

The New York Times

Sending U.S. Mail From U.P.S. Stores, and Often Paying Extra

by Ray Rivera
Dec 21, 2009

Shipping at Christmas is a hectic thing, enough to give Santa migraines.

So it is no surprise that many people avoid lines at the post office for the one-stop convenience of a U.P.S. Store, where one can send things by United States mail as well as by parcel post.

At some U.P.S. Store franchises in Manhattan, however, clerks do not always tell customers that they may be paying a Grinch-like surcharge when they send something by the United States mail.

Posing as customers, reporters for The New York Times visited several U.P.S. stores last week looking to mail an item by Priority Mail — one of the postal service's signature offerings. In nearly every instance, they were quoted prices well above the government postal rate, and only one of them was told they were paying a premium for the convenience of using a U.P.S. Store.

One store on the Upper East Side said it would cost \$21 to send an eight-pound package by Priority Mail to Old Greenwich, Conn. The clerk suggested using U.P.S. Ground instead for \$19.90. At the post office across the street, the same package cost \$8.80 to ship. Each arrived in two days.

"U.P.S. stores are allowed to have any kind of markup they want," said the store's owner, Shawn Choudhury.

He is right, they can. It is all part of the odd, co-dependent rivalry between U.P.S. and the United States Postal Service, which for years have shared resources even as they compete for customers. The U.P.S. Store retail chain is a prime example.

The stores are individually owned and promote themselves as more than shipping outlets, offering business services like copying, printing and office supplies, along with postal services. For the store owner, it is another way to get customers in the door. For the post office, it is a way to increase its volume.

No rules govern how much a U.P.S. Store can charge for postal services, or mandate that it tell customers that it is adding a surcharge.

The only notice the reporters found was a notation on the receipt that reads "U.S. Postal Rates Are Subject to Surcharge," though with no indication of what the markup is.

Several consumer advocates said they did not know of the U.P.S. practice. "I think there's a natural assumption on the part of the consumer that if you're sending something through the U.S. Postal Service, even when it's from another store, you're not paying more, and if you are paying more, it's just a pittance," said Tod Marks, a senior editor at Consumer Reports.

Rich Hallibrin, a spokesman for Mail Boxes Etc., the U.P.S. subsidiary that franchises the stores, said the company urged its retail owners to be "as forthright as possible" in explaining their prices.

"We can't mandate it," he said, "but we would certainly hope they are open and honest with their customers to avoid any confusion after the sale."

The U.P.S. Store central Web site promotes its postal service offerings but does not mention that they could include an extra charge. Mr. Hallibrin said that is because not every store charges a surcharge.

"We have more than 4,000 centers," he said. "We can't make blanket statements and say you're going to pay a premium when you're not."

Dave Lewin, a post office spokesman, said U.P.S. store owners were within their rights to charge "whatever the market will bear."

But, he said, "customers should be told upfront about any service charges a retailer might add to the postage for Postal Service products and services."

The Times found that the cost could vary sharply from block to block

Mr. Choudhury, owner of the Upper East Side store at 1636 Third Avenue, said he typically tacked on a 25 to 36 percent increase to Postal Service prices on items sent by Priority Mail.

"Anything above that would be kind of outrageous, and people would probably get mad," he said.

But on a reporter's visit to the store, Mr. Choudhury quoted a price 140 percent higher. Two days later he charged another reporter \$9.90 to send a book that cost \$5.50 to send from the Yorkville Station post office across the street, an 80 percent markup. That did not include \$2.89 for the envelope. The post office envelope was free

Asked about the charges, Mr. Choudhury declined to say why he had gone above what he had said was his standard. He said he always told customers about the surcharge, though he had not told either reporter. Pressed about this, he said, "Everyone knows that."

The story was the same at other stores: At 217 East 86th Street, an 85 percent markup, at 1357 Broadway in Midtown, 70 percent; at Eighth Avenue and 27th Street in Chelsea, 50 percent. The best price — a 10 percent markup — was at 1324 Lexington Avenue, a few blocks from Mr. Choudhury's store.

The Chelsea store was the only one that volunteered the fact that there was a surcharge, but only after initially insisting it did not offer Priority Mail

Often, the quoted Postal Service price seemed to come in slightly below or above the U.P.S. Ground price, which frequently served, as reporters found, as a chance for the store workers to pitch the U.P.S. product instead. "It's about the same price but you get a tracking number," one clerk said

Mr. Marks of Consumer Reports called such surcharges an example of caveat emptor — "especially at a time of year when most consumers are extremely vulnerable "

But Symone, who said she was the acting manager of the store in Chelsea but refused to give her last name, offered a different lesson: "You're not going to go to a McDonald's to ask about Wendy's "

Colin Moynihan and Rebecca White contributed reporting

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