



POSTMASTER SUPPORT POLICIES

Postmaster Contract Suspension Policy

Version – V3.0

Post Office is determined to reset its relationship with postmasters and has introduced policies that set out guidelines on how Post Office should support postmasters, specifically for use across twelve areas.

The policies stand on their own but should be reviewed in conjunction with each other. Support teams should have an awareness of all twelve policies and how they link together.

The twelve Postmaster Support Policies are listed in section 3.2 of this policy and can be found [on the hub, here.](#)



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1. Definitions

1.1. Definitions

1. **Audit** - This is a comprehensive assessment of the current trading position of a branch, and includes the verification of reported levels of cash, foreign currency (if applicable), stock items and vouchers as well as a compliance review, to check if mandatory business conformance and regulatory compliance controls are operating as intended.
2. **Investigation** – An investigation into the matter that may give rise to Post Office exercising its suspension rights undertaken by the Contract Advisor.
3. **Postmaster** – this refers to a limited company, partnership, limited liability partnership or individual that contracts with the Post Office in its or their capacity as a postmaster in the network, or assistants of such postmasters.
4. **Temporary Postmaster** - this refers to a limited company, partnership, limited liability partnership or individual that contracts with the Post Office on a temporary basis
5. **Non-suspension monitoring** – The period after any decision taken not to suspend a postmaster’s contract/agreement whereby there is continued monitoring of the issues identified over a defined period of time.
6. **Suspension Rationale** (see appendix 8.1) – A rationale completed by the Contract Advisor which captures the facts and findings of the investigation into the matter and sets out the rationale outlining the recommendation for review by the Head of Contract Management & Deployment (with support from Post Office legal services as required)
7. **Suspension Review Period** – A review of the suspension made by the Head of Contract Management & Deployment (with the support of Post Office legal services) to ensure there is still a basis for suspension. The first review is completed within 10 working days of the suspension commencing, and then each subsequent review is completed every 5 working days.

2. Overview

2.1. Introduction by the Policy Owner

The Franchise Partnering Director has overall accountability to the Board of Directors for the design and implementation of controls to manage risk in the network¹. Risk in the network is an agenda item for the Risk Committee and the Post Office² board is updated as required.

This policy is a non-contractual document provided for information. It does not form part of a contract between postmasters³ and Post Office.

This policy forms part of a suite of policies designed to deal with the management of postmaster contracts and for those teams deploying any aspect of this policy it should be read together with the Postmaster Contract Performance and Postmaster Contract Termination policies. These policies can be found [on the hub, here](#).

2.2. Purpose

This policy is part of a framework that has been established to set the minimum operating policies relating to the management of contracts with postmasters (which may be companies, sole traders or partnerships) throughout the network.

Post Office recognises that there may be occasions where it is necessary to suspend the contractual relationship with a postmaster. The purpose of this policy is to identify the circumstances in which suspension should be considered and the criteria which must be met before a decision to suspend is made. It will also outline the procedures to be followed in the case of suspension. Wherever possible Post Office will seek alternatives to suspension as outlined later in this policy.

This policy is one of a number of policies which provide a clear risk and governance framework and an effective system of internal control for the management of risk across the Group. Compliance with these policies supports the Group in meeting its business objectives and to balance the needs of customers, shareholders, employees, other stakeholders (such as the government departments) and third party commercial partners including Royal Mail.

2.3. Core Principles

The act of suspension is a neutral, precautionary act. It is used to investigate the cause of a potential contractual breach identified by the Contract Advisor. It does not imply there has been any such breach.

¹ In this policy, "network" means branches not directly managed by Post Office .

² In this Policy "Post Office" means Post Office Limited.

³ In this Policy "postmaster" refers to the person or entity (which may be a company, sole trader or partnership) contracted with Post Office and any person acting on the postmaster's behalf (as applicable).

It is recognised that suspension may have an impact on the postmaster's core business and on the Post Office brand; therefore, a contract will only be suspended where absolutely necessary and after all reasonable alternatives have been considered.

The period of suspension should be for as short a time as possible and Post Office will remain in touch with the postmaster throughout this time. Each suspended postmaster shall be assigned, and notified of, a specific Contract Advisor to keep them up to date with developments during the period of suspension.

Accordingly this policy, and its linked policies, sets out clear and consistent guidelines to ensure that:

- an investigation is carried out to establish the applicable facts before any formal action is considered, to provide the postmaster with the opportunity to identify and address any issues of concern and to determine whether Post Office has the right to suspend the postmaster's contract;
- consideration is given to the postmaster's particular circumstances before deciding, acting in good faith, whether to suspend the postmaster's contract;
- suspension only happens when it is necessary and alternatives have been considered; and
- postmasters continue to receive payment during any period of suspension.

Post Office will handle these situations in good faith and apply the principles of fairness, transparency, and professionalism (being the underpinning behaviours of Post Office).

2.4. Application

This policy is applicable to all postmaster contracts⁴ in the network.

2.5. The Risk

In taking any decision to suspend a postmaster Post Office needs to:

- ensure that any decisions taken in respect of a postmaster contract are not exercised arbitrarily, capriciously or unreasonably;
- exercise any contractual power (including the right to suspend) honestly and in good faith for the purpose for which it was conferred on Post Office; and
- exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence.

The decision to suspend a postmaster's contract creates risk to Post Office and postmasters both through how the decision is reached and by not suspending when it is appropriate to do so. These risks include (but are not limited to):

⁴ In this policy, "postmaster contract" means contracts which relate to those branches not directly managed by Post Office

- Post Office is not able to suspend a postmaster's contract without reasonable and proper cause. Post Office cannot suspend a postmaster's contract where Post Office itself is in material breach of duty in respect of matters which Post Office considers give it the right to suspend. If a postmaster is suspended unnecessarily it may:
 - cause distress and financial detriment to the postmaster; and
 - Post Office may be perceived as not acting in good faith;
- a reduction in confidence across the postmaster network in how Post Office manages the contractual relationship with postmasters;
- stakeholders having reduced confidence in Post Office's ability to effectively manage postmaster contracts;
- both postmasters and Post Office may suffer financially;
- Post Office may suffer reputational damage; and
- Post Office may be in breach of their contractual or regulatory obligations, which could lead to possible legal challenges.

Section 2.5 sets out the minimum control standards that the Post Office has implemented to control these risks.

3. Risk Appetite

3.1. 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 business transactions. It therefore defines the boundaries of activity and levels of exposure that Post Office is willing and able to tolerate.

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

- **Averse risk appetite** to corporate non-compliance with legal and statutory obligations.
- **Averse risk appetite** for financial crime to occur within any part of the organisation.
- **Averse risk appetite** in relation to unethical behaviour by Post Office staff.
- **Averse risk appetite** for litigation.
- **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

Post Office acknowledges, however, that in certain scenarios, even after extensive controls have been implemented, a process may still sit outside the agreed Risk Appetite. In this situation, a risk exception waiver will be required pursuant to the Exemption Process, details of which can be found [here](#).

3.2. Policy Framework

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

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

- Postmaster Contract Termination
- Postmaster Termination Decision Review

3.3. Who must comply?

Compliance with this policy is mandatory for all Post Office employees⁵ who manage postmaster contracts on behalf of Post Office.

Where non-compliance with this policy by Post Office employees is identified by Post Office, Post Office will carry out an investigation. Where it is identified that an instance of non-compliance is caused through wilful disregard or negligence, this will be investigated in accordance with the Group Investigations Policy.

3.4. Roles & Responsibilities

- **Franchise Partnering Director** – is the policy owner, who must comply with the governance responsibilities set out at section 6.1.
- **Head of Contract Management & Deployment** - is accountable for the deployment of this policy, for supporting Post Office personnel who carry out actions under this policy and for regularly reviewing the effectiveness of this policy and for drafting any amendments to it that may be required.
- **Contract Advisor(s)** – is (are) responsible for deploying the procedures set out in this policy. The Contract Advisor(s) form part of the **Contracts Team**.

The **Contract Advisor** must:

- apply the Post Office's underpinning behaviours of fairness, transparency and professionalism;
- be fully conversant with this policy and linked policies;
- gather as much preliminary information as possible relating to the issue which has caused suspension to be considered, liaising as appropriate with the postmaster and other Post Office teams;
- complete the Suspension Rationale Document before suspending a postmaster's contract;
- consult with the Head of Contract Management & Deployment before suspending a postmaster's contract, and as necessary during the suspension process;
- consider the options available as an alternative to suspension;
- ensure any decision is made in line with all other linked Post Office policies;

⁵ In this Policy "employee" means permanent staff, temporary staff including agency staff, contractors, consultants and anyone else working for or on behalf of Post Office and, for clarity, does not include postmasters or postmasters' staff.

- ensure this suspension policy is adhered to and the postmaster is supported throughout the procedure, including arranging for the postmaster to be notified of the specific Contract Advisor dealing with their case;
 - make the postmaster aware of the support available to them, including from the National Federation of Sub Postmasters;
 - explain at the outset, when a postmaster's contract is being suspended, what involvement will be requested from the postmaster during the contract suspension period;
 - keep in regular contact with the suspended postmaster throughout the suspension period;
 - deal with any contact (written or otherwise) from the postmaster, in a timely manner;
 - if a meeting is required, be flexible, within reason, over the availability of the postmaster; and
 - keep the suspension regularly under review (see 3.7), reinstating (or terminating) the agreement as soon as practicable.
- **National Federation of Sub Postmasters (NFSP)** – is a professional trade association which exists to support postmasters.
 - **Postmaster** – this refers to a limited company, partnership, limited liability partnership or individual that contracts with the Post Office in its or their capacity as a postmaster in the network, or (as applicable) assistants of such postmasters.

In relation to this policy, the **postmaster** is expected to:

- comply with the terms of the suspension;
- be transparent and open towards Post Office;
- ensure they respond to written correspondence and telephone calls in a timely manner in order to assist the Contract Advisor in reaching a decision; and
- be flexible and available for meetings with the Contract Advisor if one is required.

In relation to this policy, the postmaster may:

- contact their NFSP representative to support them through the process;
- arrange legal or other representation for any written correspondence or meetings with Post Office;
- request information and evidence from Post Office in connection with this process and wider investigation; and
- contact a Contract Advisor at any time during the suspension process, including regarding potential or actual termination.

If alternative action has been taken in preference to suspending the postmaster, the postmaster should comply with the terms of such alternative action.

3.5. Minimum Control Standards

A minimum control standard is an activity which must be in place in order to manage the risks, so they remain within the defined Risk Appetite statements (as set out at section 3.1). 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 which 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 risks and the required minimum control standards in consideration of Post Office's Risk Appetite.

Risk Area	Description of Risk	Minimum Control Standards	Who is responsible	When
Reaching a decision to suspend	<p>Post Office is not able to suspend the agreement without reasonable and proper cause. If Post Office itself has not complied with its material obligations, relating to matters that gives it the right to suspend, Post Office is not able to suspend the postmaster from operating the branch. If the decision is made incorrectly it could lead to:</p> <ul style="list-style-type: none"> unnecessary distress and financial detriment to the postmaster; Post Office may be perceived as not acting in good faith; and 	<ul style="list-style-type: none"> A Suspension Rationale Document will be completed to support any suspension decision setting out the factors to support the suspension. All decisions will be signed off by the Head of Contract Management & Deployment with support from Post Office's legal team. 	Head of Contract Management & Deployment	As required
		<ul style="list-style-type: none"> Quality checks and training covering the suspension process will take place with the Contracts Team to ensure that the correct process is followed. 	Head of Contract Management & Deployment	Quarterly
		<ul style="list-style-type: none"> The Franchise Partnering Director will review decisions to ensure consistency of decision making. 	Franchise Partnering Director	Quarterly

	<ul style="list-style-type: none"> possible legal challenge from the suspended postmaster. 			
Loss of confidence and possible financial & reputational damage	<p>If Post Office are not making the correct decisions by either:</p> <ul style="list-style-type: none"> suspending when it has no grounds to do so; or not suspending when it should, <p>it may lead to a loss of confidence both across the network and with Post Office's stakeholders in how Post Office manages the contractual relationship with its postmasters. In addition, incorrect decisions may lead to financial loss and reputational damage.</p>	<ul style="list-style-type: none"> All decisions to suspend shall undergo a sign off process with review by the Head of Contract Management & Deployment and, if required, supported by Post Office's legal team. The Franchise Partnering Director will review decisions to ensure consistency of decision making. The Postmaster Contract Performance policy sets out the required steps as to how potential contractual issues across the network should be dealt with, providing a solid framework to ensure that the contractual relationship with postmasters is managed consistently. The relevant stakeholders are provided with training on the Postmaster Contract Performance policy annually. 	<p>Head of Contract Management & Deployment</p> <p>Franchise Partnering Director</p> <p>Head of Contract Management & Deployment</p>	<p>As required</p> <p>Quarterly</p> <p>Annually</p>
Postmaster financial detriment during suspension	Any decision to suspend may cause financial detriment for the postmaster	<ul style="list-style-type: none"> All postmasters will receive payment during the suspension period (based on average fees received over the previous six-month period). A check will be undertaken by the Head of Contract Management & Deployment with Post Office Remuneration teams to ensure that payment is being made. 	Head of Contract Management & Deployment	Monthly

		<ul style="list-style-type: none"> Suspensions will be regularly reviewed to make sure there is still a basis for suspension and any suspension period is kept to a minimum. 	Head of Contract Management & Deployment	After 10 working days from the date of suspension and thereafter every 5 working days
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.	<ul style="list-style-type: none"> All members of the Contracts Team, the wider Franchise Partnering Team and any teams who may be involved in the decisions being taken will be provided with training on this policy. The Head of Contract Management & Deployment is accountable for ensuring that they and their team adhere to the policy, as it applies to their area. The Policy should be reviewed, and if necessary updated. 	Head of Contract Management & Deployment Head of Contract Management & Deployment	Once approved and annually thereafter (or sooner in the event of material changes to the policy). Daily As required (but reviewed at least annually)

4. Procedure

4.1. Investigation

Preliminary investigation

Any investigation will be a fair and unbiased method of investigating issues identified prior to any formal action being considered. The process of investigation allows Post Office to establish facts and gives the postmaster the opportunity to identify and answer any issues of concern.

Post Office will ensure that complete records are kept of all investigations and that any decisions taken in relation to an investigation are documented in rationale documents. Records will be retained in accordance with Post Office's document retention policy⁶.

Details of the investigation and relevant supporting records and information will be shared with the postmaster unless the material is subject to a restriction on disclosure such as:

- legal privilege;
- data protection law; and/or
- material relating to a criminal investigation.

The Contract Advisor should make an assessment of whether any restrictions on disclosure apply in advance of sharing material with the postmaster and seek advice from Post Office's Data Protection and Information Rights Team if required.

The Contract Advisor will inform the postmaster of the grounds on which the postmaster is being investigated and the postmaster's rights to access information and records relating to the investigation.

When considering suspension, Post Office must complete a preliminary investigation. This preliminary investigation will, as a minimum, include a review of the contract between Post Office and the postmaster to confirm the extent of Post Office's right to suspend.

The contractual right to suspend may arise:

- if the postmaster is arrested or charged with a criminal offence;
- if the postmaster has civil proceedings brought against them; and
- there are grounds to suspect the postmaster is insolvent.
- due to irregularities or misconduct in the operation of the branch.

Post Office must check the contract in each case as the grounds may differ. If the contract does not contain a contractual right to suspend, the Post Office must not suspend the postmaster from operating the branch; and

⁶ The Document Retention and Disposal Policy (Group Policy) can be found in the Group Key Policies on The Hub <https://poluk.sharepoint.com/sites/thehub/Policies/Forms/AllItems.aspx?id=%2Fsites%2Fthehub%2FPolicies%2FDocument%20Retention%20and%20Disposal%20Policy%20v1%2E3%2Epdf&parent=%2Fsites%2Fthehub%2FPolicies>

A review of the facts related to the investigation to establish whether Post Office is itself in material breach of duty in respect of the matters giving rise to the right to suspend. If it is, Post Office must not suspend the postmaster from operating the branch.

This investigation will include:

- a review of previous correspondence with the postmaster; and
- a review of any other supporting documents held by Post Office.

This investigation may also include:

- a financial audit;
- a review of Branch Analysis monitoring records; and
- information provided to Post Office by an outside body or source, for example, the police, insolvency practitioners, or Post Office clients.

Once this initial investigation has been completed, the Contract Advisor should refer to 4.3 (Suspension rationale) to determine whether there is sufficient rationale to warrant suspending the postmaster.

Investigation during suspension

Post Office is likely, in most cases, to need to complete further investigations once a postmaster is suspended from operating the branch. These investigations may be complex but must be completed as soon as practicable (in accordance with section 4.7 (suspension period)) in order to limit any period of suspension to what is necessary to complete the investigation. The output of these further investigations should be recorded in the Termination Rationale Document.

A process map detailing the contract suspension process can be found in appendix 8.2.

4.2. Alternatives to suspension

Suspension will only be applied where absolutely necessary to investigate the cause of a potential contractual breach identified by the Contract Advisor and where all alternative options have been considered.

Alternative options to suspension may include:

- Non-suspension monitoring – continued monitoring of the issues identified over a defined period of time, with any further or escalating issues being flagged to the Contract Advisor to reconsider suspension.
- Other contractual performance measures and/or restrictions contained in the Postmaster Contract Performance policy⁷.

The Contract Advisor should document alternatives to suspension in the same way as a decision to suspend a postmaster (in the Suspension Rationale Document) and Post Office should ensure that records of these decisions are also kept in accordance with Post Office's

⁷ The Postmaster Contract Performance policy can be found on the hub, [here](#).

document retention policy.

4.3. Suspension Rationale

Post Office must not suspend any postmaster from operating the branch without reasonable and proper cause (even if they have a contractual right to do so). This power is discretionary but must be exercised in good faith. This is a question of fact but means that Post Office should apply its underpinning behaviours of fairness, transparency, and professionalism.

Whenever an investigation leads to suspension being considered, the Suspension Rationale Document must be completed by the Contract Advisor. This captures the background of the case, investigation undertaken and rationale behind the decision to be taken. The document will be used by the Head of Contract Management & Deployment, if required with support from Post Office's legal team, as a basis for their decision on suspension.

Factors that the Head of Contract Management & Deployment should consider when deciding whether or not to suspend a postmaster from operating the branch include:

- There being a risk to the postmaster;
- There being an immediate risk to Post Office assets;
- There being a risk to Post Office's brand and/or Post Office's reputation of the postmaster continuing to operate the branch.

This is not intended to be a full list of considerations relevant to suspension and the Head of Contract Management & Deployment should consider all the circumstances of the case and conduct a balancing exercise of the relevant risks.

4.4. Informing a postmaster of suspension

In the first instance, the postmaster will be informed by the Contract Advisor via telephone call of any suspension. Where a postmaster cannot be contacted immediately, Post Office will make every effort to inform the postmaster of their suspension through whatever contact details they hold for the postmaster. This initial contact will be followed up by a Suspension Letter, which will be sent as soon as possible following suspension by the Contract Advisor.

When informing the postmaster of their suspension, subject to any restrictions on disclosure (see 4.1 above) the Contract Advisor should outline the following to the postmaster:

- The reason(s) for the suspension, including the factual circumstances and contractual basis;
- That they are being suspended in accordance with their contract and in line with the Post Office Suspension Policy⁸, a copy of which can be made available to the postmaster on request;

⁸ The Postmaster Contract Suspension policy can be found on the hub, [here](#).

- That a preliminary investigation has already been carried out and that information and records relating to the preliminary investigation and any subsequent investigation will be made available to them where possible;
- That the suspension period will be kept to the minimum period required to complete the investigations and that the postmaster will be kept informed throughout the period of suspension as per the processes outlined in 4.7;
- That the postmaster will receive payment during their suspension as per 4.5;
- The possibility of Post Office arranging for a temporary operator to operate their premises and the processes involved in this, if the postmaster is willing (see 4.6); and
- Any other relevant information that should be shared with the postmaster at this stage.

4.5. Payment during suspension

Postmasters will receive payment during suspension. This will be based on average fees over the previous six-month period. This does not include Christmas trading. Where the postmaster has been appointed for less than six-months then this will be based on the average fees received since appointment. Postmasters should contact their Contract Advisors to understand in more detail how average fees are calculated.

4.6. Temporary operation during suspension period

In order to minimise the impact of any suspension period on the postmaster's business, on communities and on Post Office, Post Office will offer to attempt to find a temporary operator for any premises where the postmaster has been suspended. A temporary operator will only be able to operate with the express permission of the postmaster.

The postmaster and the temporary operator will be responsible for negotiating the commercial arrangements between them. If a commercial arrangement is made between the postmaster and temporary operator whereby the postmaster charges the temporary operator Post Office will need to consider whether any deductions need to be made to the payment made to the postmaster during suspension.

4.7. Suspension period

Suspension periods will be kept to the minimum period reasonably required to complete the investigations and both Post Office and postmasters must cooperate in this regard.

Post Office may suspend a postmaster for as long as it has a reasonable and proper reason to do so in the view of the Head of Contract Management & Deployment with the support of Post Office's legal team. The Post Office must act promptly to investigate the

circumstances of the suspension and decide to either re-instate the postmaster or terminate the postmaster's contract as soon as is practicable.

Post Office will keep any suspensions under regular review to make sure it continues to have a legal basis for suspension throughout. The regular review must be completed by the Head of Contract Management & Deployment. The first review must be completed within 10 working days of the suspension commencing, and then each subsequent review must complete every 5 working days. After each review, the Contract Advisor will write to the postmaster informing them whether their suspension will continue.

In addition to these letters there should be regular communication with the postmaster through their Contract Advisor.

4.8. Reinstatement or termination following a period of suspension

Reinstatement or termination should happen as quickly as possible once an investigation has been completed or Post Office identifies that it no longer has a reasonable and proper reason to maintain the suspension.

For reinstatements, the postmaster should receive a letter confirming the end of the suspension period and the outcomes of any investigation. For terminations, the postmaster will receive communications in accordance with the Postmaster Contract Termination policy⁹.

The Contract Advisor is responsible for ensuring the postmaster's reinstatement is carefully planned, supported and in accordance with the wishes of the postmaster. This may be assisted by liaising with the relevant Area Manager, other Post Office support teams and/or the NFSP. Examples of considerations that the Contract Advisor should make include:

- What date is appropriate for any re-fund or transfer audits to take place;
- Whether it is appropriate for the postmaster to undergo further training prior to reinstatement;
- Whether it is appropriate for the postmaster to have additional on-site support post reinstatement. Any decision to terminate the postmaster's contract should be taken in accordance with the Postmaster Contract Termination policy.

⁹ The Postmaster Contract Termination policy can be found on the hub, [here](#).

5. Where to go for help

5.1. Additional Policies

This Policy is one of a set of policies. The full set of policies can be found on the SharePoint Hub under [Postmaster Support Policies](#).

5.2. How to raise a concern

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

If a postmaster or any postmaster's staff are 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, any person can bring it to Post Office's attention independently and can use the Whistleblowing channels for this purpose. Any person can raise 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 concerns, please refer to the current Whistleblowing Policy which can be found on The Hub under Post Office Key Policies, [accessed here](#).

5.3. 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 Andrew Kingham, Franchise Partnering Director at andrew.kingham@GRO

6. Governance

6.1. Governance Responsibilities

The Policy sponsor, responsible for overseeing this Policy is the Retail and Franchise Network Director of Post Office.

The Policy owner is the Franchise Partnering Director who is responsible for ensuring that the Head of Contract Management & Deployment conducts an annual review of this Policy and tests compliance across the Post Office. Additionally, the Franchise Partnering Director and the Head of Contract Management & Deployment and their team are 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.

7. Control

7.1. Policy Version

Date	Version	Updated by	Change Details
2 nd March 2020	1.1	Tim Perkins	Draft Version
6 th March 2020	1.3	Tim Perkins	Legal Review
17 th March 2020	1.4	Tim Perkins	For working group review
9 th April 2020	1.5	Tim Perkins	Final Draft with working group revision
14 th May 2020	1.6	Tim Perkins	Final draft following further legal review
6 th April 2021	2.0	David Southall, Head of Contract Management & Deployment	Annual review – initial draft changes
14 th April 2021	2.1	David Southall, Head of Contract Management & Deployment	Initial legal review
26 th April 2021	2.2	David Southall, Head of Contract Management & Deployment	Second legal review Addition of process map Alignment with other postmaster support policies
4 th May 2021	2.3	Jo Milton	Risk appetite amendment
23 rd May 2021	3.0	David Southall, Head of Contract Management & Deployment	Updated following ARC feedback including: Updated to V3.0 Addition of definitions Addition of Contract Performance Rationale Added linked policy statement to front page Added reference to the Group Investigations Policy to section 3.3 Who Must Comply? Updated link to section 5.1

			Added footnotes to link to other policies referred to in this policy.
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7.2. Policy Approval & Review

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

Committee	Date Approved
POL R&CC	4 th May 2021
POL ARC	18 th May 2021

Policy Sponsor: Retail and Franchise Network Director
Policy Owner: Franchise Partnering Director
Policy Author: Head of Contract Management & Deployment
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.

Post Office Management Services Limited is authorised and regulated by the Financial Conduct Authority (FCA), FRN 630318. Its Information Commissioners Office registration number is ZA090585.

Post Office Limited is authorised and regulated by Her Majesty's Revenue and Customs (HMRC), REF 12137104. Its Information Commissioners Office registration number is Z4866081.

8. Appendices

8.1. Suspension Rationale Document

Suspension Rationale Document

BRANCH DETAILS	
Branch Name	
Branch Code	
Contract Type and Code (i.e. Local NT1)	
Postmaster Name	
Legal entity the contract is with (if different from above)	
Is the Postmaster an absentee (i.e. managing from a distance)?	YES/NO* *delete as applicable
If so, please explain the situation with the Postmaster's involvement.	
If an audit occurred, name the person in charge present at the audit	
Appointment date according to current contact	
Original appointment date (if not same as above)	
Is the contract with a Limited Company?	YES/NO* *delete as applicable
If so, please list the Director's names:	
Is the contract guaranteed by a third party?	YES/NO* *delete as applicable
Guarantor Details:	
Date Contract Signed	
Date Contract Countersigned	
Remuneration/fees for last twelve months (or since opening if less than twelve months – please note)	

Associated Retail	
What is the date of the last trading period for this branch?	
Is there an outstanding discrepancy at this branch? (state amount and age)	
Is this part of a group of branches owned by the same Postmaster?	YES/NO* *delete as applicable
If so, please advise the other branches operated	
And advise the audit results at other branches	

AUDIT DETAILS	
Date of Audit	
Amount of discrepancy	
Detailed breakdown of the discrepancy	
Were there any known Horizon issues that could have affected this branch? (Give explanation of steps taken to ascertain this)	YES/NO* *delete as applicable
Reason for discrepancy, if offered	
Is Horizon or Training an area that has been cited as a reason for the discrepancy?	YES/NO* *delete as applicable
Any admissions volunteered?	YES/NO* *delete as applicable
a) Who volunteered the admission?	
b) What was said?	
c) When was it said?	

d) Who was it said to?	
e) How was it documented?	
Is there any other relevant information provided by the Postmaster or staff during an audit?	YES/NO* *delete as applicable
a) Who gave the information?	
b) What was said?	
c) When was it said?	
d) Who was it said to?	
e) How was it documented?	
Please enter date and details of previous audits	
Please advise if there have been any performance issues previously	
If so, what steps were taken to address the issues?	
What calls have previously been made to Branch Support?	

RECORD OF DECISION MAKING

All of the following criteria must be considered along with any other factors relevant to the case when making a decision.

a) What is the impact on the Postmaster, were we to suspend, and how has this impacted the decision you have made?	
b) What is the source of any risk and can this be mitigated? For instance, is the Postmaster posing the risk or have they been unaware of	

events caused by assistants?	
c) Risk to POL funds	
d) Risk to POL brand or reputation of the Postmaster continuing to operate the Branch	
e) What is the impact of suspension on customers and suppliers?	
f) Has someone suffered loss or damage as a result of the suspected or confirmed breach? This could be the Postmaster, customer or supplier. Please detail.	
g) Has the Postmaster cooperated following the findings at audit?	
h) Please note any relevant information provided by the Postmaster as part of an informal discussion/ telephone conversation/ written explanation. (It is for the Contract Advisor to exert their judgement in each individual case to ascertain whether the circumstances and reasons given are pertinent to the reasons for suspension.)	
i) Are there any other relevant criteria of facts that have been considered or disregarded as part of your decision making process?	

Factors for or against in determining whether precautionary suspension is appropriate (this is not a numerical analysis and the importance of each item must be considered).	
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Factors supporting continuation of service	Factors supporting suspension

Decision and Rationale

Recommended Decision (If suspension, please document relevant clause that gives the right to suspend):

Rationale to support recommended decision:

Where no suspension, detail further action planned:

Contract Advisor Details

Name of Contract Advisor completing decision document:

Date completed:

Business Improvements

Note: This section is to note any potential business improvements which have been raised through the investigation.

Decision Making Manager	
Date of Decision	

8.2. Process Map

