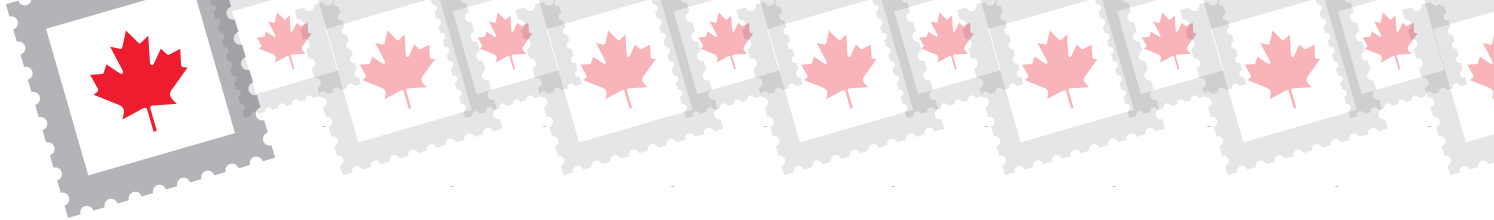




Ombudsman Annual Report

2016



Ombudsman's message

Our office recognizes Canada Post's commitment to quality and customer service. The postal service's sharp focus on compliance with operating procedures was a critical imperative for the delivery of more than 8 billion items to 16 million addresses in 2016. But with such a complex and global network, including foreign postal operators and related agencies, there will be the odd circumstance leading to a disappointed customer who seeks redress beyond Canada Post's complaint resolution process.

Our office also understands that behind every complaint stands a frustrated customer who has to cope with the consequences of a postal issue. We are the final appeal forum. We assess whether the Corporation has dealt with a customer's complaint fairly and consistently, and we mediate possible corrective action if that is warranted.

We see every case as a learning opportunity for the Corporation to identify preventative or mitigating measures. We may recommend an operational policy review, or merely suggest a way to tweak a process. This feedback loop is a critical component of our day-to-day work – and of our value to Canadians.

Nabil R. Allaf, Ombudsman



Who we are

We report directly to the Chairperson of Canada Post's Board of Directors and operate independently from the Corporation's management. We are vested with the authority to seek clarification, confirm the facts and assemble relevant evidence to make final recommendations.

"The office of the Ombudsman is an integral element of the governance structure at Canada Post. Its independence from the Corporation's management guarantees the neutrality required to investigate unresolved customer issues, and to make recommendations within the scope of its mandate"

Siân M. Matthews, Chairperson of the Board of Directors



What we do

We assess compliance with existing policies. We seek the root cause of the issues and mediate a fair outcome. We facilitate communications between the customers and relevant parties at Canada Post. We periodically report back to senior management on our observations.

How we operate

We promptly acknowledge and review customers' appeals. We communicate the course of action within five business days. The complexity and severity of the issue determine how quickly we process an appeal.

INTAKE

1

Email: ombudsman@canadapost.ca
Web search: ombudsman at Canada Post
Phone: 1-800-204-4198, Fax: 1-800-204-4193

TRIAGE

2

Criteria: severity and impact

INVESTIGATE

3

With corporate and local management, and third parties as required, mediate a resolution

FEEDBACK

4

To customer, local management and senior executives

FOLLOW-UP

5

As required, to ensure solutions are sustained

The leading issues customers raise

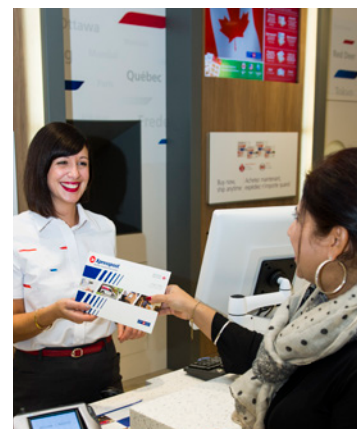
- 1 Delivery delays, loss or damage, delivery status and tracking information availability, confirmation of delivery, pickup location.
- 2 Canada Post's obligation to its customers, who send the items and pay for the service, versus the receivers of the items shipped.
- 3 Indemnity claims disputes, i.e. the limits of Canada Post's liability under the commercial general terms and conditions, and under the *Canada Post Corporation Act*.
- 4 Quality of customer experience when interacting with Canada Post staff (at a retail counter, with a delivery agent, or through customer service) or on canadapost.ca.
- 5 Compliance with the *Canadian Postal Service Charter* regarding access to postal services, mode of delivery and secure delivery.



Canada Post's liability is governed by the commercial terms and the Act.

Recommendations to customers to avoid having a postal issue

- 1 Know what postal services and options you need. Confirm your purchase: review (and keep) your receipt.
- 2 Adopt a buyer beware attitude, particularly in global e-commerce. Know who you are dealing with when you shop or trade online. Canada Post cannot assume liability for losses resulting from fraud by a shipper or a receiver.
- 3 Proper packaging. Only you know the physical characteristics of your item and how to secure it to withstand the mechanical equipment handling as your item is processed.
- 4 Address your shipment properly. If a mailing address is incomplete, Canada Post will not speculate on where to deliver the item.
- 5 Understand the limits to Canada Post's liability for loss or damage.



Know what postal services and options you need.

Typical issues raised that we could NOT assist with*

- ① Intercepting an item in the course of the post: this is not only extremely difficult but also illegal without proper authorization.
- ② Settling a claim for loss or damage with the receiver rather than the sender (the party who contracted with the Corporation for the postal service).
- ③ Changing a destination address of an item after it is posted.
- ④ Intervening on matters that contravene legislation or that are before the courts.
- ⑤ Setting corporate policies, such as mail classifications, product specifications or pricing, and intervening on matters related to Canada Post's relationships with its employees, contractors and suppliers.



With e-commerce, receivers are important customers – but it is the sender who contracts with any postal service.

*Our ability to assist is limited by Canada Post's operational capabilities, governing legislation and scope of our office's mandate.

What we need to better assist you

We always commit to a timeline for a response. We research existing records and seek additional input and clarification as needed. Our investigations are considerably faster and our recommendations are better informed when our customers provide all the information they have at the outset.

- A Contact Canada Post first. Give Customer Service staff the opportunity to document and resolve the issue. Our office can intervene only after Canada Post has attempted to resolve the issue.
- B Document the issue fully the first time. Every new issue, element or evidence can cause delays.
- C Include supporting evidence upon filing the appeal. This could be receipts (Proof of Mailing); photographs (of the address label, packaging or damage); proof of the item's value (such as receipts or the cost to replace it) and the addressee's contact information.



Key statistics

The growth and constant evolution of online shopping are raising the expectations of customers, who hold Canada Post to an increasingly higher standard.



*Excludes Canada Post Neighbourhood Mail™ items

**Parcel-related issues

Contact us:

Email: ombudsman@canadapost.ca

Web search: ombudsman at Canada Post

Phone: 1-800-204-4198, Fax: 1-800-204-4193

™ Trademark of Canada Post Corporation

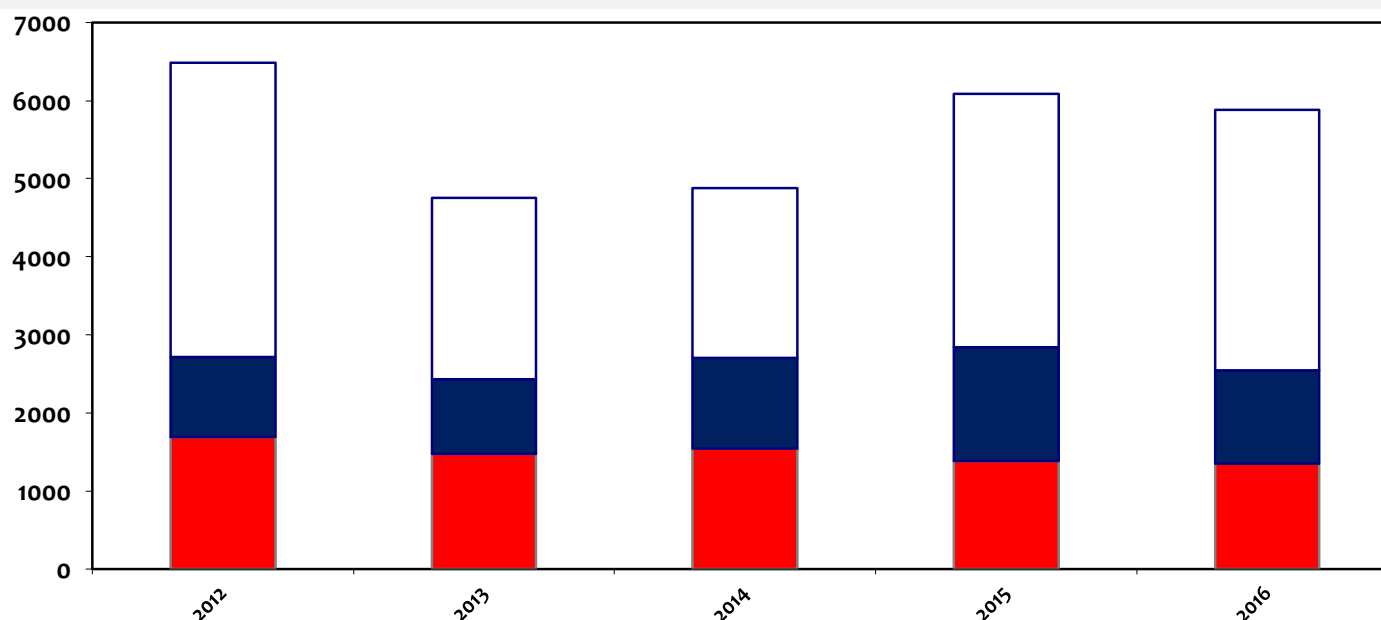


2016

An overview of the
Appeals to the Ombudsman

Overview of Appeals filed in 2016

- 5,943 appeals were filed in 2016 (2% decline over prior year) resulting in 2,550 investigations (9% decline)
- 53% of the cases investigated required corrective action by Canada Post in the form of compensation and / or improved compliance to procedures
- In the remaining 47% of the cases, Canada Post had correctly applied its policies and procedures
- The decline in customer appeals is driven primarily by the stop of the Community Mail Box (CMB) conversion program, and Canada Post's increased focus on Customer Experience



- - Discontinued (attempt to bypass Customer Service, dissatisfied with turnaround time, appeal withdrawn, etc.)
- - Appeal Denied (Canada Post complied with policies)
- - Corrective Action Required/Taken by Canada Post

Highlights of the top appeals investigated

(% share of total appeals)

MISSING ITEM: 17%

- **Missing (Loss / Theft) items** mailed continues to be a top appeal. Findings in such cases revealed: lack of scanning after item was inducted, lack of scanning at delivery (i.e. last scan at delivery facility)
This is particularly an issue with large volume receivers such as Passport Canada and Citizenship & Immigration, scans where GPS (when available) put the delivery employee at a different address / street.
- **Addressee is not the sender** therefore when item is lost, they are required to go back to the sender who purchased the postal service.
This causes problems when the sender no longer wants to deal with the buyer (addressee). Although the transaction is between buyer/seller, once an item is scanned in Canada, senders are somewhat dismissive of the loss.

UNREASONABLE DECISION: 11%

- **Claims:** Customer disagrees with agent request for proof of value, proof of insurance, interpretation of packaging requirements, amounts claimed vs. granted.
- **Mode of delivery:** Customer requests extension of free PO box, door-to-door delivery, delivery equipment upgrade and maintenance [Group Mail Box (GMB) to Community Mail Box (CMB)]
- **Customer Service:** Customer dissatisfied with call agent not creating a service ticket, or with compensation offered for service failure, or the fact that only the sender can inquire.

Highlights of the top appeals investigated

(% share of total appeals)

POOR SERVICE – OPERATIONS: 8%

- **Delivery Employee:** Does not close / lock Community Mail Box or Lock Box Assembly (LBA) panel; places parcel locker key in wrong CMB compartment, delivers flyers when customer has subscribed to Consumers Choice, forces mail items into mailbox thus damaging or folding the mail item, crosses lawns.
- **Delivery Depot:** Staff not prompt in reacting to an issue raised, or not reacting at all, did not deliver on a commitment to monitor service after an issue was raised.

POOR SERVICE – CUSTOMER SERVICE & CLAIMS MANAGEMENT: 7%

- **Customer service agent:** Agent rude, hangs up on customer, does not escalate issue to supervisor when requested, provides misinformation regarding products / services, overpromises thus increasing expectations.

RETURN TO SENDER: 6%

- Incomplete address, customer expected CPC to contact addressee, possible misdelivery

Service Charter Appeals 2016

2,254 appeals were filed in 2016 on Service Charter related issues – an increase of 31% from the previous year, driven by the transition to the new call center supplier early in the year – The issue has since been addressed

FREQUENT DELIVERY

Canada Post will deliver letters, parcels and publications five days a week (except for statutory holidays) to every Canadian address, except in remote areas where less frequent service may be necessary due to limited access to the community.

- 60 complaints received from consumers and businesses regarding lack of daily delivery due to unstaffed routes
- 28% decrease over 2015

RELIABLE DELIVERY

Canada Post will deliver lettermail within a community within two business days; within a province within three business days; and between provinces within four business days.

- 257 complaints received
- 60% increase over 2015

SECURE DELIVERY

Canada Post will take into consideration the security and privacy of the mail in every aspect of mail collection, transmission and delivery.

- 1,165 complaints received :
 - 853: missing items (incl. missing contents, damage)
 - 272: delivery to the wrong address
 - 40: parcels left unattended in plain view
- 9% increase over 2015

CONVENIENT ACCESS

Canada Post will provide an extensive network for accessing postal services that includes retail postal outlets, stamp shops and street letterboxes, as well as access to information and customer service through the Canada Post's website and call centres.

- 772 complaints received:
 - 752: difficulty in accessing Customer Service (most were referred back to Canada Post for follow-up)
 - 12: location of postal outlets
 - 7: access to retail and call-for sites
 - 1: location of street letterboxes
- 77% increase over 2015

