



1998/99
Annual Report



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The Honourable André Ouellet, PC, QC
Chairman of the Board of Directors
Canada Post Corporation

Dear Sir:

In accordance with the mandate established by the Board of Directors of Canada Post Corporation on November 13, 1997, I am pleased to submit my second annual report, covering the period April 1, 1998 to March 31, 1999.

Yours sincerely,

A handwritten signature in black ink, appearing to read "André W. Tessier".

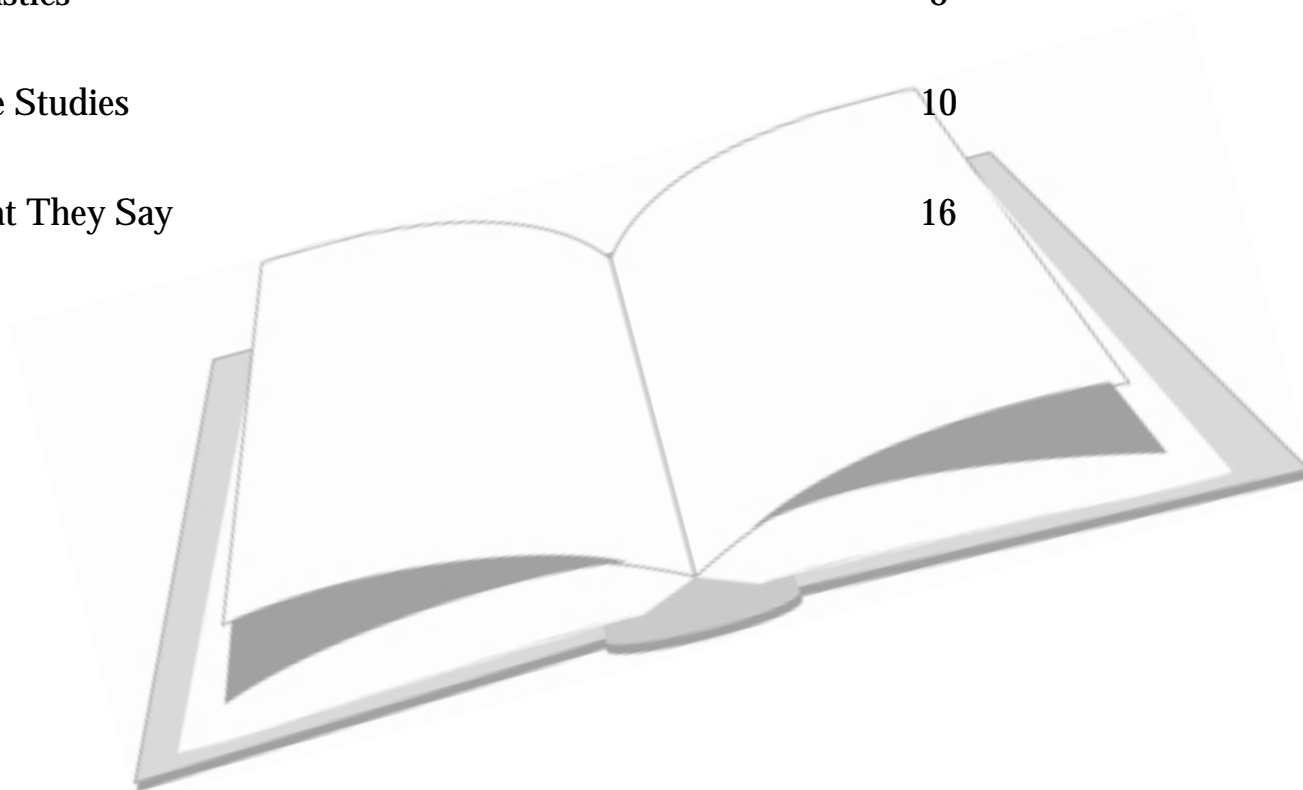
André W. Tessier



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.*

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A Message From The Ombudsman



I am pleased to present my second annual report as Ombudsman at Canada Post.

In preparing this report, I have had the opportunity to reflect on what has been achieved since our Office first became operational in October 1997. From our first day, we have

been listening to a growing number of customers and facilitating communications between them and Canada Post. We committed ourselves to providing assistance to all customers who approach the Office of the Ombudsman, even if their concerns are not related to the postal service. I am proud to say that my staff and I have honoured that commitment. Each of the 5,609 requests for assistance submitted to this Office was treated with the same respect and given the same timely attention.

The information detailed in this report provides a general overview of our accomplishments in the last year. As the report clearly demonstrates, our workload has increased significantly over the last few months. This is a result of the successful promotion of my Office through a variety of means, including telephone directories, brochures, posters in all post offices and postal outlets as well as improvements to our website.

The increasing caseload is a clear indicator that a growing number of Canadians have become familiar with the role of the Ombudsman at Canada Post. Canadians recognize that I am neither their advocate nor a defender of Canada Post. They know that I am committed to finding fair and equitable solutions based on the facts and merits of each individual case.

Acting as an impartial liaison between the customer and Canada Post, I have the authority to examine each customer concern and to make recommendations when deemed appropriate. Being removed from the contentious

issues under examination, my staff and I are in a unique position. We can observe and analyse situations in an objective manner. My decisions are always made in the higher interest of fairness and equity.

Over the course of the last year, following in-depth investigations, I have made 374 recommendations to Canada Post in response to customer concerns that have been brought to our attention. Some of these recommendations are national in scope and improve service to thousands of Canadians. I am pleased to report that the Corporation has enacted every single recommendation I have made. I believe that this clearly demonstrates that my Office ensures that each solution is objectively researched and thoroughly analysed prior to submission.

The Office of the Ombudsman makes a positive difference, assisting Canada Post in improving the quality of service it offers all Canadians, every day, across the country. We do this by promoting and facilitating communications between customers and the Corporation with the intent of finding fair and equitable solutions.

This report provides detailed information on some of the issues my Office has reviewed in the past year. It also includes a number of case studies describing many different situations my staff and I are called upon to review.

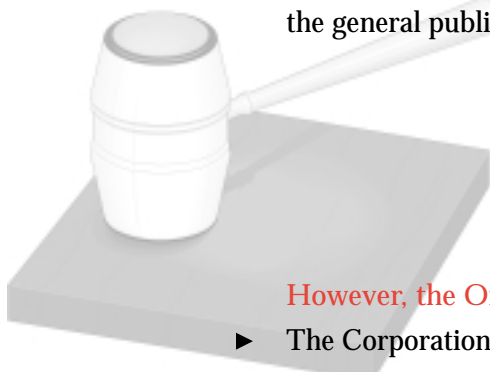
Treating customers "*in all fairness*" is the cornerstone of my approach to the duty of Ombudsman. That approach, I believe, is the key to our continued success.



André W. Tessier

The primary role of the Ombudsman is to safeguard customer interests by assisting with the resolution of customer service complaints. Specifically, the Ombudsman:

- ▶ Promotes and facilitates communications between the customer and the relevant representatives of the Corporation and the process by which complaints may be voiced and resolved.
- ▶ Offers to mediate between the parties to find mutually acceptable solutions.
- ▶ When all internal dispute resolution mechanisms have been exhausted, acts as an appeal authority to review in a fair and unbiased manner customer complaints in order to assess the merits of the complaints and recommend resolutions.
- ▶ Through periodic reports assists the Corporation in gaining a better understanding of concerns and the manner of their resolution.
- ▶ Prepares and submits an annual report to the Chairman of the Corporation's Board of Directors.
- ▶ Responds to the Board of Directors concerning any matter that the Board specifically refers to the Ombudsman.
- ▶ Promotes the Office of the Ombudsman and the Postal Service Customer Councils to the general public.



However, the Ombudsman does not become involved with the following:

- ▶ The Corporation's relations with its employees, contractors and suppliers.
- ▶ Matters that relate exclusively to Canada Post subsidiaries.
- ▶ The setting of corporate policies (including mail classifications, rates and pricing).
- ▶ Any matter involving compliance with existing legislation (such as the *Canadian Charter of Rights and Freedoms*, the *Competition Act*, the *Official Languages Act*, etc.) and any matter before the courts.

Resolving Cases: Finding Solutions For All Canadians

In all fairness

As an organization processing millions of pieces of mail every day, Canada Post recognizes that customer concerns can sometimes arise. The Office of the Ombudsman was established as the final appeal authority when all other internal dispute resolution mechanisms are exhausted. As previously stated, the Ombudsman is neither an advocate for the customer nor a defender of Canada Post. In a fair, unbiased and timely manner, he independently reviews customer concerns. The Ombudsman is committed to answering all requests for assistance. Should the problem not be with Canada Post, the individual will be referred to the appropriate authority.

The Postal Service Customer Councils which are made up of volunteer members representing a cross section of Canada Post customers across the country act as an advisory council to the Ombudsman. They review trends and areas of concern regarding postal service in Canada and provide their input to the Ombudsman and to Canada Post.

The following pages provide general statistical information and an overview of customer concerns that the Office of the Ombudsman has examined and outlines how those issues were resolved.

The figures represented in these charts and tables provide an informative look at the work done by the Office of the Ombudsman. They demonstrate the effectiveness of the Office's public awareness campaign, which has used such communications tools as brochures in all post offices and postal outlets, notices in telephone directories and the internet. As a result of this awareness campaign, a growing number of Canada Post customers are turning to the Ombudsman to express their concerns once all internal dispute resolution mechanisms at Canada Post have been exhausted.

The figures demonstrate how the Office of the Ombudsman has been an effective catalyst in bringing closure to disputes.

The statistics also provide an overview of the different ways cases can be resolved including cases where the Ombudsman made recommendations to Canada Post. The different categories of recommendations are explained in greater detail in the case studies included in this report.

Following is a brief definition of the different categories of recommendations.

The recommendations affecting Canada Post policies, guidelines and/or procedures refer to cases where the Ombudsman recommended, and the Corporation accepted, that certain adjustments be made to existing policies, guidelines and/or procedures which are national in scope. These adjustments were revealingly critical in ensuring consistency of service offered to all Canadians.

The compensation category refers to a number of unique cases where the Ombudsman has recommended some form of compensation for the customer. In every case where compensation was recommended, special extenuating circumstances were the deciding factor. Recommendations resulting in compensation do not involve a change in Canada Post policies, guidelines and/or procedures and have no bearing on future cases that come before the Ombudsman.

Although functional recommendations may not have a national application, they affect the quality of service provided on a regional or local level to the benefit of a customer or a group of customers.

Some cases are resolved without the need for a recommendation to Canada Post. These cases are unique customer service problems that do not lead to a change in Canada Post policies, guidelines and/or procedures. In such exceptional cases, the Ombudsman can act as a valuable facilitator, using his knowledge of the operations of Canada Post to help resolve a problem, quickly and efficiently.

The non-supported category represents those cases where the Ombudsman finds that Canada Post acted appropriately and in compliance with its policies, guidelines and/or procedures. As well, with these cases, the investigation found no extraordinary or special circumstances to justify a recommendation that would support a deviation from or a change to Canada Post policies, guidelines and/or procedures.

▲ Requests for assistance

- a) Requests for information
- b) Total complaints

● Complaints examined

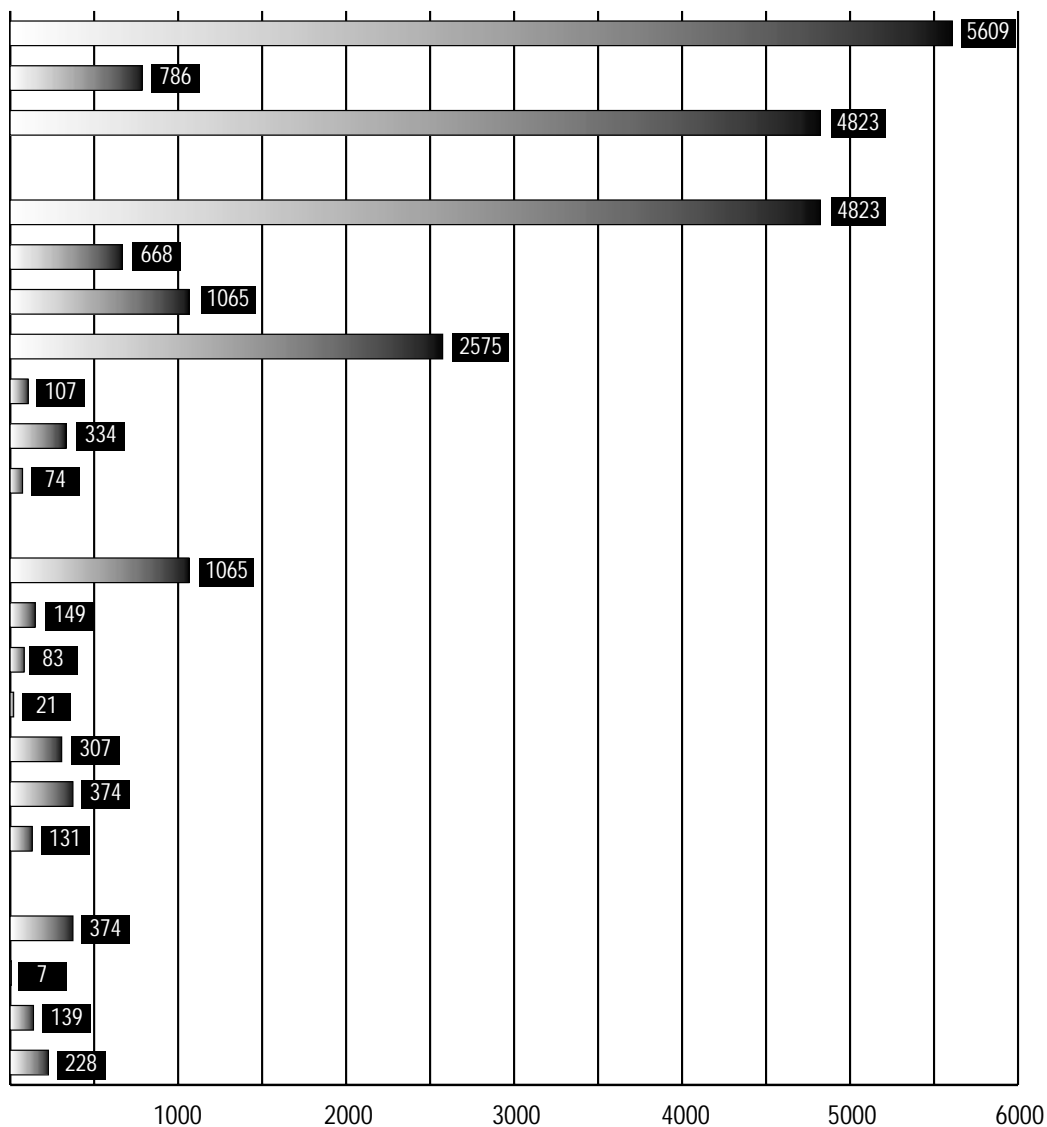
- a) Summary resolution
- b) Investigation required
- c) Investigation not required
- d) Referred to appropriate authority external to Canada Post
- e) Abandoned by client
- f) Non-mandate

■ Disposition of investigated cases

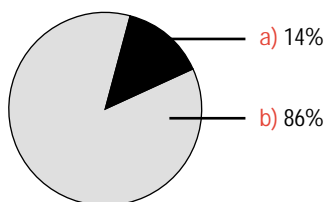
- a) Not supported
- b) Discontinued by either party
- c) Monitoring situation
- d) Resolved without need for recommendation
- e) Recommendations
- f) Cases ongoing

■ Recommendations

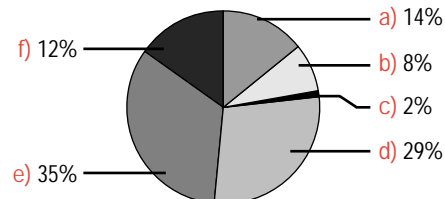
- a) Policies, guidelines and/or procedures
- b) Compensation
- c) Functional



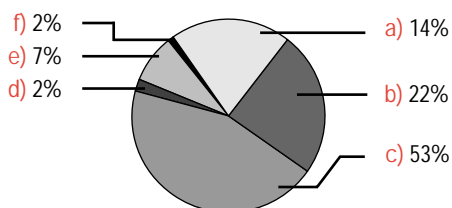
▲ Requests for assistance



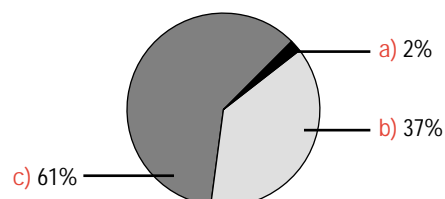
■ Disposition of investigated cases



● Complaints examined



■ Recommendations



Policies, Guidelines and/or Procedures

This category refers to cases where the Ombudsman has concluded that Canada Post policies, guidelines and/or procedures should be adjusted or more focused in order to adapt to new realities which could not have been foreseen when they were first implemented.

In each of these cases, after careful consideration, the Ombudsman made a recommendation to Canada Post to modify either its policies, guidelines and/or procedures in order to ensure fairness and consistency in the service provided to all Canadians by the Corporation. Canada Post complied with each recommendation and implemented the changes.

These modifications have national implications, affecting the service offered to all Canadians. In other words, everyone benefits from a matter raised by one individual customer.

Case Study — returned to sender?

The Issue

A Canada Post customer arranged for a neighbour to pick up his mail while he was out of the country for several months but neglected to advise Canada Post.

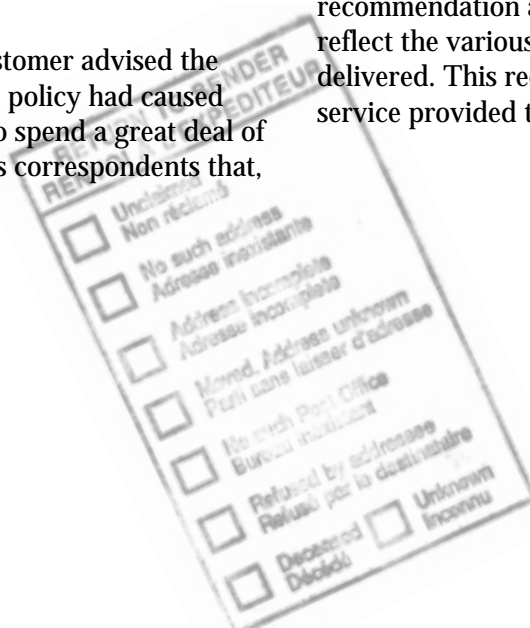
After remaining unclaimed for two weeks, the customer's mail was marked "Moved / Address Unknown" and was returned to sender. This notice caused the customer a great deal of difficulty, given that many of his correspondents were alarmed by his apparent disappearance.

Upon his return to Canada, the customer advised the Office of the Ombudsman that this policy had caused him undue hardship since he had to spend a great deal of time and energy informing all of his correspondents that, in fact, he had not moved.

The Ombudsman's Finding

Our examination revealed that Canada Post procedures require that, if the reason for return is not indicated on the return to sender stamp, the clerk is directed to check the "moved" box which is used as the default option. Since the customer had not moved, Canada Post's limited classification options had given misleading information to those sending him mail.

Canada Post accepted the Ombudsman's recommendation and has revised its procedures to better reflect the various situations which lead to mail not being delivered. This recommendation will help to improve the service provided to all Canada Post customers.



The Issue

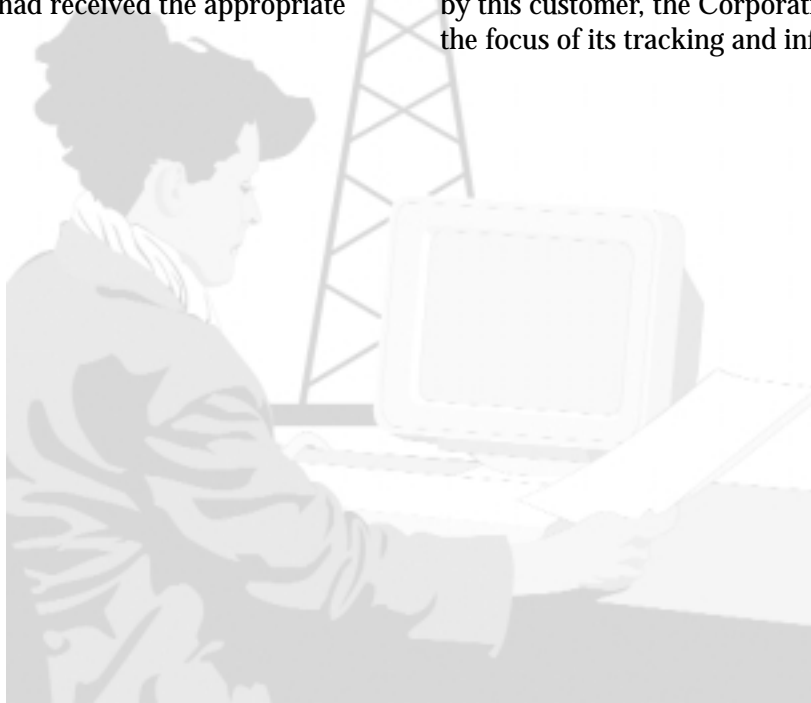
A customer contacted the Office of the Ombudsman with a concern about Canada Post's Integrated Voice Response System (IVRS). The customer called the IVRS to determine the delivery status of an item he had sent. He was informed that a delivery attempt had been made but that there was no one present to accept the item.

The customer then contacted the intended recipient of the package and learned that Canada Post's message was inaccurate, as no attempt at delivery had been made. When he asked Canada Post to explain this discrepancy, he was informed that he had received the appropriate answer from the IVRS.

The Ombudsman's Finding

The Office of the Ombudsman contacted Canada Post with an inquiry about the customer's concern. Our investigation revealed that there was a technical inaccuracy in the system. The IVRS message was the same one given to all inquiries pertaining to the delivery status of an item.

Canada Post's Director of Customer Service Logistics responded and informed our Office that a revised message – one that includes options that more accurately reflect other possible scenarios – has been added to the IVRS tracking system. As a result of the concern raised by this customer, the Corporation was able to improve the focus of its tracking and information systems.



Compensation

This category refers to a number of unique cases where, following an in-depth investigation, the Ombudsman has recommended that Canada Post compensate the customer with either a partial or full reimbursement of costs incurred or for damages.

It is important to note that the resolution of these cases cannot be interpreted as setting a precedent for other situations that might bear some resemblance to the resolved cases.

In every case where compensation was recommended, special extenuating circumstances were the deciding factor. Cases resulting in some form of compensation do not result in a change in Canada Post policies, guidelines and/or procedures and have no bearing on future cases that come before the Ombudsman.

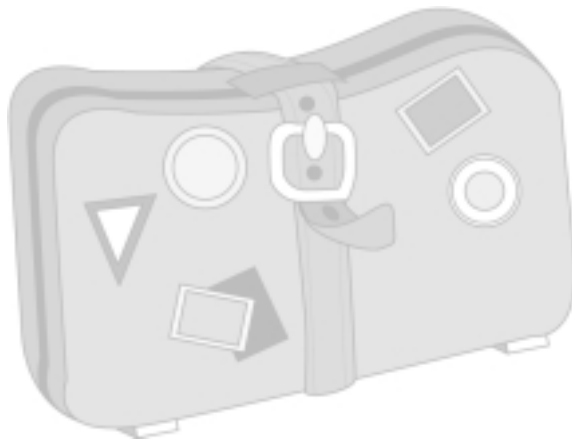
Case Study — on Compassionate grounds

The Issue

The customer filed a "Temporary Mail Redirection Service" form with Canada Post, paying the standard fee for this service. On the day that the redirection service was to be activated the customer's husband suffered a medical emergency and the trip that had necessitated the temporary redirection of mail had to be cancelled. The customer immediately contacted Canada Post to inform them that the temporary mail redirection service had to be suspended. She was told that this could be done but no refund could be offered, as per Canada Post policy. The customer found Canada Post's decision unreasonable.

The Ombudsman's Finding

After investigating this case, the Ombudsman found that, on compassionate grounds, given the difficult and sensitive circumstances surrounding the case, it would be fair for Canada Post to refund the amount paid as a goodwill gesture. Given the unique circumstances, Canada Post readily agreed with the recommendation and refunded the customer the full amount paid for the service.



These recommendations are related to the service provided to a customer or a group of customers. Although such recommendations may not have a national impact, they are made with a view to improving the quality of service provided on a regional or local level.

Again, it is important to note that the resolution of these cases cannot be interpreted as setting a precedent for future situations that might bear some resemblance to the resolved cases. In these instances, the Ombudsman applies the rules of common sense and seeks a balanced, compromised solution.

Case Study — seemingly difficult Case — simple solution

The Issue

This example demonstrates how a seemingly difficult case can sometimes have the simplest of solutions. On hot summer days a Canada Post customer kept the window of his front door open to let in fresh air. Because of his dog's aggressive behaviour the letter carrier feared for his safety; he was concerned that it would jump through the open window.

The customer was informed that unless he closed his window, his mail service would be suspended. The customer refused to comply with this request and complained to the Ombudsman that his rights and freedoms were not being respected.

The Ombudsman's Finding

In view of the fact that some 55 letter carriers were attacked by dogs last year, sometimes resulting in very serious injuries, the Ombudsman's concerns in this case were to ensure the safety of the Canada Post employee as well as re-instating delivery of mail to the customer. Through mediation, he was able to cut to the root of the problem and find a compromise.

Following the Ombudsman's recommendation, the customer agreed to reduce the opening of his window, thus reducing the chances of his dog attacking the letter carrier. As a result of this simple compromise, both parties emerged with a satisfactory result.

Case Study — common sense prevails

The Issue

A customer complained to Canada Post because his mail delivery had been interrupted. Canada Post explained to the customer that the walkway to his house was not safe due to a large ice build up and gave him notice regarding his responsibility for de-icing his walkway. The customer responded by taking steps that he believed would make the walkway safer for the letter carrier. However, his mail continued to be withheld, as his remedy was found inadequate.

The Ombudsman's Finding

Canada Post has a clear and fair policy designed to protect the health and safety of its employees. Until the ice was removed from the walkway, the letter carrier would not deliver the mail. The steps taken by the customer were not sufficient to remove the accumulated ice and therefore did not remove the hazard.

The Ombudsman found that the client's effort to correct the situation was not sufficient. He concluded that Canada Post's policy pertaining to the health and safety of employees was fair and that the customer was required to take the necessary measures to remove the ice to have his mail delivery re-instated.

Facilitating Communications

These are cases that do not require in-depth investigations into policies, guidelines and/or procedures that may not have been applied fairly. In such instances, the Ombudsman acts as a valuable facilitator using his knowledge of the operations of Canada Post to assist in the resolution of a problem quickly and efficiently.

Case Study — coordinated efforts

The Issue

A customer complained to the Office of the Ombudsman after a very important package she had sent overseas failed to arrive at its destination. Having been assured that the Canada Post SKYPAK option would guarantee the package's swift arrival, the customer chose this service. After almost three weeks, the package had still not been delivered. Numerous calls by the customer to Canada Post revealed that no one could inform the customer of its location.

The Ombudsman's Action

Once the Ombudsman initiated his investigation, it quickly emerged that the package contained sensitive documents that were critical to the well-being of three individuals and that their lives could be endangered if the package was not delivered soon. Given the urgency of the situation, the Office of the Ombudsman worked closely with Canada Post representatives to intensify and accelerate the search for the package.

Thanks to the coordinated efforts of the Ombudsman and Canada Post the incorrectly addressed package was quickly located in a different country. At the request of Canada Post, the address on the package was corrected and the package was shipped immediately to its destination. The customer was kept informed about every new development and was immediately contacted by Canada Post as soon as they had confirmation of delivery. The customer was most grateful for the efforts involved in resolving this very time-sensitive issue and now recognizes the importance of properly addressing mail.

These are cases where, after investigating the client's concern, the Ombudsman finds that Canada Post acted appropriately and in compliance with its policies, guidelines and/or procedures.

As well, with these cases, the investigation found no extraordinary or special circumstances that would justify a deviation from or a change to Canada Post policies, guidelines and/or procedures. As a result, the Ombudsman's decision was not to support the client's claim.

Case Study — Contracts Must Be Honoured

The Issue

A customer sending an expensive package by parcel post bought a certain amount of insurance in case of loss or damage.

The parcel did not reach its destination and the customer registered a claim with Canada Post. She requested that the Corporation compensate her for the full value of the lost item, which was considerably more than the amount of insurance she had purchased. Canada Post refused the customer's claim for greater compensation.

The Ombudsman's Finding

The Ombudsman found that Canada Post had been reasonable. Canada Post's insurance is limited by contract to the value purchased by the customer.

The Ombudsman found that Canada Post acted fairly in this case by paying the customer in accordance with the amount for which the package was insured.

Case Study — The Importance of Personal Responsibility

The Issue

Every Canadian is entitled to one free mode of delivery. A customer whose free mode of delivery was through a community mailbox in a suburban area chose to receive his mail at a postal box in a city post office at his own cost. Despite the fact that he had informed some of his mailers of his postal box address, he failed to inform others. He also failed to inform Canada Post that he wanted all of his mail to be delivered to his postal box. As a result, some items still addressed to his house, were delivered to his community mailbox compartment.

The customer did not collect the mail in his community mailbox. One of the letters left in the box was a tax bill from the customer's municipality. The taxes were not paid on time and a penalty was imposed. The customer asked Canada Post to reimburse him for half of the penalty.

The Ombudsman's Finding

The Ombudsman found that Canada Post could not be held responsible for the municipal tax penalty. The Office of the Ombudsman concluded that the onus is on the individual to ensure that his or her bills are paid. The customer knew that he was required to pay municipal taxes and should have taken the necessary steps to pay his taxes when his bill did not arrive on time. For this reason, the Ombudsman concluded that Canada Post was not responsible for the incurred penalty.

What They Say

In a public role like that of the Ombudsman at Canada Post, you deal with thousands of Canadians in the course of a year.

Once a case is closed, some will write one last letter to express their opinion on the service they received.

Here are some of the comments we have received from the men and women whose cases we have reviewed during the past year:

"You did a fantastic job of mediating between the Depot and our community. I knew that there was someone who was trying to look out for the best interests of the public, while at the same time knowing what was or was not possible for Canada Post to do on our behalf."

"You communicated with me in a prompt, courteous, and efficient way. And you encouraged Canada Post to respond to an insurance claim that was, unfortunately, straining my family, until now."

"I am somewhat saddened by the fact that you, the Ombudsman – the Consumer Advocate, are prepared to accept that the steps taken by Canada Post have been reasonable and suffice to solve the problem."

"I would like to commend you and your staff for the professional and rather prompt service provided. I was really impressed, to say the least."

"Thank you for your letter advising me that based on the corporate policy of Canada Post I will not receive delivery of my mail to my door. I was obviously disappointed at the conclusion reached but I now have a better understanding of the reasons for your decision."

"I know our government is often criticized for their lack of response to complaints received from the average citizen but I am happy to say I am more than satisfied with the response I received. Keep up the good work."

"(The establishment of the Office of the Ombudsman) was one of the commitments after the mandate review that the Government put in the new mandate of Canada Post. Canada Post implemented it last year. It is a positive development. ... I receive less criticism of the situation and I receive less correspondence because now the Ombudsman is getting some of the correspondence that I used to get..."

*The Honourable Alfonso Gagliano, PC, MP, May 1998
Minister responsible for Canada Post*

Office of the Ombudsman

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