

Message

From: Chris Darvill [IMCEAEX-
_O=MMS_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=CHRIS+20DARVILL
C493-45F3-8814-5FD470A0EA30809@C72A47.ingest.local]
on behalf of Chris Darvill <IMCEAEX-
_O=MMS_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=CHRIS+20DARVILL
C493-45F3-8814-5FD470A0EA30809@C72A47.ingest.local> [IMCEAEX-
_O=MMS_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=CHRIS+20DARVILL
C493-45F3-8814-5FD470A0EA30809@C72A47.ingest.local]
Sent: 04/05/2012 08:18:23
To: Susan Crichton [GRO]; Alwen Lyons [GRO]
CC: Simon Baker [GRO]
Subject: FW: FW: FOR ACTION: Ref: PV 1380 Customer name: Rt Hon Alan Duncan MP Feedback due: 10 April 2012 Case signatory: Michele
update, please
Attachments: Alan Duncan MP April Great Bowden (2).pdf
Importance: High

Susan

This is the other MP's letter which was raised during the last meeting. The proposed response is set out below. I understand that Martin will be sending this you and Alwen prior to it being released (so apologies if you get it 2x) to ensure that the messaging does not cut cross the message to be delivered to James Arbuthnot.

Regards

Chris Darvill

Legal Services

Post Office Ltd

148 Old Street, LONDON, EC1V 9HQ

[GRO]

[GRO]

From: Martin Humphreys
Sent: 03 May 2012 14:10
To: Janet Passmore
Cc: Chris Darvill; Mike Granville
Subject: FW: FW: FOR ACTION: Ref: PV 1380 Customer name: Rt Hon Alan Duncan MP Feedback due: 10 April 2012
Case signatory: Michele Graves - update, please
Importance: High

Jan

Apologies for the long delay on this case which has taken some time to get everything cleared off. The final response is set out below. I would be grateful if you could now progress this in term of sign off – I am not sure what the plan was – if it was that Michele would normally sign these then I think that would still be appropriate for this – if it s different to that then please progress as normal

Dear Mr Duncan

Thank you for your letter of 28th March 2012 concerning your constituent Mrs Caroline Jack. Following your letter I have made enquiries regarding the situation you raised with me.

I must stress that Post Office Ltd takes seriously any perception that there is an issue with the accuracy of the Horizon system and is fully confident that the system, and the accounting processes around it, enable subpostmasters to account accurately for the transactions they undertake in their branch.

We handle large sums of public money, as well as the money entrusted to us by the 20 million people who visit our network of over 11,500 branches each week. The Horizon accounting system has been operating in Post Office branches for over a decade and in that time around twenty thousand subpostmasters have used it in performing many millions of successful weekly and monthly financial reconciliations between the cash they have in the office and the transactions they have handled. The Horizon system has been rigorously tested. The National Federation of Subpostmasters, which represents subpostmasters throughout the country, has expressed its full confidence in the accuracy and robustness of the system.

Subpostmasters are independent business people who have a contract to offer Post Office services and they are entrusted with large sums of money in order to carry out Post Office business. As Mrs Jack acknowledges in her letter, whilst Subpostmasters are not required to provide personal service, they are responsible for all aspects of the Post Office service, including the cash and stock and accounting at the branch.

All Subpostmasters are provided with extensive training which typically includes classroom training and a further time in branch under supervision. Ongoing support is provided through internal operational publications, system help screens and dedicated helplines for advice and support.

The situation at Great Bowden Post Office is that an audit was carried out in 2009 and this found a significant cash shortage at the branch. Mrs Jack herself signed the local accounting records on the day, which included the line stating the "final account deficit".

A deficit identified at audit is the difference between cash physically on hand compared to the balance noted in the accounts for the branch. That accounting balance is, in turn, a summary of individual accounting entries made by the staff in the post office as a result of transactions they have performed with customers.

In cases where Subpostmasters have been unable to reconcile their cash and transactions, there are robust systems of follow up checking and auditing to determine what has happened and to identify errors made by staff. These checks were carried out and the final account for Great Bowden showed that a significant loss remained. As Mrs Jack indicates – this is in the order of £17,000.

As Mrs Jack is contractually responsible for the stewardship of the cash and stock entrusted to her, and for the proper accounting at the branch, her contract to offer Post Office services was suspended and Post Office Ltd wrote to Mrs Jack to request payment of the discrepancy. The amount is still outstanding and Post Office Ltd reserves the right to conduct legal action if necessary to recover this debt.

I must emphasise that we do not lightly enter into such action and we understand that these can be difficult situations, particularly where the Subpostmaster of a branch may have chosen to trust other colleagues to run the branch on their behalf – but the subpostmaster remains responsible for any discrepancies at the branch.

I do understand that this will not be the response that your constituent would wish for but I hope you can appreciate that we do have a duty in terms of the large amounts of public money entrusted to Post Office Ltd, and to Subpostmasters, particularly where the discrepancy is such a significant amount.

Thanks

Martin Humphreys
Stakeholder Relations
Post Office Ltd
148 Old Street
London
EC1V 9HQ

GRO

From: Chris Darvill
Sent: 25 April 2012 10:27
To: Martin Humphreys
Subject: FW: FW: FOR ACTION: Ref: PV 1380 Customer name: Rt Hon Alan Duncan MP Feedback due: 10 April 2012
Case signatory: Michele Graves - update, please

FYI

Chris Darvill

Legal Services

Post Office Ltd

148 Old Street, LONDON, EC1V 9HQ

GRO

GRO

From: Janet Passmore **On Behalf Of** ECT

Sent: 25 April 2012 10:12

To: Chris Darvill

Cc: Alison Bolsover; Andrew Winn; Pat Davies

Subject: RE: FW: FOR ACTION: Ref: PV 1380 Customer name: Rt Hon Alan Duncan MP Feedback due: 10 April 2012
Case signatory: Michele Graves - update, please

Hi Chris

Any news on this one yet - I'm afraid it's well past our target closure date.

Many thanks and kindest regards

Janet

Stakeholder Correspondence Team

GRO

▼ Chris Darvill

GRO

Chris Darvill

GRO

Sent by: Chris Darvill

GRO

17/04/2012 13:52

To: ECT, Andrew Winn/e/POSTOFFICE

cc: Alison Bolsover/e/POSTOFFICE, Pat
Davies/e/POSTOFFICE

Subject: RE: FW: FOR ACTION: Ref: PV 1380
Customer name: Rt Hon Alan Duncan MP
Feedback due: 10 April 2012 Case signatory:
Michele Graves

Janet

Thanks for your email. Rod Ismay has prepared a draft response. It is with Mike Granville and Martin Humphreys for comment. I will chase.

Regards

Chris Darvill
Legal Services
Post Office Ltd
148 Old Street, LONDON, EC1V 9HQ

GRO

GRO

From: Janet Passmore **On Behalf Of** ECT

Sent: 17 April 2012 11:48

To: Andrew Winn

Cc: Alison Bolsover; Chris Darvill; Pat Davies

Subject: Re: FW: FOR ACTION: Ref: PV 1380 Customer name: Rt Hon Alan Duncan MP Feedback due: 10 April 2012 Case signatory: Michele Graves

Importance: High

Hi All

Can I please have an update on this one - this is now past our target closure date so we do need to provide some sort of response to the MP even if it is only along the lines of now that the spmr has engaged legal representation, there is nothing we can tell him at this stage, or if we are providing anything further and are not ready to do so, would you like me to send a holding response?

Many thanks and kindest regards

Janet

SCT

GRO

▼ Andrew Winn

**Andrew
Winn**

To: ECT
cc: Chris Darvill

03/04/2012

GRO

11:19

Pat Davies/e/POSTOFFICE,
Alison Bolsover/e/POSTOFFICE
Subject: FW: FOR ACTION:
Ref: PV 1380 Customer name: Rt
Hon Alan Duncan MP Feedback

due: 10 April 2012 Case
signatory: Michele Graves

Hi Janet

As the former subpostmistress has engaged Shoosmiths any response should be made from legal.

Chris – can you take ownership of the response please? We will be happy to help with any details you want to cover.

Andy

From: Carol King **On Behalf Of** Alison Bolsover

Sent: 03 April 2012 11:09

To: Andrew Winn

Subject: FW: FOR ACTION: Ref: PV 1380 Customer name: Rt Hon Alan Duncan MP
Feedback due: 10 April 2012 Case signatory: Michele Graves

Andy

As discussed

Cheers

Carol

From: Janet Passmore **On Behalf Of** ECT

Sent: 03 April 2012 08:56

To: Alison Bolsover

Cc: Rod Ismay

Subject: FOR ACTION: Ref: PV 1380 Customer name: Rt Hon Alan Duncan MP Feedback
due: 10 April 2012 Case signatory: Michele Graves

POST OFFICE LTD

**EXECUTIVE
CORRESPONDENCE TEAM**

INVESTIGATION & FEEDBACK REQUIRED

CASE REF NO: PV 1380

DEADLINE FOR FEEDBACK TO ECT: 10 April 2012

CUSTOMER DETAILS: Rt Hon Alan Duncan MP

SUBJECT: Horizon integrity

BRANCH NAME: Great Bowden BRANCH CODE: 362 217

FOR THE SIGNATURE OF: *Michele Graves*

Morning Alison

Please find attached letter sent to Paula Vennells.

Given the sensitivities on this one and the legal involvement, can you please advise us how to respond to the MP. If you could also provide us with some background and what the position is so far, it would be very much appreciated.

Please reply to : ECT **GRO**

Many thanks and kindest regards

Janet

N.B. Should you have any problems meeting this deadline or need to

discuss further, please contact the Executive Correspondence Team at
GRO or on **GRO**

(See attached file: PV 1380 Duncan Alan MP.pdf)