



Alan Bates

Branch: Craig-y-don Post Office® Branch, 21 Queens Road, Craig-y-don, Llandudno, LL30 1AZ

Dates of service: 7 May 1998 to 5 November 2003

Loss claimed: At least £1,140,000 for loss of investment and earnings until retirement

Contract model: Standard Subpostmasters Contract 1994

Background:

Alan Bates took over the Craig-y-don branch on 7 May 1998. The Horizon system was introduced to the branch in October 2000 as part of its roll out across the Post Office network. Mr Bates claims that he experienced discrepancies fairly regularly following the introduction of Horizon, and that he was unable to find the cause. Some small amounts were written off by Post Office. Mr Bates did not make good any shortfalls. He began rolling over discrepancies at the end of each week instead of making good the shortfalls and resetting the branch to zero as instructed. In April 2003 a Post Office network manager became aware of this. He told Mr Bates to cease this practice and to make good the outstanding loss but Mr Bates did not do so. Post Office warned Mr Bates that failure to keep the accounts as required and not making good losses put his contract at risk. By August 2003 the position had not changed. On 5 August 2003 Post Office terminated Mr Bates' contract by giving him 3 months' notice in accordance with its terms. Mr Bates' final day of service was 5 November 2003. Mr Bates never repaid the loss (£1,000).

Key allegations made:

Mr Bates claims, in addition to the generic complaints made by all Claimants, that:

When Horizon was introduced it limited his ability to investigate and remedy shortfalls. He claims transaction corrections directly affected his branch accounts.

He alleges that Post Office knew Horizon was causing errors not just in his branch but elsewhere across the network.

Post Office refused his requests to provide additional Post Office and non-Post Office services in his branch.

Reason for termination:

Mr Bates was liable for the discrepancies in his accounts and instead of settling his liabilities and resetting the balance in his branch to zero every week he rolled the discrepancies into the following week's accounts in breach of operating procedures. He also failed to make good any losses.

Post Office became aware of this around April 2003 and instructed the Claimant to desist but he refused to do so. Post Office warned Mr Bates that his practice put his contract at risk.

Other relevant features:

Mr Bates could have sold his premises following termination in order to recoup his investments but did not wish to do so. Post Office also offered to appoint a temporary Subpostmaster at his branch but he refused to allow this. Post Office will therefore say that Mr Bates exacerbated his own losses.