

Message

From: alisdair.cameron [GRO]
Sent: 28/06/2017 07:23:22
To: Mark Ellis [GRO]
Subject: Fwd: Ops Board and Losses & Crime Group

How many people do we have setting up the criminal prosecutions? Thanks Al

Sent from my iPad

Begin forwarded message:

From: Jane MacLeod [GRO]
Date: 28 June 2017 at 08:15:36 BST
To: Alisdair Cameron [GRO]
Cc: Ben Foat [GRO]
Subject: RE: Ops Board and Losses & Crime Group

Al

We have always said that once we have the Deloitte work, we would be in a better position to understand the risks, so this fits with your summary below.

However I'm not sure I agree with your statement on having a team in place who are setting up prosecutions that never happen: I meet with Mark Raymond every month (and previously met with Amy on the same basis). Since security operations transferred out of LRG last September, we have discussed only one case that could potentially be subject to prosecution. Most of the prosecution team – including the necessary legal resource, left the business 2 years ago under the wave 1 redundancy program.

So one of the factors to be considered would be whether we want to undertake our own prosecutions with the likely increased cost, or whether we refer them to the police and provide the necessary support – which is what happens now where a postmaster wishes to take action against an assistant; or where the police are involved in Scotland or NI (where we can't prosecute directly in any event). This is a question for later once we understand the Deloitte advice. I have also asked Rod to consider with our legal team, the risks of sharing the Deloitte advice with the CCRC.

Jane



Jane MacLeod

Group Director of Legal, Risk & Governance
Ground Floor
20 Finsbury Street
LONDON
EC2Y 9AQ

Mobile number: [GRO]

From: Alisdair Cameron
Sent: 27 June 2017 09:24
To: Ben Foat [GRO]

Cc: Stuart Nesbit <[redacted] GRO >; Jane MacLeod <[redacted] GRO >
Ruth Phillips <[redacted] GRO >; Mark Ellis <[redacted] GRO >
Subject: Re: Ops Board and Losses & Crime Group

Thanks. The guidance yesterday was that we should not attempt to prosecute any cases where the losses had arisen from or were identified via trading and Horizon rather than a straight theft, until two things happen. Firstly we complete the Deloitte work on systems reliance. Secondly the CCRC opine. The former is fine and I gather we are close. The second I want us to make as a formal judgment with Paula engaged because it is a big deal, with an open timetable and a strong sense that this is now costing us blood.

My preference would be to do the Deloitte work and then seek a prosecution relying on Horizon in a single sympathetic case - admission, good evidence, not too sympathetic a postmaster, not part of the GLO etc. And then we will know.

In the meantime I have a specialist team setting up prosecutions that will never happen. We can get them doing other stuff for now but I need to lay them off if the prospects aren't there?

Ruth, can you set something up for Jane, Ben, me, Paula. Ben if you want others there just add. Thanks
AI

Sent from my iPad

On 27 Jun 2017, at 07:24, Ben Foat <[redacted] GRO > wrote:

Thanks Stuart - I'm working with Rod and Michelle on the process.

Kind regards
Ben

Ben Foat
Legal Director

Post Office

Mobile: GRO

From: Stuart Nesbit
Sent: Monday, June 26, 2017 10:28:16 PM
To: Jane MacLeod; Alisdair Cameron
Cc: Ben Foat
Subject: RE: Ops Board and Losses & Crime Group

Hi Jane,

This was discussed with Rodric and Michelle in my team and we are working to get to the bottom of what information is required on both sides. It was also discussed at a meeting we had earlier today on the debt collection process and I am confident that we will get a solution in place that we can work with.

Ben – happy to talk further once we have all the requirements established.

Thanks
Stuart

From: Jane MacLeod
Sent: 21 June 2017 15:15
To: Alisdair Cameron GRO
Cc: Stuart Nesbit <GRO>; Ben Foat
GRO
Subject: RE: Ops Board and Losses & Crime Group

Al,

Thanks for the heads up – Ben was aware that this had been raised as an issue.

My understanding is that the legal work in relation to debt collection is outsourced to Bond Dickinson, so we need to understand the issues in order to work with BD to get them resolved, and make sure there is a workable process with proper accountabilities for business v legal decisions.

Stuart - please liaise with Ben on this.

Jane.



Jane MacLeod

Group Director of Legal, Risk & Governance
Ground Floor
20 Finsbury Street
LONDON
EC2Y 9AQ

Mobile number: GRO

From: Alisdair Cameron
Sent: 21 June 2017 08:44
To: Jane MacLeod GRO

Cc: Stuart Nesbit <[redacted]>
Subject: FW: Ops Board and Losses & Crime Group

Jane, as a heads up, the FSC team is concerned about the ability of legal to respond on the debt collection process – feel they are getting stuck. No need for you to do anything, we will supply the detail and try and work with the team to agree SLAs but just wanted you to be aware. Thanks AI

From: Alisdair Cameron

Sent: 21 June 2017 08:40

To: Alwen Lyons; Jane MacLeod; Kevin Gilliland; Mark R Davies; Martin Edwards; Martin Kirke; Nicholas Kennett; Paula Vennells; Rob Houghton

Cc: Amanda Radford; Angela Van-Den-Bogerd; Barbara Brannon; Mark Ellis; Russell Hancock; Stuart Nesbit

Subject: Ops Board and Losses & Crime Group

FYI A heads up on the main things discussed at these meetings that are additional to things we have covered in GE like ATM performance and branch losses/cash. The points below are being specifically and separately raised with the relevant parts of the business:

- (1) We have a significant emerging issue around the number of £50 notes being deposited by FRES. These are not wanted anywhere, we don't have a physical solution, cash in bond has gone up c. £150m and the Bank of England doesn't want them either... We are getting close to and in one case breached our insurance limit in London East. This can't continue forever and we are going to be incurring substantially greater costs trunking the stuff around. I have asked the team to work out both a physical solution for what we have and also raise it with FRES for the ongoing issue.
- (2) We are seeing £50m a week more cash being REM'd in from branches than we used to/expected. We are doing root cause but one hypothesis is that this is business banking. Russell is building a business case to take on more people in the cash centres to process it – we don't have enough headroom to hold it in the cash centres.
- (3) A couple of products are getting more issues. NBSC calls on travel money card are up from 1,679 to 2,342 a month. Drop & GO transaction corrections are increasing every month from c. 900 to c. 1,500.
- (4) HSBC have not paid a debt of c. £50k a month for three months in a row – we are flagging as we have started to provide for it.
- (5) We are building a new set of measures and KPIs for HRSC, working with HR and for NBSC.
- (6) We are doing work to understand better agent complaints about cash, transaction corrections on inward REMs and balancing questions.
- (7) We are shifting the Supply Chain service focus from Quality of service to cash availability and trading.
- (8) We have seen a sharp increase in robberies and burglaries involving weapons – up from 10 to 27 in the first two months of this year vs last year. We are working on additional options on security for high risk branches. In the open plan world, fogging seems the most effective. We may start offering these at a cost to the agent rather than doing-and-paying.

Thanks, happy to discuss AI



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Alisdair Cameron

Chief Financial & Operating Officer

20 Finsbury Street
London EC2Y 9AQ

GRO