

Annual Report

2001

Mission Statement

"In a fair, unbiased and timely manner, the Ombudsman at Canada Post will independently review customer concerns unresolved by all other avenues offered by Canada Post to help improve Postal Service for all Canadians."



André W. Tessier
Ombudsman

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Ms. Vivian Albo
Chair, Board of Directors
Canada Post

Dear Ms. Albo,

In accordance with the mandate established by the Board of Directors of Canada Post on November 13, 1997, I am pleased to submit my fifth annual report, which contrary to previous years, covers a nine-month period from April 1, 2001 to December 31, 2001. Hereafter, my annual report will always correspond to the twelve-month calendar year.

Yours truly,

A handwritten signature in black ink that reads "André W. Tessier". The signature is written in a cursive style with a horizontal line extending from the end of the name.

André W. Tessier

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Message from



André W. Tessier
Ombudsman

Contrary to previous years, my fifth annual report covers a nine-month period from April 1st to December 31st, 2001. Hereafter, my annual report will always correspond to the twelve-month calendar year.

During this nine-month period, 4,197 people requested my assistance, a decrease of 4.9% over the same period last year. However, the complexity level of the complaints brought to my attention led to an increase of almost 25% in the number of investigations carried out, in comparison to the same period of the previous year.

Each complaint brought to my attention is unique. Although some resurface every year, since the creation of this office in 1997, the different circumstances of each case mean we continue to thoroughly examine the problems submitted to us by customers. We have always maintained this approach, as we strive to respond to our customers within our self-imposed timeframe.

The tragic events of September 11th, 2001 have had an impact on the Canadian postal system and, indirectly, on my Office. In fact, during the weeks following this tragedy, we noted an increase in the number of complaints related to delays in mail delivery. The restrictions imposed on air transportation by Transport Canada coupled with the perceived Anthrax threat in some postal facilities have contributed to this increase.

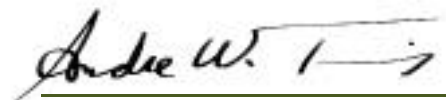
Over the course of this reporting period, in addition to reviewing complaints I proactively brought to the attention of Canada Post any emerging trends and concerns which I felt were or could become problematic. Throughout this report, you will learn about issues that I raised with senior management at Canada Post. Over the years, Canada Post executives have always reacted favorably to my concerns. Furthermore, their positive response confirms that my annual report represents an additional reference tool in the Corporation's constant quest to improve postal and customer services.

the Ombudsman

As per the requirements of my mandate that I promote my Office to Canadians, several communications and promotional activities were undertaken during the reporting period. Twice a year, I survey the customers who have requested my assistance, in order to obtain feedback and suggestions regarding the quality of the services provided. The most recent survey, carried out in the fall of 2001, had a high response rate and generated many positive comments.

We live in a world in constant evolution where instant worldwide

communications by satellite, Internet, cellular telephony and the advent of e-commerce are realities that we must face daily. Despite continuous technological innovation one must never lose sight of the importance of the human element. This is why, after more than four years of operation, and thousands of investigations, my staff and I remain committed to acting "in all fairness" toward customers of Canada Post who seek our assistance by ensuring a conscientious and professional approach to their concerns.



André W. Tessier

The Appeal

Impartial

The role of the Ombudsman is not to advocate on behalf of a customer or to defend Canada Post. His neutrality allows him to review, in a fair and unbiased manner, problematic situations that are brought to his attention.

Independent

Although the Ombudsman reports to the Chair of the Board of Directors of Canada Post, he does not solicit the Chair's opinion regarding a given complaint brought to his attention nor does he provide the Chair with a report on that specific complaint.

Final

The Ombudsman acts as the final appeal authority once all internal dispute resolution mechanisms within Canada Post have been exhausted and have failed to resolve a problem. He then determines whether a customer seeking his help has been treated fairly. His conclusions become the final decision with respect to the appeal process at Canada Post.

Steps

1. Before contacting the Office of the Ombudsman, a customer must attempt to resolve his concerns with the Customer Service Department at Canada Post. After a complaint has been submitted to this department customers can appeal to the Ombudsman if they feel that they have been unfairly treated by Canada Post.

2. To appeal a decision by Canada Post, a customer must complete and sign a *Request for Review* form which authorizes the Ombudsman to review the Canada Post files related to his complaint.

3. Each request is handled in a courteous and professional manner by the Office staff, who has in-depth knowledge of conflict resolution methods. With more than four years of experience and having dealt with thousands of cases, the staff continues to broaden its knowledge base and provide superior quality service.

4. When the Office receives a *Request for Review* form, completed and signed by a customer, the

Ombudsman assesses its merit based on the parameters defined in his mandate. Should the complaint not fall within the scope of his mandate, the customer will be referred to the appropriate authority be it internal or external to Canada Post.

5. Once the Ombudsman has decided to investigate a complaint, an in-depth and impartial review process is launched. The Ombudsman is empowered to conduct investigations and question the parties involved: Canada Post, the customer and third parties. His review is based on the facts presented by each party and includes any relevant documents, such as policies, procedures, laws, letters, plans/maps, photos, measurements, dates, etc. Therefore, it is in the best interest of all parties to inform the Ombudsman of all the facts related to a problem.

6. When his investigation is completed, the Ombudsman advises the customer of the conclusions of his review in a detailed written report.

Process

Recommendations

In cases where the Ombudsman determines that Canada Post did not act fairly towards a customer or that the service was inappropriate, he may make recommendations for changes to Canada Post.

However, before doing so, the Ombudsman takes into account the facts and circumstances specific to each case. It is important to note that his recommendations can not be used as a precedent. The Ombudsman assesses the possible impact of his recommendations to ensure the consistency of postal services offered to all Canadians.

To date, several recommendations made by the Ombudsman, and accepted by Canada Post, have resulted in revisions to national procedures and benefitted postal users across Canada.

In other cases, he may recommend some form of compensation when he deems it appropriate, either for expenses incurred or for damages resulting from a problem related to postal service.

Like all Ombudsman, the Ombudsman at Canada Post relies on moral suasion as his recommendations are not binding. Canada Post has the latitude to accept or reject any of his recommendations. Since the creation of the Office on October 1, 1997, Canada Post has accepted all of the recommendations brought forth by the Ombudsman.

Confidentiality

All staff members in the Office of the Ombudsman are required by internal policies and procedures to guarantee the confidentiality and security of any information provided by all concerned parties.

Since the Office gathers data and maintains customer complaint files, it places considerable emphasis on protecting this personal information.

The Ombudsman neither uses nor divulges information provided by the parties involved without their consent except in cases of imminent danger or when, in his opinion, serious harm may arise from non-disclosure.

As part of its activities, the Office of the Ombudsman is subject to the provisions of the *Privacy Act* which grants customers access to any personal information. In addition, pursuant to this act, the Office reports annually to Parliament.

Confidentiality also applies to media relations. Even with a customer's consent, the Ombudsman and his staff will never discuss with members of the media any specifics regarding a complaint nor will they confirm or deny any specific complaint.



The Ombudsman

Pursuant to the terms of his mandate, during 2001 the Ombudsman took advantage of several forums to promote the Office.

Canada Post

The Ombudsman is also responsible for keeping Canada Post informed of his concerns and of trends that he identifies.

The Ombudsman undertook numerous regional visits to present an overview of his concerns to senior management and their staff. These presentations allowed senior managers to determine the origin, nature and number of complaints in their respective regions. In specific cases, the Ombudsman's detection of problematic trends allowed senior managers to implement timely corrective measures.

Over the years, complaints reviewed and investigated by the Ombudsman have provided him with relevant information concerning not only the nature of complaints, but also their root causes. In light of this, during the course of the year, the Ombudsman reviewed the root causes of some of the complaints received and shared his findings with

Canada Post executives, assisting Canada Post to target and better understand problematic issues so that appropriate solutions may be found.

Postal Administrations

Canada Post International Ltd, a subsidiary of Canada Post, has, for the past 11 years, promoted the expertise of the Corporation in terms of worldwide reform of postal technology. In this role, it often hosts foreign postal administration delegations. Occasionally, the Ombudsman is invited to make presentations to these delegations on the importance of his role as well as the positive influence of his Office on the Canadian postal system.

Media

The Ombudsman's mandate stipulates that he must promote his Office to the general public. During this reporting period, he accepted invitations from print and electronic media at both the local and national levels. These interviews afforded him the opportunity to explain the

complaint resolution process and how his role impacts Canada Post and its customers.

Web Site

The Ombudsman's Web Site is another important promotional tool. It is a direct source of information with almost 40,000 visits per month, a figure that has continued to grow since the Office became operational.

Information concerning the Office is user friendly and the site includes the mandate of the Ombudsman, the complaint resolution process, previous annual reports as well as other relevant information.

Networking

Since it is advantageous and useful to share the knowledge, experiences, perspectives and challenges that make up the daily activities of an Ombudsman, the Ombudsman at Canada Post participates in various activities within this network, at both the national and international levels.

Communicates

In addition, he is a member of the *Canadian Ombudsman Forum*, The *Ombudsman Association of the United States* and of the *Federal Ombudsman Forum*. As such, he participates in activities hosted by these three organizations.

Visits to various Ombudsman offices during 2001 also allowed for the exchange of practical ideas. Staff members from these offices had the opportunity to compare work methods and share knowledge. These visits provide each agency with a fresh perspective that can enable them to better serve their customers.

Surveys

The Ombudsman is highly pre-occupied by the quality of services offered by his Office and is constantly looking for means of improvement. In this regard, the Office sends out a questionnaire twice a year, to gather the comments and suggestions of customers who appealed to his Office.

This brief one-page questionnaire deals with three aspects of the investigation process: response time; services obtained versus expectations;

and suggestions to improve the services provided, if applicable.

Each time a survey is sent out, over half of the individuals contacted return their comments to the Office of the Ombudsman. This response rate is greater than the average for similar surveys. Approximately 80% of comments received are positive and constructive. These comments are analyzed with respect to our procedures and adjustments are made if necessary. The remaining 20% of comments are more critical and most of them disagree with the conclusions of the Ombudsman. It should be noted that, in the majority of these cases, the Ombudsman had determined that Canada Post had acted appropriately and therefore had made no recommendation for change.

It is interesting to note that, even though the Ombudsman did not support their position, some customers indicated they were satisfied that their complaint had been examined in an in-depth and objective manner.

Here are some excerpts from comments received:

"My story was respected and dealt with efficiently. I had an opportunity to tell the whole story."

Duncan, British Columbia

"May I say that I was very impressed not only with the speed at which you investigated my concerns and reported the results back to me but also by the thoroughness of your investigation."

Montreal, Quebec

"Certainly the Ombudsman's investigation was a key factor in the improvement of the mail delivery."

Mississauga, Ontario

"In the end, your conclusions did not meet my expectations; however, I wish to thank you for having responded to my request in a timely manner and for the thorough investigation."

Montreal, Quebec

"I appreciate getting this survey as a way to be on record that I am not satisfied with your services. My expectations were not met but I must admit that I was treated with respect and politeness by the office."

Sydney, Nova Scotia



Specific

This section addresses particular issues, resulting from customer complaints that the Ombudsman brought to the attention of senior management at Canada Post. In order to protect the confidentiality of personal information no names have been used and any details that would allow the identification of the customer have been omitted.

Misdelivery

Of all complaints made to the Ombudsman approximately 10% are directly related to the misdelivery of postal items.

Each day, Canada Post delivers some 38 million letters and parcels that are processed in 25 major mail processing plants across the country. This mail is delivered to over 13 million addresses in Canada. Approximately 200,000 new addresses are added and 1.2 million changes of address are made each year. Even with the use of technologically advanced equipment, it seems inevitable that misdelivery will occur considering the volume of mail and number of addresses.

Four years of experience have enabled the Office of the Ombudsman to identify reasons why misdelivery occurs. Sometimes, the problem is related to the mechanical sorting of mail. For example, two envelopes bearing different addresses become stuck together and are then delivered to the same address. Or, if addresses are handwritten, it may be impossible to decipher the handwriting during either the mechanical or human sorting processes. Sometimes, a substitute letter carrier may be less familiar with the route than the regular letter carrier. As a result, the substitute

carrier may make delivery errors. Since the mail delivery process is labour intensive, we cannot deny that human error is an important factor in mistakes that occur during mail processing.

However, we can be optimistic with respect to the possibility of reducing the number of complaints related to mail delivery. A case in point, the Office recorded a very high number of complaints related to misdelivery within a major urban centre. This number was considerably higher than what could be expected, as determined by an analysis of comparative demographic data. The Ombudsman informed Canada Post executives of his concerns. Canada Post confirmed that rapid growth within this urban centre had caused most of these delivery problems. By comparing the data of the Office of the Ombudsman with their data, Canada Post was able to accelerate the resolution process.

Since then, complaints to the Ombudsman concerning delivery problems in this urban centre have decreased and have remained at a low level. This experience demonstrates that, by sharing information in a proactive way, it is possible to quickly resolve problems.

Challenges

Hold Mail Service

Some of the complaints received during the course of this reporting period dealt with hold mail service. Customers mentioned that they had purchased this service with the understanding that Canada Post would hold any deliveries until their return. The Ombudsman's investigation determined that the Canada Post delivery infrastructure provides for only the regular carrier to be advised of a customer's request to hold his mail. Contrary to the customer's expectations, expedited parcels, regular parcels as well as Courier and Xpresspost deliveries are not held and are therefore delivered according to existing procedures notwithstanding their request for hold mail service.

The Ombudsman therefore informed Canada Post executives of his concerns that customers were not informed of this restriction at the point of purchase. Consequently, Canada Post changed the *Request to Hold Mail* form by adding the following warning: "Xpresspost, Courier, Expedited and Regular parcel items will be held where possible." This clarification should better inform customers, at the time of purchase, of the limitations that may apply to this service.

Unaddressed Admail

Prior to April 2001, a sender using *Unaddressed Admail* (unaddressed flyers, newspapers, etc.) was not required to be identified on the mailing item.

A few customers complained to the Ombudsman that Canada Post was occasionally delivering anonymous mail containing what the customers believed to be defamatory statements. It is important to point out that neither Canada Post nor the Ombudsman has the authority to censor mail content. The Ombudsman brought this matter to the attention of senior management at Canada Post so that they could assess the repercussions of this concern. Effective April 1st, 2001, Canada Post made the following addition to its procedure: "All *Unaddressed Admail* items must bear the Customer or the Advertisers' name."

With this amendment Canada Post wanted to ensure that recipients could at all time identify the customer/advertiser of an *Unaddressed Admail* item.

Subsequent to this change, a few customers complained that they had received unaddressed materials in which several names appeared on the items making it difficult to clearly identify the author and/or sender. Following these latest complaints, the Ombudsman asked Canada Post to further clarify its procedure. Canada Post has agreed to do so to ensure the "owner" of the mail item can be clearly identified by the recipient. Customer notification will occur in 2002.



Case

Each case is unique; nevertheless, the Ombudsman has decided to illustrate a few complaints which, although different in their particulars, deal with the issue of addressing. In order to protect the confidentiality of personal information, no names have been used and any details that would lead to the identification of the customer have been omitted.

Following municipal amalgamations and the implementation of 911 emergency systems, the Ombudsman noted that a significant number of complaints concerning address changes were submitted for his consideration. He believes that it may be advantageous to share his conclusions on these issues.

Many individuals affected by changes made necessary due to municipal amalgamations and the implementation of 911 emergency systems believe that Canada Post is responsible for initiating changes to their address.

The Address

Assigning names to public thoroughfares and street numbers to residences is a responsibility that rests with municipalities, pursuant to appropriate provincial legislation.

The implementation of 911 systems in rural areas has required that each road be given a name and that a civic number identify each residence. This allows emergency vehicles to respond quickly and effectively to requests for help.

In the same manner, following municipal amalgamations, the new municipal councils may modify certain street names. For example, a new municipal entity may end up with several "Main" Streets and several "Church" Streets. In these cases, to avoid possible confusion, municipal authorities will decide on the names of these streets.

In all cases of changes to addresses resulting from municipal amalgamations and the implementation of 911 emergency systems, Canada Post cooperates with the

appropriate authorities to ensure that the changes do not affect the quality of its delivery system.

Citizens who disagree with these changes then complain to the Ombudsman. For example, after the implementation of the 911 emergency system in his region, a citizen complained that having a specific street number assigned to him infringed on his private life. According to him, his old mailing address, (John Doe, Rural Route # 1, Smalltown ON K0A 1K0), which was the same as that of his neighbors, provided him with confidentiality regarding the location of his residence, whereas his new address, (John Doe, 1292 Poplar Road, Smalltown ON K0A 1K0), would identify the precise location of his residence. Further, he felt that the new street name was not appropriate. The Ombudsman explained that the responsibility for assigning street names to public thoroughfares and numbers to residences belongs to municipalities and that Canada Post works with municipalities to maintain effective mail delivery.

Reviews

The Postal Code

These changes to addresses brought about by municipal amalgamations and 911 emergency systems may also lead to changes in existing postal codes.

Several investigations carried out by the Ombudsman have shown that while sending a letter may appear to be a simple transaction, the delivery of this letter depends on a complex electronic mail processing system that is based, among other factors, on the postal code, an integral part of any Canadian mailing address. Each year, Canada Post creates thousands of postal codes to keep up with population growth, municipal amalgamations and the implementation of 911 emergency systems.

Postal codes allow Canada Post to sort and distribute mail effectively and quickly. Mail is processed through an optical character reader that deciphers the address of each item and sorts it based on the postal code. Although mail sorting is initially carried out based on the postal code, all components of the municipal or rural address contribute to the correct delivery of mail. In order to minimize errors during the mechanical and/or manual sortation of mail, each address must encompass all the necessary elements, including the postal code.

The postal code is made up of six alphanumeric characters and can be assigned to a certain number of addresses in a

specific geographic area. Let us take an existing postal code as an example K1V 1J8. The first character – K – corresponds to one of 18 major regions (provinces, regions within a province, territories). The second character - 1 - indicates if the mail is being sent to an urban region (1 to 9) or a rural region (0). The third character, along with the first two, represents a specific area in a city or region.

The last three characters of the postal code – 1J8 – identify the specific destination of the mail. In an urban centre, these characters may represent a section of a street, an office or multi-unit residential building or a single recipient receiving a large volume of mail. In a rural region, they represent the locality where the mail will be delivered.

Canada Post, therefore, delivers mail on the basis of all the elements of the address, including the postal code, and not on the basis of the name of the addressee. If a postal code is missing or there is a mistake in the address, there could be delivery problems, delays, or items could be returned to the sender.

In a significant number of complaints addressed to the Ombudsman, investigations have shown that addressing errors, including missing postal codes, were the source of many delivery problems, delays, and items being returned to sender.

Case

Reviews

A Postal Problem?

In addition to the complaints related to addressing outlined above, the Ombudsman received many complaints regarding a matter that, although not related to postal service, involves Canada Post.

In 2001, software offering free lifetime access to Internet service was distributed through the Canada Post retail network and elsewhere. For \$9.95, consumers could purchase this software developed by an Internet service provider.

After a few months, the said company modified the terms under which its product could be used. For users, these changes meant the end of free access to the Internet; in other words, monthly user fees were introduced.

Consumers who had bought the software through the Canada Post retail network held it responsible for the service changes and complained to Canada Post. As many of them were not satisfied with the response, they appealed to the Ombudsman.

He therefore carried out an in-depth investigation of this situation including the analysis of all the related literature, the Internet access brochure, the marketing material and all terms and conditions associated to this service.

This investigation showed that the Internet access service and its operation were the sole responsibility of the company that designed and supported this product. Canada Post was merely a distributor of this product through its retail network.

According to the study carried out by the Ombudsman, the software installation instructions clearly stated that the service was provided by the company that had developed the product. These instructions also mentioned that any guarantee related to service delivery was entirely attributable to the company and not to the distributor or affiliated partner.

Based on his investigation, the Ombudsman concluded that the responsibility for supporting and maintaining the free Internet access service belonged entirely to the company that had developed the software and that Canada Post was acting only as a distributing agent. Users who were unhappy with the removal of the free service were provided with the relevant details concerning the roles and responsibilities of all parties involved. The Ombudsman suggested that they should complain directly to the company that had developed the software promising free access to Internet services.

The

Statistics

Over the course of the last nine months a total of 4,197 people requested the assistance of the Ombudsman, a decrease of 4.9% over the same period last year.

Nevertheless, the level of complexity of the complaints brought to the attention of the Ombudsman has led to a substantial increase of almost 25% in the number of complaints requiring full investigations, in comparison to the same period last year. Notwithstanding this heavier workload, which involved analysis of complex issues and in-depth research, statistics reveal that 95% of investigations have been completed within the self-imposed deadline of 20 working days.

They also demonstrate that in 40.7% of the cases brought to the attention

of the Ombudsman, customers have seen a modification of the original decision rendered by Canada Post following either his intervention with Canada Post or his own recommendation. Conversely, in 59.3% of the cases investigated, the Ombudsman concluded that Canada Post initially acted fairly and appropriately and found no cause or justification to recommend a different solution.

The statistics highlight certain trends and provide important information on the nature of complaints submitted to the Ombudsman by Canada Post customers. The closer relationship at the local level between Canada Post and its customers combined with proactive interventions by the Ombudsman could explain why more complaints are satisfactorily resolved by Canada Post at the first level. This

may explain why, compared to the same period last year, there was a slight decrease in the number of requests for assistance made to the Ombudsman.

Though important for the operation of the Office, statistics must never allow us to lose sight of the human element and the uniqueness of each case. This is why, after more than four years of operation and thousands of investigations, the Ombudsman and his staff will continue to actively listen and to ensure that Canada Post customers appealing to the Ombudsman receive conscientious and professional service, "in all fairness".

How to Contact the Office of the Ombudsman

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