

2004 Annual Report

Office of the Ombudsman
at Canada Post





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Ombudsman

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Mr.
Chair, Board of Directors
Canada Post

Dear Mr. ,

In accordance with the mandate established by the Board of Directors of Canada Post on November 13, 1997, I am pleased to submit my second annual report as Ombudsman covering the period January 1 to December 31, 2004.

Yours truly,

A handwritten signature in black ink that reads "Michel Tremblay". The signature is written in a cursive style and is placed on a light-colored rectangular background.

Michel Tremblay

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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.”

Message from the Ombudsman

This is my third annual report as Ombudsman at Canada Post. A few years ago, we shared with Canada Post executives, the findings of an extensive examination of recurring sources of complaints from Canada Post customers. I indicated at the time that it was my intention to pursue that approach during my five-year mandate by continuing to showcase the results of these examinations regarding the sources of customer complaints. I am highlighting in this annual report some of the trends and concerns that I have raised during the course of the year, including recommendations on specific issues that I brought to the attention of Canada Post executives.

You will note in the statistics section that, while the total number of complaints has slightly decreased in comparison to last year (4.5%), the number of cases actually requiring investigation and written responses has increased substantially (23%) for a second year in a row. As expected, this situation brought additional burden on staff members involved in the handling of customer complaints. The continuation of quality and diligent services is of paramount importance in my office and in order to maintain this level of service without increasing our resources, we focussed the major part of our activities in 2004 on restructuring our organization and upgrading our computer systems.

As a first step, we reassigned responsibilities by asking administrative staff to become directly involved in the investigation and processing of customer complaints. Some administrative responsibilities were shared among certain members of the staff to ensure equitable workloads for each individual. Following a short training and adjustment period, this structural adjustment has proven to be successful, as we noted an increase in the level of cases processed.

The other major initiative in 2004 was the replacement of our two aging original database systems with a single more efficient one. Over the years, as the number of complaints increased in the office, these two original systems became increasingly slower and communication failures between them frequently slowed down or completely paralysed our activities for short periods of time. In addition to more refined and faster processing of information, the new system provides other important enhancements that are described in a subsequent chapter of this report.

Message from the Ombudsman (con't)

In addition to statistical information regarding our activities, this report also outlines a few case studies as well as some recommendations submitted to Canada Post. Although Canada Post is not bound by my recommendations, it has on several occasions over the years indicated its appreciation and has generally responded well. While the majority of my recommendations were accepted in 2004, there was one that was not implemented by Canada Post and the rationale is provided in a subsequent chapter.

We have seen a year of major changes in our office and it goes without saying that the personal contribution of all staff members again ensured the success of the office. I am especially grateful for their constant dedication and for the caring service they have continuously provided to our customers.

It is in this spirit that we look forward to the challenges ahead while remaining committed to our mission: to independently review customer concerns in a fair, unbiased and timely manner.

A handwritten signature in black ink on a light-colored background. The signature is cursive and appears to read "M. Stephens".

Recommendations to Canada Post

The Ombudsman is mandated to assist Canada Post in gaining a better understanding of the problems raised by customers. In situations where he determines that a customer has not been treated fairly or when he feels the service provided to customers is inappropriate, the Ombudsman brings his concerns to the attention of Canada Post executives, requesting that they review the policies, guidelines and/or procedures at the source of those specific issues.

All such recommendations are based exclusively on the merits and circumstances specific to each case and are obviously intended to improve the postal service provided to all Canadians. The following outlines some of the initiatives undertaken over the course of last year.

Mode of delivery

Canada Post assigns a free mode of mail delivery to every physical or civic address. In instances where customers move to a new development and it is not possible to immediately provide the free mode of delivery designated for that area, customers are asked to pick-up their mail at the General Delivery counter of the local postal outlet. The current practice is to ensure that the permanent mode of delivery is provided during the following thirty days. The Office received several complaints from customers who continued receiving their mail from General Delivery for periods extending well over the original thirty-day commitment. Canada Post internal guidelines require that in such situations, after the initial thirty-day period is expired, it will provide a temporary mode of delivery *other* than General Delivery until such time as the permanent free mode can be implemented.

The Ombudsman's investigation confirmed that this situation is not limited to any particular region and that too many customers are left without their free permanent mode of delivery beyond the thirty-day initial period. He recommended that Canada Post be more vigilant in enforcing the practice of providing a permanent mode of delivery within the thirty-day initial period to ensure that all customers are treated fairly.

Canada Post acknowledged receipt of the recommendation and has undertaken to review this practice.

Recommendations to Canada Post

Revisions to the postal guide

On the recommendation of the Ombudsman, Canada Post modified the provisions of the *Canada Postal Guide* regarding Delivery Confirmation of items sent by domestic *Xpresspost*. The *Postal Guide* originally stated that when an item is delivered by *Xpresspost* and the identification number has been scanned, the information confirming the date of delivery *is available* by noon the next business day following delivery. The Ombudsman received complaints to the effect that this was not always the case as it sometimes took longer for the information to be available to customers either on the Canada Post website or via a toll-free telephone number. Canada Post concurred with the Ombudsman recommendation and amended the *Postal Guide* to correct this situation. It now reads: “*the information confirming the date of delivery is usually available by noon the next business day following delivery.*” Subsequently, the Ombudsman asked that the same wording (*usually available*) be applied to other products where the date of delivery is scanned as confirmation of delivery. The Ombudsman has received confirmation from Canada Post that the anomaly has now been corrected for *Xpresspost* and *Priority Courier* reference sources, including the website.

Signature feature when purchasing insurance

When sending parcels customers have the choice to purchase a signature option, which means that Canada Post has to collect the signature from someone at the delivery address, as proof of delivery. This option can currently be purchased on items sent by *Xpresspost*, *Expedited* and *Regular Parcels*. While it is a feature that is included in *Priority Courier* mailings, it remains at the discretion of the customer to select it at the time of mailing. The Ombudsman received an increasing number of complaints last year from customers arguing that they are being denied an insurance/indemnity claim for non-delivery because Canada Post scanning records confirm that the item in question has been delivered on a specific date. Several customers deny that the item has been delivered and do not accept the scanning record as proof of delivery. They claim that their items, which have been scanned as delivered, were actually delivered to a wrong address. It should be noted that the scanning information does not capture the delivery address, only the date of delivery.

Recommendations to Canada Post

Signature feature when purchasing insurance (con't)

The Ombudsman's investigation on that issue confirmed that in several instances, the scanned delivery confirmation was not always factual and Canada Post recognized that there have been such errors in the past.

The Ombudsman recommended that Canada Post build into the insurance option, a signature feature as proof of delivery. This would ensure that the item with the signature option would not be left in a safe place at the delivery address, should no one be there to accept it, and that there will be a signature on record of the person who accepted the delivery.

Canada Post did not implement this recommendation invoquing financial and operational constraint in this very competitive parcel and message delivery market.

Case Studies

As mentioned earlier, there are instances where the Ombudsman may conclude that customers have not been treated fairly or that policies, guidelines and/or procedures followed by Canada Post have not been applied appropriately.

The following provides an overview of a few customer concerns the Ombudsman has examined and outlines how the issues were resolved. Each case is unique and is treated on its own merits. To protect the confidentiality of personal information, no names are used and some details have been omitted.

Failure to comply with established procedures

A customer sent a domestic *Registered* mail item, which was delivered a month and half later. The customer claimed that because his letter contained legal documents that were time sensitive and was received late, he suffered personal damages for several thousand dollars, having been excluded from a bidding process on an important contract. To substantiate his claim, he further alleged that Canada Post could not produce the signature of the person that had signed upon reception of the *Registered* letter.

The Ombudsman's investigation found that the *Registered* letter had been scanned *out for delivery*, the day following the mailing and, as there was no one available to accept the letter at the time of delivery, a *Delivery Notice Card* had been left in the addressee's mailbox. The card advised the addressee that a *Registered* item had been forwarded to a nearby retail postal outlet where the customer could pick it up. The examination also showed that the *Registered* letter was not sorted in the proper holding case in the postal outlet and consequently, could not be found when the addressee came to pick it up. Eventually, the letter was found but the postal outlet employee remitted the letter to the addressee while neglecting to obtain a signature confirming delivery as required by procedures.

The Ombudsman concluded that the postal outlet had not followed procedures in the handling of this matter. When the *Registered* letter was found, the employee should have returned it to sender along with a letter explaining the circumstances and apologizing for the long delay.

Case Studies

Failure to comply with established procedures (con't)

At the request of the Ombudsman, the entire process has been reviewed with all postal outlet staff and Canada Post reinforced the proper procedures. The Ombudsman also declined the claim for damages as the *Canada Post Act* clearly states that “...the Minister and the Corporation are not liable to any person for any claim arising from the loss, delay or mishandling of anything posted.” Canada Post did, however, at the request of the Ombudsman, send a letter of apology to the customer and reimbursed the postage that had been paid for the *Registered* letter.

Safe drop procedures

Under certain circumstances, Canada Post or its delivery agents may leave a parcel in a safe place when no one is home to accept delivery. Canada Post refers to this procedure as a *Safe Drop*. The local Police Department and Canada Post Security and Operations departments jointly identify this safe drop area. This exceptional service is allowed only in areas where a parcel can be left in a place that is sheltered from bad weather and cannot be seen by passers-by. However, it is still possible that certain residences/households within the designated safe drop area do not meet the criteria for *safe dropping*, in which case mail items would not be safe dropped when no one is home to accept delivery.

A customer complained to the Ombudsman that he could not get Canada Post to cease leaving parcels at his door, in plain view of passers-by, when no one was home to accept delivery. While the customer lived in a designated safe drop area, he claimed that several of his parcels had been lost or stolen in the past few months.

The Ombudsman’s investigation found that in addition to the letter carrier who delivers regular mail and small packages, a delivery company under contract with Canada Post had been hired for the delivery of larger parcels in this customer’s area. The examination also revealed that employees of the delivery contractor were not respecting the sign on the customer’s mailbox that asked that parcels not be safe dropped but rather be carded. When a parcel is carded, a *Delivery Notice Card* is left in the mailbox to indicate that it has been forwarded to a nearby retail postal outlet to be picked up by the addressee after the date indicated on the card.

The Ombudsman recommended that all delivery agents in that sector, letter

Case Studies

Safe drop procedures(con't)

carriers as well as motorized delivery agents, be reminded of proper procedures when delivering parcels. In addition, the delivery contractor added the customer's name to a *no safe drop list* provided to all its drivers as a reminder of customers who do not wish to have mail items safe dropped on their property when no one is home to receive them. In this particular case, as the customer had previously experienced a number of service failures, the Ombudsman also asked that Canada Post provide the telephone number of the local Postal Station Superintendent to personally assist the customer should he encounter similar problems in the future.

The Ombudsman...a mediator

The mandate given to the Ombudsman in 1997 requires that he “... *offer to mediate between the parties to find mutually acceptable solutions*”. As mediator, he acts as an impartial liaison between Canada Post and its customers to help the parties resolve difficulties that may sometimes arise.

Canada Post denied a customer compensation on an insurance claim for a parcel that had been properly delivered but arrived in damaged condition. The parcel had been sent to New York via *Expedited Parcel USA* service and the customer purchased an additional \$500.00 insurance. Canada Post refused the claim on the basis that the parcel was not properly packaged at the time of mailing.

During his investigation, the Ombudsman examined the packaging used for the mailing and concluded that in all likelihood, it was not sturdy enough to provide sufficient protection for the parcel in transit. The research also revealed that the United States Postal Service had similarly concluded that there was very little protection for the contents of the parcel. However, neither organization would acknowledge that the seemingly poor wrapping was clearly the sole reason for the damage.

The customer had also complained to the Ombudsman about the harsh treatment he received from Customer Service at Canada Post, claiming his request was bluntly rejected and that no offer to resolve the issue was even considered by Canada Post. No consideration was given to the fact that he had paid for a \$500.00 insurance protection for such eventualities.

Case Studies

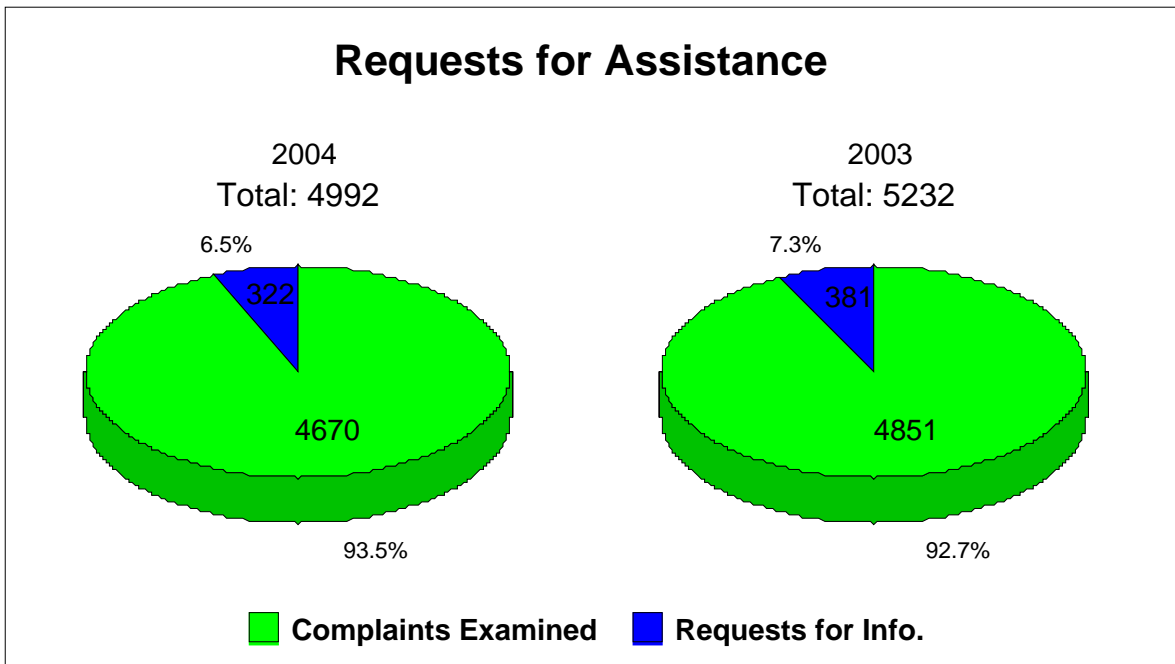
The Ombudsman...a mediator (con't)

The Ombudsman acknowledged the inconvenience the customer experienced. He also gave consideration to the fact that he had paid an added fee for the insured service and that there was no clear conclusion that poor packaging caused the damage. Although Canada Post still believed that the packaging was inadequate, it agreed to a compromise proposed by the Ombudsman, to provide a partial payment of \$250. The Ombudsman also advised the customer that he was given the benefit of the doubt in this instance and urged him to be more vigilant when preparing packages to be sent by mail.

Statistics

1. Request for Assistance

In 2004, the office processed 4,992 Requests for Assistance divided as follows: 322 Requests for Information and 4,670 Complaints, a decrease of 4.5% over the same period last year. While the majority of complaints were from individual consumers, 434 came from businesses or associations, representing a 25.8% increase over last year.

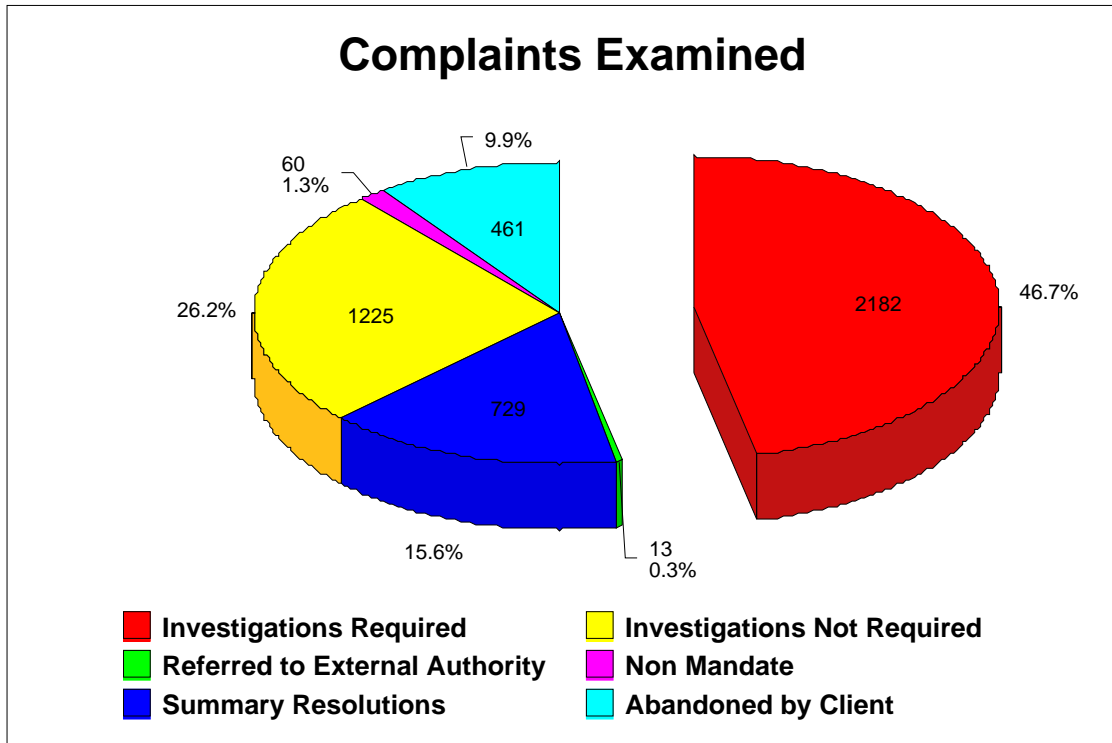


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2. Complaints

The 4,670 complaints received in 2004 were processed through various scenarios:

- Providing resolution over the telephone;
- Mailing of complaint 'kits' containing a *Request for Review* form that customers can fill out and return to the office for further assessment;
- Directing customers to the appropriate authorities when not a postal related matter; and
- Investigating the cases in detail.



3. Investigations

The number of cases requiring an investigation in 2004 increased by 23% for a second year in a row:

- 2,182 in 2004
- 1,773 in 2003
- 1,393 in 2002

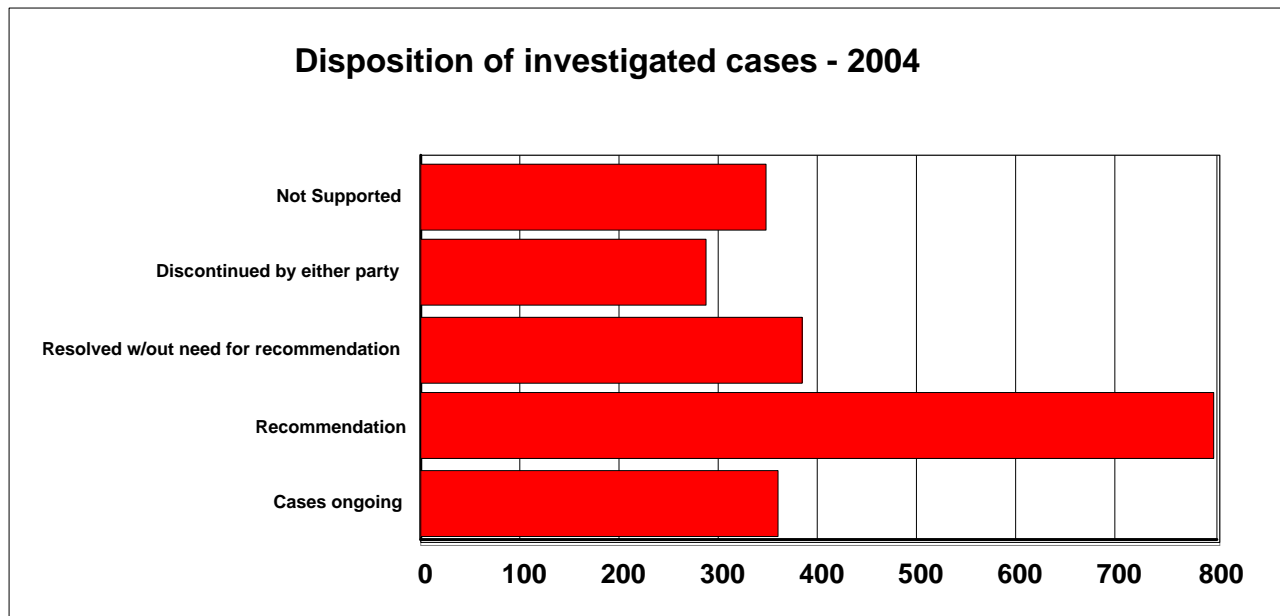
Prior to 2003, the office historically experienced a reduction in the number of complaints during the summer months. This pattern was reversed in 2003 and again in the summer of 2004.

Statistics

4. Resolution of Cases

The statistics below provide an overview of the resolution of cases, including the recommendations the Ombudsman makes to Canada Post. These recommendations can range anywhere from a functional change to a policy change. A functional change is intended to improve the quality of service to a particular customer or a group of customers at a regional or local level. A policy change is national in scope and often results in adjustments being made to Canada Post's policies, guidelines and/or procedures.

The chart below demonstrates the disposition of the 2,182 cases investigated in 2004.



The 'Not Supported' category represents cases where the Ombudsman finds that Canada Post has acted appropriately and in compliance with its policies, guidelines and/or procedures.

Cases can also be resolved without the need for recommendations. In these situations, the Ombudsman's office relies on its experience and knowledge of Canada Post operations to facilitate quick and efficient resolution of the problems presented.

Statistics

4. Resolution of Cases (con't)

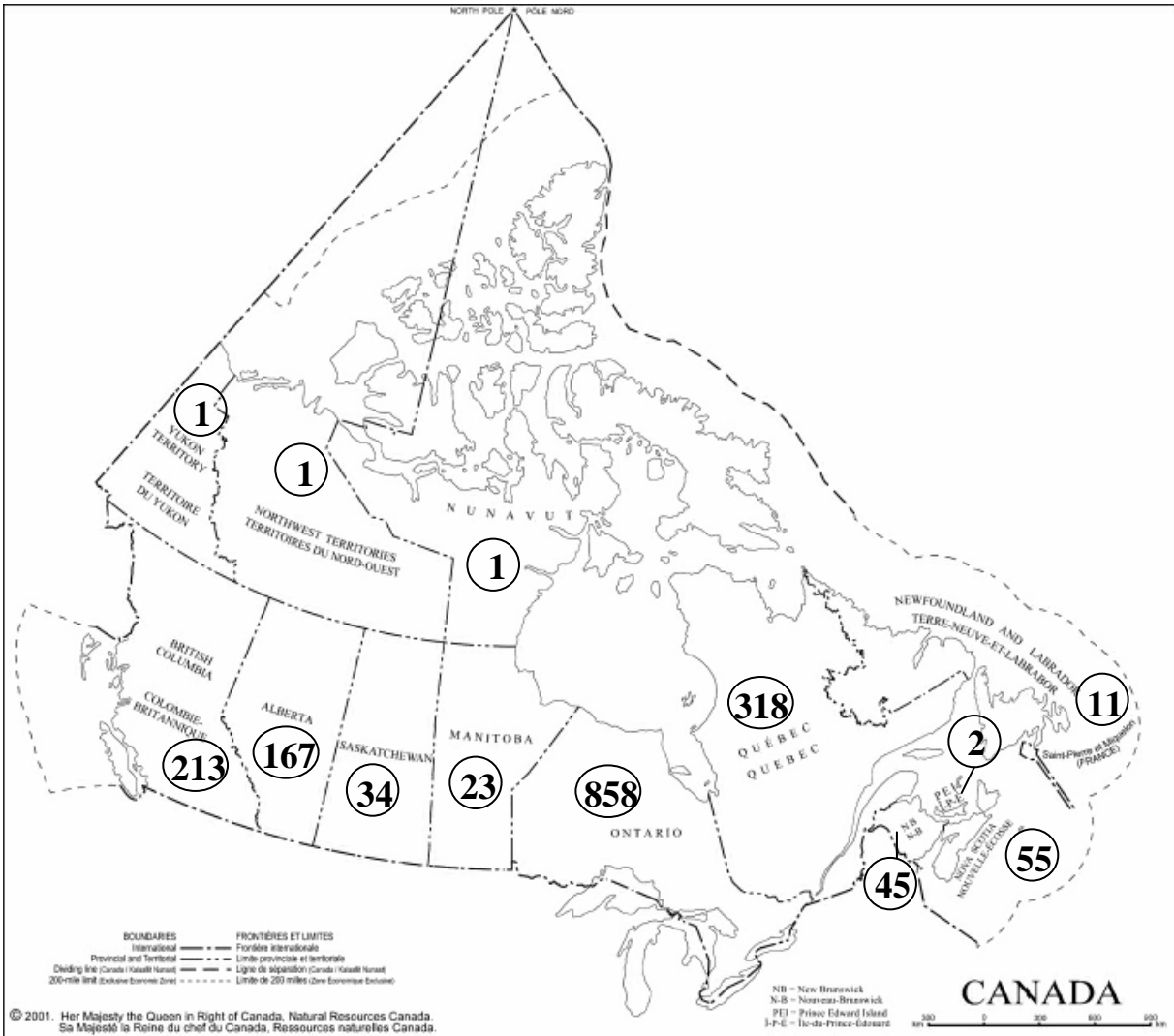
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Statistics

5. Geographical Disposition of Investigations

As indicated above, the office investigated 2,182 cases and the national distribution of these cases appears on the map below.



6. The year in numbers

In 2004, the Office of the Ombudsman handled over 11,000 incoming telephone calls and forwarded 1,269 complaint kits to customers. Additionally, the Ombudsman's website pages were accessed over one half a million times and over 760 customers chose to print the *Request for Review* form from the website to either mail or fax their complaints.

Database System Update

As mentioned previously, the database system was reviewed and replaced during the latter part of 2004. Even after several enhancements, the office database system, originally developed in 1997, was becoming obsolete. There were two different systems that interacted with each other and as the volume of information to be processed consistently increased, the systems became less and less efficient; communication between them frequently resulted in technical failures that either slowed down or completely paralysed our activities for short periods of time.

Following consultation with experts, the Office undertook the implementation of a database that would merge the existing databases into a single more refined system having sufficient capacity to cope with future increases in volumes of complaints.

The new system is user-friendlier, ensures a high level of security as only authorized personnel can modify the data and, most importantly, it produces more sophisticated and refined statistical reports. Management especially appreciates the new maintenance screen that enables users to self-assess technical problems that may still occur from time to time.

The advantages of working in cooperation with Canada Post to resolve postal problems for all Canadians have been evident over the years. This synergy between the two organizations has been further enhanced as the new system now has the ability to gather and report statistics and other data in a way compatible to the Canada Post structure and nomenclature.

The final phase of this major undertaking is completed and the migration of all data from the old system to the new one should be finalized in the spring of 2005.

How to Contact the Ombudsman

Customers who have a complaint concerning their postal service should first bring it to the attention of the local post office or to their first point of contact with Canada Post. If your concern remains unresolved, the customer can then contact Customer Service department at Canada Post at 1 800 267-1177. Please note, it is of paramount importance to obtain a Customer Service file number at this stage as the Ombudsman will need it to review all the steps previously taken by Canada Post, should the customer wish to appeal Canada Post's decision to the Ombudsman. The Office of the Ombudsman **will not** entertain an appeal **unless** this file number is provided.

If you believe that your concern has not been dealt with in a fair and equitable manner and wish to appeal to the Office of the Ombudsman, you are required to complete and sign a *Request for Review* form, which authorizes the Office to investigate your complaint and obtain information with respect thereto. This form may be obtained from the Office or on the website.

The Office of the Ombudsman can be contacted:

By mail:

Office of the Ombudsman
PO Box 90026
Ottawa ON K1V 1J8

By telephone: 1 800 204-4198

By fax: 1 800 204-4193

By the Internet: www.ombudsman.postescanadapost.ca