

CRAIG Y DON

I have reviewed all the files from the date of Horizon installation until the termination of Bates' contract and read all the subsequent correspondence. Rather than give a blow by blow account and comment on each action, I have summarised the salient points.

Initially, following Bates' assertions against the Horizon system, there were clear attempts made by several people to ascertain if there were systems problems. Eventually, it was decided to write the debt off and a clear signal was given to Bates that future losses would be recovered. Significantly, further training and support was given to Bates at that time.

Later, it transpired – and Bates admitted – that he continued to roll over losses and had done since the introduction of Horizon. He received a formal letter instructing him to stop the practice and make good any losses. He did not. Losses continued to be made and rolled over and the RLM sought advice from Contracts and Legal Services before terminating the contract.

From the evidence contained in the files it is clear that the Retail Line conducted themselves correctly and acted in accordance with the rules.

Leaving aside the anecdotal evidence on file which demonstrates Bates' unsuitability as a Postmaster, the Post Office have an absolute right to terminate a contract with 3 months notice. It was done in this instance following proper investigation, formal warning coupled with support and additional training – yet the subpostmaster continued to flaunt and ignore the legitimate instructions from his RLM. The decision to terminate was not only right – it was the only sensible option.

Sandy Stephen

Mr Glenn Chester
Post Office Limited
Celtic Court
Tremaines Road
BRIDGEND
CF31 1TZ

Alan Bates

GRO

7th January 2002

Reference: Horizon Faults

Dear Mr Chester

As you are aware the cash account for this office is still showing an amount of £1041.86 in the suspense account. This cumulative figure was placed in the suspense account towards the end of 2000 and I have on doubt at all that it was due to errors in the Horizon system over a number of weeks at that time. In my letters to Gerry Hayes dated 19th December 2000 and 16th July 2001, neither of which did I receive a written reply to, I gave further details on this matter.

I really do think that enough time has now passed for Post Office Limited to have resolved this issue and that unless I receive a written comment to the contrary by the end of this month I will take it that this matter is closed. When I signed my contract with Post Office Counters I did not sign to accept the liabilities arising from the shortcomings of a less than adequate Horizon system, all liabilities from such a system are clearly the responsibility of Post Office Limited or ICL Pathway.

Allowing this issue to drag on not only continues the stress and strain of the original problems but I fear also continually casts doubt over my honesty and that of my staff. Therefore I would greatly appreciate it if you would bring this matter to a head in order that we can move on.

Yours sincerely

GRO

Alan Bates
Subpostmaster Craig-y-don Post Office

Copies to:

Mr D Foster, Gwynedd Branch Secretary National Federation of Subpostmasters
Mr C Baker, General Secretary National Federation of Subpostmasters

Loss Authorisation

To: Mike Wiatrowicz
Management Information
Birmingham

Office Craig-Y-Don SPSO

FAD Code 461 614

Amount £1,041.86p

The following decision has been made with regard to the loss at the above office which relates to an aged shortage which the Subpostmaster insists was attributable to a Horizon system/software/equipment/training failure.

- The full amount will be written off, and the Subpostmaster has been sent the appropriate voucher with which to clear the loss of £1,041.86p on (date) 8.3.02.
- ~~The Subpostmaster will make good the full amount of £1,041.86p~~
- ~~It has been agreed with the Subpostmaster that they must make good *£ p of the loss and the remaining amount of *£ p will be written off, and that the voucher to clear the remainder of the loss has been sent to the office on (date).....~~

Please delete as appropriate so that only one of the above options remains uncrossed. If the third option is the method by which the loss is be cleared, then please enter the value to be made good by the Subpostmaster and the amount to be written-off (annotated with a *). Could you also enter the date the voucher was sent to the office. Once completed please return this form in the self addressed envelope provided. Thank you.

Authorised by Signature

GRO

RLM/AM *

Print Name

GLENN CHESTER

Date

11/3/02

✓ Amount 'written off' by HOA (Dave Barrett) - attached copy refer please.

Lisa J Cairns

26/06/2003 10:16

To: Emlyn Hughes/e/POSTOFFICE@POSTOFFICE
cc: Dave N Barrett/e/POSTOFFICE@POSTOFFICE
Subject: Craig y Don post office

Message from Mike Wakley:-

"I have today, 26 June, visited Craig y Don post office to check POCA errors. I also spoke to the subpostmaster, Alan Bates. After examining Alan's last three cash accounts he showed shortages of £438.45 for week 13, £660.86 for week 12, and £674.81 for week 11.

Alan re-stated his position that he was unwilling to make good losses and was rolling over any losses or gains. He also stated that if we tried to contractually enforce him in anyway, he would most definitely take legal action.

Alan, also stated that following a local NFSP meeting he had been made aware of who would be staying as a result of Network Reinvention. Alan explained he would only stay if he could do the full range of services.

Alan believes his actions are now a matter of principle."

IN CONFIDENCE

Mr A Bates
Subpostmaster
Post Office Ltd®
21 Queens Road
CRAIG Y DON
Llandudno
LL28 4PS

Celtic Court,
Tremains Road,
BRIDGEND
CF 31 1TZ

Telephone: **GRO**

22 September 2003

Dear Alan

REF: POST OFFICE LTD SERVICES AT CRAIG Y DON

I'm writing following my letter of >>>.

As of today, I have not received a reply from you confirming your intentions in order that we can make the appropriate arrangements, if possible, to maintain a counter service in the Craig y Don area.

I would be grateful therefore if you could advise us in writing, no later than >>>> of your intentions. If we do not receive your reply by this date, we will be left with no alternative but to seek other premises from which to operate a Post Office counter service in the area from your last day of service, 5th November 2003.

Yours sincerely

MIKE WAKLEY
Retail Line Manager

IN CONFIDENCE

Mr A Bates
Subpostmaster
Post Office Ltd®
21 Queens Road
CRAIG Y DON
Llandudno
LL28 4PS

Celtic Court,
Tremains Road,
BRIDGEND
CF 31 1TZ

Telephone: **GRO**

September 2003

Dear Alan

REF: POST OFFICE LTD SERVICES AT CRAIG Y DON

Further to my letter dated 5th August 2003, we will write to you shortly with regard to arrangements for the required audit in readiness for your last day of service.

I must inform you that following 5th November 2003, it is Post Office Ltd's intention to carry on and continue with services within the Craig y Don area and would, if possible, still prefer to carry on services at the current location.

If you are agreeable, as an interim measure, Post Office Ltd may be able to appoint a temporary Subpostmaster in order to continue a counter service from the present site. However, Post Office Ltd will not accept responsibility for an additional costs arising from the provision of this service at your premises. Any costs would need to be agreed with any temporary Subpostmaster. This would allow you to advertise the business if you wished.

I would therefore be grateful if you could advise us in writing, no later than >>>>> of your intentions in order that we can make the appropriate arrangements.

Yours sincerely

MIKE WAKLEY
Retail Line Manager

 Mike Wakley
25/09/2003 15:33

To: Emlyn Hughes/e/POSTOFFICE@POSTOFFICE
cc:
Subject: Craig Y Don 461 614 (3 months termination)

----- Forwarded by Mike Wakley/e/POSTOFFICE on 25/09/2003 15:33 -----

To: SG_TS_Agent_Recruitment_Support@POSTOFFICE
cc:

bcc:

Hard Copy To:

Hard Copy cc:

Date: 25/09/2003 13:38
From: Mike Wakley

Subject: Craig Y Don 461 614 (3 months termination)

Please be advised that Mr Alan Bates, Subpostmaster, Craig Y Don SPSO, Llandudno has been given three months notice and his last day of service will be 5th November 2003.

Please forward any proforma that I may need to complete

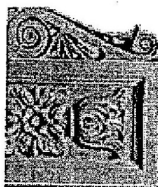
A vacancy report will be sent shortly

Thanks

Mike Wakley

GRO

5363
3521



Christine Randall

20/10/2003 10:23

To: Rosemary Peat/e/POSTOFFICE@POSTOFFICE
cc: Emlyn Hughes/e/POSTOFFICE@POSTOFFICE, Idris Jones/e/POSTOFFICE@POSTOFFICE, John W Bourke/e/POSTOFFICE@POSTOFFICE, Michael Dadra/e/POSTOFFICE@POSTOFFICE, Mike Wakley/e/POSTOFFICE@POSTOFFICE, Sue Procter/e/POSTOFFICE@POSTOFFICE
Subject: URGENT: Craig-Y-Don

Rosemary

Following Idris's comments and the urgency of this case. I phoned Fred Hewitt at Cash Handling [being unable to get through to Mark of the Inventory Team], to ask if he could help us, re-shuffling part of their schedule he came up with the following, which is his best option: -

Tuesday 04/11/03 between 14.00 - 15.00, we would of course need the cash ready by 14.00.

I have tried to get through to Mike and have left a message on his phone to find out what time we can close the office, without too much disruption to customers, but I believe from Sue that he was already speaking to you, which was why I was unable to get through to you also.

Please can you let me know what time I need to book Audits for, given the problems with this case they will obviously need as much time we can give.

Chris

Rosemary Peat

Rosemary Peat
17/10/2003 16:43

To: Emlyn Hughes/e/POSTOFFICE@POSTOFFICE, Mike Wakley/e/POSTOFFICE@POSTOFFICE
cc: Idris Jones/e/POSTOFFICE@POSTOFFICE, Christine Randall/e/POSTOFFICE, John W Bourke/e/POSTOFFICE, Michael Dadra/e/POSTOFFICE@POSTOFFICE
Subject: craig y don

Emlyn/Mike,
Can you please urgently check the consultation documents that have been sent to craig y don, the letter states last day branch is open to the public is **4th November**. we have arranged audit on **3 november** to coincide with **LDOS of 5 November**.

Apart from the fact that the audit and de-fund on the monday 3 nov is affecting Llandudno BO I am mindful that the public and the postmaster are expecting the branch to remain open until end of day on 4 nov. This will undoubtedly affect the audit team when they arrive on the monday to be faced with a postmaster and customers totally unaware of their attendance, this could make a bad situation considerably worse.

Are you able to extend the LDOS to 10 nov to give us time to de-fund on thurs 6th instead? Rose

Rosemary Peat
Implementation Manager
Network Implementation & Equipment Team

GRO
Postline GRO

20/10/03

10.45am - Mike phoned -
office now to close Mon 3/11/03.
Auditors going in for the Tues 4/11/03.
Need to write to CYS to confirm when auditors going in.

Electronic *memo*

To: Fiona Griffiths/e/POSTOFFICE@POSTOFFICE
cc: Mike Wakley/POCL/POSTOFFICE@POSTOFFICE, Idris
Jones/e/POSTOFFICE@POSTOFFICE

Hard Copy To:
Hard Copy cc:

Date: 28/10/2003 15:03
From: Dave N Barrett
Subject: BLUE FLAG CASE: 1-640426401, Betty Williams MP

[Idris / Mike - to see and let us know if any of this causes a problem]

Fiona - another one for me to sign off tomorrow please - reply to attached letter. Goes like this -

Your ref : C2331/41024

Dear Mrs Williams

I have been asked to reply to your letter of 22 October to Allan Leighton about Craig y Don Post Office branch temporary closure.

Briefly, we have given notice to Mr Bates the present subpostmaster that we are withdrawing from our contract with him. This is because we have lost confidence in his willingness to conduct the job in the manner expected. We gave the contractual notice period of 3 months, which ends on 5 November. The branch will close for business at 17.30 on 3 November to enable us to complete a final audit and decommission the branch the following day before his contract expires.

It is not our wish to see this branch close, and ever since we gave Mr Bates notice we have been seeking a response from him as to whether he would be selling his business [thus allowing us the opportunity to continue the service from the same location, albeit with a new subpostmaster] or if not whether he would be willing to make his premises available for a temporary replacement whilst a permanent appointment could be made. We have a person ready to step in as a temporary replacement, but it was only this week that Mr Bates finally informed us he was not willing to allow this to happen.

Meantime we have been advertising for a permanent replacement and currently have several interested parties with premises in the immediate vicinity. Unfortunately, it will not be possible for any of them to be in a position to take over on 5 November, indeed it is unlikely that anyone will do so until the New Year. But I am optimistic that we will be able to make an appointment very soon.

I acknowledge the concerns of your constituents about the temporary withdrawal of service. Indeed several have written direct to us in similar vein. Please assure them we have been, and are doing, all we can to maintain service here and apologise that due to circumstances beyond our control that is not possible. If you personally can bring any pressure to bear on Mr Bates to allow the temporary use of his premises I would be grateful as this would prevent the interruption of service we are facing. Meanwhile we are ensuring that facilities and staffing are increased at the main branch in Vaughan St to cope with the extra business caused by Craig y Don closure.

I will ensure you are informed when a permanent appointment is made, as we will be consulting about the change in premises. Meantime please let me know if I can help further.

Yours sincerely

Electronic *memo*

To: Emlyn Hughes/e/POSTOFFICE@POSTOFFICE
cc:
Hard Copy To:
Hard Copy cc:

Date: 26/11/2003 16:00
From: Mike Wakley
Subject: URGENT - Craig Y Don - Flag case

Emlyn

Very interesting and yet another example of problems with the user and not the Horizon system!

Regards

Mike

----- Forwarded by Mike Wakley/e/POSTOFFICE on 26/11/2003 15:58 -----

To: Dave N Barrett/e/POSTOFFICE@POSTOFFICE, Mike
Wakley/e/POSTOFFICE@POSTOFFICE, Richard W
Barker/e/POSTOFFICE@POSTOFFICE
cc: Richard Ashcroft/e/POSTOFFICE@POSTOFFICE, Nicola
Watson/e/POSTOFFICE@POSTOFFICE

bcc:
Hard Copy To:
Hard Copy cc:

Date: 26/11/2003 14:28
From: Jane E Smith

Subject: URGENT - Craig Y Don - Flag case

Dave, Mike, Richard

It was me who spoke to the Subpostmaster at Craig Y Don several weeks ago, the details of the conversation etc. are as follows:

Background

The Tier 2 advisor in question asked me to have a look at this particular call as I was the one who developed the Workaround for the Bureau pre-order double debit problem. This is where branches complete an order form for pre-order and the card details are sent to First Rate. First rate debit the customer's account and forward the currency to the accepting branch. The problem occurs when the branch also enters the amount of currency onto the Horizon system and swipes the customer's debit card. Hence the customer is charged twice for their currency.

TP receive a report from First Rate on a weekly basis, which states which pre-order transactions were performed at which Branch - it is quite easy to establish where customers have been double debited and re-credited when comparing data from this report against data on the cash account.

Bureau Pre-order refunds/Workarounds

The normal procedure for the customer to get the funds back is via their bank, which could take up to 8 weeks. It was deemed that as the amounts for currency are high, we should endeavour to get the funds back to the customer as quickly as possible. The Workaround enables us to do so - see attached.



Pre-order ATP.doc

I agree that as Craig Y Don did not perform the original transaction, the NBSC should not have advised him to perform the refund. The Subpostmaster should have been advised to inform the customer to take the documentation required back to the branch at where he/she purchased the currency. However, if followed correctly, the workaround would not have created a mis-balance, even though the customer went to the wrong branch.

Phone call to Branch

When I spoke to the branch, my intention was to establish exactly what the NBSC had advised him to do, and also, if he had followed their instructions to the letter.

If, for example, they had advised him to perform a "new reversal" for a stock item instead of a pre-order item, when he declared his stock on balancing day, this would have created a mis-balance.

The Subpostmaster confirmed that he had been asked to perform a "new reversal" for Bureau pre-order and that he had done so as requested. I tried to reassure him that the system would not have created a mis-balance for this, even if it was performed at his branch. The Subpostmaster was insistent that the Horizon system was at fault, especially as I had confirmed that he should not have mis-balanced by following these instructions.

In order to help the Subpostmaster prove his theory I asked him to produce a transaction log for all transactions performed on that Stock Unit for the week. This would take a while to print and would use up a lot of till roll, but in order for me to identify a potential Horizon problem, this was necessary. I explained that this had to be done before the information disappeared from his system.

What I didn't tell the Subpostmaster is that, once the information is archived it is quite a lengthy and costly process for Fujitsu to extract archived information - we also have contractual restrictions around the number of this type of request (it's always better if we can get this information directly from the branch).

I also had suspicions, that the actual mis-balance was caused by user error and had nothing to do with the system - the transaction log would have enabled me to prove this theory too.

Telephone call to TP

I contacted TP this morning to see if Craig Y Don had any errors on cash account line 00 96 (Pre-order Bureau sales) for week 23. If the Subpostmaster had followed the Workaround correctly, an error notice should have been generated for £600 (the sales on the Cash Account should have been £600 less than on the First rate report). If so, the error notice should have been associated to the branch that performed the double debit incorrectly in the first place.

For week 23, Craig Y Don showed £2007.06 on line 00 96 and the report from First rate showed £2007.22 - no £600 difference as expected.

Conclusion

There is no evidence to suggest that the Horizon system is at fault.

Craig-Y-Don Post Office, Llandudno

The purpose of this short briefing is to inform you of the current situation with regard to Craig-Y-Don Post Office in Llandudno.

The subpostmaster (SPMR) has been given notice to quit. This decision was taken by Post Office Ltd because the SPMR was, in their opinion, not fulfilling his contractual obligations. This is a contractual matter between Post Office Ltd and the SPMR, and is confidential.

POL is obliged to give three months notice. Notice has been served and the final day of service at Craig-Y-Don will be November 5.

Post Office Ltd is actively seeking alternative SPMR's to provide Post Office services in the area. POL is clear that it wishes to continue providing services within this geographical location. To this end, as is normal practice, POL has advertised the vacancy and is encouraging candidates to come forward. Unfortunately, the SPMR at Craig-Y-Don has not responded to POL's repeated requests that he allows a temporary SPMR to provide services at Craig-Y-Don, thus ensuring a seamless transition. Therefore, it is likely that any interested candidate will have to run the service from a different location, although POL will ensure that this is near to the existing Post Office.

Vacancy notices have been posted in all surrounding Post Office branches and interest has already been expressed by individuals.

For more information please contact Angharad Davies, Senior Welsh Affairs Manager, Royal Mail Group on GRO

GRO

16 October 2003

Mr Richard Barker
General Manager, Commercial Network
Post Office Ltd
80-86 Old Street
LONDON
EC1V 9NN

Alan Bates

GRO

5th January 2005

Dear Mr Barker

**Access to information request, Freedom of Information Act 2000
&
Subject Access Request under section 7 of the Data Protection Act 1998**

I am writing to you to request copies of all information held by Post Office Ltd regarding myself and my position as subpostmaster of Craig-y-don Post Office.

This should include all internal and external correspondence, all electronic communications, reports and reviews by Post Office Ltd personnel.

Further to this I also require the answers to the following questions:-

1. My contract was terminated citing a contractual clause which only requires Post Office Ltd to give three months notice without giving a reason. Why was this clause invoked at the time it was?
2. As a Subpostmaster was I liable for the data the Horizon system generated at my subpostoffice. If yes how long does that liability last for?
3. As a Subpostmaster did I have full access into the Horizon system in order to check all the data I, and my staff, had input into the Horizon system?
4. Did Post Office Ltd ever respond to the points I raised of access to data and acceptance of liability for that data in the letters from myself dated 19th December, 2000, 18th July 2001, 7th January 2002 and 16th April 2003?
5. Do Post Office Ltd deem that the Horizon system to be 100% accurate and without flaw or error?

I believe that my request is clear. If however you require any more information from me in order to understand this request, please contact me at the earliest opportunity and ideally within the next week at the address above or by email to **GRO**

If there is to be any fee, please contact me as soon as possible to let me know what it will be and how it was arrived at prior to providing the information and would you also provide me with your schedule of charges.

If the details are considerable I would accept all the information provided to be on a CD.

I look forward to hearing from you shortly and certainly by the end of the 20 days permitted to provide me with the information requested.

GRO

Alan Bates, ex Subpostmaster Craig-y-don Post Office

Thanks
Regards
Emlyn

Area Intervention Office 10
60 Deiniol Rd
BANGOR
Gwynedd
LL57 1AA

GRO
Postline: GRO
Clive Burton

Clive Burton
28/04/2005 15:38

To: Area Intervention Office 10@POSTOFFICE
cc:
Subject: MR ALAN BATES - FORMER SUBPOSTMASTER
CRAIG - Y - DON POST OFFICE - FAD CODE: 461/614

Mr Bates was Postmaster at Craig -y -Don Post Office from 7 May 1998 to 6 November 2003 when his Contract for Services was terminated by PO Limited.
There was a deficiency of £1,227.61 at the final audit and further errors have come to light since his termination which has increased the amount owing even further.
I have written to Mr Bates several times to his last known address, requesting payment of this debt, but have received no reply.
Our Legal Services have also written to the former Postmaster on our behalf but again, to no avail.
We are now considering issuing proceedings to recover the amount owing, but to do so, we would need a copy of the Acknowledgement of Employment signed by Mr Bates at the commencement of his service on 7 May 1998.
May a copy of this document be forwarded to me please?
Mr Bates' last known address, according to HRSC Salford, is the old Post Office address (i.e. 21 Queen Road, Craig Y Don, Llandudno, LL30 1AZ.
Perhaps you would say if, from local knowledge of the area, it could be confirmed that Mr Bates is still at that address?
Any comments would be appreciated.

Kind Regards

Clive W. Burton
Agents Debt 3/ Former Sub Postmasters Accounts
No 1 Future Walk
CHESTERFIELD
Derbyshire
S49 1PF

Tel: GRO

5 July 2005

Mr Alan Bates

GRO

Legal Services
Impact House
2 Edridge Road
London
CR9 1PJ

Tel: **GRO**
Fax: **GRO**
www.royalmail.com

Dear Sir

Re: Continued Display of Post Office Ltd's Trade Mark

We understand that you have received a letter from your Local Trading Standards Section regarding the display of the Post Office trade mark on your shop's exterior signage.

We would like to reiterate to you that the words Post Office and various stylised forms of the word Post Office are registered trade marks of Post Office Ltd. We enclose a copy of UK trade mark registration number 2278732 for your information.

As there is no longer a Post Office branch operating from the premises, the use of the Post Office trade mark is without authorisation from Post Office Ltd. Any previous permission to display Post Office Ltd's trade marks ceased when the Post Office branch was closed and your Subpostmaster Agreement terminated.

The use of Post Office Ltd's trade marks which is likely to be perceived by consumers as creating some association or connection between a business and Post Office Ltd when none exists is regarded in a serious light. The display of Post Office Ltd signs and trade marks on buildings that are not current Post Office branches will inevitably cause confusion on the part of Post Office Ltd's customers and the general public.

As you are displaying a sign bearing the Post Office trade mark without authorisation Post Office Ltd requests that the sign is removed from your building. If the sign has already been removed then we ask that you confirm this in writing.

We note that you indicated to Trading Standards that you wish to seek legal advice on your position. We recognise that if you have not already removed the sign that you may wish to seek legal advice regarding this letter at the same time. Therefore we are also prepared to allow you until close of business on 25th July 2005 to respond to us and we agree to take no further action until that date.

Post Office Ltd reserves all its rights in this matter.

Yours faithfully

Fiona Campbell
Lawyer

GRO