POL00040805

Message

**From:** Mark Underwood GRO
**Sent:** 19/01/2015 13:21:09
**To:** Belinda Crowe GRO ]; Parsons, Andrew [/O=DICKINSON DEES/OU=EXTERNAL (FYDIBOHF25SPDLT)/cn=Recipients/cn=ap6]; Angela Van-Den-Bogerd GRO ]
**CC:** Loraine, Paul [/O=DICKINSON DEES/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Loraine, Paul]
**Subject:** RE: suspense accounts - Legally privileged for the purpose of seeking advice
**Attachments:** 150119 D310F708 BC & AVDB & MU tracks.docx; 150110 answers splits.xlsx

Hi All,

With reference to the below note, please find attached 2 docs:

1) Part 2 questions V2 with my minor track changes added to those supplied by AVDB & BC

2) A spread sheet detailing the revised response splits. The summary of which is pasted below. This takes into account all those questions we have or will provide answers to, that previously were not answered.

   The key stat for me and **one that could come in handy at the select committee** is that:

   **"PO has only refused to answer 8% of questions posed by Second Sight".** These are indicated by red text in the below table (numbers don't add up due to rounding). The rest are either:

   - Already answered in their own right or through reference to an additional document / previous answer or correspondance;
   - Statements;
   - Duplicate questions.

| Question | Stand alone answer provided | Answer provided with reference to a doc provided in the Annex | Answer Provided by reference to a previous answer provided in the Paper | Not Answered - but stated that PO will provide an answer if SS identify specific cases where Applicants in the Scheme are affected | Not Answered - stated PO have already answered the question during previous correspondance | Not Answered - as 'question' is a statement | Not Answered - question is out of scope | Not Answered - duplicate question | Not Answered - question is not understood |
|---|---|---|---|---|---|---|---|---|---|
| **Total** | **58** | **15** | **12** | **7** | **4** | **3** | **2** | **1** | **1** |
| **%** | **53%** | **14%** | **11%** | **6%** | **4%** | **3%** | **2%** | **1%** | **1%** |
| **Answered Vs Not Answered split** | **78%** | | | **22%** | | | | | |

POL00040805

Mark

**From:** Belinda Crowe
**Sent:** 16 January 2015 14:28
**To:** Parsons, Andrew; Angela Van-Den-Bogerd
**Cc:** Belinda Crowe; Mark Underwood GRO
**Subject:** FW: suspense accounts - Legally privileged for the purpose of seeking advice

Both
I understand that you are speaking with Rod today about suspense accounts. Please see below and attached. I do not know whether Chris A will ask for someone other than Rod Ismay to attend a meeting with Second Sight but as things stand the new CFO thinks it should be him.

In light of this, could you form a view when you put him through his paces this pm. He will be populating the answers to the questions and Al and CA will sign off.

We need to get this done urgently and then set up a meeting with Second Sight (not the Working Group as Al suggests) and at least aim to get something in the diary within the next couple of weeks.

I am sure that Mark (copied) will set that up but if, when you have spoken to Rod you can get some idea of timescale. We will need to get the written answers to Second Sight before we have the meeting.

I am happy that Mark does whatever in terms of supporting in this but grateful if you could let us know what that is after you have spoken this afternoon.

Best wishes
Belinda

**Belinda Crowe**

148 Old Street, LONDON, EC1V 9HQ
GRO Postline: GRO
GRO

**From:** Alisdair Cameron
**Sent:** 16 January 2015 13:59
**To:** Chris Aujard
**Cc:** Belinda Crowe; Ruth Phillips; Peter Goodman; Rod Ismay
**Subject:** RE: suspense accounts - Legally privileged for the purpose of seeking advice

Chris, Belinda thanks very much.

Rod Ismay is the right person to do this. He will fill in any blanks on the attached document and send it back to us. I suggest that you and I review the final draft before it goes back.

As ever, I may be more inclined to be open, while recognising the desire not to set more hares running. Talking to Rod, he is comfortable that we work systematically to stop branches being disadvantaged and where we have worked through client suspense accounts and released monies back to credit the p/l account, this operates independently of the branch accounting and the branches have not been disadvantaged. That is a good clear story.

In terms of the daily run of differences between the till and the system, which we used to call suspense accounts (but don't any more), we don't know what has happened and start from the premise that we are owed any till shortfall. There have been two circumstances where we identified that by pressing a particular sequence of keys a branch could create such a gap, erroneously. Those have been corrected and the branch compensated. So while we can demonstrate that we are alive to the possibility of error and behave correctly when it is identified and can state that we are not aware of any other such systematic issues, we cannot, I would suggest, categorically state that it couldn't happen elsewhere.

In addition, there can be circumstances in which by making a series of errors, a branch can, for example, create a cash deficit and a cheque surplus but make it impossible for us to align the two, which would benefit us at their expense. But we do try and stop this. Rod will try and quantify this in the expectation that the amounts are tiny compared to the agents' remuneration.

While Rod and I agree that he is the guy to sit with the Working Group and answer questions, I think he needs to be properly prepared. I would ask your team to arrange a rehearsal for Rod at which you can hurl all the most hostile questions at him, to make sure that the balance of the script doesn't set hares running.

I assume that you will be in the Working group and can offer some protection to Rod if required?

Does that work? Thanks Al

---

**From:** Chris Aujard
**Sent:** 16 January 2015 08:28
**To:** Alisdair Cameron
**Subject:** FW: suspense accounts

Al - FYI – just in case the well-oiled PA machine fails to ensure that this gets to you promptly.

As you will see, I really need someone from your team who is technically switched on re suspense accounts, and can handle themselves in front of an adversarial audience.

As you can imagine, I am concerned that we give Second Sight no more information than is necessary to address the narrow proposition that money that is "missing" from an SPMR account is somehow taken into our suspense account and then appropriated to our P&L.

Chris

---

**From:** Belinda Crowe
**Sent:** 15 January 2015 16:59
**To:** Ruth Phillips
**Cc:** Chris Aujard; Belinda Crowe
**Subject:** suspense accounts

Tracy

As discussed, could you please pass this to Alisdair. Many thanks Belinda

Dear Alisdair

I understand that Chris Aujard has spoken to you about the discussion at yesterday's Working Group meeting of the Complaint and Mediation Scheme. For some months, Second Sight and the independent chair of the Working Group – Sir Anthony Hooper – have been asking for information on the operation of the Post Office's Suspense Account. Put simply, this amounts to:

- How much is absorbed into Post Office P&L from the suspense account each year; and

POL00040805

- How much of that relates to money which is/may be properly due to Subpostmasters.

The nub of the issue is whether it is possible for a Subpostmaster/Subpostmasters to have made good a loss in branch or held accountable for a loss where it later transpires that the money was not owed therefore Post Office gains.

Please find attached a more detailed note on Second Sight's questions which you will see ask for rather more detail. It has become essential that we address these questions as a matter of urgency (although it could be that we cannot provide all the information Second Sight have requested in the attached document). The Chair of the Working Group is now pressing to provide answers as he has been asking for answers for some time. I'd be very grateful of you could give this your urgent consideration.

In addition, we have taken an action from the Working Group to organise a meeting between Second Sight and POL finance on these issues. I'd be grateful if you would also urgently consider who might attend such a meeting.
Thank you in anticipation

Belinda

**Belinda Crowe**

148 Old Street, LONDON, EC1V 9HQ
GRO Postline: GRO
GRO