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**OFFICIAL SENSITIVE: COMMERCIAL**

Thank you for your letter dated 28 June.

Firstly, let me start by congratulating you on securing the important contract with British Gas. This is positive news and, as you say, will be welcomed by Postmasters and make the network more attractive to retailers. It is important to continue seeking further commercial opportunities and delivering services that customers want and need. Government will of course support POL however necessary in seeking future opportunities.

I appreciate you taking the time to meet with me on 24 June. It was helpful to discuss a breadth of topics across Post Office Limited and I am pleased that good progress continues to be made on the business's journey towards commercial sustainability. I would also like to thank you for acknowledging Government's support to the Post Office and for your kind words about my performance at the Select Committee session on Tuesday 25 June. Finally, I am also thankful for your offer to visit Peter Kyle MP in his constituency in Hove to discuss the closure of the Western Road Crown Post Office. I am sure your engagement with the MP will demonstrate the Post Office's commitment to achieving a good outcome in Hove and I would be grateful if you could keep me up to date on this specific case.

On the ongoing *Alan Bates and Others v Post Office Limited* litigation, when we last met I outlined my concerns about the implications of the trials for the business and its reputation. I have since noted the termination of the Horizon trial and the postponement of the third trial to March 2020. I was grateful to you and Tim for taking the time to discuss your approach to the litigation with me and I welcome your openness to consider new approaches as part of a refreshed strategy. I look forward to continuing to work closely with you on this issue and thank you for agreeing to have a BEIS representative on the Board sub-committee and to meeting with Nigel Boardman. I understand that my officials are now putting the relevant arrangements in place. Furthermore, I find your reassurance on information sharing very encouraging and I look forward our teams finishing their work on an Information Sharing Protocol and the Shareholder Framework Agreement as soon as possible.

With regards to POCA, I am pleased to learn that your engagement with DWP is progressing and that Guy Opperman MP has expressed his keenness for DWP to work with you to find a solution. I would encourage you to keep engaging with DWP and let my officials know if support from BEIS would be helpful to broker a solution that benefits POCA customers,

postmasters and the Post Office network. I am scheduling a meeting with Guy Opperman MP for after summer recess, so would welcome any input from your in advance of that discussion.

On the Identity front, I am aware this is extremely important for the business. Please do let me and the BEIS Post Office Policy team know what more can be done to support your conversations with John Manzoni and Government Digital Services.

With regards to the Banking Framework 2 Agreement and Barclays' decision not to sign up to the 'cash withdrawal' services, this is obviously disappointing. I am pleased to hear you are continuing to discuss this situation with Barclays and I hope a positive solution can be found for Barclays customers.

I thank you for your letter and I look forward hearing the outcomes of the reviews of postmaster pay and the communication of the franchise process.

**KELLY TOLHURST MP**

Minister for Small Business, Consumers & Corporate Responsibility