

Strictly Confidential

SEPTEMBER 2013

POST OFFICE LIMITED MATTERS – DISPUTE RESOLUTION
PRIVILEGED AND CONFIDENTIAL – CLAIMS OVER £500K OR THOSE OF A SENSITIVE NATURE

FILE NAME	CASE HOLDER	BUSINESS UNIT & CONTACT	DESCRIPTION	STATUS	XSP
Horizon claims	POL/HF/RW	Susan Crichton	<p>This is also a separate agenda item for the September 2013 Board meeting.</p> <p>POL has received various claims from subpostmasters (SPMs) alleging defects in the Horizon system and POL's internal processes.</p> <p>These allegations were initially made in 5 claims brought through solicitors Shoosmiths. Similar allegations have been made through:</p> <ul style="list-style-type: none"> - SPMs' MPs; - the "Justice for Subpostmasters Alliance" (JFSA); - defences to court proceedings brought by POL to recover debts from SPMs; and - direct contact with POL. <p>An independent investigator Second Sight Support Services Ltd (Second Sight) has been reviewing these allegations in consultation with James Arbuthnot MP and JFSA.</p> <p>On 08.07.13, Second Sight published an Interim Report finding shortcomings in POL's internal training and support to SPMs on the Horizon system, but no systemic problems with Horizon itself.</p>	<p>Following the Second Sight Interim Report, on 27.08.13 POL launched a Mediation Scheme aimed at finally resolving individual complaints made about Horizon. Submissions to the scheme close on 18.11.13.</p> <p>Second Sight is continuing to investigate the SPMs' concerns. POL is cooperating with those investigations.</p> <p>POL is also reviewing past and present criminal prosecutions brought against SPMs to ensure they continue to satisfy the evidential, public interest, and disclosure standards required for prosecutions.</p> <p>POL is not issuing any new criminal summons pending the instruction of a new, independent expert who can give evidence to support the Horizon system. The process of identifying this expert is underway.</p> <p>To date, no claim has been made against POL in the civil courts, and no appeal has been made to the Court of Appeal against any conviction obtained in the criminal courts, following the Interim Report.</p>	Bond Dickinson

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Claim for Judicial Review	POL/HF/RW	Angela Van-Den-Bogerd	<p>A former subpostmaster (SPM) has sought "judicial review" of POL's decision to terminate his SPM contract.</p> <p>The SPM claimed that POL's termination process was flawed and infringed his Human Rights. He has asked the court to review POL's decision and find that it was unlawful and/or an abuse of power.</p> <p>POL is asking the Court to dismiss the claim on the grounds that it is a commercial matter which the Court cannot review, and in any event POL did not breach the SPM's rights.</p>	<p>POL and the SPM will attempt to settle the dispute at mediation on 11 October 2013.</p> <p>The matter has been listed for hearing in the High Court, Birmingham on 12 and 13 December 2013, unless it is settled earlier.</p> <p>POL will continue to explore options for resolving the claim before any Court hearing.</p>	DAC Beachcrofts
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PART (B) – PRINCIPAL CRIMINAL CASES BROUGHT BY POST OFFICE LIMITED

DESCRIPTION	STATUS
Two assistant sub postmasters accused of covering shortages by delaying the processing of business deposits to Santander. Case concerned 40 deposit slips being suppressed with a total value of £34,115.50.	Both defendants pleaded guilty, and were sentenced to 5 months and 6 months imprisonment (suspended for 12 months) respectively.
Sub postmaster accused of theft of £78,660.63.	Defendant pleaded guilty on 05.02.13 and was sentenced to 2 years imprisonment. The parties are now awaiting a date from the Court to determine recovery of funds under the Proceeds of Crime Act (POCA).
Sub postmasters accused of theft of £85,000.	Case discontinued on public interest grounds.
Subpostmaster accused of theft of £77,905.02.	The case has been committed to the Crown Court, which is yet to fix a date for trial. POL has recovered £62,992.78 to date.
Subpostmaster accused of theft of £57,811.79.	Defendant pleaded guilty and on 28.11.12 was sentenced to 9 months imprisonment (suspended for 18 months) and 180 hours unpaid community work. The parties are now awaiting a date from the Court to determine recovery of funds under POCA. POL has recovered £43,988.03 to date.
Subpostmaster accused of two offences of theft of £9,999.43 and £175,260, and two offences of false accounting.	The case has been committed to the Crown Court, which is yet to fix a date for trial. A restraint order has been obtained to assist recovery of the financial loss under POCA.
Subpostmaster accused of fraud of £115,172.11.	Defendant pleaded guilty and on 03.05.13 was sentenced to 16 months imprisonment. A final hearing has been set for 20.09.13 to determine the sum payable to POL

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DESCRIPTION	STATUS
	under POCA. POL has recovered £61,000 to date.
Subpostmaster accused of theft of £197,107.36.	The parties are awaiting a date from the Court for a hearing to determine the details for trial. Defendant has stated that he intends to repay loss in full if no POCA proceeding are commenced.
Subpostmaster accused of theft of £115,000.	The Court has set a timetable to address recovery of funds under POCA. POL has recovered £61,000 to date