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Keith Baines
IS Service Manager - ICLP
Post Office Counters Limited
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Our Ref: CLS/jla/306

25th October 2001

Dear Keith

Without Prejudice

RE: BIMS Incidents

Further to my letter dated 4th September, I am writing to you with reference to reconciliation exceptions that have been progressed through the agreed BIMS process (Business Incident Management) now that we have received the required information from PON TP.

The incidents in question have set a precedent in their uniqueness and cases of this kind have not been seen before. It is ICL Pathway's view that the standard Manual Error Report (MER) charges are not necessarily applicable in these circumstances and as a result these incidents have been put to 'Case Law', to enable both parties to agree a way forward for any future occurrences and subsequent charges.

The following briefly summarises the cases currently outstanding together with ICL Pathway's proposal for settlement of charges applicable depending on whether the final responsibility for the error lies with ICL Pathway or Post Office Limited.

Case Law 2:

Transaction sent from ICL Pathway to POCL TIP with an unknown transaction mode as per mode parameters.

ICL Pathway response:

As there was neither a resultant transaction error nor inaccurate cash account no payment by ICL Pathway is considered appropriate for this incident.

Case Law 3:

An APT transaction completed prior to migration within an ECCO environment which subsequently needed 'recovery' action due to a failure within ECCO, could not be transferred into the Horizon system using MIECCO. This caused a 'receipts and payments' misbalance within the first Cash Account produced after migration.

ICL Pathway response:

The ECCO system design documentation does not state that a user will re-enter transactions on a replacement disk, hence the assumption made that this is part of the ECCO Operations Manual. The responsibility of ICL Pathway is to migrate data that is actually available, therefore no payment by ICL Pathway is considered appropriate for this incident.



Case Law 4 & 5 (related):

The clerk was able to select via PLU (product look up) products 609 – 617. There is no Cash Account mapping for any of these products.

ICL Pathway response:

The offices involved were bypassing the icon selection of Product 21 by using the PLU option via the keyboard and selecting expired products 609 – 617. Had the icon been selected in accordance with the written counter instructions, the transactions would have mapped to the Cash Account correctly and no errors would have occurred. Reference data correctly deleted the expired products from the Cash Account mapping however the Horizon system still allowed selection via the PLU option. We propose that ICL Pathway and Post Office Limited jointly share liability for this group of incidents on a 50 / 50 basis with a payment of **£9,075.00** being made by ICL Pathway

Case Law 6:

Transactions were dropped by the TPS harvester and not forwarded to PON / TIP within the original transaction files. The transactions were subsequently harvested and re-sent to PON / TIP who rejected the files.

ICL Pathway response:

ICL Pathway responded in accordance with the Codified Agreement, para. 3.6.4.1 schedule. G01, and forwarded all transactions to PON / TIP in subsequent transactions files (detail supplied via each BIMS report). No payment by ICL Pathway is considered appropriate for this incident.

Case Law 7:

1. Duplicate AP Transaction

Software errors within the counter system have caused some AP transactions to be duplicated. Both transactions have been sent to PON clients and the appropriate settlement has been made.

2. Missing AP Transaction

Software errors within the counter system have caused some AP transactions to be 'lost'. The customer has queried the non-payment of the bill and produced a valid receipt. No record of the transaction appears within the Horizon system.

ICL Pathway response

No reconciliation error has occurred within PON TIP therefore standard MER charging does not apply. (Please note that following further investigations of this Case Law, that five of the Incidents listed BE0002250287, 0003171301, 0003281187, 0008231352 & 0008302895 have been settled previously & hence have been excluded from the total submitted by PON TP. This has been advised to PON TP).

ICL Pathway will pay £5,156.60 which is equivalent to the sum of the transaction face values of the incidents, on the following basis:

- That settlement between ICL Pathway and Post Office Limited, should be made only for the face value of the transaction that is deemed non recoverable;



- That ICL Pathway would expect that if settlement is made along this basis and should the value be subsequently recovered by Post Office Limited from the client, then this would be refunded to ICL Pathway.
- That ICL Pathway would expect that if a subsequent error is identified within an outlet then this would be refunded to ICL Pathway.

Case Law 8:

A base unit swap out occurred at Criccieth PO FAD: 164604 during December 2000 (Lost transactions for weeks 37 – 41). This office was unable to reconcile for these four cash account weeks until a download of the missing transactions recovered from the faulty base unit had occurred. However, the office has now been left with a discrepancy, which may or may not be attributable to this actual problem.

For cash account weeks 37 – 41, the office produced manual cash accounts that were sent to PON / TIP who has adjusted their accounting systems to reflect the figures contained within these manual accounts. In doing so, the office still appears to carry a discrepancy. After further investigation by ICL Pathway, no other transactions can be isolated.

ICL Pathway response:

ICL Pathway will pay the value of £4,402.03 which is the outstanding discrepancy still showing in CAP 52, as this relates to the end of the financial year and the discrepancy within CAP's 37 – 41 still being evident. ICL Pathway are awaiting advice from PON / TIP as to this actual value.

In relation to the above incident Case Laws and associated settlement proposals, I would be grateful if you would respond advising your acceptance or otherwise at your earliest convenience.

Yours sincerely,

GRO

Colin Lenton-Smith
Director, Commercial and Finance