

Stephen Dilley

From: tony.r.utting [GRO]
Sent: 13 April 2006 14:56
To: Stephen Dilley
Subject: Re: Post Office Limited -v- Mr L. Castleton

Thanks for sight.

Whilst I have a view of what a snapshot i and what it is used for, I am no expert in the system and would suggest that this clarification comes from Fujitsu.

I am not sure if you want us to chase this, if you are already planning to speak with them. Let me know if you want us to chase and we'll do so.

I am no lawyer (and have no wish to become one), but isn't he just rambling?

Regards

Tony Utting

National Investigations Manager
Post Office Ltd
Finance

STD Phone: [GRO] Mobile:
[GRO]
External Email: tony.r.utting [GRO]

"Stephen Dilley"
[GRO] To: <mandy.talbot [GRO]>
<tony.r.utting [GRO]>
[GRO]
<john.h.jones [GRO]>
cc: "Tom Beezer" <Tom.Beezer [GRO]>,
<graham.c.ward [GRO]>
13/04/2006 12:26 <cath.oglesby [GRO]>, <vicky.harrison [GRO]>
Subject: Post Office Limited -v- Mr L. Castleton

Ladies and Gentlemen,

We have serious concerns about the merits of Mr Castleton's Defence and Counterclaim and therefore asked him to provide some more specific details. I attach a copy of our questions and his replies for your information. I have the following comments:

1. Mr Castleton states that he encountered the following problems with the Horizon system;
 - (a) the 2 computer terminals did not communicate with each other properly;

- (b) 1 or other of both terminals tended to freeze, i.e failed to lock up in respond to commands, requiring a re-boot;
- (c) lay of 1 or other of both terminals would go blank before returning to the sale screen;
- (d) electronic swipe card of one or other of both terminals, used to read a customer's payment card, failed to read the card properly;
- (e) the Horizon system "rolled over" cash figures, giving an OHCH figure that was 4 to 5 times as big as the actual cash declaration for the day;
- (f) the Horizon system would "lose" ie failed to record transactions.

Castleton maintains that if the Horizon system missed a transactional piece of information, that would alter the balance recorded on it. For example, if Horizon failed to record a payment out, there will be less actual cash at the branch than the amount of cash recorded on the system. Furthermore, if a cheque paid in is inputted into the Horizon system and the system sends that data off site, but loses the information locally, when Castleton prints a cheque report to be sent with a bundle of cheques to be sent away, the report will not correspond to the number of cheques present.

I will be picking up on these issues separately with NBSC and HSH, but in the meantime would welcome any comments that you have. Tony, in particular may have a view on the above.

2. John, between weeks 42 and 49, Mr Castleton states that he ordered approximately £288,850, in cash. In paragraph 18 of your witness statement, you state that Mr Castleton ordered £305,000 cash. Mr Castleton also denied returning approximately £20,000 to the Post Office (again as per paragraph 18 of your statement). He states that he returned approximately £34,891.28 to the Post Office. Please can I have your comments on this.

3. Tony, you will see from paragraph 2.1 (page 6) to paragraph 2.5 (page 8) what Mr Castleton has to say about the purpose and functionality of a balance snapshot. Please can we review those paragraphs and confirm whether he is correct and if not, why not.

4. Mandy, you will see from paragraph 3 of the replies that Mr Castleton relies on both alleged procedural irregularities and/or wrongful grounds for termination. Significantly, he dodges all the questions which ask him to clarify whether he claims losses beyond the 3 month notice period, to provide documents to evidence the diminution in capital value of the premises and his loss of profits claim. To me, this suggests that his counterclaim is (at least for the moment) weak. That is useful to know before we go into the mediation.

I look forward to hearing from you as soon as possible.

Kind regards,

Stephen Dilley
Solicitor
for and on behalf of Bond Pearce LLP

DDI: [REDACTED] GRO
Main office phone: [REDACTED] GRO
Fax: [REDACTED] GRO
www.bondpearce.com

The information in this e-mail and any attachments are confidential and may be legally privileged and protected by law. The intended recipient only is authorised to access this e-mail and any attachments. If you are not the

intended recipient, please notify the sender as soon as possible and delete any copies. Unauthorised use, dissemination, distribution, publication or copying of this communication is prohibited.

Any files attached to this e-mail will have been checked by us with virus detection software before transmission. You should carry out your own virus checks before opening any attachment. Bond Pearce LLP accepts no liability for any loss or damage which may be caused by software viruses.

Bond Pearce LLP is a Limited Liability Partnership registered in England and Wales number OC311430. Registered Office: Bristol Bridge House, 138-141 Redcliff Street, Bristol, BS1 6BJ.

A list of Members is available from our registered office. Any reference to a Partner in relation to Bond Pearce LLP means a Member of Bond Pearce LLP.

Bond Pearce LLP is regulated by the Law Society.

>>>> eCopy scanned document.pdf attachment was removed from this email
>>>> <<<<

This email and any attachments are confidential and intended for the addressee only. If you are not the named recipient, you must not use, disclose, reproduce, copy or distribute the contents of this communication. If you have received this in error, please contact the sender and then delete this email from your system.
