

Charges for remote recrediting of postal franking machines and implementation of postal rate changes

1. This section summarizes the current methods of remote meter recrediting offered by UK suppliers, and the charges levied for this.

- (a) *Pitney Bowes*. Recrediting is operated using the Postage by Phone system. Customers call Pitney Bowes when the credit is getting low and credit is loaded on to the meter. Pitney Bowes holds a deposit from the customer, which is topped up by either invoice or direct debit when the meter is credited. Customers who reset their meters with up to £100 at a time are charged a transaction fee of £5. If the reset is for over £100 the fee rises to £10 or 1 per cent of the reset value, whichever is the greater.
- (b) *Neopost*. Meters have a built-in modem. Payment is made through direct debit (in arrears) or by reducing credit balance (in advance). Premium rate calls (lasting no more than 1 minute) are charged at £1.50 (including VAT) per minute. In special cases where the customer cannot use a premium rate line, an annual reset fee is available (£30 and upwards depending on the quantity of resets).
- (c) *AMS*. Meters have a built-in modem and are recredited by customers using the Tele Meter Setting system. Payment is through an account that has been credited by a deposit in advance which is topped up following recrediting. In the first 12 months of a contract, all resets are free of charge. Thereafter six a year (this was 12 a year but was changed at the end of 2001) are free of charge and each additional reset will cost £5.
- (d) *Frama*. Recrediting (known as Framalink) is made via fax, telephone or by modem at normal rates, or by post. When recrediting is necessary the customer takes a unique code from the franking machine. This is sent to Frama along with information on how much credit is needed. Frama uses this information to produce a unique code, which is sent back to the customer. Payment is usually via direct debit, BACS, cheque or bank transfer. There is no charge for recrediting.
- (e) *Francotyp*. Meters have a built-in modem and are recredited by customers using a normal rate telephone facility. Payment for this service is by cheque, direct debit or credit card. Most customers deposit an advance, which is topped up following each transaction. There is no charge for modem recrediting and direct debit payments (although there is a payment for other variants).

2. Postal rate changes occur from time to time. On most modern machines this will necessitate the replacement of the electronic chip in the postal scale (some manufacturers have Internet-accessible postal rates that can be downloaded to the scales). The customer is usually charged for this service. The following details of supplier costs were provided by Neopost (based on *What to Buy for Business* Edition 230 May 2000):

- (a) *Pitney Bowes*. Postal rate changes cost between £65 and £220, depending on the model of scale and the maintenance contract the customer has taken out.
- (b) *Secap*. Postal rate changes cost around £41, depending on the model.
- (c) *Neopost*. The cost for postal rate changes depends on both the machine and the complexity of the changes but it usually varies between £65 and £85. However, one free chip update a year is included in the cost of maintenance contracts for all equipment excluding IJ25 meters (which are returned to base if a problem arises, rather than being repaired on site).
- (d) *AMS*. Charges for postal rate changes range from £29.21 to £70.72 depending on the model of scale.

- (e) *Frama*. Postal rate change is free of charge with a comprehensive maintenance agreement, or £29 otherwise. Frama has modified EPS2700 and EPS2750 machines to meet the new standards free of charge.
- (f) *Francotyp*. Postal rate changes are free for customers who have a full service contract with Francotyp; otherwise costs vary dependent on the type of rate change and type of scale.