
From: Rod Ismay [GRO]
Sent: Mon 23/03/2015 5:53:18 PM (UTC)
To: Mark Underwood [GRO], Alisdair
Cameron [GRO], Jane MacLeod [GRO]
Belinda Crowe [GRO], Parsons,
Andrew [GRO]
Subject: RE: Second Sight outstanding request for information in relation to Suspense Accounts

Hi Mark,

Unmatched differences are where the stream of data from the branch differs to the stream from the client and where, at the point in time, the reason for the difference has not yet been resolved (ie. it has not been matched). When it becomes resolved / matched it would lead either to an evidenced transaction to a branch or to a challenge to the client about their data.

The types of issue they could indicate were included in the 30 January note to Ian at Second Sight. That was the letter which we worked through in the Old Street boardroom and which was sent by email from Chris Aujard on 30 January.

Thanks, Rod

Rod Ismay | Head of Finance Service Centre

2nd Floor West Block, No 1 Future Walk, West Bars, Chesterfield, S49 1PF
[GRO] Mobile [GRO] Email [GRO]
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From: Mark Underwood1
Sent: 23 March 2015 17:30
To: Alisdair Cameron; Jane MacLeod; Belinda Crowe; Parsons, Andrew
Cc: Rod Ismay
Subject: RE: Second Sight outstanding request for information in relation to Suspense Accounts

Thanks Alisdair,

Forgive my ignorance, but could I ask:

- What an unmatched difference is?
- How and what type of issue(s) this could, in theory, mask?

Mark

From: Alisdair Cameron
Sent: 23 March 2015 17:03
To: Jane MacLeod; Mark Underwood1; Belinda Crowe; Parsons, Andrew
Cc: Rod Ismay
Subject: FW: Second Sight outstanding request for information in relation to Suspense Accounts

Is everyone happy with this as a proposed reply? And do you want me to e-mail Ian today? Thanks Al

From: Rod Ismay
Sent: 23 March 2015 16:41
To: Alisdair Cameron
Cc: Jane MacLeod
Subject: RE: Second Sight outstanding request for information in relation to Suspense Accounts

Al. Yes that would be fine.
Thanks, Rod

From: Alisdair Cameron
Sent: 23 March 2015 16:35
To: Rod Ismay
Cc: Jane MacLeod
Subject: RE: Second Sight outstanding request for information in relation to Suspense Accounts

So would it be right to go back to them and say:

“You were satisfied that the Suspense Account was effectively controlled and did not include a risk to branch accounting. You asked for some contextual data to reassure you that unmatched differences were not left for long periods in the underlying client accounts, thereby masking issues.

To give you two specific examples relevant to your concerns:

- The Bank Of Ireland account relating to customer withdrawals of cash from ATMS. At the end of the 2014/14 financial year, this had a balance of £96m and no unmatched items more than six months old.
- The Santander account relating to customer payments into branches. This had a balance of £66m and no unmatched items over 6 months old.

If differences were being left unresolved in client accounts, balances more than 6 months would be building up. On this basis, we think this should satisfy you that there is no evidence of any issues relating to branch accounting in the suspense account or left unresolved in the client accounts.”

From: Rod Ismay
Sent: 23 March 2015 12:54
To: Alisdair Cameron
Subject: RE: Second Sight outstanding request for information in relation to Suspense Accounts

Al,

We have several products and consequently several GL's with clients such as these.

I have therefore enquired into the accounts which I believe relate most closely to the comments Second Sight have made.

For those (see below), the short answer to the question of items a year or more old, is none.

Bol – taking the ATM account. I.e. Not savings accounts or insurances etc.

At the end of March 2014 (period 12 of 13/14) we had:

- Total debt on the account of £96m. Moneys due back to Post Office Ltd in respect of customer cash withdrawals from ATMs
- There were no unmatched items more than a year old. The oldest items were 3 (dated period 4 of 2013/14) related to an engineer fraud incident which has had a dedicated security investigation and due consideration within Sparrow. They amounted to £6k. Other items being investigated were all less than 2 months old

Santander – creditor of £66m, payable to Santander in respect of customer inpayments in branches

- There is a formal G/L for differences notified by Santander which can lead to Transaction Corrections or to adjustments to settlement values between the companies. There were no items in there more than a year old. Oldest 6 months

Thanks, Rod

Rod Ismay | Head of Finance Service Centre

2nd Floor West Block, No 1 Future Walk, West Bars, Chesterfield, S49 1PF

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From: Alisdair Cameron

Sent: 23 March 2015 07:16

To: Rod Ismay

Subject: Fwd: Second Sight outstanding request for information in relation to Suspense Accounts

Rod, I think the ask was for two key clients, one Santander, one BOI maybe, at the end of 2013/14, what was the value and volume of outstanding differences, gross debits and gross credits, that were more than a year old - and potentially what has happened to them since. Can you give me the answer to the first part, quickly? Thanks Al
Sent from my iPad

Begin forwarded message:

From: Mark Underwood1 GRO

Date: 22 March 2015 16:39:42 GMT

To: Jane MacLeod GRO, Alisdair Cameron

GRO

Cc: Tom Wechsler GRO, Belinda Crowe GRO

Rod Ismay: GRO

Subject: RE: Second Sight outstanding request for information in relation to Suspense Accounts

Hi Jane,

Yes no problem at all, though I wouldn't expect a particularly useful answer to be provided.

I would expect at best, they will say it is for contextual reasons but I agree it would be useful to know.

Mark

From: Jane MacLeod

Sent: 22 March 2015 16:35

To: Mark Underwood1; Alisdair Cameron

Cc: Tom Wechsler; Belinda Crowe; Rod Ismay

Subject: RE: Second Sight outstanding request for information in relation to Suspense Accounts

Mark

One thought on this – it would be useful to understand the context in which SS believe that this information is relevant to their Part II report (which they are supposed to be finalising by mid this week). Can you ask them (tactfully) where this fits in? If it is just data for its own sake, then I don't really see how this helps.

Thanks

jane

From: Mark Underwood1
Sent: 20 March 2015 17:25
To: Alisdair Cameron; Jane MacLeod
Cc: Tom Wechsler; Belinda Crowe; Rod Ismay
Subject: RE: Second Sight outstanding request for information in relation to Suspense Accounts

Hi Alisdair (Rod also now Cc'd)

I have pasted below an email we received from Second Sight on Wednesday which makes it clear they are expecting us to provide some further information. As a side issue, it would be really useful if we could include in our Reply to their Part 2 Report that we have provided this additional information.

Rod, with reference to our discussion this morning about what it is they want - does this clarify things at all?

Mark

From: Chris Holyoak: GRO
Sent: 18 March 2015 10:28
To: Tom Wechsler
Subject: RE: Action points following Scheduling meeting

Thanks Tom - noted.

All looks OK to me.

Just one point is that I believe that we are also still expecting POL to provide further information relating to Third Party account reconciliations (part of the whole Suspense account question) following the meeting that Ian and I attended with Jane and Alisdair on 4 March.

Regards

Chris

From: Alisdair Cameron
Sent: 20 March 2015 17:18
To: Jane MacLeod
Cc: Mark Underwood1; Tom Wechsler; Belinda Crowe
Subject: Re: Second Sight outstanding request for information in relation to Suspense Accounts

It was vague - but numerical data around the quantum of old items still on accounts, using examples. We aren't working on it, should we be? AI

Sent from my iPhone

On 20 Mar 2015, at 17:07, Jane MacLeod: GRO > wrote:

Mark

I don't think they asked for anything specific at that meeting as the conversation around client accounts arose out of the suspense account discussion . My recollection is that they said they would think about what they might want and I don't recall them asking for anything specific on client accounts.

Copying in Alisdair in case he has received anything directly?

Thanks,

Jane

From: Mark Underwood1
Sent: 20 March 2015 12:36
To: Jane MacLeod
Cc: Tom Wechsler; Belinda Crowe
Subject: Second Sight outstanding request for information in relation to Suspense Accounts

Hi Jane,

Though Second Sight has no outstanding questions in relation to Suspense Accounts per se, they do apparently have outstanding requests for information in relation to numerical data on aspects of the client accounts themselves.

These were brought up at the meeting held on 04.03.2015.

I am trying to ascertain exactly what it is we have committed to provide / look into. Having spoken to Rod Ismay, he is unclear and has no documentation detailing their request. He mentioned you made some notes at this meeting. By chance, did you manage to capture their request?

Thanks Jane

Mark

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