

Branch suspense accounts and trading statements

1. ***Please advise why suspense accounts were removed from branches/postmasters in 2005, and at that time what alternative processes were put into place to manage shortfalls/discrepancies at branches?***
 - The original processes to be followed when dealing with losses and gains on Horizon are described on pages 65 -79 of the **“Balancing with Horizon”** document (POL-0171229.pdf).
 - Prior to 2005, accounting was done on a weekly basis. With approval from their Retail Network Manager, a Postmaster was able to carry shortfalls (and gains) into the next accounting period through placing them into the Local Suspense Account.
 - However, this facility was sometimes used by Postmasters without being authorised by their Retail Network Manager. In 2005, a number of changes to accounting were made. The Post Office Product and Branch Accounting Team produced and shared with branches a document titled **“Debt Recovery Processes under Branch Trading”** (POL-0007501). This document describes the changes made and options which became available to Postmasters for managing shortfalls.
2. ***If suspense accounts were removed permanently from branches/postmasters, what process or policy was made available to branches to manage shortfalls/discrepancies when they arose to correctly manage branch accounts?***
 - Please refer to the answer provided above and the document titled **“Debt Recovery Processes under Branch Trading”** (POL-0007501). This document describes the changes made and options which became available to Postmasters for managing shortfalls.
3. ***What is the contemporary practice undertaken by postmasters for managing shortfalls/dispute in branch accounts when they arise?***
 - Where a Postmaster experiences a discrepancy at the point of completing a balance period or a trading period that they do not know the reason for, or if they receive a transaction correction that they are not expecting, the contemporary practice is for the branch to do any or all of the following:
 - Refer to the branch support guides on branch balancing, branch discrepancies and transaction corrections which provides advice on how to find the reason for the discrepancy. The guides also advise the next steps that can be taken which are below.
 - Contact the Branch Support Centre who will help the postmaster to find the discrepancy and refer the case to Tier 2 for further investigation if required.
 - Contact the number on the transaction correction who will explain the reason for it.
 - Settle the balance centrally, or accept the transaction correction, in order to roll forward into the next trading period, but with the intention of asking Post Office to investigate the discrepancy in their branch accounts or the transaction correction.
 - If the discrepancy or transaction correction can't be explained or agreed on the initial contact, either the Tier 2 Branch Support team or the Transaction Corrections Disputes team will complete an investigation into the cause of the discrepancy and report back to the Postmaster on their findings
 - Further information is provided in the **“Branch Support Issue Guide”** (insert POL Reference for this), as issued to Postmasters in October 2019.



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4. ***A postmaster with a shortfall or discrepancy has to “make good” or “settle centrally” their branch account, as part of bringing their Trading Period to an end, otherwise the next branch Trading Period cannot commence. Please advise if the policy and process of “rolling over” trading periods has or will be modified/adjusted to accommodate shortfalls?”***
- As of 14 December 2020, a new “**Operational Training Guide**” (insert POL Reference for this) for branch balancing will be used by Post Office. Section 12 covers monthly accounting.
 - The instructions included within this guide are that when Postmasters complete a monthly trading period balance, any branch discrepancies for that trading period should be accounted for so that a new trading period can begin with zero discrepancies.
 - There are now clearer and better communicated processes for how Postmasters can identify the cause of discrepancies and how to dispute a discrepancies.