

## COMMERCIALLY SENSITIVE AND PREPARED IN CONNECTION WITH MEDIATION

## Initial Complaint Review and Mediation Scheme

## Post Office Preliminary Investigation Report

<b>Branch Name:</b>	Littleton Road	<b>Branch Code:</b>	2824221	<b>Case Number:</b>	M066
<b>Applicant Name:</b>	Mr Chirag Patel	<b>Status of Case:</b>	Mediation Application	<b>Date of Appointment:</b>	21/12/2010

**Executive summary**

The Applicant was employed at Littleton Road Post Office as a counter clerk by the former Subpostmaster prior to his application as Subpostmaster. He was appointed Subpostmaster of the branch on 21 December 2010 and he held this position until his precautionary suspension on 27 May 2011. The suspension was a result of the discrepancy revealed at audit. The branch was then operated by a Temporary Subpostmaster, whilst investigations into the audit discrepancy took place.

Following an interview with the Contracts Advisor, the Applicant was reinstated on 3th August 2011 subject to fulfilling certain conditions. The conditions included additional training provided by Post Office, that he guaranteed that all monies proper to Post Office e.g. Lottery® and Paystation® would be transferred and accounted for on a daily basis and that all weekly and monthly accounting documentation would be despatched correctly.

Another audit was carried out on 1 February 2012 and this led to the Applicant being subjected to a precautionary suspension for a second time due to (1) the discrepancy found and (2) the Applicant's failure to comply with his reinstatement conditions.

This culminated in the Applicant's contract for services being terminated by the Post Office on 8 March 2012.

The Applicant has applied to the Scheme and the main points in his complaint relate to:-

- 1) Disputed cash discrepancies 2) Lack of Training 3) Lack of Support 4) Horizon

**Disputed Cash Discrepancies**

The Applicant cites that during his two periods of tenure as Subpostmaster of the branch he experienced cash discrepancies which he believes can be explained by properly accounting for Giro cheques at the branch. He therefore disputes the discrepancies identified by the Post Office.

Although Giro cheques were found at the branch when the audit was completed on 27 May 2011 these did not explain the reported shortage as they had already been accounted for via Horizon.

The cash discrepancy of November 2011 was not as a result of an audit, but related to an amount settled centrally by the Applicant on completion of his branch trading statement in August 2011.

The audit in February 2012 showed evidence of the Applicant having poor controls in place at the branch, contrary to the conditions agreed for his reinstatement in August 2011 and despite additional training having been provided to the Applicant on reinstatement.

There is evidence that Transaction Corrections were brought to account by the Applicant which should not

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have been issued to him as they related to a period of time when he was not operating Littleton Road branch. Records examined show that there is an overlap of Transaction Corrections issued when the transfers from the former Subpostmaster to the Applicant and again after the transfer took place from the Temporary Subpostmaster to the Applicant. [BD COMMENT: Was this a shortcoming on the part of Post Office, the Temporary Subpostmaster or the Applicant? Did this create a loss for the Applicant?] Notwithstanding this issue, it does not account for the discrepancies revealed at either Audit. [BD COMMENT: Is there any reason to inform the Applicant of this issue? It does not form part of his complaint and does not in any way affect the discrepancies which led to his termination? Consider deleting]

*POL COMMENT: The shortcoming was on all 3 parties. Post Office did not complete the necessary actions in a timely fashion to stop this happening. Both the Spmr and Temp Spmr should have challenged if thought not proper to them.*

*Agree it doesn't affect the result of the discrepancy leading to termination but this has been potentially recovered from him already. This did go both in his favour and against with the net effect being a charge to him of £3728,60 - So I included it in the interest of being fair to the applicant?*

*Okay to take out if this is preferred but will need to remove source documents also. Caveat also that this may appear to be 'unusual' as the TC documents are ones that are nearly always submitted as part of the case review.*

*CK Comment; We do not agree that the information should be deleted. There is some evidence that the TC's were brought to account by the Applicant himself once he had resumed his duties. He may at some stage recall this. Further, given that there is a degree of ambiguity as to who, and to which period, these TC's relate, then this material again could be seen as of assistance to the Applicant.*

*We are also concerned with the principle that the suppression of information in such circumstances may fall outside of the 'open and transparent' nature of the Mediation process and, should the material later emerge, prejudice the perception of POL's good faith approach to Mediation.*

**Training**

Evidence confirms that the Applicant was provided with adequate training by Post Office.

Eight days classroom training followed by six days on site training and one follow up balance support session was delivered to the Applicant following the transfer of the branch to him. In addition, the Applicant had worked in the branch for the former Subpostmaster and would have already had experience of and been familiar with Horizon.

Following his reinstatement after the initial period of precautionary suspension, seven days additional training was given to the Applicant to allow him to fulfil the conditions of his reinstatement. During a support visit on 14 December 2011, further failings on the part of the Applicant to follow Post Office procedures were highlighted to the Applicant, including the need to account for Lottery transactions correctly.

There is no evidence that the Applicant complained or raised concerns about a lack of training, or inadequate training, at the time.

**Lack of Support**

Twenty two calls are recorded during the Applicant's two periods of tenure; thirteen are during the period

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cited in the complaint as the “most busy”. There is no evidence that supports the Applicant’s claim that Network Business Support Centre (NBSC) failed to provide support.

There is also evidence that support was given in the number of support / training visits the Applicant received following the initial problems.

Post Office agreed terms for the Applicant to repay the amounts due by way of instalments following the initial discrepancy; this was as a gesture of goodwill from the Post Office and to prevent the Applicant suffering undue financial hardship.

There is no evidence that the Applicant complained or raised concerns about poor or inadequate advice or support at the time.

#### Horizon

Records examined do not support the claim that the Horizon “system” was changed. However, due to a limited number of faults some of the components of Horizon were replaced e.g. printer. It is common for components to be replaced if they develop faults, such as those arising from simple wear and tear. There are no faults recorded by Fujitsu regarding Horizon base units.  
**Conclusion**In conclusion, it is Post office’s conclusion that the Applicant was fully supported and adequate training was delivered initially and during his tenure. Furthermore the Applicant did not display signs of improvement and did not adhere fully to the conditions of reinstatement, although he was given ample time and support to do so.

The conduct process was undertaken in accordance with Post Office guidelines and the Applicant was given both the opportunity to put forward his case either at an interview or by written submission on both suspension occasions and a chance to improve performance when he was reinstated following initial suspension.

It is Post Office’s view that the discrepancies in the branch arose as a result of the Applicant’s poor operating controls in place, particularly with regard to Lottery and cash declarations. There is no evidence that supports the Applicant’s claim that changes of Horizon equipment were to blame for the discrepancies that arose or that Giro cheques have not been accounted for. The issues in the branch were down to human error and the failure to apply and implement effective procedural controls.

Post Office regrets that transaction corrections may have been accepted by the Applicant which should have properly been sent to the former or the temporary Subpostmaster, however this does not correlate with the discrepancy revealed. [As stated above, is there any reason to inform the Applicant of this issue? It does not form part of his complaint and does not in any way affect the discrepancies which led to his termination? Consider deleting] \_ See above first

The Applicant’s assertion that ‘if he had training’ then the issues and discrepancies would not have occurred cannot be substantiated on the evidence located. Post Office delivered more than the standard training package and the Applicant was also given the opportunity to improve performance and operational controls at the branch but he failed to do so.

#### **The Applicant’s complaint**

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The Application to the scheme was received by Post Office via Second Sight on 28 October 2013. A letter of acceptance into the scheme (SL01) was sent on 5 November 2013. A more detailed Case Questionnaire Response (CQR) was received on 11 December 2013.

The main issues cited are detailed below:-

**Disputed Cash Discrepancies:-**

- May 2011 £12485.77 (-)

Applicant states that the original discrepancy was £16,983.65(-) and upon further investigation by Post Office was reduced to £12485.77(-).

The Applicant cites that this discrepancy can be explained by **Giro Cheques** found in a drawer within the Branch after the initial cash check (part of the audit) was completed.

When Giro Cheques were raised at an interview with a Contracts Advisor (CA) on 22 July 2013 as a possible cause of the discrepancy the CA appears to have considered this issue and concluded that it could not have led to the discrepancy. Nothing has been revealed in this investigation which casts doubt on the CA's original conclusion with regard to the Giro Cheque issue.

The Applicant alleges that, at the same meeting, she stated that the discrepancy could be explained because of the branch being in the incorrect Trading Period. She alleges that the point was not considered properly, or responded to by, the CA.

– this is still in POL analysis part should we leave in here? [I DO NOT THINK WE SHOULD REFER TO THIS COMMENT – NO CONCLUSIONS CAN BE DRAWN AS TO THE ALLEGED COMMENT IF NO DOCUMENTS ARE AVAILABLE AND IF THE CONTRACTS ADVISOR IS NOT AVAILABLE FOR COMMENT]The Applicant felt compelled to pay the sum due in fear of losing his post as Subpostmaster.

- **23 August 2011/2013 £1400.00 (-)** The Applicant cites 23 August 2013 in the complaint but the actual date was 3 August 2011)

Applicant states that an audit revealed discrepancy of £1400.00 (-) which although proper to the Temporary Subpostmaster was allocated to his account.

- **November 2011 - £6019.56 (-)**

Applicant states that this amount was revealed during an audit and that it related to a failure on his part to account for Lottery scratch cards correctly but that there was no actual "cash shortfall."

The Contracts Manager demanded repayment of £6019.56 (-) This was repaid in monthly instalments by the Applicant.

- **01 February 2012 - £2000.00 (-)**

Applicant states that an audit revealed a discrepancy of around £2000 which again related to Lottery Scratchcards. This led to his precautionary suspension due to his refusal to repay and



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termination of his contract.

**Lack of Training**

Applicant alleges that no initial training was delivered to him by the Post Office.

**Lack Of Support**

- Applicant alleges that he made numerous calls to the NBSC particularly between 21 December 2010 and May 2011 and that the advice given was “not worthwhile”.
- The Applicant alleges that he made contact with Financial Service Centre (FSC) regarding Giro Cheques but that information he requested was not supplied.

**Horizon**

- The Applicant alleges in his CRQ that the Horizon “system” was replaced in the branch by Post Office and this could have caused the discrepancies.

**Monetary Claim**

- The sums of £12485.77 and £6019.56 (Losses paid by Applicant)
- Applicant’s remuneration during his period of suspension – 27 May 2011 to 3 August 03<sup>rd</sup> 2011 (Applicants CQR dates are incorrect –27 June to 23 August). This is estimated to total £6991.78.
- Applicant’s ‘salary’ since he was dismissed, which he estimated to be £44572.60 to date.
- Potential loss of convenience store business which he purchased in late 2010 for £250,000.00
- The sum of £1400.00 Applicant claimed owed to him whilst absent from Branch during suspension.

**Case Review Actions**

*Summary of the information collated by Post Office*

**Information available from Post Office records:**

Records sourced cover the dates between 03 September 2010 and 21 May 2012 to cover the Applicant’s period of tenure at Littleton Road Post Office and subsequent investigations.

The following areas have been reviewed :-

Information Area	Information provided with this response	Information not available as beyond retention period
Record of contact with Post Office Ltd to include call logs to Network Business Support Centre. (NBSC)	X	
Record of training received.	X	

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Record of Audit and Intervention Request.	X	
Record of Contractual Communiques and Meetings.	X	
Record of Transaction Corrections.	X	
Transaction and Event Logs. May 2011, November 2011 and February 2012	X	
Horizon Service Desk (HSD) logs	X	

**Record of NBSC Logs. (Doc 001 refers)**

Logs were reviewed for the period between 21 December 10-27 May 2011 and 03 August 2011– 01 February 2012. During these periods **22** call logs were recorded. Detailed below are the total of logs per year and a breakdown of the issues that potentially relate to the issues raised.

**2010 – Total 3 logs:** - All related to initial set up of branch

**2011 – Total 18 logs:** -

3 related to auditor calls

8 related to customer transactional and branch operational enquires

1 related to a printer issue

1 related to problem with telephone in branch.

1 related to branch reopening.

4 related to balancing issues:-

**18 May 2011** – Applicant stated that he could not “roll office over” due to software issues and the HSD advised that a field visit was necessary.

**18 May 2011** – Applicant needed help “rolling office over”. NBSC advised HSD that Applicant is trained and knows what to do as per previous call.

**20 July 2011**- Transaction Acknowledgement (TA) **issue** This relates to accounting for transactions conducted on the paystation

**22 September 2011**- completing Branch Trading Statement (balance completed once every 4 or 5 weeks) how to deal with outstanding reports.

**2012 – Total 1 log:** - Related to branch closure due to local disturbance

**Training Records (Docs 004,005 refer)**

**21 December 2010 – 30 December 2010** Performance Standard Assessment (PSA)

**03 November 2011 – 11 August 2011** Network Support Admin Team (NSAT)

**Record of Audit /Intervention Visits (Docs 013,015 refer)**

**27 May 2011** Audit completed; Result: £18562.34 (-) Broken down as- £17480.51 (-) cash, £1223.95 (-) stock, £224.11 (+) postage, £81.99 (-) discrepancy declared on balance snapshot. [Following the TC in relation to the currency transaction what was the breakdown of the audit result? Please include both.] The audit result would not /cannot be changed but subsequent to the audit the TC for currency went to the Late Account – the foreign currency amount is £4497.88 (+) [BD COMMENT: ok, please build this into the report]

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**03 August 2011** Transfer audit (Reinstatement) completed; As this was a transfer audit, as per normal practice, no electronic records were completed. Paperwork is retained for 60 days in case of enquiry and then destroyed.

**01 February 2012 Audit** completed; Result: £9886.89 (-). Broken down as: - £4307.25 (-) cash, £4264.78(-) stock, £190.03 (+) postage, £1504.89 (-) discrepancy held at Financial Service Centre (FSC).

**Record of Contractual Correspondence and Meetings (Docs 003,008,014 refer)**

22 July 2011 Letter to Applicant re. reinstatement

08 March 2012 Letter to Applicant re. Termination of contract.

25 October 2012 Letter from Member of Parliament

**Transaction Corrections (Doc 007 refers)**

63 Transaction Corrections: 03 September 2010 –04 May 2012

23 Credits

40 Invoices

*Previous Subpostmaster 03 September 2010-07 January 2011 (Dates brought to account)*

10 credit £6798.80 8 invoice £6676.90

15 related to Lottery

3 related to Paystation

*Applicant first Period of Tenure 10 January 2011-16 May 2011 (Dates brought to account)*

Plus one issued for a Giro cheque error on 15 August 2011

4 credit £5809.80 9 invoice £9830.48

5 related to lottery

5 related to paystation (terminal used for certain transactions that Horizon cannot perform)

2 relate to Giro Cheques

1 relates to saving stamps not despatched.

*Temporary Subpostmaster 07 June 2011 -22 July 2011 (Dates brought to account)*

3 credit £5740.00 2 invoice £5498.30

3 related to paystation

2 related to lottery.

*Applicant/Temporary Subpostmaster 15 August 2011-06 September 2011 (Dates brought to account)*

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Due to the issuing of TC's covering an extended period it is not possible to separate between the Applicant and the Temporary Subpostmaster.

2 credit £435.80 4 invoice £5982.00

6 relate to lottery.

*Applicants Second Period of Tenure 19 October 2011-03 February 2012 (Dates brought to account)*

3 credit £5102.20 15 invoice £39504.42

14 related to lottery

2 related to paystation

1 related to cash remittance

1 related to foreign currency

*Applicant/ Subsequent Subpostmaster 06 March 2012 (Date brought to account)*

1 credit £1654.70 0 invoice

1 related to lottery

Subsequent Subpostmaster 30 March 2012-04 May 2013 (Dates brought to account)

0 credit 2 invoice £433.20

2 related to lottery

Total value of credit TC's issued £25541.30

Total value of invoice TCs issued £67925.30

Net £42384.00 (-)

[The net total above takes into account TCs that were brought to account for the former and temporary Subpostmasters. Additionally some of the TCs proper to the Applicant were brought to account by the Temporary Subpostmaster, after the second precautionary suspension. In summary this means that the Applicant net effect of TCs issued and accepted by the Applicant was a net figure of £3728.60 which were not proper to his account. This was a mix of credit and invoice TCs. ]

**[As stated above, is there any reason to inform the Applicant of this issue? It does not form part of his complaint and does not in any way affect the discrepancies which led to his termination? Consider deleting] See above**

**Transaction Event Logs (Doc 019 020,021,022,023,024 Refer)**

May 2011, November 2011 and February 2012

**HSD Logs (Doc 016 Refers)**

25 November 2010-29 February 2012.



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**Response to issues raised by Applicant**

Please see explanations and terms used in (Doc 025 refers)

Lottery Accounting Procedure.

Late Account Process.

Settle Centrally Process.

	Issue raised	Investigation findings
1.	<p><b><u>Discrepancies</u></b></p> <p><b>May 2011 £12485.77 (-)</b></p> <p>Applicant cites audit result of £16,983.65 reduced to £12485.77.</p> <p>The Applicant claims that this discrepancy can be explained by <b>Giro Cheques</b>.</p>	<p>The audit on 27 May 2011 revealed a discrepancy of £16983.65(-). As the Applicant was unable to make good on the day of the audit it was transferred to the Late Account at Financial Service Centre (FSC).</p> <p>The audit resulted in the precautionary suspension of the Applicant who was subsequently reinstated on 03 August 2011 with conditions imposed. (Doc 008 refer)</p> <p>Subsequently a transaction correction of £4497.88 (+) was issued via the Late Account Process. Therefore the amount held in the late account at FSC in respect of the audit discrepancy would decrease by this amount.</p> <p>This would account for the difference cited by the Applicant. The transaction correction related to the incorrect processing of a currency order by the branch which culminated in the customer not receiving their currency hence the subsequent issue of the transactional correction. There are no records available which indicate whether this was or was not explained to the Applicant, although it is noted that the Applicant was not employed by the Post Office when the issue was clarified.</p> <p>Post Office findings confirm that Giro Cheques were present on the day of the audit. Investigations suggest that the Giro Cheques had been processed through Horizon prior to the audit taking place but not despatched weekly as per Post Office procedures. As the Giro Cheques had already been accounted for there would be no credit due to the Applicant. The only omission was that the cheques were not despatched from the branch as they should have been by the Applicant.</p> <p>There are no records to support the Applicant's claim that these amounted to £12491.00.</p> <p>The experienced auditor on the day dispatched the Giro Cheques by</p>

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	<p>As branch was in an incorrect Trading Period, this could explain any discrepancy.</p>	<p>Special Delivery service to Girobank in Bootle. It has been confirmed that the Giro Cheques were received by Girobank. (Doc 018 refers).</p> <p>Records show that in accounting weeks 1, 2 and 3, in 2011 (Doc 006 refers) Girobank did not receive the weekly dispatch of Giro Cheques from the branch. This was highlighted as the cheques had been processed via Horizon when payment to the customer was made but not physically despatched. The Applicant was written to and he provided evidence of the cheques dispatched for weeks 1 and 2. This evidence was in the form of listing of Giro cheques processed.</p> <p>The Applicant failed to provide any evidence for Week 3 for an amount of £3127.48 (-). Therefore an invoice Transaction Correction was issued to the Branch on the 15/08/11 to correct this (Doc 007 refers).</p> <p>Branches are required to complete a Branch Trading Statement on a specified date every four or five weeks via Horizon. This is a statement of the cash and value stock held in the branch at that time along with a record of transactions completed during the period.</p> <p>The Subpostmaster is required as part of the balancing process to complete a physical check of the cash and value stock held. There are usually twelve trading periods in a financial year.</p> <p>The audit of 27 May 2011 revealed that the branch had failed to complete this requirement. Horizon was in Trading Period 10 but should have been in Trading Period 3. The auditor completed the required process to correct this without reporting any issues. (Doc 010 refers).</p> <p>The Applicant states that he was unable to complete this task and had reported this to NBSC. Records show on 18 May 2011 the Applicant did report an issue with this process but the outcome reports that the Applicant stated that he "knows what to do" (Doc 001 refers).</p> <p>Examination of transaction and event logs for the period show that the Applicant made no attempt to complete the Branch Trading Statement process (Doc 026 refers).</p> <p>Post Office accepts it should have monitored this activity more closely and ensured that the branch was following the correct procedure at an earlier stage. However, failure to complete a Branch Trading Statement would not cause any discrepancies in the branch as the statement is a record of cash and stock on hand and transactions completed during the period specified only. Can we also stated that "The Applicant remains responsible and liable to Post Office for any of the losses? "</p>
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	<p>When the Giro Cheques and incorrect Trading Period issues were raised at an interview with a Contracts Advisor on 22 July 2013 these issues were referred to as a “red herring”.</p> <p>The Contracts Advisor stated that Horizon was always right and infallible.</p> <p>The Applicant felt compelled to pay the sum due, in fear of losing his post as Subpostmaster. Repayment by instalments was agreed.</p>	<p>Post Office is unable to confirm what was said at the interview as no records are available. However, records show that the interviews took place on 28 June 2011 and 22 July 2011. [BD COMMENT: Is the Contracts Advisor available for comment?]Post Office is able to determine that the issues raised regarding the incorrect Trading Period and Giro Cheques did not create discrepancies in the branch but are an indication of poor procedures put in place by the Applicant.</p> <p>Under the terms of the Subpostmaster’s contract the Subpostmaster is required to make good all discrepancies immediately.</p> <p><b>Section 12 Paragraph 12</b>, the Subpostmaster is responsible for all losses caused through his own negligence, carelessness or error. Deficiencies due to such losses must be made good immediately.</p> <p><b>Section 15 Paragraph 2</b>, assistants are employees of the Subpostmaster, a Subpostmaster will be held wholly responsible for any failure on the part of his assistants. He will be required to make good any deficiency, of cash &amp; stock, which may result from his assistant’s actions.</p> <p>This contract was freely entered into by the Applicant at the time of appointment and the terms and conditions of the contract are discussed as part of the recruitment process.</p> <p>Notwithstanding the above it is recognised this can cause financial hardship. Therefore, as a gesture of goodwill, Post Office agreed to repayment by instalments to lessen the financial burden on the Applicant.</p>
	<p><b>November 2011</b> <b>£6019.56 (-)</b></p> <p>Applicant alleges this amount was found at audit. Applicant admits that this relates to a failure on his part to account for Lottery scratch cards correctly but there was no actual “cash shortfall.”</p>	<p>Discrepancy of £6019.56(-)</p> <p>Post Office findings are that contrary to the Applicant’s complaint this discrepancy did not relate to an audit at the branch.</p> <p>The discrepancy was raised by letter to the Applicant due to amounts settled centrally during completion of the trading statement of 25 August 2011. There is evidence that the Applicant repaid this amount by deductions from remuneration commencing in November 2011.</p> <p>The Applicant alleges that Horizon would not allow lottery transactions to be recorded and that he reported this to NBSC.</p> <p>Records show that the Applicant did not report a problem with</p>

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		<p>lottery transactions with NBSC at that time. There is evidence to suggest that the reported discrepancy is likely to relate to Lottery accounting based on previous branch performance, and the number of transaction corrections issued.</p> <p>Transaction and Event log data for November 2011 shows that although the Applicant had been instructed in his action plan after his onsite training (Doc 004 refers) and Conditions of Reinstatement (Doc 008) to ensure that Lottery was reconciled on a daily basis he failed to comply with these instructions.</p> <p>There is evidence that the Applicant had not accounted for lottery transactions on a daily basis as an example on 03 November 2011 numerous days lottery transactions have been input to Horizon, breaching the Conditions of Reinstatement.</p> <p>Post Office could find no evidence of any reason why the lottery transactions could not be recorded via Horizon. This would indicate operator error as the likely cause.</p>
<p><b>23 August 2013 £1400.00 (-)</b> (Actual date 03 August 2011)</p> <p>Applicant cites that an audit revealed discrepancy of £1400.00 (-) which although proper to Temporary Subpostmaster was allocated to his account.</p> <p>Applicant cites he was written to by Post Office stating that an amount was owed to him, but he did not receive it.</p>	<p>On 03 August 2011 a transfer audit was completed. This audit was conducted to reinstate the Applicant as Subpostmaster following his precautionary suspension on 27 May 2011.</p> <p>There are no records of any discrepancy reported at this audit, financial records of transfer audits were only held for 60 days and then destroyed.</p> <p>Post Office records show no evidence of any amounts of £1400.00 being transferred to FSC on the day. However records do show an amount of £1406.25 entered into the suspense account on 03 August 2011. As this was not settled centrally on that day it was not allocated to the Applicant as cited.</p> <p>Post Office has been unable to locate a copy of any letter to the Applicant regarding repayment of a sum of £1400.00.</p>	
<p><b>1 February 2012 £2000(-)</b></p> <p>Applicant cites that an audit revealed a discrepancy of around £2000 which again related to Lottery Scratchcards</p>	<p>01 February 2012 Audit conducted results £9886.89(-). This is contrary to the Applicant who claims that the result of the audit on 01 February 2012 was £2,000.00(-)</p> <p>Records indicate that the Applicant was subjected to a precautionary suspension at this time and ultimately this led to the termination of his contract.</p> <p>When the Applicant was re-instated on 03 August 2011 conditions were imposed (Doc 008 refers) including that daily lottery accounting</p>	



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		<p>was to take place.</p> <p>There is no evidence that the Applicant had introduced the required controls.</p> <p>Retention of the appointment as Subpostmaster was dependent on the branch being well managed and that the conditions outlined on the Applicants reinstatement were adhered to.</p> <p>The Applicant's failure to follow Post Office's operational and compliance procedures in accordance with his contract as highlighted in his letter of reinstatement was cited by the Contracts Advisor as a factor which led to his precautionary suspension. (Doc 010, 011 Refer)</p>
2.	<p><b><u>Training</u></b></p> <p>Applicant cites that no onsite training was delivered. Had training been received the subsequent discrepancies would probably not have occurred.</p>	<p>The Applicant cites in his complaint that he did not receive any initial training when he was appointed as Subpostmaster on the 21 December 2010.</p> <p>Records indicate that the Applicant received the training that was available at the time of his appointment and is provided to all Subpostmasters.</p> <p>Post Office records indicate (Doc 002 refers) that the Applicant received classroom training at Stockport Counter Training Office from 08 December 2010 to 17 December 2010 (8 days) This was followed by six days of onsite support between 21 December 2010 and 30 December 2010 (6 days) and further onsite support on 05 January 2011 when the first balance was completed. (Doc 003).</p> <p>As normal practice the on-site Field Support Advisor (FSA) completed a Performance Standards Assessment and an action plan was drawn up. (Doc 004 refers)</p> <p>The evidence that initial training was delivered is further supported by the outcome and the response to the issues raised by Yasmin Qureshi MP via Jo Swinson MP (Minister for Employment Relations and Consumer Affairs. (Doc 003 refers)</p> <p>The response from the Post Office at that time states that the Applicant did receive both classroom and onsite training.</p> <p>When the Applicant was reinstated on 03 August 2011 additional training was provided by the Post Office as this was a condition of the Applicant's reinstatement.</p> <p>A FSA attended from the 03 August 2011 to 11 August 2011 providing additional support (Doc 005 refers). This was also an opportunity for the Applicant to discuss any additional training that he required.</p> <p>The Applicant was able to make further requests for training via</p>

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		<p>NBSC. Records show there were no requests for further training from the Applicant logged with the NBSC (Doc 001 refers)</p> <p>The Applicant did receive the standard training package. Issues still arose with discrepancies, weak procedural controls and accounting practices. Additional training was provided following his reinstatement.</p> <p>There is no evidence that the Applicant complained or raised concerns about a lack of training, or inadequate training, at the time.</p>
3.	<p><b><u>Support</u></b></p> <p>Applicant cites that he made numerous calls to NBSC particularly between 21/12/2010 and May 2011. Advice given was "not worthwhile".</p>	<p>Evidence shows that during the period cited by the Applicant as the period he made the most calls to NBSC, 13 calls were logged.</p> <ul style="list-style-type: none"> <li>• 5 related to transactional enquires.</li> <li>• 1 related online issue transferred to HSD on 09 February 2011 due connectivity issue. Due to problem with telephone line to branch. There is no record of the branch closing.</li> <li>• 3 calls (on same day) 18 May 2011 reporting branch cannot roll over, however examination of Event Logs indicate that there were no attempts to complete the trading statement on that day. Call was transferred to HSD they determined no Horizon issue and passed caller back to NBSC during the call he was asked if it was a training issue but the Applicant stated that he is "trained and knows what to do".</li> <li>• 3 Relate to the day of transfer (21 December 2010 and the set up)</li> <li>• 1 Issue with counter printer.</li> </ul> <p>22 calls were made during the Applicant's entire period of tenure. Records show that after the three calls made to NBSC on 21 December 2010 related to the transfer of the branch no calls were made until 09 February 2011. It would be expected that a new Subpostmaster would make a higher volume of calls in the early stages following their appointment.</p> <p>There is no evidence that NBSC failed to provide a response to the questions asked by the Applicant and no indication that he did not understand or accept the advice given.</p> <p>There is no evidence that the Applicant complained or raised concerns about poor or inadequate advice or support at the time.</p> <p>The Applicant alleges that contact was made with FSC in regard to the Giro Cheques.</p>

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	<p>Contact was made with Financial Service Centre regarding Giro Cheques but requested information was not supplied.</p>	<p>Post Office has no record of any request or telephone conversation with the Applicant so it is difficult to determine why the information requested was not supplied. The assumption is that this could relate to a data protection issue but Post Office cannot support this view. A copy of the giro cheque listing should be retained in the branch. If this was the evidence requested it would have been available.</p>
4.	<p><b><u>Horizon Issues</u></b></p> <p>The Applicant cites that shortly after this the Horizon system was replaced in the branch by Post Office and this could have caused discrepancies.</p>	<p>Evidence from the HSD log (Doc 015 Refers) confirms that there was no system replacement during his tenure as Subpostmaster.</p> <p>There were equipment changes and faults rectified:-</p> <ul style="list-style-type: none"> <li>• Routine replacement of counter printer (16 March 2011),</li> <li>• BT line issue (12 April 2011), unable to roll office over/Fujitsu unable to find any faults/call passed back to NBSC (18 May 2011),</li> <li>• Back office printer kept jamming advised to order new drum (25 May 2011)</li> <li>• Keyboard fault (06 October 2010)</li> <li>• Monitor fault (24 November 2011)</li> </ul> <p>If equipment develops a fault and cannot be repaired by the on-site Fujitsu engineer the item is replaced. This is standard practice and does not indicate any specific or inherent failure in the Horizon system.</p>
	<p><b><u>Period of Suspension</u></b></p> <ul style="list-style-type: none"> <li>• During the period of precautionary suspension, remuneration is not paid as there is no provision of service.</li> <li>• Prior to a Temporary Subpostmaster taking over terms is agreed between the Temporary Subpostmaster and the 'suspended' Subpostmaster; this is advised in the suspension letter sent by the Contract Advisor.</li> </ul> <p>During the investigation into the Applicant's complaint additional findings have been revealed and are listed below:</p> <ul style="list-style-type: none"> <li>• There are numerous disparities in dates, amounts and facts between the Initial Application, the Case Review Questionnaire and actual events(Doc 009 refers). It is acknowledge that the Applicant may not have the benefit of reviewing contemporaneous documents to clarify dates and that he may therefore rely on memory.</li> <li>• During a Post Transfer Visit (undertaken as part of on-going support after a branch transfer) on the 14 December 2011 it was stressed to the Applicant</li> </ul>	

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	<p>the need to account for scratch card sales correctly. His failure to act on advice and manage the branch to the required standard could have been contributed to the two discrepancies revealed at audit. (Doc 013 refers)</p> <ul style="list-style-type: none"> <li>Records show that all amounts held at Financial Service Centre were subject to write off. When the final trading statement was prepared during the Audit of 01 February 2012. Post Office made an error by recording the amount of £8581.63 twice. The amount was incorrectly shown as both a "Deficiency in final trading statement" and "Deficiency made good at final trading statement" This administrative error did not however alter the audit result.</li> <li>The Applicant's contract was terminated on 08 March 2012. Evidence confirms (Doc 014 Refers) that the Applicant's contract was terminated in accordance with Post Office procedures. The Applicant was offered two face to face meetings or to provide written submissions as to why his Subpostmaster's contract should not be summarily terminated but he failed to respond to either request. The Applicant states in the CQR "that he did not avail himself" of these opportunities. The meetings would have given the Applicant the opportunity to present his reasons why his contract should not be terminated, but chose not to attend or supply any written submissions.</li> <li>Horizon Event logs for the period 01 November 2011-16 November 2011(Doc 028 Refers) detail cash declarations made. Whilst a cash declaration can be made at any time it is normal practice to declare cash once per day usually at close of business. There is evidence of cash declaration being made just prior to close of business and again the following morning. Variances (actual cash declared compared to the Horizon expected figure of cash on hand) are declared and there are some large discrepancies reported. This is an indication of poor procedures in the branch.</li> <li>The Applicant worked at the branch as an assistant prior to his appointment as Subpostmaster.</li> </ul>
<b>Documents being provided to Second Sight</b>	
<i>M066_POL_NBSC Logs_HWRF_001</i>	NBSC call log 21/12/2010-21/05/2012
<i>M066_POL_PO Letter_HWRF_002</i>	Post Office letter confirming Branch transfer and induction training.
<i>M066_POL_Letter MP_HWRF_003</i>	Letter from MP
<i>M066_POL_PSA Repor_HWRF_004</i>	Performance Standards Assessment
<i>M066_POL_NSAT Schedule_HWRF_005</i>	Network Support Admin Team schedule



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<i>M066_POL_EMAIL GIROS_HWRF_006</i>	Email showing Giro issues
<i>M066_POL_Transaction Correction_HWRF_007</i>	Transaction Corrections 03/09/2010- 04/05/2012
<i>M066_POL_Letter Reinstatement_HWRF_008</i>	Letter of reinstatement
<i>M066_POL_Table_HWRF_009</i>	Table of discrepancies (Date etc from initial complaint to CQR
<i>M066_POL_StatementT_HWRF_010</i>	Auditor's statement
<i>M066_POL_Post Transfer Contact_HWRF_011</i>	Post Transfer Contact document
<i>M066_POL_Customer Account_HWRF_012</i>	Customer Account
<i>M066_POL_Audit_HWRF_013</i>	Audit report 01/02/12
<i>M066_POL_Letter of Termination_HWRF_014</i>	Termination letter
<i>M066_POL_Audit 01/02/2012_HWRF_015</i>	Audit Report of 01/02/2012
<i>M066_POL_HSD Logs_HWRF_016</i>	HSD logs 25/11/2010-29/02/2012
<i>M066_POL_Email from FSC_HWRF_017</i>	Email form Financial Service Centre re final account deficiency.
<i>M066_POL_Conversation re receipt of giro cheques_HWRF_018</i>	Record of conversation between Investigator and FSC.
<i>M066_POL_HD 1<sup>ST</sup> to 31<sup>st</sup> May 2011_HWRF_019</i>	Horizon Transaction Data
<i>M066_POL_HE 1<sup>ST</sup> to 31<sup>st</sup> May 2011_HWRF_020</i>	Horizon Event Data
<i>M066_POL_HD 1<sup>ST</sup> to 30<sup>th</sup> November 2011_HWRF_021</i>	Horizon Transaction Data
<i>M066_POL_HE 1<sup>ST</sup> to 30<sup>th</sup> November 2011_HWRF_022</i>	Horizon Event Data
<i>M066_POL_HD 1<sup>ST</sup> to 29<sup>th</sup> February 2012_HWRF_023</i>	Horizon Transaction Data
<i>M066_POL_HE 1<sup>ST</sup> to 29<sup>th</sup> February 2012_HWRF_024</i>	Horizon Event Data
<i>M066_POL_Explanation of Terms_HWRF_025</i>	Explanation of Terms
<i>M066_POL_Balancing Record_HWRF_026</i>	Balancing activity on 18/05/2011 from Transaction and Event Logs
<i>M066_POL_Lottery Activity_HWRF_027</i>	Lottery activity 03/11/2011 stock unit OOH

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<i>M066_POL_Example of Cash Declarations_HWRF_028</i>	Example of cash declarations 01/11/2011-16/11/2011
<i>M066_POL_TC analysis_HWRF_029</i>	Transactional Correction Analysis

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