

UK business & economy

UK faces late parcel deliveries over Black Friday and Christmas

Royal Mail postal strikes set to cause disruption during the busy sales period



Royal Mail is the UK's leading courier, delivering 30 per cent of the country's parcels last year © Chris Ratcliffe/Bloomberg

Oliver Telling and **Leke Oso Alabi** in London YESTERDAY

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UK consumers should prepare for late deliveries during the Black Friday sales next week and in the lead up to Christmas, couriers have warned, as retailers brace for strikes by Royal Mail postal workers during the key shopping period.

Delivery companies including UPS and Yodel told the Financial Times that they have been contacted by several retailers hoping to secure their services, but the industry has limited capacity to handle the extra demand during the industrial action.

Royal Mail is the UK's leading courier, delivering 30 per cent of the country's parcels last year, according to logistics group Pitney Bowes.

But the company is [locked in a dispute](#) with workers over plans to modernise as competition increases from rivals, which have grown rapidly by employing staff on

lower salaries and more flexible contracts.

Postal workers have already walked out for eight days this year, with four more strikes scheduled in early December and during the Black Friday sales in late November, a key date for retailers.

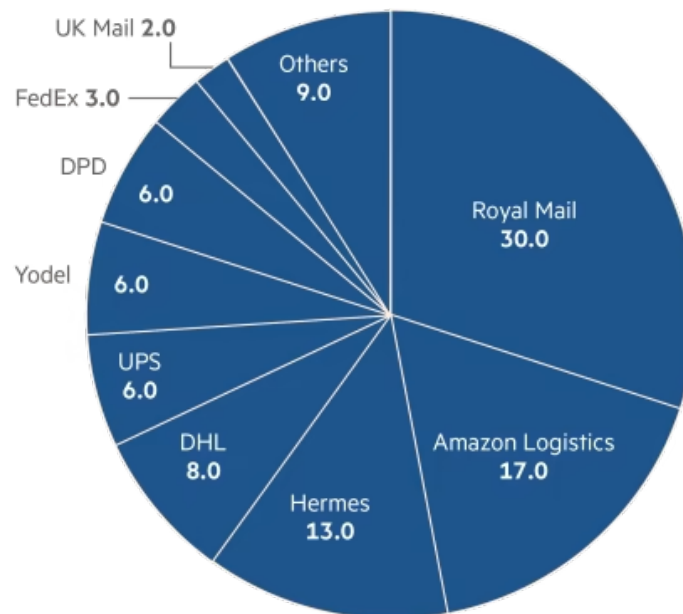
Mike Hancox, chief executive of Liverpool-based courier Yodel, said the industrial action was a “short-term win”, with the company handling up to 10 per cent more parcels than normal.

In recent weeks, big UK retailers and Chinese exporters have approached Yodel as they seek to mitigate the impact of the strikes, he added, while declining to name businesses.

But Hancox warned that Yodel had booked workers and warehouse space for the peak winter period long before the strikes were announced.

Royal Mail is facing increased competition

UK parcel market share, by volume (% , 2021)



Source: Pitney Bowes Parcel Shipping
© FT

Royal Mail’s rivals are “all pretty close to capacity”, he said. “I would be saying to consumers: make your choices on your Christmas presents early. Place your orders early.”

Rick Fletcher, managing director for UPS in the UK, Ireland and the Nordics, also

said businesses had been racing to get in touch with the US courier in the lead up to the strikes, with ecommerce orders expected to remain above pre-pandemic levels despite the cost of living crisis.

But he said that [UPS](#) cannot boost capacity significantly at this stage and the company will prioritise serving existing customers. “Will there be disruption? Inevitably,” he added.

The rush by retailers to ditch Royal Mail for its rivals underlines how the strike action has deepened the company’s woes.

After centuries as Britain’s trusted courier, the former state-owned business is steadily bleeding cash. In October, Royal Mail warned it was losing up to £1mn per day as it also contended with declining demand for letter deliveries.

“It’s clear there’s probably more contingency planning [by retailers this winter] than usual,” said Michael Rouse, chief executive of parcel locker provider InPost International. But “there’s always going to be limits”.

“There is limited capacity driven by shortage of labour and I don’t think it’s isolated to Royal Mail,” he added.

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