

As part of the Initial Complaint Review and Mediation Scheme, Second Sight is engaged as a firm of forensic accountants to provide a logical and fully evidenced opinion on the merits of each Applicant's case.

On 21 August 2014, Second Sight's Briefing Report – Part Two was sent as a confidential document to a number of Applicants and their advisors, as well as to Post Office. The purpose of the Report was to describe and expand on common issues identified by Second Sight as being raised by multiple Applicants.

Several issues were said by Second Sight, within or subsequent to the publication of the Briefing Report – Part Two, to require further investigation. One of which was Suspense Accounts.

Questions on Suspense Accounts have come in two tranches.

1) As an action from WG meetings. The two examples are included below:

- a. Could any SPMRs have been charged by Post Office Ltd for amounts that become incorporated in suspense account balances that were subsequently taken into profit by POL or any of its Counterparty Companies, or that remain as credit balances on the balance sheet of POL or any of its Counterparty Companies?

To which PO responded with the below embedded paper



Suspense account
paper Second Sight.p

- b. Relating to concerns that credit entries in Post Office's Suspense Accounts can only have arisen where amounts that have been received by Post Office, but may not be due to Post Office (for example the amount may be due to be paid to one of Post Office's clients or to one of its branches but where it is not, or not yet, clear who should be paid).

Namely, sight of the Credit entries, derived from Suspense Accounts, which have eventually been written off to the credit of Post Office's P&L Account

This question remains outstanding. Context is provided via the below email chain



FW FW Errors that
arise between Post O

- 2) Within Second Sight's questions sent, as part of their finalisation of their Briefing Report – Part Two, to PO on 9 Dec 2014. The questions posed, together with the answers provided are detailed below.

Post Office has already addressed Second Sight's questions on its Suspense Accounts in its Suspense Accounts paper. This paper demonstrated that so long as a branch follows Post Office's standard operating practices, it cannot suffer a loss due to the operation of a Suspense Account.

- 2.1 Please provide full details of all Suspense Accounts held by Post Office. Please also provide a schedule, for each year end between 2008 and 2013, showing the amounts transferred to Post Office's Profit and Loss Account (both debits and credits) for each Suspense Account held.**

It appears that this question is targeting whether the operation of the Suspense Account could ever wrongfully disadvantage a Subpostmaster. As mentioned above, Post Office has already addressed this question in its Suspense Account paper. Given that the data sought in this question would only show organisation-wide Suspense Account movements, and not branch level data, we should be grateful if Second Sight could clarify precisely what information it is seeking and how this will assist in the resolution of individual cases? Post Office will then look to see what information is available and can be provided to address those issues.

- 2.2 Please also provide a schedule, for each year end between 2008 and 2013, showing the balance held on each Suspense Account (both credits and debits).**

This is a disproportionately wide request for general information, without identification of a specific issue raised by Applicants. If Second Sight is able to identify, with supporting materials, specific cases where Applicants to the Scheme have been affected by these issues, Post Office will of course reconsider this request.

- 2.3 Please provide an electronic report in CSV format or similar showing for the last 3 years the following information for every item posted to any Suspense Account:**

- a) **Full transaction details;**

This is a disproportionately wide request for general information, without identification of a specific issue raised by Applicants. If Second Sight is able to identify, with supporting materials, specific cases where Applicants to the Scheme have been affected by these issues, Post Office will of course reconsider this request.

- b) **Originator's reference;**

This is a disproportionately wide request for general information, without identification of a specific issue raised by Applicants. If Second Sight is able to identify, with supporting materials, specific cases where Applicants to the Scheme have been affected by these issues, Post Office will of course reconsider this request.

c) Any comments or notes associated with the transaction; and

This is a disproportionately wide request for general information, without identification of a specific issue raised by Applicants. If Second Sight is able to identify, with supporting materials, specific cases where Applicants to the Scheme have been affected by these issues, Post Office will of course reconsider this request.

d) Full account details of the account the transaction relates to or is being transferred to.

This is a disproportionately wide request for general information, without identification of a specific issue raised by Applicants. If Second Sight is able to identify, with materials, specific cases where Applicants to the Scheme have been affected by these issues, Post Office will of course reconsider this request.

2.4 Please describe the controls used to detect errors in Post Office client reports that if not corrected could give rise to an incorrect TA or TC being issued.

Where Post Office receives client reports, these are part of matching accounts, where Horizon data is matched to the client data. Therefore, if the client report was wrong, it should lead to a difference compared to the Branch data. Post Office would then investigate that difference. If a wrong approach were made to a branch, the branch themselves could, in turn, challenge it.