

Royal Mail Group**Witness Statement**

*(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)*

Statement of Andrew WINN

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of two (2) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated 22nd day of February 2010
the

Signature

I am employed as a Finance Relationship Manager for Post Office Ltd and have been so employed since 011/2008. I have worked in the Finance Division at Chesterfield since 2005

I have read the statement of Eleanor Nixon, former subpostmistress of Highcliffe Post Office.

I have drafted a generalised response to the matters raised in the statement but without further information such as times, dates and amounts I cannot be more specific. Even with this data, there may no longer be records available.

There are two scenarios that Mrs Nixon may be referring to.

Initially debit/credit card transactions were performed on line on a discrete terminal that was separate from the Horizon terminal. Card transactions were then subsequently associated with the appropriate sale on Horizon with debit/credit card being recorded as the method of

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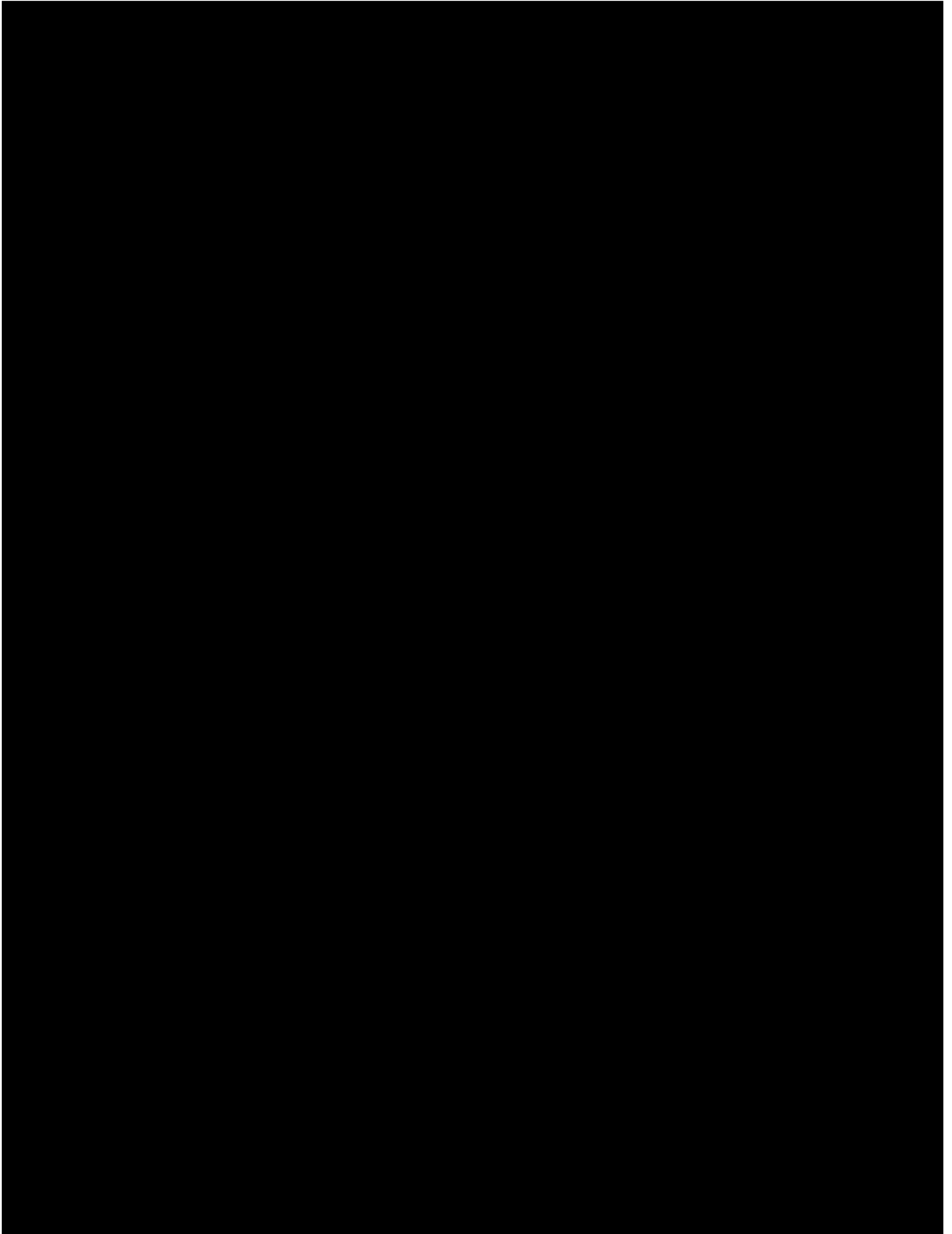
GRO

Signature witnessed by

GS011 (Side A)

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Witness Statement*(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)*

Continuation of statement of Andrew WINN

payment. If cash was recorded in error then a loss would manifest itself as the system expects more cash to be present than actually is there. However Post Office Ltd would identify a discrepancy between the Streamline (Card processor) reports and branch Horizon reports. A transaction correction would be issued to resolve this discrepancy. This might well be how Mrs Nixon's losses were resolved over a period of time.

Mrs Nixon is quite correct that losses will materialise if proposed debit/credit card transactions are settled as cash now that card transactions are performed with a direct interface into the Horizon system. This is because the Horizon system will assume cash has been taken as the method of payment whilst the customer intended to pay by card and no cash will have been handed over. When a cash declaration is made, the actual cash in branch will be less than the "derived" cash position thus creating a loss. Whilst it would be quite possible to press the cash button in error, the mistake should be obvious at the time of the transaction as:-

1. The system would not generate a request for the customer to input their pin number to proceed with the transaction.
2. No debit/credit card receipt would be generated.
3. The final settlement screen would request the cash value to be tendered.

Once the transaction has been completed there would be little that Post Office Ltd could do to help to recover the money as:-

1. There would be no way to identify the customer – although the branch may be able to. If they knew the customer they could have explained their mistake and invite the customer to check their statements and make good the shortfall to the branch.
2. The customer will hold a valid Horizon receipt "proving" they paid by cash.

Signature

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Witness Statement

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Continuation of statement of Andrew WINN

3. The relevant client, who would know the customer details, would not support any approach to the customer as there is no proof that a valid cash transaction was not performed.

I agree a loss would be generated at the branch in both instances. However this would be reflected by Horizon recording what the user told it had happened as opposed to a system malfunction.

Signature

GRO

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