

The 2 Anomalies

1. Two anomalies were voluntarily communicated to SS as part of the review.
2. The “62 Branch Anomaly”:
 - a. affected 62 branches (13 Crowns; 12 Multiples; 37 Subpostmasters)
 - b. concerns a Receipts and Payments mismatch in HNG-X when discrepancies were moved into the local suspense account (i.e. the account which aggregates all discrepancies into a single gain or loss for a branch trading period).
 - c. first appeared in March 2010.
 - d. majority of incidents occurred between August and October 2010
 - e. branch losses ranged from £777.96 down to 34p.
 - f. identified by Horizon’s built-in checks and balances which are designed to flag up these types of discrepancies.
 - g. could have been identified if the subpostmaster had carefully scrutinised his/her Final Balance Report.
 - h. 17 subpostmasters were adversely affected, i.e. had a loss attribute to their branch.
 - i. subpostmasters notified in March 2011 and (where appropriate) reimbursed.
 - j. subpostmasters who made a gain through the anomaly were not asked to refund this.
 - k. reason for delay in notifying subpostmasters:
 - i. priority and distinction from other service issues that were happening at the time of the HNG rollout;
 - ii. complexity of understanding the root cause; and
3. The “14 Branch Anomaly”:
 - a. financially impacted 14 branches (4 Crowns; 5 Multiples; 5 Subpostmasters)
 - b. concerns an error where historic accounting entries in the 2010/11 financial year were replicated in accounts for 2011/12 and 2012/13.
 - c. first notified to Post Office Limited in January 2012
 - d. raised by 2 subpostmasters affected by the anomaly.
 - e. 5 subpostmasters were adversely affected, i.e. had a loss attribute to their branch.
 - f. Post Office Limited suspended attempts to recover known losses from affected subpostmasters.
 - g. Letters to notified subpostmasters will be sent out imminently
 - h. the worst loss to a branch would have been £9,799.88. This was one of the first cases notified, so no recovery action was progressed. Other losses ranged from £113.14 down to a penny.
 - i. reason for delay in notifying subpostmasters:

- i. irregular occurrence - it took over 12 months to realise that this was an error in Horizon rather than an error by subpostmaster or Post Office Limited;
 - ii. very few branches materially affected.
- 4. Modifications have been made to rectify the 62 Branch Anomaly, and will be made to rectify 14 Branch Anomaly.
- 5. None of the subpostmasters affected by either anomaly have been prosecuted over it.