to local couriers on electric scooters and bicycles trading on their "green" image.

Postcomm, the regulator, has awarded 10 licences this year, twice last year's total. Royal Mail lost its monopoly on the service in 2003.

One entrepreneur is about to launch an independent service on the Isle of Wight, with its own stamps and letterboxes, while another delivers mail anywhere across Birmingham by bicycle in eight hours.

Yellow Jersey Post, a Coventry-based cycle courier service, won work from National Express and Bupa during the strike. It was awarded its licence two months ago. It guarantees delivery of a letter anywhere within the city the next day for 32p — 7p less than a Royal Mail first-class stamp.

Riding around the city on their distinctive Dutch-style Bakfiets cargo bikes, the firm's couriers deliver hundreds of letters and packages a day.

The Birmingham-based courier service Cycle 4 U was granted a letter delivery licence four months ago. It charges 32p

per item. Steve Young, its founder, said: "Our two largest new business clients have committed to working with us long-term. It's partly because we're cheaper and partly for environmental reasons. Royal Mail has replaced a lot of their bikes with vans."

The Communication Workers' Union last week called off two days of strikes after agreeing a "period of calm" with Royal Mail, but a deal to end the three-month dispute remains a long way off.

Meanwhile, larger firms such as Regional Mail Services (RMS) in Belfast are becoming a threat to Royal Mail. RMS is already delivering up to 40,000 pieces of business mail in Northern Ireland and plans to move into residential mail, with its own postboxes and uniformed postmen.

Peter Camplin, 54, is poised to be the next entrant into the market. The out-of-work IT teacher obtained his Postcomm licence to deliver letters on the Isle of Wight last month. He has already had a consignment of white postboxes made and is working on designs for a range of Isle of Wight stamps.

"Since Royal Mail closed its sorting centre here, any piece of post from the island bound for the island has to go on the hovercraft and be sorted on the mainland," said Camplin. "We'll deliver a cheaper and more reliable service."

Chris Phillips, an analyst at Post-Switch, which helps businesses to move away from Royal Mail, said: "Good luck to these people, but Royal Mail is simply too big to be seriously wounded by these operators."