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TABLE OF CHANGES TO OPERATIONAL PROCESSES

Version: 5 July 2019

1. Onboarding of branch operators¹

Ref	End to end process (chronological)	Current / pre-Judgment process	Common Issues Judgment Requirements / Impacts requiring a change to the process	Changes to the Process	Artefact / Tools
1.1	Source suitable leads.	Local Relationship Managers are sent leads from a team in London. They also walk the area looking for prospective suitable branch locations/retailers.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators. This applies once the contract is entered into, but changes are also being made to the pre-contract process to reflect the 'spirit' of the Judgment.	A restructure has taken place (effective from 23rd April 2019) which means that this function is now carried out by Change Managers, freeing up the Business Support Manager (new role introduced as part of restructure) to solely focus on supporting branch operators. The process undertaken by Change Managers has been shortened and now ends at Contract stage.	<i>001 New Agent and Operational Support Organisational structure</i>  001 Agent and Operational Support
1.2	A visit is arranged to the prospective branch operator.	A call is made to introduce and arrange suitable date.	N/A	No change.	

¹ "Branch operator" refers to the person contracting with Post Office to operate a branch (also referred to as the "postmaster" / "Subpostmaster" / "agent" / "operator").

1.3	The prospective branch operator is visited.	The Local Relationship Manager visits the premises and meets the prospective branch operator. They assess the suitability of premises and branch operator's retail business. At this point discussion points are: Post Office fees, increased footfall, restrictions policy and branch layout. If unsuccessful, self-generate lead.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators. This applies once the contract is entered into, but changes are also being made to the pre-contract process to reflect the 'spirit' of the Judgment.	No change to process, except that this is now carried out by the Change Manager. The conversation is more transparent, introducing the Post Office, explaining pros and cons and talking about basket values, fees and footfall, restrictions policy, branch layout. If the prospect isn't right for the prospective branch operator or Post Office, they will be advised and refused.	
1.4	The prospective branch operator is sent a link to the application form.	The online application link is sent via an email by an admin team member and three teams and several individuals are involved throughout application process.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators. This applies once the contract is entered into, but changes are also being made to the pre-contract process to reflect the 'spirit' of the Judgment.	Future improvement planned for delivery: 1. From 1st September this step will happen later in the process (<i>after</i> suitability assessment), to avoid unnecessary work for the prospective branch operator. 2. The application form is being reviewed to make it easier to fill in. 3. The 3 teams are	

				4. cross training to restructure as Caseworkers. The application is assigned to one Caseworker who will send the link and handhold the prospective branch operator throughout the process. Until the back office changes occur, the process will remain the same.	
1.5	Application Tracking.	The prospective branch operator would receive updates from AAPT/Network Change Support Team.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators. This applies once the contract is entered into, but changes are also being made to the pre-contract process to reflect the 'spirit' of the Judgment.	Future improvement planned for delivery: Branch Hub will deliver an online application step tracker to allow the prospective branch operator to have easy sight of the application progress. This will include reminders to complete actions and positive messages as steps are completed. The branch operator will also have one point of contact throughout their application journey (the Caseworker).	

1.6	The prospective branch operator will fill out a detailed business plan.	The business plan is detailed and complex. Local Relationship Manager completes a Pen picture for telephone interview or a business profile template for a face-to-face interview.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators. This applies once the contract is entered into, but changes are also being made to the pre-contract process to reflect the 'spirit' of the Judgment.	Future improvement planned for delivery: 1. From 1st September this step will happen later in the process (<i>after</i> suitability assessment), to avoid unnecessary work for the prospective branch operator. 2. The Electronic Business Plan is being relaunched on 1st September. There will now be three versions tailored to the size and circumstances of the prospective branch operator's situation. This will be decided via a decision tree and knowledge from the Onboarding and Assessment Manager following step 1.7. 3. The Caseworker will remain the single point of contact.	
1.7	Finance make a decision on the business plan.	Finance may approve, decline or request further information.	N/A	No change.	

1.8	Further suitability check takes place.	The Contract Advisor carries out a detailed and formal telephone or face to face interview with the prospective branch operator. The Contract Advisor will explain Post Office policies and guidelines and explain that the branch operator must adhere to these, and the consequences if they are breached. At this point the Contract Advisor will also complete suitability checks; passport/DBS etc.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators. This applies once the contract is entered into, but changes are also being made to the pre-contract process to reflect the 'spirit' of the Judgment.	1. The interviews are now called Suitability Assessments and are a softer touch method of assessment. 2. The suitability assessment is no longer carried out by the Contracts Advisor, but by the Onboarding and Assessment Manager. Future improvement planned for delivery: 1. From 1st September the suitability assessment will take place prior to the application link being sent and the business plan being filled in, to avoid unnecessary work if the suitability assessment results in an agreement to cease the application.	
1.9	If suitability is agreed a Contract is sent out.	Contract sent from the administrative team.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators. This applies once the contract is entered into,	Caseworker assigned to the application sends out the Contract, along with vetting forms and Smart ID applications. The Change Manager leaves the process at this point.	

			but changes are also being made to the pre-contract process to reflect the 'spirit' of the Judgment.		
1.10	Contract is signed.	Contract is signed.	N/A	No change.	
1.11	Initial Site Meeting takes place.	A member of the property team will attend the premises to arrange for the counter build.	N/A	No change.	
1.12	Training takes place.	1. A link is sent for a 4 hour e-learning module. 2. 2/3 day classroom training (same for all). 3. Trainer provides 6 days of onsite training.	New contractual terms have been implied, requiring Post Office to: - provide adequate training and support to branch operators; and - provide reasonable co-operation, as necessary for the performance of the branch operator's obligations.	Future improvement planned for delivery from 31st July (and ongoing): 1. Caseworker sends link to potential branch operator for e-learning module. 2. Caseworker will book prospective branch operator onto a 2 or 3 day classroom training. This is tailored to needs now to provide more suitable support. 3. The Quality Assurance Trainer is responsible for ensuring that e-learning is completed prior to classroom	

				4. training. 5. Other training initiatives are in flight – such as refresher training, balancing and back office, Lotto, SSK.	
1.13	Pre-opening support.	All pre-opening support is provided by Local Relationship Manager, Managers and trainers.	New contractual terms have been implied, requiring Post Office to: - provide adequate training and support to branch operators; and - provide reasonable co-operation, as necessary for the performance of the branch operator's obligations.	6 weeks prior to opening, the Caseworker will introduce the prospective branch operator to a Business Support Manager, who will support with things such as local marketing, compliance etc.	
1.14	Post-opening support.	1. Originally, Area Network Change Managers would support new branches amongst their other branches. 2. Last August the Local Relationship Managers were set up to provide continuous support for up to 6 to 12	New contractual terms have been implied, requiring Post Office to: - provide adequate training and support to branch operators; and - provide reasonable co-operation, as necessary for the performance of the	1. The Business Support Manager will provide post opening support and will work closely with the Area Manager. 2. The training and support will feed into a development plan and an agreement will be reached on how many visits are required. 3. A Branch Visit report	

		months beyond branch opening.	- branch operator's obligations.	4. is currently being reviewed for sign off – this will be filled in by the Branch Support manager and uploaded to a branch record to give the Area Manager visibility and enable a co-ordinated support approach.	
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2. Shortfalls / Losses (Prevention, Audit, Investigations, Recovery, Transaction queries/disputes)

2.1 Loss prevention

Ref	End to end process (chronological)	Current / pre-Judgment process	Common Issues Judgment Requirements / Impacts requiring a change to the process	Changes to the Process	Artefact / Tools
2.1.1	Branch operator is required to reconcile their till daily and balance their cash and stock on a monthly basis, but ideally weekly.	A daily cash count is carried out by the branch operator and compared to expected cash. If there is a variance, further checks should be made (checking currency and stock) to try to find the source of	N/A	No change.	N/A

		the variance. If help is needed, the Branch operator may call Branch Support (NBSC). See 2.3.1.	See 2.3.1.	See 2.3.1.	See 2.3.1.
2.1. 2	Branches access information on their financial transactions and performance.	Branch operators can view financial performance and transactions via a Horizon printout.	New contractual terms have been implied, requiring Post Office to: - provide adequate training and support to branch operators; and - provide reasonable co-operation, as necessary for the performance of the branch operator's obligations. Post Office was criticised in the Judgment for a "culture of secrecy" and "excessive confidentiality". To address this, Post Office should be more open and transparent with branch operators.	The Branch Insights Tool has been created to give a snapshot of key indicators of the way a branch is operating (cash declarations, calls to Branch Support etc.) and can flag up early warnings that a process is not being followed correctly. This is shared with the branch operator as part of routine field visits by the field team who can then arrange for help and support to be provided before a small issue becomes a risk. For example, this might take the form of additional training being provided. Future improvement is planned for delivery as part of FY19/20 Operations Transformation portfolio: 1. Information about a	<i>002 Branch Insights Tool Excerpts</i>  002 Branch Insights Tool Excerpts

				2. branch's compliance with standards, which was previously only shared to some branches via telephone, to be provided to all branch operators electronically via online self-service Branch Hub tool. 3. Full dashboard of management information to be provided to branch operators via Branch Hub.	
2.1.3	Branch analysis team look at trends in cash declarations and other risk factors within the network and rank the branches based on the ones that have the biggest financial variances. They pass the highest risk cases to the audit team, with full reasons for the audit.	There was no documented initial rationale for conducting an audit that could be easily shared with the branch operator.	New contractual terms have been implied, requiring Post Office: - not to exercise any discretion arbitrarily, capriciously, or unreasonably; and - to exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence.	The Audit Rationale Document (ARD) is created when an audit is requested and sent to the Audit and Contract teams prior to the Audit. It explains the reason for the audit. The information is shared with the branch operator. Future improvement planned for delivery as part of FY19/20 Operations Transformation portfolio: We are working toward being able to give the	<i>003 Audit Rationale document</i>  003 Audit Rationale document

			Post Office was criticised in the Judgment for a "culture of secrecy" and "excessive confidentiality". To address this, Post Office should be more open and transparent with branch operators.	Branch Analysis team visibility of all IT issues, including any Horizon impacts, so that they are able to rule out any IT issues as a cause for the discrepancy.	
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2.2 Audit

Ref	End to end process (chronological)	Current / pre-judgment process	Common Issues Judgment Requirements / Impacts requiring a change to the process	Changes to the Process	Artefact / Tools
2.2.1	Audit is scheduled with the branch operator.	The audit is scheduled by a general Post Office administrative team. There are long lead times between identifying the requirement for an audit and scheduling an audit.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators.	A new team (Caseworker Team) has been set up to administer the end to end audit process, which will ensure accurate, consolidated information is maintained at an individual case level. This team will take on the responsibility of scheduling audits which will result in less lead time between a risk being identified and the branch having an audit, as well as improved	<i>004 Casework Team Leader JD</i>  004 Casework Team Leader JD <i>005 Case Management Tracker User Guide</i>  005 Case Management Tracker

				prioritisation.	
2.2.2	Auditor receives email notification of scheduled audit and Audit Rationale Document (new), which details the reason for the audit.	There was no documented initial rationale for conducting an audit that could be easily shared with the branch operator.	See 2.1.3.	See 2.1.3.	See 2.1.3.
2.2.3	A specialised audit team are deployed to carry out the audit.	1. The audit team provided both audits and (re)training. 2. The minimum number of auditors that could be sent to carry out an audit was one. 3. Auditors are not officially accredited.	New contractual terms have been implied, requiring Post Office: - to provide adequate training and support to branch operators; - to take reasonable care in performing its functions and/or exercising its functions within the relationship; and - properly, fully and fairly to investigate any alleged or apparent shortfalls.	1. The teams have been split to support the delivery of more specialised capability and to allow the teams to concentrate on giving the branch operator the best standards of either training or audit. 2. All audits are now scheduled with at least two auditors required to attend, in order to, improve quality of audits. 3. Recommendation being formulated that auditors should obtain an audit accreditation.	<i>006 Audit and Training Team Restructure</i>  006 Audit and Training Team Restructure
2.2.4	Auditor reviews information on the Audit Rationale Document and views	The scheduling information includes a line on the reason for audit.	New contractual terms have been implied, requiring Post Office:	The Auditor now has the full Audit Rationale Document to give them information about the	See 2.1.2 and 2.1.3.

	the Branch Insight Tool (new) for the most up to date situation.		- to take reasonable care in performing its functions and/or exercising its functions within the relationship; and - properly, fully and fairly to investigate any alleged or apparent shortfalls.	reason for audit and the Branch Insights Tool has been created to give a snapshot of key indicators of the way a branch is operating (cash declarations, calls to Branch Support etc.)	
2.2.5	The audit is logged into a case management tracker, which is used to manage all live cases and allow easy communication of progress to branch operators.	Limited overall visibility of open audit cases for these to be managed effectively internally and to manage expectations with branch operators.	New contractual terms have been implied, requiring Post Office: - to take reasonable care in performing its functions and/or exercising its functions within the relationship; and - properly, fully and fairly to investigate any alleged or apparent shortfalls.	An interim case management solution has been established with a workflow and tracker to give one single view of progress to all teams, enabling the surfacing of process delays and simple reporting to drive improvements. Future improvement is planned for delivery as part of FY19/20 Operations Transformation portfolio: 1. New case management function to be established, including dedicated team and	N/A

				improved tooling.	
2.2.6	The audit team arrive on site. Auditor sends a text message to the designated Contract Advisor to confirm they have arrived.	A text message is sent to Contract Advisor.	N/A	No change.	N/A
2.2.7	The reason for audit is communicated to the branch operator upon arrival.	No reason for audit was given to the branch operator.	New contractual terms have been implied, requiring Post Office: - not to exercise any discretion arbitrarily, capriciously, or unreasonably; and - to exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence. Post Office was criticised in the Judgment for a "culture of secrecy" and "excessive confidentiality". To address this, Post Office should be more	The Reason for Audit script ensures that the Operator is fully informed of the reason for the audit. The script is created with a view to being open with the Operator. It includes: giving them the chance to attend if they are not in the branch; explaining all the audit steps; offering the opportunity to accompany the auditor throughout the audit; explaining the full reasons for the audit being arranged.	<i>007 Reason for Audit Script (under review)</i>  007 Reason for Audit Script

			open and transparent with branch operators.		
2.2.8	If the Operator is not present, the Auditor will invite the person in charge to contact the Operator and give them a reasonable amount of time to arrive.	The audit begins as soon as the auditor has introduced themselves.	A new contractual term have been implied, requiring Post Office to act in good faith towards the branch operator.	The auditor will invite the person in charge to contact the Operator if not present, to allow them to travel to the branch and attend the audit within reasonable timescales.	
2.2.9	Auditor will explain in advance the steps of the audit. The audit is conducted following a set procedure as per Knowledge Base manual.	1. The audit carried out could either be a full ("Tier 2") audit with all cash, currencies and stock counted, or a light touch version of this that would count only cash and main currencies. 2. Regular reviews of Knowledge Centre Audit manual. 3. A review of the current Quality Assurance process was conducted and concluded improvements were required.	New contractual terms have been implied, requiring Post Office: - to take reasonable care in performing its functions and/or exercising its functions within the relationship; - properly, fully and fairly to investigate any alleged or apparent shortfalls; - not to exercise any discretion arbitrarily, capriciously, or unreasonably; and to exercise any discretion in	1. All audits carried out are now full ("Tier 2") audits to enable consistency and transparency. 2. Full review of Audit Chapters being carried out. 3. In order to ensure that the Audit Team provide a quality service to the business and other stakeholders, we are designing and overseeing a robust Quality Assurance process.	<i>008 Audit Chapters 03 and 03a (under review)</i>  008 Audit Chapters 03 and 03a

			accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence.		
2.2.10	During an audit, a reconciliation of funds is conducted between the actual cash, currency and stock in branch and the previous day declarations of cash, currency and stock.	There is a count sheet to record cash, currency and stock and the branch operator is asked to do an independent count of cash and currency to verify findings.	A new contractual term has been implied, requiring Post Office to co-operate in seeking to identify the possible or likely causes of any apparent shortfalls and/or whether or not there was any shortfall.	The count sheets have been updated to contain a declaration for the Operator/OIC to sign to say they have been given the opportunity to verify the findings and have declined (if they have done so).	N/A
2.2.11	Once the audit is complete, the auditor advises the branch operator that the audit has been completed and advises on the findings. If the variance is less than £1,000 no further action is taken and the closing script is read to the branch operator.	The auditor holds a simple meeting to advise the branch operator what had been found.	New contractual terms have been implied, requiring Post Office: - to exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence; and - provide adequate training and	The closing script ensures that the branch operator is fully informed at the end of the audit. The script is created to ensure that the Operator has all the information they require and are encouraged to ask questions and give feedback. It includes: giving the branch operator the chance to verify the Auditor's findings; allowing the Auditor to go through the findings in detail;	<i>009 Auditor Closing Script (under review)</i>  009 Auditor Closing Script

			- support to branch operators.	explaining next steps and any training or support interventions.	
2.2.12	A full record of the closing script will be made, including any questions asked and responses given.	No standardised record was made of the conversation or questions asked/ actions agreed.	A new contractual term has been implied, requiring Post Office to exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence.	The Audit Reporting Tool, which captures the audit findings, will be updated to include a place to record all questions asked and answered, suggestions made and actions agreed at the end of the audit.	N/A
2.2.13	If the audit finds that there is a negative variance of more than £1,000 between the cash in hand and the cash amount shown on the system, the auditor contacts the contract advisor for a decision on suspension. Refer to 3. Suspensions.	If the variance is over £1,000, the auditor contacts the contract advisor for a decision on suspension.	Refer to 3. Suspensions	No change.	N/A
2.2.14	If the audit finds a negative variance of more than £5,000 the Auditor will also contact the Security Advisor for advice on how to proceed.	If there is a negative variance of more than £5,000 the Auditor will also contact the Security Advisor for advice on how to proceed.	Refer to 3. Suspensions.	No change.	N/A

	Refer to 3. Suspensions.				
2.2.15	If a precautionary suspension has been implemented, the auditor secures the branch (unless an immediate temporary operator is available in which case see 2.2.15a).	Follow the 'Closure' instructions to include: 1. Changing the safe codes and making sure that all other users are deleted. (for keyless safes) 2. Taking all safe keys and using a tamper evident safe seal if spare keys are not available 3. Changing the alarm codes 4. Removing all users from Horizon online	N/A	No change	<i>010 Document outlining closure steps</i>  010 Document outlining closure steps
2.2.15 a	If a temporary operator (temp) is immediately available and the branch operator agrees to the branch being operated by a temp, a "transfer to temp" audit would take place confirming all PO assets that are being taken over by the appointed temp.	Carry out "Transfer to Temp" Audit.	N/A	No change.	N/A

2.2.16	Complete Audit report and send to branch operator within 2 working days.	Complete Audit report and send to branch operator within 2 working days.	N/A	No change.	N/A
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2.3 Investigation

Ref	End to end process (chronological)	Current / pre-Judgment process	Common Issues Judgment Requirements / Impacts requiring a change to the process	Changes to the Process	Artefact / Tools
2.3.1	Branch operator is unable to find the reason for a discrepancy in their cash balancing.	Branch operator contacts Branch Support (NBSC) and they will talk the branch operator through some balancing steps to help them check for the discrepancy reason. Unresolved discrepancies are sent to Support Services Resolution Team.	New contractual terms have been implied, requiring Post Office: - to co-operate in seeking to identify the possible or likely causes of any apparent shortfalls and/or whether or not there was any shortfall; - to seek to identify such causes itself;	1. All advisors at Branch Support (NBSC) now have a checklist to use that will assist them in helping the branch operator to find the discrepancy reason. 2. A Tier 2 escalation team has been created that can investigate branch discrepancies, giving a greater source of support for unknown losses in branch. Tier 2 can put in place interventions such as training, if required. Unresolved discrepancies are sent	<i>Since Tier 2 support was set up on 1st April, the statistics for case volumes and outcomes are as follows (correct as of 28th June 2019)</i> • Cases received – 311 • Cases resolved 263 • In progress - 47 • Cases escalated to other department 9 (6 to SSRT and 2 to NSAT and 1 to IT) <i>011 Branch Support Tier 1 and Tier 2 Discrepancy Checklist</i>

			- to disclose possible causes of apparent or alleged shortfalls candidly, fully and frankly; - to make reasonable enquiry, undertake reasonable analysis and even-handed investigation, and give fair consideration to the facts and information available as to the possible causes of the appearance of alleged apparent shortfalls (and the cause thereof); - properly, fully and fairly to investigate any alleged or apparent shortfalls; and - to provide adequate training and support to	3. to Support Services Resolution Team. Future improvement planned for delivery as part of FY19/20 Operations Transformation portfolio: We are working toward being able to give Tier 2 visibility of all IT issues, including any Horizon impacts, so that they are able to rule out any IT issues as a cause for the discrepancy.	 011 Branch Support Tier 1 and Tier 2 Disc
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			- branch operators.		
2.3.2	A Branch Discrepancy from Branch Support Tier 2 (refer to 2.3.1) or a Transaction Correction from the Disputes team is received for further investigation by the Support Services Resolution Team.	Support Services Resolution Team (SSRT) investigate escalated disputes and discrepancies with 80% of investigations taking 4 weeks.	A new contractual term has been implied requiring Post Office to exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence.	To reduce investigation time, and subsequently suspension length, the Branch Analysis Review Tool has been created, offering a summary of data in one place - a light touch investigative tool to speed up lead times. Future improvement planned for delivery as part of FY19/20 Operations Transformation portfolio: 1. Review SSRT ways of working to enable simple, transparent and regular updates to branch operators.	<i>012 Branch Analysis Review Tool</i>  012 Branch Analysis Review Tool
2.3.3	The Support Services Resolution Team carries out a full investigation and creates a report to be fed back to the requestor and then onto the	Investigation reports are completed on a complex form that is not easily understood and cannot be shared with branch operators.	A new contractual term has been implied, requiring Post Office to exercise any discretion in accordance with the obligations of good faith, fair dealing,	Review of feedback form in progress to allow for a simplified version to be shared with branch operators.	N/A

	branch.		transparency, co-operation and trust and confidence.		
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2.4 Loss Recovery

Ref	End to end process (chronological)	Current / pre-Judgment process	Common Issues Judgment Requirements / Impacts requiring a change to the process	Changes to the Process	Artefact / Tools
2.4.1	If a negative variance is registered on the system after the branch has completed their branch trading statement, the recovery process begins.	A former agent team in the financial service centre will begin a recovery process. Loss recovery function managed as part of Financial Service Centre and not integrated with other loss prevention and identification functions, resulting in limited end to end	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators.	The loss recovery function has been moved to sit within the new loss prevention structure, resulting in improved efficiency and end to end visibility of cases.	<i>013 Loss Prevention Restructure Announcement</i>  013 Loss Prevention Restructure Announ

		visibility of cases.			
2.4.2	A negative variance is registered following an audit where the branch operator has been suspended, or where a closing audit has taken place following the closure of a branch, the recovery process begins.	A former agent team in the financial service centre will begin a recovery process. The loss recovery function managed as part of Financial Service Centre and not integrated with other loss prevention and identification functions, resulting in limited end to end visibility of cases.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators.	The loss recovery function has been moved to sit within the new loss prevention structure, resulting in improved efficiency and end to end visibility of cases.	See 2.4.1
2.4.3	Recovery letters are sent to the branch operator.	(1) Current branch operators receive two recovery letters, one sent the Monday after the trading period and the next 6 days later, if not paid. Former and suspended branch operators receive one letter within 3 days of suspension. If there is a guarantor, they will receive a letter, if no response from the branch operator. (2) If still not recovered, a debt	Post Office is criticised in the Judgment for a "oppressive" behaviour. A new contractual term has been implied, preventing Post Office seeking recovery of any alleged shortfall from the branch operator unless and until Post Office has: (i) complied with its new implied duties; (ii) established that the alleged shortfall	1. The letters are being reviewed, having been rewritten in a more supportive tone, giving clear ways to pay, and a visible route to disputing a shortfall, including email and telephone direct contact details. 2. The Letter Before Action is no longer sent.	<i>014 Recovery Letters (under review)</i>  014 Recovery Letters

		recovery agency is used to send a Letter Before Action	represents a genuine loss to Post Office; and (iii) carried out a reasonable and fair investigation as to the cause and reason for the alleged shortfall and whether it was properly attributed to the branch operator.		
2.4.4	If there is no response to the letters sent, and the branch operator is a current operator, they will receive phone calls. There are 2 calls for amounts less than £1,000 and 4 calls for amounts over £1,000.	No call handling system in place to record and manage branch operator calls on loss recovery.	A new contractual term has been implied, requiring Post Office to act in good faith towards branch operators.	A call handling system is now in place in the Financial Service Centre and is being used for outbound calls, increasing visibility of calls and enabling call reporting.	N/A
2.4.5	For current branch operators only, if there is no response, the loss recovery process continues.	Once two recovery letters had been sent to a current branch operator, and either 2 or 4 phone calls made (depending on the shortfall amount), a forced deduction would be arranged and the	A new contractual term has been implied, preventing Post Office seeking recovery of any alleged shortfall from the branch operator unless and until Post Office has:	Forced deductions have been on hold since 15 th March. This is a key outstanding piece of work. Post Office are currently considering whether, and in what circumstances, forced	

		shortfall would be deducted from the branch operator's remuneration.	(i) complied with its new implied duties; (ii) established that the alleged shortfall represents a genuine loss to Post Office; and (iii) carried out a reasonable and fair investigation as to the cause and reason for the alleged shortfall and whether it was properly attributed to the branch operator.	deductions can be reinstated. If the decision is made to reinstate, then the process and associated artefacts will be reviewed.	
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3.5 Transaction queries/disputes

Ref	End to end process (chronological)	Current / pre-Judgment process	Common Issues Judgment Requirements / Impacts requiring a change to the process	Changes to the Process	Artefact / Tools
2.5.1	A Transaction Correction is issued to a Branch.	The content of the communication for branch operators on the reasons for Transaction Corrections included inconsistent and confusing wording.	A new contractual term has been implied, requiring Post Office to exercise any discretion in accordance with the obligations of good faith, fair dealing,	All Transaction Correction narratives have been rewritten and simplified, so that the branch operator can clearly understand POL's position and instructions. An accompanying letter to	<i>015 Top 10 TC Narrative Review</i>  015 Top 10 Narrative Review

			transparency, co-operation and trust and confidence.	send with Transaction Correction evidence when sent to branch has been created.	
2.5.2	A branch operator wishes to get information on a Transaction Correction issue that they have been notified about.	The Transaction Correction contains a contact number for the Financial Service Centre. The branch operator will call the Financial Service Centre and they should be able to provide information and evidence to the branch explaining the reason for the Transaction Correction.	N/A	No change, but the new Disputes Team is an added escalation point. <i>Refer to 2.35.5/6/7</i>	
2.5.3	A branch operator wishes to dispute a Transaction Correction issue that they have been notified about.	The branch operator calls Branch Support (NBSC) and they would pass on the query to the Financial Service Centre.	A new contractual term has been implied, requiring Post Office to exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence.	A new team has been set up to handle disputes relating to Transaction Corrections.	
2.5.4	A branch operator receives a loss	The branch operator calls Branch Support	A new contractual term has been	A new team has been set up to handle disputes	

	recovery letter and wishes to dispute the Transaction Correction variance.	(NBSC) and they pass on the query to the Agent Accounting Team.	implied, requiring Post Office to exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence.	relating to Transaction Corrections (see 2.5.5).	
2.5.5	Disputes team receives disputed Transaction Correction.	No previous process.	A new contractual term has been implied, requiring Post Office to exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence.	An acknowledgement letter is sent.	<i>016 Dispute Holding Letters</i>  016 Dispute Holding Letters
2.5.6	Disputes team investigates and resolves disputed Transaction Correction.	No previous process.	New contractual terms have been implied, requiring Post Office: - to co-operate in seeking to identify the possible or likely causes of any apparent shortfalls and/or whether or not there was any shortfall;	Disputes Team provides evidence to the branch.	

			- to seek to identify such causes itself; - to disclose possible causes of apparent or alleged shortfalls candidly, fully and frankly; - to make reasonable enquiry, undertake reasonable analysis and even-handed investigation, and give fair consideration to the facts and information available as to the possible causes of the appearance of alleged apparent shortfalls (and the cause thereof); - properly, fully and fairly to investigate any alleged or apparent shortfalls.		

2.5. 7	Disputes Team is unable to resolve disputed Transaction Correction.	No previous process.	New contractual terms have been implied, requiring Post Office: - to co-operate in seeking to identify the possible or likely causes of any apparent shortfalls and/or whether or not there was any shortfall; - to seek to identify such causes itself; - to disclose possible causes of apparent or alleged shortfalls candidly, fully and frankly; - to make reasonable enquiry, undertake reasonable analysis and even-handed investigation, and give fair consideration to the facts and information available as to the	The dispute is escalated to the Support Services Resolution Team (SSRT) <i>Refer to 2.3 Investigations</i>	
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			- possible causes of the appearance of alleged apparent shortfalls (and the cause thereof); - properly, fully and fairly to investigate any alleged or apparent shortfalls.		
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3. Suspension

Ref	End to end process (chronological)	Current / pre-Judgment process	Common Issues Judgment Requirements / Impacts requiring a	Changes to the Process	Artefact / Tools

			change to the process		
3.1	A potential reason for suspension is identified.	a. Contract Advisor (CA) is contacted by Audit Advisor on day of audit if there is a negative variance of more than £1,000 b. CA becomes aware of a branch operator losing their valid property interest and an audit takes place c. CA becomes aware that the branch operator has been arrested, charged, or is being investigated by the Police and an audit takes place d. CA becomes aware that civil proceedings are being brought against the branch operator and an audit	N/A	No change	N/A

		e. takes place f. CA becomes aware that the branch operator is impacted under the Insolvency Act and an audit takes place.			
3.2	CA obtains and reviews relevant information.	CA speaks to the branch operator to obtain further information, if necessary. CA reviews information provided by auditor, along with any other relevant information relating to the audit reason (i.e. Companies House website for bankruptcy, Landlord information for loss of property interest etc.) If the branch operator admits to criminal activity, no further questions are asked relating to the suspected offence and the	Post Office was criticised in the Judgment for a "culture of secrecy" and "excessive confidentiality". To address this, Post Office should be more open and transparent with branch operators.	New guidance and example script introduced to assist the CA in conducting its discussion with the branch operator regarding a variance found at audit in an open and transparent manner. This document also prescribes how the CA should perform the suspension notification by telephone.	<i>017 Suspension Script (under review)</i>  017 Suspension Script

		matter is referred to an Investigations Manager.			
3.3	Make decision whether to suspend or not.	CA liaises with Agent Contract Deployment Manager (ACDM) to reach a decision. CA completes Suspension or Non-suspension Rationale Document and send to ACDM.	A new contractual term has been implied, meaning that Post Office cannot suspend: (i) arbitrarily, irrationally or capriciously; (ii) without reasonable and proper cause; and/or (iii) in circumstances where Post Office was itself in material breach of duty in respect of matters which Post Office considered gave it the right to suspend.	The Suspension or Non-suspension Rationale Document has been reviewed and is the process of being updated so that Post Office can record and evidence its decision against these criteria in the Judgment.	<i>018 Suspension or Non-Suspension Rationale Document</i>  018 Suspension or Non-Suspension Ra
3.4	Communicate suspension outcome to branch operator.	CA speaks to the branch operator. If the branch operator admits to criminal activity, the matter is referred to an Investigations Manager.	Post Office was criticised in the Judgment for a "culture of secrecy" and "excessive confidentiality". To address this, Post Office should be more open and transparent with branch operators.	New guidance and example script introduced to assist the CA in its discussion with the branch operator regarding a variance found at audit in an open and transparent manner.	See 3.2

3.5	Implement the suspension.	Suspension letter issued to branch operator within 2 days. Previously Post Office withheld remuneration during suspension. Suspension email sent to all stakeholders (asap and within 24hrs). Temporary operator put in place if agreed with the branch operator. Branch is de-funded if no temp is available.	Post Office was criticised in the Judgment for a "culture of secrecy" and "excessive confidentiality". To address this, Post Office should be more open and transparent with branch operators. Post Office's previous policies deployed in parallel with suspension were also criticised in the Judgment. To address this, Post Office should not deny the branch operator access to copies of information and records if requested, unless justified (eg for data protection reasons). Post Office's contractual right to withhold remuneration during suspension has been struck down.	The suspension letter wording has been revised to include the reason for the suspension, to cross refer to the audit report (which is sent separately) and to confirm that the branch operator will continue to receive remuneration whilst suspended. The 'tone of voice' of the letter has also changed. Branch operators are now paid during the period of suspension. This is based on average remuneration during the 6 months' prior to suspension.	<i>019 Suspension Notification letters</i>  019 Suspension Notification letters
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4. Termination

Ref	End to end process (chronological)	Current / pre-Judgment	Common Issues Judgment	Changes to the Process	Artefact / Tools
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		process	Requirements / Impacts requiring a change to the process		
4.1	If the branch operator is suspended, CA reviews information on which decision to suspend was taken, to determine next steps.	CA reviews the Suspension or Non-suspension Rationale Document and any other information provided by auditor and/or the CA that completed the Suspension or Non-suspension Rationale Document.	N/A	N/A	See 3.3
4.2	If CA determines that continued suspension is not necessary, the branch operator is reinstated.	Decision to re-instate is documented.	N/A	No change.	
4.3	If the branch operator is not already suspended, the branch operator is advised of the alleged breach.	A "notification of investigation" letter is sent.	N/A	No Change.	
4.4	If CA determines there is evidence of potential criminality, CA informs the Security team, or advises the branch	Security or police will investigate and carry out an interview under the Police and Criminal Evidence Act	N/A	No Change.	

	operator to report to the police, if the matter relates to one of the branch operator's staff.	(PACE). Prosecutions are currently on hold.			
4.5	CA continues investigation and Conduct meeting with branch operator (if required) and investigation.	If the branch operator is appointed under a traditional form of contract, they are issued with a letter setting out details of the contract breach ("charge letter") and a meeting with the branch operator ("Reason to Urge" (RTU)) is held. If the branch operator is appointed under an NT (Local or Mains) form of contract, CA decides whether to hold informal meeting with the branch operator.	Post Office is criticised in the Judgment for an "oppressive" behaviour. N/A	Traditional contracts: The source of the terminology used to describe the letter and meeting ("charge letter" and "Reason to Urge") was investigated and it was confirmed that the use has been historical and not contractual. We are in the process of changing these terms so that they do not infer a criminal process. The meeting will be arranged by telephone and followed up by a letter, in order to speed the process. NT (Locals or Mains) contracts: No change.	
4.6	Further investigations	The Support	A new contractual term	The SSRT team's	

	carried out as required following any meeting.	Services Resolution Team (SSRT) may be contacted to carry out further investigation.	has been implied requiring Post Office to act in good faith towards branch operators.	priorities and workload in the SSRT team is under review to ensure cases are prioritised appropriately and investigated swiftly in order to bring the final decision to the branch operator as swiftly as possible.	
4.7	Make decision whether to terminate or not.	CA makes a recommendation and completes a Conduct Case Decision document setting out the rationale for the recommendation. The recommendation is reviewed by the ACDM and a decision made.	New contractual terms have been implied, requiring that: - Post Office cannot terminate: (i) arbitrarily, irrationally or capriciously; (ii) without reasonable and proper cause; and/or (iii) in circumstances where Post Office was itself in material breach of duty in respect of matters which Post Office considered gave it the right to terminate; - Post Office is only entitled to terminate immediately for breach of contract where the branch operator has	The Conduct Case Decision Document is being reviewed and will be updated so that Post Office can record and evidence its decision against these criteria in the Judgment.	

			- committed a fundamental ("repudiatory") breach, or in the case of certain specified breaches listed in the NTC contracts; - If terminating on notice, the notice period provided must be set in line with Post Office's duty to act in good faith, which means that it may be required to offer more than the minimum notice period.		
4.8	Communicate termination or reinstatement decision to branch operator.	Letter sent to the branch operator. If appointed under a traditional form of contract, the branch operator is notified of the right to appeal.	In response to criticisms in the Judgment, communications with branch operators should be open and transparent.	The template termination letters are to be reviewed and amended if necessary in light of the Judgment.	
4.9	Respond to any request for an appeal (traditional forms of contract only).	The decision to terminate is reviewed by an Appeal Manager. Branch operator may be re-instated	N/A	No change.	

		at this point, or Post Office proceeds with decision to terminate.			
4.1 0	Stakeholders notified of termination.	If the termination is as a result of finding a negative cash variance, the Loss Recovery team is notified (see 2.4.3).	N/A	No change.	
4.1 0	Confirm termination decision if appealed (traditional forms of contract only) and notify branch operator of next steps.	Letter issued to branch operator ("consequences of termination letter" / "letter 2D"). If the termination is being carried out "on notice" rather than immediately for breach, the branch operator may be reinstated to work through the notice period.	In response to criticisms in the Judgment, communications with branch operators should be open and transparent.	The template letters are to be reviewed and amended if necessary in light of the Judgment.	
4.1 1	Complete case summary.	All relevant documents are embedded and uploaded to branch record in	N/A	No change	

		SharePoint.			
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