

Royal Mail Group**Witness Statement**

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

Statement of **Andrew Bayfield**

Age if under 18 **Over 18** (If over 18 insert 'over 18')

This statement (consisting of nine (9) pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated **3rd** **day of** **February** **2010**
the

Signature

I am employed as a Network Support Manager for Post Office® Ltd and have been so employed since December 1978 and since June 2007 in this specific role.. (My role as Network Support Manager is to manage the training and audit team for Post Office Ltd, this team consists of over 150 people who deliver induction training and on site support to new staff and subpostmasters, from the foundation course in classroom to more specialist sales and product training, my team also deliver all on site support to new subpostmasters this is 6 days of on site support when first taking ownership of the post office branch and also includes a detailed transfer of branch accounts and a follow up support office balance on the Wednesday following the completion of the sixth day of on site support. I have been involved with the use and training of the horizon system since it was first used in Post Office Ltd this is now over 11 years of use. I regularly work in a live counter environment to ensure I maintain my operating skills and I regularly visit my team when either in

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GS011 (Side A)

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Version 5.0 05/07

NOTE: This side B to be completed only when the original statement is overleaf. When this form is used to make a copy of a statement side B is to be left blank.

Address GRO

GRO

Home telephone No: GRO Business telephone No: GRO

Occupation: Post Office Manager Date and place of birth: GRO

Maiden name.: N/A Identity code: _____

Dates to be avoided. Delete dates of non availability of witness

Month of: March 2010							Month of: April 2010							Month of: May 2010						
1	2	3	4	5	6	7	1	2	3	4	5	6	7							
8	9	10	11	12	13	14	8	9	10	11	12	13	14							
15	16	17	18	19	20	21								15	16	17	18	19	20	21
22	23	24	25	26	27	28								22	23	24	25	26	27	28
29	30	31												29	30	31				

Month of: June 2010							Month of: July 2010							Month of: August 2010						
1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14
15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21
22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28
29	30	31					29	30	31					29	30	31				

Contact point, if different from above: _____

Address: _____

Telephone No: _____

STATEMENT TAKEN BY (print name) Jon Longman

Office Investigation Dept,
Watford MLO,
Ascot Road,
Watford,
WD18 8AA.

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

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classroom or on site to ensure that I see how they operate. I have been a senior manager within frontline Post Office operational teams since 1993 and have a lot of experience of branch operations in all types of Post offices.

I have been asked by Jon Longman a Post Office® Security Advisor, to examine the 2nd Interim Technical expert's report to the Court prepared by Charles Alastair McLachlan and where applicable reply to any points raised.

The following responses that I have given are based purely on the knowledge that I have gained of the Horizon system through the various roles I have performed.

I will list the points raised from Mr McLachlan in italics and then show my responses to each question immediately below.

Q 2.1.3.6 - The post mistress used to receive discrepancy reports generated by the Post Office identifying when there was a mismatch between the counter credit recorded at the counter and the cleared cheque or debit card amounts reported to them by their correspondent banks or card merchant provider. She no longer receives these and concludes that the Post Office function that provided this service is non-operational or insufficiently staffed to properly reconcile all of the discrepancies. These discrepancies, if left unresolved, could create a liability for the sub postmistress.

A 2.1.3.6 - Where declared transactions by the branch disagree with data provided by the client then evidence is provided to support the issuing of a transaction correction, this

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information and evidence is sent to the branch for "corrective action and bringing to account". The subpostmaster has the right to challenge any Transaction Correction(TC) but they need to provide counter evidence to support their challenge. If this evidence is not provided then the TC must be brought to account. I cannot offer any explanation for why the branch is seeing fewer of these other than they are correctly transacting all counter transactions.

Q 2.2.1.2 - It was clear that there is no standard operating procedure to reconcile counter credits with the actual amounts recorded. This could give rise to a range of discrepancies which the sub post mistress would rely on the Post Office to identify and reconcile. If the Post Office failed to do so then overstated amounts could give rise to a deficit at the sub post office which the sub post mistress would be required to make good with cash.

A 2.2.1.2 - There is a standard operating process and the Branch Trading Statement produced will provide a branch balance if all transactions have been processed correctly at the counter. The subpostmaster is trained to and should produce daily/weekly reports to ensure that the office balances the accounts correctly. If followed and routine checks are done by the subpostmaster then the branch will balance its account and no corrections will be issued.

Q 2.2.2.1 - The West Byfleet sub post office is set up to operate with each counter having a separate stock. Although this assists with stock control and ensures that stock discrepancies can be localised, it does not provide any assistance in management of discrepancies in debit/POCA receipts (no vouchers are automatically printed) or Accounts Payable and counter credit discrepancies (standard operating procedures do not reconcile these on a daily basis).

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A 2.2.2.1 - Any Post Office branch that is set up with individual stock units can clearly identify where errors were produced and thus who is accountable for them. Transaction reports are available on all transactions per stock unit, these reports can be produced by time period, by product or transaction, this linked to correct use of Horizon ID Log ons and passwords enable the subpostmaster to prove who did what, where, and when. Thus ensuring accountability for the person logged on to that particular stock unit.

Q 2.2.3.3. - He agreed that the Horizon system provided no paper record of debit/POCA vouchers and therefore that a sub postmaster/mistress would not be able to produce any evidence that a customer had received a receipt for a debit/POCA transaction.

A 2.2.3.3. - A paper receipt is not produced for a debit/POCA transaction for retention by the Post Office® at the time of the transaction. However, a transaction log can be printed at any time if so required by the subpostmistress to show the payment details of any debit/POCA transactions.

Q 3.2.1 - The User Interface gives rise to incorrect data entry: poor user experience design and inadequately user experience testing can give rise to poor data entry quality. In cases that users are working under pressure, insufficiently trained or are using a system presented in a language different from their first language the problems of data entry can be exacerbated.

A 3.2.1- Entering the right information either by scanning, bar coding or via manual entry is

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no more prone to incorrect entry than any other system. The screen prompts the clerk what to do and show whether there is a requirement to take payment from the customer or to give payment to the customer. The responsibility for recruitment and training of subpostmaster staff is clearly identified within their contract, so any issues above are for the subpostmaster to have resolved.

Q 4.1.1 - The first problem with the provision of evidence is that the Horizon system does not automatically provide a paper voucher for retention at the post office counter when funds are withdrawn using a debit card or Post Office Cash Account card. Therefore the sub post office has no mechanism for reconciling the result of downstream processing by the Horizon system and the Post Office with what occurred at the sub post office counter either at the time or when discrepancies are identified at the end of the weekly trading period. In effect, the Horizon system makes it impossible for the sub post office to demonstrate an error occurred in the downstream processing.

A 4.1.1 - Transaction logs are available for all transactions undertaken as stated earlier. Comparisons can then be examined should a transaction correction be forwarded to the branch for reconciling.

Q 4.1.2 - The second problem with the provision of evidence is that the Horizon system does not automatically provide a paper voucher for retention at the post office counter when funds are credited to the sub post office account as part of a bill payment (Accounts Payable) as a result of a withdrawal using a debit card or Post Office Cash Account card. Therefore the sub post office has no mechanism for reconciling the result of downstream processing by the

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Horizon system and the Post Office with what occurred at the sub post office counter either at the time or when discrepancies are identified at the end of the weekly trading period. In effect, the Horizon system makes it impossible for the sub post office to demonstrate an error occurred in the downstream processing.

A 4.1.2 - Why would a piece of paper be evidence that down stream processing has occurred correctly, a piece of paper produced would only show what was on the screen, the clerk sees this and the customer gets a receipt for their transaction. If as is being suggested that a problem occurs in the down stream processing, then a piece of paper adds no value to this in terms of identifying an issue.

Q 4.1.3 - The third problem with the provision of evidence is that the standard operating procedure for post office counter clerks does not include the reconciliation of bill payment or counter credit slips with the individual amounts recorded by the counter clerk onto Horizon. In effect, this standard operation procedure makes it impossible for the sub post office to identify any failures by the Post Office or the Horizon system in identifying or dealing with discrepancies arising from incorrect data entry.

A 4.1.3 -On these types of transaction a customer tells the clerk what they want, the clerk transacts either via a swipe card or bar code scanning. The amount due for tender is requested and the customer gets a receipt for what they have transacted and the branch has this transaction on its transaction log. Should errors have occurred the customer receipt and the branch transaction log can prove what was done, at what time and by whom.

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Q 4.2.1 - The sub post office staff are not properly trained in the use of the Horizon system.

A 4.2.1 - We train the subpostmaster, it is their responsibility (contractually indicated to them when appointed) to train their staff in the correct use of the horizon system.

Q 4.2.2 - In order to understand to what extent sub post office staff are trained in the necessary operating procedures, it would be necessary to review the course material provided for counter staff and sub post masters/mistresses and to review the training and assessment processes implemented by the Post Office. Finally, it would be necessary to review to what extent the necessary operating procedures could feasibly be adopted and were in fact adopted in general operating practice and in the case of Seema Misra in particular.

A 4.2.2 - We have a standard training course that covers the basics of Post Office branch operations, we also provide on site support when first in post. We have a definitive operations manual in all branches. We have a helpline that subpostmasters can call. We have in many branches (West Byfleet included) a Business Development Manager (area manager in simple terms) who is regularly in branch helping and coaching the whole team in operations and sales procedures, all of this is designed to ensure understanding and competency.

We regularly review course content and suitability, our trainers are regularly assessed by

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their line manager on their competency to deliver training.

Q 4.2.3 - In order to identify whether Horizon system training is a possible cause, it would be necessary in the first instance to sit alongside a user operating in normal Post Office conditions that had only recently completed the standard systems training and who represented the kind of user engaged by the Defendant.

A 4.2.3 - We do not train assistants, we train the subpostmaster who is then responsible for the ongoing training of their staff, this is a spurious request and one that would add no value as again we train subpostmasters who are contractually responsible for Post Office assets and are well aware of this.

Q 4.2.4 - If there is a pattern of incorrect data entry then it would be necessary to conduct a detailed examination of the kinds of incorrect data entry that occur and the implications for failure of accounting.

A 4.2.4 - Not at all sure how ones recognises patterns of incorrect data entry. As stated at the beginning, any transaction correction issue to a Post Office has evidence with it to support the claim, the subpostmaster can challenge this but must refute the evidence for the challenge to stand.

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