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.
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 first annual report as Ombudsman covering the period January 1 to December 31, 2002.

Yours truly,

Michel Tremblay
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Message from the Ombudsman

I am pleased to submit my first annual report as the new Ombudsman at Canada Post. While the transition between two administrations is no easy task, I have been privileged to inherit an office with dedicated and highly competent staff. The policies and procedures that have been established over the years ensured a smooth and efficient transition. My appointment took effect September 1, 2002 and I look forward to the coming years, not only to continue to treat customers’ complaints in a fair, unbiased and timely manner, but also to help improve postal service for all Canadians.

Last year, the Office undertook a root cause analysis of some recurring complaints and it is my intention to pursue that approach by continuing to bring to the attention of Canada Post executives, the results of our inquiries and analysis regarding the sources of customer complaints. The reactions from Canada Post management at all levels were very positive and encouraging. No doubt that a continuation of the same approach will lead to an overall service improvement for all Canadians. It is important to remember, that there is no complaint too small to be looked at. Every complaint means an unhappy customer.

I would like to take this opportunity to thank Mr. André Tessier, my predecessor, for his dedication and professionalism. As first Ombudsman at Canada Post, he set a unique standard for performance that will be a challenge to surpass.
Message from the Previous Ombudsman

On August 28, 2002, my five-year appointment as Ombudsman at Canada Post came to an end. I thoroughly enjoyed my role and relished the challenge that was presented to me on August 28, 1997. A few weeks after my appointment, on October 1st, the Office became fully functional. As I look back, the challenges that my staff and I encountered were simply enormous, from setting up the Office infrastructure to establishing and implementing policies and procedures, or creating a series of databases.

I would like to take this opportunity to express my appreciation and thanks to all my staff. I would also like to thank the Honourable André Ouellet, former Chairman of the Board of Directors of Canada Post and Ms. Vivian Albo, the current Chair for their continued support during my tenure. While independent from Canada Post, the Office of the Ombudsman has over the years developed an excellent working relationship with its representatives. This synergy has been instrumental in achieving our common goal of improving postal service for all Canadians. Finally, I would like to express my appreciation to Canada Post customers for having solicited the Ombudsman’s services over the last five years. While not all complaints may have resulted in customers’ requests being fulfilled, I trust that they were satisfied that their complaints had been treated fairly.

I am confident that the new Ombudsman and his staff will continue to treat each complaint in a fair, unbiased and timely manner.

André W. Tessier
Retrospective - The Last Five Years

Since the creation of the Ombudsman’s Office on October 1, 1997, the Ombudsman’s mission has remained the same: to be fair and unbiased by focusing on customer issues and by looking at all aspects of their complaints. Over the years, as a number of recurring problems were brought to the Ombudsman’s attention, he in turn conveyed them to Canada Post. In response, the Corporation reacted favourably by implementing appropriate corrective measures. The following examples illustrate how both Canada Post and the Ombudsman’s Office worked together to improve postal service for all Canadians:

Fragile Items

Canada Post’s definition of “fragile” was vague, leaving both customers and employees confused when parcels were sent by mail. In an effort to clarify the issue, the Ombudsman met with senior executives at Canada Post to describe the problems created by this unclear definition. Several examples were brought to the Corporation’s attention and it became clear that the existing policy needed to be reviewed. Canada Post immediately established a working group to examine the situation. Shortly thereafter, it implemented revised guidelines regarding the processing of insurance claims for damaged mail items. Canada Post clarified the definition of “fragile”, which now only considers “glass or ceramic” products as fragile, excluding such items from insurance coverage in the event of damage in the mail system.
Retrospective - The Last Five Years

Insurance Coverage

The Office of the Ombudsman received numerous complaints from customers who were not fully cognizant of Canada Post’s restrictions and limitations when purchasing insurance for their mailings. The Ombudsman and his staff met with Canada Post management to convey their concerns with the lack of insurance information that should be readily available to customers when making a transaction at the counter. The Corporation reviewed the information and subsequently created an insurance handout, which is now available at all postal outlets across the country. This handout entitled Remember highlights the main restrictions and limitations on insurance coverage.

Unaddressed Admail

Prior to April 2001, senders using Canada Post’s Unaddressed Admail service were not required to identify themselves on each mailing item. A number of customers contacted the Ombudsman’s Office to express their objection when receiving what they believed to be “offensive material” which did not identify the sender of these mailings. The Ombudsman expressed his concerns to Canada Post management about the absence of identity of the sender. The Corporation took immediate action and amended its procedures to include “All Unaddressed Admail items must bear the Customer or the Advertiser’s name.” This amendment ensured that Canada Post customers would always be able to identify the source of an Unaddressed Admail item delivered to their mail receptacle.
Retrospective - The Last Five Years

Business Transformation

In an effort to improve its performance and efficiency, on July 3, 2001 Canada Post implemented the first phase of a comprehensive infrastructure modernization that combined and harmonized numerous computer systems as well as redesigned key business processes. This new process not only integrated computer programs and databases, it also resulted in numerous changes to Canada Post's organization. For example, in September 2001, a new Customer Relationship Management module was put into operation. During the first few months of implementation, communications and information systems encountered service failures, from time to time. As a result, Canada Post customers were either unable to communicate with the customer service function during short periods of time or, if they did, had to suffer undue delays before receiving responses to their concerns. Their alternative was to call the Ombudsman's Office directly to complain about the situation. Consequently, our office saw an unusual increase in the number of complaints. Canada Post was duly advised and was able to remedy the situation. The implementation of the new Customer Relationship Management module quickly gained stability and the number of complaints to our office returned to a normal level shortly thereafter.

The examples noted above are but a few concerns raised with Canada Post that have led to improving certain aspects of the postal service. They clearly illustrate the synergy between the Office of the Ombudsman and Canada Post as well as Canada Post's commitment to address legitimate customer concerns.
Root Cause Analysis

“Through periodic reports assists the Corporation in gaining a better understanding of concerns and the manner of their resolution.”

The Ombudsman is also mandated to assist Canada Post by bringing to its attention areas of concern encountered during the course of business. The Ombudsman believed that by clearly identifying the root cause of problems, corrective action can be promptly taken by Canada Post. The intent of the report, which was presented to Canada Post at the end of 2001, was to highlight the root cause of several recurring areas of concern raised by customers.

Canada Post immediately established a task force to study the findings and to develop action plans to address and rectify the problem areas. In the early months of 2002, the impact of the task force was felt as a number of issues highlighted by the Ombudsman were addressed and resolved.

While the activities of the task force were ongoing over the course of 2002, both the Chief Executive Officer of Canada Post and the Ombudsman were apprised of its progress through regular reports.

Findings

Several inconsistencies among sources of information were identified on Canada Post’s Web Site pertaining to a number of products and services offered by the Corporation. As a result of the findings, Canada Post implemented a number of changes and improvements in various reference and information documents to ensure that consistent and accurate information is available to all customers throughout Canada.

1. Mandate
Root Cause Analysis

While Canada Post has a network in excess of 7,000 postal outlets across the country, providing all these outlets consistent and accurate information regarding its products and services is an enormous challenge. The large workforce and the geographic distribution of the outlets across Canada only add to this already difficult task. While training is provided on an ongoing basis to all retail employees, Canada Post took additional measures to increase the quantity and quality of retail information bulletins sent throughout its network.

We see the Root Cause Analysis Report as a springboard to other special research projects where the Office of the Ombudsman can cooperate with Canada Post. The underlying objective for both Canada Post and the Ombudsman is to ultimately improve postal service for all Canadians.
**Looking Ahead**

No doubt that in the coming years, Canada Post will have to cope with growing competition to increase or even maintain its share of Canadian customers. It will have to intensify its presence and effectiveness in the areas of physical distribution, information transfer and advertising distribution. To do so, it will have to provide new and innovative services and products to satisfy the ever-increasing demands of its customers.

Canada Post will also have to cope with a changing customer base. An aging population may require alternate modes of delivery or different products and services. Home and small businesses may also require more flexible and customized delivery schedules as well as different products and services. Canada Post will more than likely continue to pursue business partnerships in various fields, thereby expanding its interface with an increasing number of customers.

There is no doubt that the Office of the Ombudsman will have to evolve at the same pace and adjust its policies and operations accordingly. The number and nature of complaints will probably be different. As Canada Post expands its business and moves into other ventures, the Ombudsman’s Office will also be called upon to review new areas of concern. The impact on office resources cannot be predicted at this point but will have to be monitored very closely.

The Ombudsman’s original mandate may eventually require a review to ensure that the Office continues to play a vital and effective role in the provision of improved postal service for all Canadians.

Responding to changes brought about by a new business environment will be an ongoing challenge. The Office of the Ombudsman has the responsibility to address emerging issues in order to remain true to its mission of providing a final complaint resolution process that is fair to its customers.
Statistics

Since the Office of the Ombudsman started its operations on October 1, 1997, it has received a total of 30,102 requests for assistance.

Requests for Assistance
October 1, 1997 - December 31, 2002

- 1997: 1,933
- 1998: 4,308
- 1999: 6,439
- 2000: 6,055
- 2001: 5,982
- 2002: 5,385
Statistics

The Office of the Ombudsman has closed a total of 5,935 cases since October 1, 1997. Although the overall number of requests for assistance has slightly decreased in the last few years, the number of cases investigated and closed by the Ombudsman’s Office has steadily increased from 864 cases closed in 1998 to 1,331 in 2002.

Over the years, it has been noted that the nature of the cases brought to the Ombudsman’s attention is becoming more complex and requires more detailed and in-depth research. Each case is reviewed meticulously and in a professional manner by the staff.

It should be noted that, since 1997, Canada Post has accepted all recommendations made by the Ombudsman.
**Appeal Process**

The Office of the Ombudsman acts as an appeal authority when customers’ complaints have not been satisfactorily resolved by the internal dispute resolution mechanisms at Canada Post.

If customers have exhausted all internal resolution mechanisms at Canada Post and their concerns remain unresolved, they may request that the Ombudsman review the issue. However, before the Ombudsman can proceed with a request, the following procedures must be followed:

1. Customers must first go to their local post office with the concern.

2. If the concern is still unresolved, customers should contact Canada Post Customer Service at 1 800 267-1177 who will attempt to resolve the issue to their satisfaction.

3. If customers are not satisfied with Canada Post’s resolution, they may then appeal to the Ombudsman.

Prior to proceeding with any complaint, a *Request for Review* form must be **completed and signed** by the complainant. Since the Ombudsman’s Office operates independently, this form authorizes the Office to investigate the complaint and obtain from all parties involved the necessary information required to conduct a thorough examination of the facts. The *Request for Review* form is available on our Website – to be downloaded and forwarded by mail to our office.

It is important to note that all complaints brought to the Ombudsman’s Office are treated with the utmost confidentiality. Internal policies and procedures require that all staff members in the Ombudsman’s Office must guarantee the confidentiality of all information provided to them by all parties concerned.
How to Contact the Office of the Ombudsman

Mail: Office of the Ombudsman
PO BOX 90026
OTTAWA ON K1V 1J8

Telephone: 1 800 204-4198

Fax: 1 800 204-4193

Website: www.ombudsman.postescanadapost.ca