

Message

From: Chris Aujard [IMCEAEX-
_O=MMS_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=CHRISTOPHER+20AA04
80B7-40D2-ADE7-6F6FEAE19CC3F88] **GRO**

on Chris Aujard <IMCEAEX-
_O=MMS_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=CHRISTOPHER+20AA04
80B7-40D2-ADE7-6F6FEAE19CC3F88] **GRO**

behalf of IMCEAEX-
_O=MMS_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=CHRISTOPHER+20AA04
80B7-40D2-ADE7-6F6FEAE19CC3F88] **GRO**

Sent: 11/02/2014 16:12:32

To: Neil McCausland **GRO**

CC: virginia.holmes **GRO**; susannah.storey **GRO**; susannah.hooper **GRO**; Alice Perkins' **GRO**
Larissa Wilson **GRO**; timfranklin **GRO**; alasdairmarnoch **GRO**
Vennells [paula.vennells] **GRO**; Chris M Day **GRO**; Alwen Lyons **GRO**

Subject: RE: 2014 02 11 ARC teleconference

Hi Neil – thanks for your time yesterday on the phone, and many apologies for the delay in getting back to you: the data was not easily amenable to analysing in the ways we both wanted! That said, hopefully the following is helpful:

Are the figures correct?

- Yes - The figures are correct, though as explained on the phone, the amounts recovered in the financial year 12/13 don't necessarily relate to the cases brought in that year. Clearly cases can take a number of months to work their way through the court process, so a debt recovered in 12/13 may not relate to a case brought in that year.

Why should we take a gradual approach to changing prosecution policy (ie option B not C)?

- The driver here was prudence from both a pragmatic and risk management perspective. In other words, the thinking was to try to change prosecution policy in a gradual (and potentially reversible) fashion. As an aside, we were conscious that there may also be a greater risk of reputational damage associated with any dramatic change of policy.
- In any event POL, through the Business Improvement Programme, is changing its approach to contract breach, suspension and the training and support it provides and that these changes have not yet worked their way through the system. Accordingly the full effect of these changes is unclear, and ideally it would be helpful to have a clearer understanding of how these changes interact with the factors set in the paper before making any decision which limits optionality. That said early indications are that "new debt" is substantially below expectations, and is on a downward trajectory from last year.

Should we review the civil process?

- As you rightly note, the civil process is separate from the criminal process, though there is a point in the lifecycle of investigating a loss where a decision has to be made whether to go down the civil route, or the criminal route, or some other route (e.g. write off). As discussed, in practice this means that any new prosecution policy approved by the Board would have to be actively disseminated down through the organisation to those responsible for making these decisions.
- The civil recovery process, as it stands, does seem to be working though it is not something that we have looked at in any detail. My suggestion would be that if ARC were to look at this it should probably be done within the context of considering the approach to debt management as whole – looking at it through the lens of Project Sparrow might end up with a skewed view!

Linkage between the two groups?

- Of the 147 applicants to the scheme **49 applicants** were subject to criminal prosecution

- Of those, no prosecutions happened within the last 2 years, but one applicant was subject to criminal prosecution in 2011, 6 applicants were subject to criminal prosecution in 2010 and 4 applicants were subject to criminal prosecution in 2009.
- We believe (but are trying to verify) that **31 applicants** were subject to some form of recovery processes. This includes recovery via POL's "normal" debt recovery processes (e.g. by issuing a letter of demand) and recovery through the use of full civil court proceedings.
- We are chasing the MI, but we are currently aware that, of those 31 cases, civil court proceedings were issued against at least **16 applicants**, of which 8 were dealt with in the last 2 years.
- External solicitors also recovered debts from at least 5 applicants (without initiating court proceedings), of which 2 were dealt with in the last 2 years.

Hope this helps.

Kind regards

Chris

From: Neil McCausland [mailto:GRO]
Sent: 09 February 2014 22:37
To: 'Alice Perkins'; Larissa Wilson; timfranklinGRO; alasdairmarnochGRO; Paula Vennells; Chris M Day; Alwen Lyons
Cc: Chris Aujard; virginia.holmesGRO; susannah.storeyGRO; susannah_hooperGRO
Subject: RE: 2014 02 11 ARC teleconference

Hi all,

When I read the note I also had a couple of questions spring to mind, which in the interests of time I thought worth sharing before the call.

The primary question in my mind was how we continue to deter our sub-postmasters from attempting fraud.

I was interested to learn that in '12/'13 we brought 100 cases using external lawyers to the civil courts and recovered £1.9m.

This felt pretty good compared with the criminal prosecutions, where we had 50 cases and recovered £740k.

Are those figures right? If so, I wonder if it is right not to review the civil recovery process, as it does seem to be closely linked with the criminal process.

My question that followed was about how these 2 groups of prosecutions interplayed with the Second Sight Review? From the 100 civil cases, and the 50 criminal cases (which presumably saw no overlap between the 2 groups), how many of these were affected by the Second Sight Review, and have we yet any indication of what that impact will be?

Talk on Tuesday

All the best

Neil

From: Alice Perkins [mailto:GRO]
Sent: 08 February 2014 12:04
To: 'larissa.wilson'GRO; 'neil'GRO; 'timfranklin'GRO; 'alasdairmarnoch'GRO; 'paula.vennells'GRO; 'chris.m.day'GRO; 'Alwen.lyons'GRO
Cc: 'christopher.aujard'GRO; 'virginia.holmes'GRO; 'susannah.storey'GRO; 'susannah_hooper'GRO
Subject: Re: 2014 02 11 ARC teleconference

Alasdair,

It is not yet clear whether it will be possible for me to participate in this teleconference. I will if I can.

My reaction to this paper which is helpful and clear in many respects (and the BIP and its impact to date is very good indeed), is that it does not spell out clearly enough for me, why we think it is right in principle for us to maintain a different policy from other organisations (the Brian Altman point) ie option C is dismissed too summarily.

I do of course, understand that we couldn't just throw our cases at the CPS and walk away at a moment's notice. And I appreciate that we might find the CPS route less satisfactory in cases where we were convinced we should be prosecuting. But if it is the case that the banks and other financial institutions are content to live with this, why are we different? And what would our public justification for being different be? In considering this, I would like to understand better how much money would potentially be at risk if we were to go for option C? And what are the relative costs of giving the work to external lawyers rather than doing it in-house under option B?

I accept that option C could not be adopted immediately even if we did think it right. And I absolutely agree we should have a financial cut off of between £20k and £30k and take other factors into consideration before proceeding whoever is conducting the prosecutions.

If you'd like a word, do let me know.

All the best

Alice

From: Larissa Wilson [GRO]
Sent: Friday, February 07, 2014 12:14 PM GMT Standard Time
To: Neil McCausland [GRO]; Alasdair Marnoch [GRO]; Tim Franklin [GRO]; Alice Perkins; Paula Vennells [GRO]; Chris M Day [GRO]; Alwen Lyons [GRO]
Cc: Chris Aujard [GRO]; Virginia Holmes [GRO]; [GRO]; Susannah Storey [GRO]; susannah hooper [GRO]; <susannah hooper [GRO]
Subject: 2014 02 11 ARC teleconference

All

Please find attached the agenda and paper for the ARC teleconference 5pm – 6pm 11 February. The teleconference will focus specifically on Post Office as a prosecuting authority. An update on Project Sparrow will come to the February Board.

In line with the decision at the last Board meeting, these papers have been circulated to the whole Board. Papers are also available on BoardPad.

Room 501 has been booked for the meeting if you wish to attend in person and teleconference details are:

Dial in from mobile [GRO]

UK Freephone: [GRO]

Chairperson passcode: [GRO]

Participant passcode: [GRO]

Kind regards

Larissa

Larissa Wilson I Company Secretarial Assistant

1st Floor, Banner Street Wing, 148 Old Street, London, EC1V 9HQ

GRO



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