



POSTMASTER SUPPORT POLICIES

Postmaster Onboarding Policy Version – V1.2



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1. Overview

1.1. Introduction by the Policy Owner

The Postmaster Effectiveness Director has overall accountability to the Board of Directors for the design and implementation of controls and supporting protocols to ensure postmasters are onboarded in line with applicable regulatory requirements and contractual obligations, creating an overall positive onboarding experience for potential new postmasters (PNP)

This policy is a non-contractual document provided for information. It does not form part of the contract between postmasters and Post Office.

1.2. Purpose

This policy is part of a framework that has been established to capture the minimum operations onboarding standards required relating to the initial onboarding of postmasters and their teams

It is one of a set of policies which provide a clear framework for Postmaster Onboarding. Compliance with these policies supports the Post Office in meeting its business objectives and responsibilities to postmasters.

1.3. Core Principles

Post Office intends to provide a postmaster onboarding process that attracts and appoints the best possible potential new postmasters to reduce network churn, attrition and enables Post Office to maintain a stable and sustainable network. It therefore supports the long-term commercial viability of the Post Office.

Post Office will deliver postmaster onboarding in good faith with fairness, transparency, and professionalism (being the underpinning behaviours of Post Office).

It is essential that potential new postmasters are given the right levels of support throughout the onboarding journey. This will help Post Office lay the foundations for a sustainable, collaborative and transparent future partnership.

Post Office will evaluate all onboarding feedback received from postmasters and take relevant corrective actions agreed.

1.4. Application

This Policy is applicable to all postmasters who are onboarded and appointed as a postmaster (regardless of what contract type they will have with Post Office and what Post Office model type they will operate) from when the postmaster submits an initial application through to appointment.

1.5. The Risk

Post Office is committed to provide a supportive and straightforward onboarding journey, with the view to ensuring the right appointment decision for both Post Office and the prospective postmaster. Failure to do so could create risks to both the Post Office and postmaster, including:

- the risk that Post Office is not assured of the overall suitability of the postmaster, once appointed, to be able to operate the branch effectively and provide high levels of customer experience.
- the risk that the branch's business model is not sufficient to continue trading, leading to closure and impact on customer service within the area.
- the risk that contractual or regulatory breaches may be made by the postmaster.

1.6. Legislation

The Group seeks to comply with all relevant UK legal and regulatory requirements including (but not limited to):

- Sections 15 to 25 of the Immigration, Asylum and Nationality Act 2006 (the 2006 Act), section 24B of the Immigration Act 1971, and Schedule 6 of the Immigration Act 2016. Legislation to prevent illegal working.
- Section 122 of the Police Act 1997. Ensuring potential new postmasters who have a criminal record are treated fairly and not discriminated against automatically because of a conviction or other information revealed.
- The Data Protection Act 2018. Provision for the regulation of the processing of information relating to individuals.
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "MLR 2017").

2. Risk Appetite and Minimum Control Standards

2.1. Risk Appetite

Risk appetite is the extent to which the Post Office will accept that a risk might happen in pursuit of day-to-day businesses transactions. It therefore defines the boundaries of activity and levels of exposure that the Post Office are willing and able to tolerate.

The Post Office takes its legal, regulatory and contractual responsibilities seriously and consequently has:

- **Averse risk appetite** to corporate non-compliance with legal and statutory obligations.
- **Cautious risk appetite** for inefficient or ineffective processes that result in: lost time, duplicated effort, and increased risk of financial loss or errors in any part of its business or core processes.

The Post Office acknowledges however that in certain scenarios even after extensive controls have been implemented a product or transaction may still sit outside the agreed Risk Appetite. In this situation, a risk exception waiver will be required.

2.2. Policy Framework

This policy is part of a framework of postmaster support policies that has been established to set the minimum operating standards relating to the management of our postmaster contract risks throughout the business in line with Post Office's risk appetite. These are subject to an annual review. The framework includes the following policies:

- Postmaster Onboarding (this policy)
- Postmaster Training
- Postmaster Contractual Performance
- Postmaster Contract Suspension
- Postmaster Contract Termination
- Postmaster Termination Decision Review
- Network Monitoring and Audit Support
- Postmaster Account Support
- Postmaster Accounting Dispute Resolution
- Network Cash and Stock Management
- Network Transaction Corrections
- Postmaster Complaint Handling

2.3. Who must comply?

Compliance with this policy is mandatory for all Post Office employees¹ that manage postmaster onboarding processes.

Where non-compliance with this policy is identified by Post Office personnel, Post Office will carry out an investigation, following our Investigations Policy. Where it is identified that an instance of non-compliance is caused through wilful disregard or negligence, this may be treated as a disciplinary offence.

2.4. Roles & Responsibilities jointly responsible for onboarding

- **Postmaster Effectiveness Director** – is the policy owner.
- **Head of Postmaster Onboarding** - is accountable for the deployment of this policy. This role is also responsible for regularly reviewing the standards and processes set out in this policy and for drafting any amendments that may be required.
- **Onboarding Manager** - is accountable for the deployment of procedures and decisions required in this policy and supporting Onboarding Support Advisors who onboard postmasters.
- **Onboarding Support Advisor(s)** – carries out onboarding processes and checks and should be fully conversant with this policy and linked policies.
- **Financial Analysts** – carries out the financial analysis behind Financial Assessments which are submitted as part of the postmaster onboarding process.
- **Business Support Managers** – carries out suitability assessments along with Area Managers. They are accountable for providing basic training and building the confidence of postmasters so that they understand the commercial opportunities available to them.
- **Area Managers** – the primary contact point for postmasters. They provide tailored support for an individual branch's needs and share performance data and discuss operational issues with postmasters.
- **Smart ID Lead** – part of the onboarding team is accountable for the deployment of this policy and is responsible for supporting the team that vets Assistants and manages the annual fit & proper declaration checks.
- **Vetting Team** – part of the Onboarding Support Advisors team carry out vetting checks on Assistants and should be fully conversant with this policy and linked policies.
- **Fit & Proper Advisor(s)** – carry out annual fit & proper checks in relation to postmasters or the relevant partner in a partnership contractual scenario and should be fully conversant with this policy and linked policies.

¹ In this Policy "employee" means permanent staff, temporary including agency staff, contractors, consultants and anyone else working for or on behalf of Post Office.

- **Network Provision and Property Manager** - helps to maintain the network by sourcing new possible postmasters and premises from which Post Office services can be provided.
- **Network Provision and Property Lead** – owns and develops the relationship with all potential new postmasters in advance of them submitting an application for a Post Office and entering the onboarding journey.

2.5. Minimum Control Standards

A minimum control standard is an activity that must be in place in order to manage the risks, so they remain within the defined Risk Appetite statements. There must be mechanisms in place within each business unit to demonstrate compliance. The minimum control standards can cover a range of control types, i.e. directive, detective, corrective and preventive that are required to ensure risks are managed to an acceptable level and within the defined Risk Appetite.

The table below sets out the relationships between identified risk and the required minimum control standards in consideration of the stated risk appetite. The subsequent pages define the terms used in greater detail:

Risk Area	Description of Risk	Minimum Control Standards	Who is responsible	When
Postmaster Onboarding	A complex process or aggressive timelines discourage suitable potential new postmasters from submitting an application or progressing and therefore, creates a risk in terms of Post Office' ability to replace a vacancy in the Post Office network	Continual analysis undertaken by the Onboarding Management Information team to understand the following: - each stage of the onboarding journey from application to appointment, barriers to progression, and prospective new postmaster dropout rates.	Postmaster Effectiveness Director	Weekly analysis
		Programme of colleague multiskilling currently underway to ensure competence in delivering multiple elements of the onboarding journey.	Postmaster Effectiveness Director/Head of Postmaster Onboarding	Monthly reviews of training skills matrix

	Financial assessment fails to flag appropriate risk weighting	<p>Full review and update of all onboarding processes, including the financial assessment process which currently takes approximately 6 months to reduce to 4 months.</p> <p>Where a potential new postmaster does not satisfy the financial assessment, criteria set by the Finance team, Post Office will consider a resubmission of the financial assessment from the potential new postmaster subject to and in accordance with the scoring criteria owned by Finance.</p>	Postmaster Effectiveness Director/Head of Postmaster Onboarding	Financial assessment currently under review and expected to be completed in Q1, with annual reviews thereafter Annual review of policy
	Vetting fails to highlight undue risk.	All potential new postmasters must undergo pre-engagement vetting. See separate Postmaster Vetting Policy February 2021, version 2.2.	Postmaster Effectiveness Director/Head of Postmaster Onboarding	Daily
	Incorrect agreement being issued to postmasters	Agreement tracker with all current agreements and scenarios in place, held in a central location on the knowledge centre. Buddy checks in place prior to issue and countersigning by managers from a list of authorised signatories to minimise error.	Postmaster Effectiveness Director/Head of Postmaster Onboarding	Daily
	Handover to other Post Office teams (suitability assessment, finance, vetting, smartID, training) is disjointed, ineffective or discouraging experience for the postmaster.	Casework management triggers notifications to relevant Post Office teams, ensuring collaborative working, appropriate scheduling and timely updates.	Postmaster Effectiveness Director/Head of Postmaster Onboarding	Daily

Onboarding Failures	Dealing with onboarding failures inconsistently	Any onboarding failure is escalated to the Head of Postmaster Onboarding who analyses the root cause of such failure revises future processes as required.	Postmaster Effectiveness Director	As required
Policy non-adherence	Non adherence to the policy could result in legal and regulatory risk as well as reputational damage to Post Office and the relationship with postmasters.	<p>The Policy will be trained out to all members of the Onboarding Team, Smart ID Team, Fit and Proper Team and Vetting Team</p> <p>The Policy should be reviewed, and if necessary updated.</p>	Postmaster Effectiveness Director	<p>Once approved and annually thereafter</p> <p>Annually</p>

3. Procedures

3.1. Postmaster Onboarding Requirements

It is imperative that all onboarding activities are completed in a supported, transparent and fully engaged manner. This will ensure that Post Office and postmasters work together to achieve a confident and trustworthy relationship. In support of this, Post Office will provide comprehensive supporting documents and telephone calls to offer substantial support throughout the onboarding journey.

The type of onboarding differs depending upon the Post Office branch type – please see internal processes, which are version and dated controlled and located centrally on the onboarding knowledge centre.

The list below details the high-level activities required in respect of onboarding: -

- The prospective new postmaster submits their application which is tracked by the Onboarding Support Advisor
- The prospective new postmaster is invited to submit a detailed Financial Assessment
- Post Office Finance team makes a financial decision as to the ongoing sustainability of the operation based on the Financial Assessment; they notify the Onboarding Support Advisor who updates the potential new postmaster
- If unsuccessful, the potential new postmaster can resubmit the Financial Assessment. If there is a further unsuccessful submission of the Financial Assessment, the potential new postmaster will not be able to reapply for a further 6-month period.
- The Suitability Assessment is conducted by the Business Support Manager/Area Manager; they confirm the outcome of the assessment with the potential new postmaster
- Onboarding Support Advisor is notified of the suitability assessment outcome
- If successful, agreement is created by the Onboarding Support Advisor and sent to the potential new postmaster for signature
- The agreement is signed by the postmaster, checked, countersigned by a Post Office Limited representative and a copy is returned to the postmaster

4. Where to go for help

4.1. Additional Policies

This Policy is one of a set of policies. The full set of policies can be found on the SharePoint Hub under [[HYPERLINK "https://poluk.sharepoint.com/sites/thehub/SitePages/Key%20policies.aspx?web=1" \]](https://poluk.sharepoint.com/sites/thehub/SitePages/Key%20policies.aspx?web=1)

4.2. How to raise a concern

Any postmaster (whether a limited company, partnership, limited liability partnership or an individual) or any Post Office Employee who suspects that there is a breach of this Policy should report this without any undue delay.

If the postmaster is unable to raise the matter with the area manager of the relevant branch or if a Post Office Employee is unable to speak to her or his line manager, you can bring it to Post Office's attention independently of management and you can use the Whistleblowing channels for this purpose. You can raise your concerns anonymously, although disclosing as much information as possible helps ensure Post Office can conduct a thorough investigation.

For more details about how and where to raise your concerns, please refer to the current Whistleblowing Policy which can be found on The Hub under Post Office Key Policies, [[HYPERLINK "https://poluk.sharepoint.com/sites/thehub/SitePages/Key%20policies.aspx?web=1" \]](https://poluk.sharepoint.com/sites/thehub/SitePages/Key%20policies.aspx?web=1)

4.3. Who to contact for more information?

If you need further information about this policy or wish to report an issue in relation to this policy, please contact the Postmaster Effectiveness Director at [[HYPERLINK "mailto:tracy.marshall@GRO" \]](mailto:tracy.marshall@GRO)

5. Governance

5.1. Governance Responsibilities

The policy sponsor, responsible for overseeing this policy is the Retail and Franchise Network Director.

The policy owner is the Postmaster Effectiveness Director who is responsible for ensuring that the Head of Postmaster Onboarding conducts an annual review of this policy and tests compliance across the Post Office network. Additionally, the Postmaster Effectiveness Director is responsible for providing appropriate and timely reporting to the Risk and Compliance Committee.

The Audit and Risk Committee are responsible for approving the policy and overseeing compliance.

The Board is responsible for setting the Post Office's risk appetite.

6. Control

6.1. Policy Version

Date	Version	Updated by	Change Details
17 th August 2020	0.1	Marie Pyatt	Draft Version
18 th February 2021	1.0	Jayne Pardoe	Updated Draft Version
18 th March 2021	1.1	Jo Milton	Amendments to align with postmaster support policies
30 th March 2021	1.2	Jayne Pardoe	Addition of non-compliance minimum control standard Final approved by ARC

6.2. Policy Approval

Oversight Committee: Risk and Compliance Committee and Audit and Risk Committee

Committee	Date Approved
POL R&CC	16 th March 2021
POL ARC	30 th March 2021

Policy Sponsor: Retail and Franchise Network Director
Policy Owner: Postmaster Effectiveness Director
Policy Author: Head of Postmaster Onboarding

Next review: 31 MAR 2022

Company Details

Post Office Limited and Post Office Management Services Limited are registered in England and Wales. Registered numbers 2154540 and 08459718 respectively. Registered Office: Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ.

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