

# Postmaster support policy

Contract performance

Version 5.0





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.](#)

# Contents page

---

<b>1 Definitions.....</b>	<b>5</b>
1.1 Definitions .....	5
<b>2 Overview .....</b>	<b>6</b>
2.1 Introduction.....	6
2.2 Purpose .....	6
2.3 Core principles .....	7
2.4 Application .....	7
2.5 The risk.....	7
<b>3 Risk appetite .....</b>	<b>9</b>
3.1 Risk appetite.....	9
3.2 Policy framework .....	9
3.3 Who must comply?.....	10
3.4 Roles and responsibilities.....	10
3.5 Minimum control standards.....	13
<b>4 Procedure.....</b>	<b>15</b>
4.1 Contract performance issues .....	15
4.2 Review .....	16
4.3 Recording decisions.....	17
4.4 Review outcomes.....	18
4.5 Monitoring period.....	19
4.6 Business improvement opportunities.....	19
<b>5 Where to go for help .....</b>	<b>20</b>
5.1 Additional policies.....	20
5.2 How to raise a concern .....	20
5.3 Who to contact for more information.....	20
<b>6 Governance.....</b>	<b>21</b>
6.1 Governance responsibilities.....	21
<b>7 Document control.....</b>	<b>22</b>
7.1 Document control record.....	22
7.2 Oversight committee.....	24
7.3 Company details.....	24

<b>8 Appendices .....</b>	<b>25</b>
8.1 Contract Performance Rationale.....	25



# 1 Definitions

---

## 1.1 Definitions

1. **Branch Assurance** - 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. **Contractual Action** – the means of resolving a performance matter with a postmaster through a formal request, most commonly a Written Direction.
3. **Contract Performance Issue** – A matter that arises where a postmaster is not meeting their obligations as set out in their contract to the required standard in relation to a material matter.
4. **Contract Performance Rationale** (see Appendix 8.1) - A rationale completed by the Contract Advisor which captures the facts and findings of their review into the matter and sets out the rationale outlining next steps.
5. **Postmaster or postmaster**– this refers to a limited company, partnership, limited liability partnership, other entity or individual that contracts with Post Office for the operation of a Post Office® branch.
6. **Written Direction** – A formal letter issued following the review which outlines the breach of contract, sets out expectations and what is required of the postmaster and explains the consequences of not doing so.

## 2 Overview

---

### 2.1 Introduction

The Retail Engagement Director has overall accountability to the Board of Directors for the design and implementation of controls to manage risk in the network<sup>1</sup>. Risk in the network is an agenda item for the Risk Committee and the Post Office<sup>2</sup> board is updated as required.

This policy is a non-contractual document provided for information. It does not form part of a contract between any postmaster<sup>3</sup> 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 Suspension 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.

It is important that each postmaster is able to ensure the obligations as set out in their contract are performed to the standards required and are provided support by Post Office to meet these standards. Post Office recognises that there will be occasions where these standards are not being met.

The purpose of this policy is to identify the circumstances where these standards are not being met, the review process and to outline the procedures to be followed to ensure performance of the contract, while supporting the postmaster in this process.

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 postmasters, customers, shareholders, employees, other stakeholders (such as the government departments) and third party commercial partners including Royal Mail.

---

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

<sup>2</sup> In this policy, "Post Office" and "Group" means Post Office Limited.

<sup>3</sup> In this policy, "postmaster" refers to a limited company, partnership, limited liability partnership, other entity or individual that contracts with Post Office for the operation of a Post Office® branch



## 2.3 Core principles

Post Office has an obligation to its customers and clients to ensure that all branches are providing a quality of service and adhering to agreed standards. Post Office is committed to supporting its postmasters in this process.

It is vital that, to the extent reasonably possible, any performance issues are resolved through Post Office and postmasters supporting and working with each other through the available methods. It is recognised that formal actions to ensure performance of the contract can be stressful for the postmaster and may have an impact on the operation of the branch; therefore, formal action should only be taken where necessary and where alternative methods to resolve the performance issue have been considered.

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

- a review is carried out to establish the facts before any formal contractual action may be taken and that the postmaster is given the opportunity to identify and address any issues of concern; and
- consideration is given to the postmaster's circumstances when Post Office is deciding whether to take formal contractual action.

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 all Post Office employees<sup>4</sup> who manage postmaster contracts on behalf of Post Office and defines the minimum standards to control financial loss, postmaster impact, regulatory breaches and reputational damage in line with the Post Office's Risk Appetite.

## 2.5 The risk

Post Office is required to review a potential contract performance issue before taking any contractual action and in doing so needs to:

- ensure that any decisions taken in respect of a postmaster contract are not exercised arbitrarily, capriciously or unreasonably;
- exercise any contractual power 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.

---

<sup>4</sup> 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.

Failure to deal with a contract performance issue in the correct manner creates risks for both Post Office and postmasters, which include (but are not limited to):

- formal contractual action being taken without proper cause or a contractual basis may cause unnecessary distress for the postmaster and Post Office will not have acted in good faith;
- loss of confidence in how Post Office manages the contractual relationship;
- stakeholders having reduced confidence in Post Office's ability to effectively manage postmaster contracts;
- Post Office may suffer reputational damage; and
- Post Office may be in breach of its contractual or regulatory obligations.

Section 3.5 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 risks around service and support provided to postmasters.
- **Averse risk appetite** towards risks around our core operational processes that impact postmasters.
- **Averse risk appetite** to being non-compliant with our statutory and regulatory obligations.
- **Averse risk appetite** for financial crime to occur within any part of Post Office or the network.
- **Averse risk appetite** in relation to unethical behaviour by Post Office employees.
- **Averse risk appetite** to risks around disputes and litigation.
- **Cautious risk appetite** towards the risk of service interruptions that would considerably reduce branch availability across the network resulting in the inability to serve customers.

Post Office acknowledges however that in certain scenarios even after extensive controls have been implemented a risk may still sit outside the agreed Risk Appetite/Risk Tolerance. Risks outside of Appetite/Tolerance may be presented to the relevant governance forums for escalation/agreement of the risk position.

If a risk is identified which is outside of agreed policy a risk exception note will be required, 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 postmaster contract risks throughout the business and network in line with Post Office's risk appetite. The framework includes the following policies:

- Postmaster Onboarding
- Postmaster Training
- Postmaster Complaint Handling
- Network Monitoring and Branch Assurance Support
- Network Cash and Stock Management

- Network Transaction Corrections
- Postmaster Account Support
- Postmaster Accounting Dispute Resolution
- Postmaster Contract Performance (this policy)
- Postmaster Contract Suspension
- Postmaster Contract Termination
- Postmaster Contract Termination Decision Review

### 3.3 Who must comply?

Compliance with this policy is mandatory for all Post Office employees 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 and responsibilities

- **Audit, Risk and Compliance Committee** – is the Committee of the Post Office Limited Board which reviews and approves Postmaster Support policies.
- **Risk and Compliance Committee** - is the standing committee of the Group Executive who review and approve Postmaster Support policies for recommendation to the Audit, Risk and Compliance Committee.
- **Retail Engagement 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.
- **Area Manager(s)** - is (are) responsible for the relationship between Post Office and postmasters regarding the management of their branches, including raising performance issues prior to the deployment of the procedures and decisions required in this policy.
- **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 conversant with this policy and linked policies;
  - act as a guide and advisor to those Post Office teams, particularly Area Managers, dealing with contract performance issues to ensure consistency of approach;
  - ensure that all necessary steps have been taken by Post Office teams to support postmasters to address the identified issues, with the appropriate documentation completed;
  - revert to the relevant Post Office team to address any identified instances where steps have not been taken or appropriate documentation not completed by Post Office in relation to managing performance issues;
  - review the contract performance issue, gathering as much information as possible relating to the contract performance issue that has come to light, liaising as appropriate with the postmaster and other Post Office teams and keeping complete records, before taking any formal contractual action;
  - consider the options available as an alternative to contractual action, discussing if required with the Head of Contract Management & Deployment;
  - 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;
  - ensure any decision is made in line with all other linked Post Office policies;
  - make the postmaster aware of the support available to them, including from the National Federation of Sub Postmasters;
  - ensure that once any formal contractual action is taken the situation is monitored (by other Post Office teams if necessary) and the postmaster is clear on the consequences of not complying with the formal contractual action.
- **National Federation of Sub Postmasters (NFSP)** – is a professional trade association which exists to support postmasters.
  - **Postmaster** – refers to a limited company, partnership, limited liability partnership, other entity or individual that contracts with Post Office for the operation of a Post Office® branch.

As many postmasters are limited companies or partnerships (and as individual postmasters may appoint managers to operate a branch on their behalf) any steps that need to be taken by a postmaster under this policy can be taken by someone authorised to act on that postmaster's behalf (such as a director or partner).

- In relation to this policy, the **postmaster** is expected to:
  - 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;
- be flexible and available for meetings with the Contract Advisor if one is required; and
- comply with the terms of any letter (including a written direction) issued by the Contract Advisor once any investigation is complete.

In relation to this policy, the postmaster may:

- contact their NFSP representative to support them through the process;
- arrange legal representation or other support for any written correspondence or meetings with Post Office;
- let their NFSP representative, legal representation or other support talk on their behalf during any meeting with Post Office Ltd
- request information and evidence from Post Office in connection with this process and wider review; and
- contact a Contract Advisor at any time during or after the review process, including in relation to a written direction that Post Office has issued to a postmaster.



### 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
Taking contractual action without proper cause	If formal contractual action is taken without proper cause or contractual basis it may cause unnecessary distress for the postmaster and Post Office will not have acted in good faith.  This may also lead to reputational damage and put Post Office in breach of contractual and regulatory requirements, which could lead to legal challenges.	<ul style="list-style-type: none"> <li>The Contract Advisor will conduct a review, keeping full records, and if required complete a Contract Performance Rationale capturing the relevant facts and rationale for next steps, ensuring that Post Office itself is not in material breach of duty and any action is being taken with proper cause.</li> <li>Quality checks and training covering the contract performance process will take place with the Contracts Team to ensure that the correct process is followed.</li> </ul> <p>As part of the Branch Control Assurance Framework, rationale documents, methodologies, and evidential evaluations will be sampled on a monthly basis by the Branch Control Assurance Framework.</p>	Contract Advisor	As required
			Head of Contract Management & Deployment	Quarterly
			Head of Assurance &	Monthly

			Complex Investigations	
Loss of confidence	If Post Office are not making the correct decisions by either: <ul style="list-style-type: none"> <li>taking formal contractual action when it has no grounds to do so; or</li> <li>not taking contractual action when it should,</li> </ul> it may lead to a loss of confidence both across the postmaster network and with Post Office's stakeholders in how Post Office manages the contractual relationship with its postmasters.	<ul style="list-style-type: none"> <li>All decisions to take formal contractual action are supported by a rationale setting out the grounds for doing so, taking account of all relevant factors after having reviewed the alleged contractual performance issue.</li> </ul> As part of the Branch Control Assurance Framework, rationale documents, methodologies, and evidential evaluations will be sampled on a monthly basis by the Branch Control Assurance Framework.	Contract Advisors  Head of Assurance & Complex Investigations	As required  Monthly
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"> <li>All members of the Contracts Team, the wider Retail Operations Team and any teams who may be involved in the decisions being taken will be provided with training on this policy.</li> <li>The Head of Contract Management &amp; Deployment is accountable for ensuring that they and their team adhere to the policy, as it applies to their area.</li> <li>The Policy should be reviewed, and if necessary updated.</li> </ul>	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 Contract performance issues

A contract performance issue arises where a postmaster is not meeting their obligations as set out in their contract to the required standard in relation to a material (i.e. non-trivial) matter. The following are examples which may, depending on the circumstances, indicate that there is a contract performance issue:

- Escalating/continuing discrepancies;
- Not adhering to contracted opening hours;
- Customer complaints, such as failure to adequately deal with customer complaint(s), the existence of an unusually high level of customer complaints, or of a pattern of complaints suggestive of underlying failures to meet their obligations. However, the mere existence of customer complaints against the branch should not be assumed to amount to a contractual performance issue;
- Branch accounting non-conformance;
- Financial or other irregularities, including possible fraudulent activity (including Fees fraud);
- Breach of contractual non-compete restrictions;
- Failure to comply with legal or regulatory requirements e.g. Anti-Money Laundering regulations, mails integrity requirements; and
- Failure to meet premises standards.

The contract performance issues procedure is intended to be used for breaches of contract which do not entitle Post Office to immediately terminate the contract. Very serious breaches of contract which entitle Post Office to immediately terminate the contract are outside the scope of this policy and are dealt with in the Postmaster Contract Termination policy<sup>5</sup>. However, for reference, these may include (but are not restricted to):

- Where the postmaster is bankrupt or insolvent;
- Where the postmaster is no longer operating the basic business;
- Where the postmaster has been charged on suspicion of a criminal offence (other than a road traffic offence not involving imprisonment);
- Other breaches which are very serious (“repudiatory”) in nature, which may include:

---

<sup>5</sup> The Postmaster Contract Termination policy can be found on the hub, [here](#).



- Where the postmaster has admitted theft of Post Office funds;
- Any action by the postmaster that demonstrates the postmaster no longer intends to be bound by the contract including loss of a valid property interest;
- Sustained non-compliance by the postmaster following the issuing of written directions by Post Office; and
- Where a shortfall of a significant value has been caused by the negligence, carelessness or error of the postmaster, resulting in a loss to Post Office, and which have been fully investigated by Post Office.

Further details are included in the Postmaster Contract Termination policy when dealing with matters which may give rise to serious breaches such as the above.

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

## 4.2 Review

Post Office will review a potential contract performance issue before taking any formal contractual action.

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

In the review process, the Contract Advisor should seek further information from the postmaster through written correspondence (including emails), telephone conversation(s) or a face to face meeting.

Post Office will ensure that complete records are kept of all reviews and that any decisions taken in relation to a review are documented in rationale documents. Records will be retained in accordance with Post Office's document retention policy<sup>6</sup>.

Details of the review and the 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
- material relating to a criminal investigation.

---

<sup>6</sup> 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>

The Contract Advisor should make an assessment 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 it is being reviewed and its rights to access information and records relating to the review, as set out above, upon the commencement of and during the review process.

### 4.3 Recording decisions

Once a review is complete the Contract Advisor will keep a record of any decision taken, including the reasoning behind why any decision was taken. This may include preparing a Contract Performance Rationale document capturing the material information provided by the postmaster, relevant documentation provided by other Post Office teams connected to the issue, any action taken by the Contract Advisor and a rationale outlining next steps.

If the matter being reviewed is raised through a Branch Assurance visit the rationale for next steps, and any contractual action, will be captured in the non-suspension rationale.

Post Office will not take any formal contractual action in connection with a contract performance issue without ensuring that:

- the performance issue has been raised with the postmaster through the most appropriate team (most commonly the Area Manager) in accordance with the requirements of section 4.2, with clear expectations having been set and any reasonably required support provided (including additional training if required). All action taken, including anything agreed with the postmaster, will be documented appropriately by the relevant Post Office team;
- it has knowledge of the relevant applicable facts and a review of the contract between Post Office and the postmaster has been carried out to establish that there is a contract breach;
- consideration has been given as to the seriousness of the breach; and
- it has considered whether Post Office is itself in material breach of duty in respect of the matters giving rise to the right to take contractual action (i.e. the contract performance issue). In line with the Postmaster Contract Suspension policy and Postmaster Contract Termination policy, the Post Office must not suspend or terminate a contract with a postmaster where it is itself in material breach of duty in respect of the matter giving rise to Post Office's right to suspend or terminate (as applicable).

If required, the Contract Advisor can request support from the Head of Contract Management & Deployment in reviewing the decision.

In circumstances where the review has concluded that there has not been a breach of contract by the postmaster and, therefore, Post Office will not take formal contractual action, Post Office will write to the postmaster to advise them of this.

Following an investigation, Post Office may also decide that even though there has been a contractual breach, it does not intend to take formal action at this time. In these circumstances, Post Office will write to the postmaster to advise them of this.

## 4.4 Review outcomes

Following review the Contract Advisor may take the following steps:

- a) Performance Intervention – the postmaster will be advised that whereas no formal contractual action is taken they will be reminded of the need to deploy the obligations of their Agreement and, ultimately what the consequences of not doing so may be. In these circumstances, Post Office will write to the postmaster to advise them of this and appropriate support to the postmaster can be offered.
- b) Written Direction - this is a means by which a postmaster is formally requested in writing to take steps to resolve the contract performance issue. A written direction (using a standardised template letter) will only be issued, other than in genuine cases where very urgent action is required, if all of the steps outlined under section 4.3 (Recording Decisions) have been completed. A written direction will:
  - outline the breach(es) of contract based on the applicable facts;
  - give the postmaster a period of time to rectify the issue explaining what is required to do so. In determining the period of time, regard should be had to the terms of the contract relevant to the breach and to what is reasonable in the circumstances; and
  - explain the consequences of not doing so.

If the postmaster fails to rectify the issue by the time required to do so or indicates they will not rectify the issue, then the Postmaster Contract Termination policy should be referred to.

- c) Branch Assurance - if the review has highlighted a serious risk either to the postmaster or Post Office then a Branch Assurance visit may be requested and the steps outlined in the Postmaster Contract Suspension policy followed, if appropriate.
- d) If a very serious breach (or breaches) of contract are identified as part of the review these will be dealt with in the Postmaster Contract Suspension policy and Postmaster Contract Termination policy.
- e) In addition to the action outlined above Post Office may consider further measures to reflect the nature of the performance issue when considered against regulatory risk to Post Office and its customers, for example financial consequences (in the form of reasonable costs to undertake training) and removal of products. Any action taken in this respect will be considered against the principles and processes as set out in this policy document.



## 4.5 Monitoring period

Following a review the appropriate Post Office team will monitor the situation. An assessment will be made on the length of monitoring period dependent on the individual circumstances but it is unlikely that this will last longer than 12 months. Should the issue reoccur then the facts will be reported to the Contract Advisor for them to consider appropriate next steps.

Sustained non-compliance may amount to a repudiatory breach.

## 4.6 Business improvement opportunities

As part of the review process the Contract Advisor may identify improvement opportunities or business issues outside of the decisions being reviewed (for example have avenues of support not offered to the postmaster been identified). In these instances, the Contract Advisor will capture opportunities on the Contract Performance rationale document and escalate to the relevant team. These will be monitored and tracked.

## 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, 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 Speak Up 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, or report online at: http://speakup.postoffice.co.uk or call the Speak Up Line on](#) **GRO**

Please note that a postmaster may also contact the National Federation of Sub-Postmasters (NFSP) for help and support.

### 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 Tracy Marshall, Retail Engagement Director at [tracy.marshall](mailto:tracy.marshall) **GRO**

## 6 Governance

---

### 6.1 Governance responsibilities

The Policy sponsor, the Group Chief Retail Officer of Post Office, takes responsibility at Group Executive level for policies covering their areas.

The Policy Owner is the Retail Engagement Director who is responsible for ensuring that the content is up to date and is capable of being executed. As part of the review process they need to ensure that the minimum controls articulated in the policy are working or to identify any gaps and provide an action plan for remediation

Additionally, the Retail Engagement Director and the Head of Contract Management & Deployment are responsible for providing appropriate and timely reporting to the Risk and Compliance Committee and the Audit, Risk and Compliance Committee as required.

The Audit, Risk and Compliance Committee are responsible for approving the Policy and overseeing compliance.

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



## 7 Document control

---

### 7.1 Document control record

#### Summary

GE policy sponsor	Standard owner	Standard implementer	Standard approver
Martin Roberts (Group Chief Retail Officer)	Tracy Marshall (Retail Engagement Director))	David Southall (Head of Contract Management and Deployment)	R&CC/ARC
Version	Document review period	Policy – effective date	Policy location
5.0	Annual	12/2023	Postmaster Support Policies on SharePoint Hub

#### Revision History

Version	Date	Changes	Updated by
1.1	2 <sup>nd</sup> March 2020	Draft Version	David Southall
1.2	3 <sup>rd</sup> March 2020	Minor Edits	Tim Perkins
1.3	6 <sup>th</sup> March 2020	Legal Review	Tim Perkins
1.4	17 <sup>th</sup> March 2020	For working group review	Tim Perkins
1.5	9 <sup>th</sup> April 2020	Final Draft with working group revision	Tim Perkins
1.6	14 <sup>th</sup> May 2020	Final draft following further legal review	Tim Perkins
2.0	6 <sup>th</sup> April 2021	Annual review – initial draft changes	David Southall, Head of Contract Management & Deployment
2.1	14 <sup>th</sup> April 2021	Initial legal review	David Southall, Head of Contract Management & Deployment
2.2	26 <sup>th</sup> April 2021	Second legal review Addition of process map Alignment with other postmaster support policies	David Southall, Head of Contract Management & Deployment
2.3	4 <sup>th</sup> May 2021	Risk appetite amendment	Jo Milton
3.0	23 <sup>rd</sup> May 2021	Updated following ARC feedback including: Updated to V3.0 Addition of definitions Addition of Contract Performance Rationale	David Southall, Head of Contract Management & Deployment

		<p>Added linked policy statement to front page</p> <p>Added reference to the Group Investigations Policy to section 3.3 Who Must Comply?</p> <p>Updated link to section 5.1</p> <p>Added footnotes to link to other policies referred to in this policy.</p>	
3.1	16 November 2021	<p><b>Annual Review</b></p> <p>3.1 Updated risk appetite statements to include Operational statements</p> <p>4.4 Additional paragraph referencing possible further measures</p> <p>4.6 New section – Business Improvement Opportunities</p>	David Southall, Head of Contract Management & Deployment
3.2	18 February 2022	<p>Updates made to reflect legal review of Decision Review Policy and changes relevant to this policy.</p> <p>NFSP review</p>	David Southall, Head of Contract Management & Deployment
4.0	1 <sup>st</sup> April 2022	Amended version number following approval	Jo Milton
4.1	5 <sup>th</sup> July 2022	2.1, 3.4, 5.3, 6.1, 7.1 – updated owner and sponsor Font updated to Nunito Sans	Jo Milton
4.2	5 <sup>th</sup> October 2023	<p><b>Annual Review</b></p> <p>2.1 Policy owner changed to Retail Engagement Director (with associated changes throughout)</p> <p>3.4 RCC and ARC added</p> <p>3.4 Addition of a note to say that the NFSP representative, legal representation or other support talk on a postmaster's behalf during any meeting with Post Office Ltd</p> <p>3.5 Control amendment - a Contract Performance Rationale may not be completed on every occasion</p> <p>3.5 Assurance review now undertaken by Assurance &amp; Complex Investigation</p> <p>4.2 Section title changed from 'Investigation' to 'Review' to better reflect what the Contract Advisors do in reviewing the situation and determining any necessary action.</p> <p>4.3 Changed from Contract Performance Rationale to Recording Decisions to reflect that a Contract Performance Rationale may not be needed for every escalation dealt with by the Contracts Team but that full records will be kept.</p> <p>4.4 Changed from Contractual Action to 'Review Outcomes' to set out the options available to the Contract Advisor following review</p> <p>5.2 Added Speak Up contact details</p> <p>Governance - Policy owner changed to the Retail Engagement Director</p> <p>8.1 Most up to date Contract Performance rationale added</p>	David Southall
5.0	15 <sup>th</sup> December 2023	Amended version number following approval Rebranded	Jo Milton

## 7.2 Oversight committee

**Oversight Committee:** Risk and Compliance Committee and Audit, Risk and Compliance Committee

Committee	Date Approved
POL R&CC	10 NOV 2023
POL ARC	27 NOV 2023

**Next review:** 30 NOV 2024

## 7.3 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.

VAT registration number GB 172 6705 02. Registered office: Finsbury Dials, 20 Finsbury Street, London, England EC2Y 9AQ

## 8 Appendices

---

### 8.1 Contract Performance Rationale

#### Contract Performance Rationale Document

Branch Details	
Branch Name	
Branch Code	
Contract Type and Code (i.e., Local NT1)	
Operator Name	
Named individual (any reference made to this individual within this document is as representative of the Operator)	
Is the Operator an absentee (i.e., managing from a distance)?	YES/NO* *delete as applicable
If so, please explain the situation with the Operator's involvement.	
If the Operator is an absentee please name the person in charge of the branch (including details of the person present at the time of the Branch Assurance visit (if applicable)).	
Appointment date	
Original appointment date (If not same as above, for example if the branch converted under Network Transformation)	
Is the contract with a Limited Company?	YES/NO* *delete as applicable
If so, please list the Director's names:	
Date Contract Signed	
Date Contract Countersigned	
Fees over last twelve months (or since opening if less than twelve months – please note time)	
Associated Retail (please refer to Preface and explain any difference with the Agreement)	



Details of registered assistants	
Does the Operator hold a Post Office Agreement at other branches? If so, please list the branch name(s) and branch code(s).	

### Contract Performance - Background

Details of what has happened outlining the nature of the issue and why it has been escalated for contractual action to be considered	
--	--

### Contract Performance - Review

Details of review undertaken outlining what steps have been taken to resolve the issue prior to escalation for contractual action to be considered	
Onboarding Application Review – relevant details	
Details of Onboarding training <ul style="list-style-type: none"> <li>• e-learning</li> <li>• classroom</li> <li>• onsite (including first balance)</li> </ul>	
Details of early days support	
Details of formal training intervention	
Details of any branch visits	

<b>Review of inbound branch support call logs for anything relevant to the matter being reviewed</b> (recommendation of a 12 month review however if needed the review can go back further)	
<b>Review of outbound branch support call logs for anything relevant to the matter being reviewed</b> (recommendation of a 12 month review however if needed review can go back further)	
<b>Relevant supporting branch transaction data</b> (which could include cash declarations, trading statement details and any other pertinent information).	
<b>Record of any performance history in branch over the past 12 months:</b>  Record any relevant details from the Operator's history in the past 12 months prior to this issue (for example service length and record, any previous or ongoing written directions or warnings and how Post Office followed up on any warning and direction and provided necessary support and training during/afterwards. If required, the review can go back further than 12 months)	

--	--

### Contract Performance – Meeting(s)

Notes from any meeting(s) held with the Operator during the course of the Contract Performance review.	
Detail any areas coming from the meeting(s) held with the Operator that warrant further review	

### Contract Performance - Decision Making

#### Criteria for Consideration

a) Has the issue has been raised with the Operator through the most appropriate team with clear expectations having been set and any reasonably required support provided (including additional training if required)?	
b) What consideration has been given as to the seriousness of the breach and has a review of the contract between Post Office and the Operator been carried out to establish that there is a contract breach?	
c) Has any action (or inaction) by Post Office itself been a contributory factor?	
d) Please note any relevant information provided by the Operator. This can include any material issues or concerns raised by the Operator that need to be considered.	
e) Operator's history i.e. service length and record, any previous written directions or warnings and how POL followed up on any warning and	

direction and provided necessary support and training during/afterward	
f) Any other comments to support your decision	

### Contract Performance – Breaches of Agreement Considered

Detail information identified from the review against each breach of the Contract/manual identified as a result of the review (provide clause details and section and clause numbers). If appropriate, reference to appropriate sections of the manuals that have been breached.

(Enter the contractual breach/es identified and provide a narrative against each breach.)

Write what the breaches are – what is the evidence -

### Factors for or against in determining whether contractual action is appropriate

(This is not a numerical analysis and the importance of each item must be considered)

Factors supporting formal contractual action	Factors supporting no formal contractual action

### Contract Performance - Decision Taken

Decision taken and why	
Next steps (who will monitor, is further support required, what are the expectations of the Area Manager, expectations on the postmaster etc)	

**Contract Advisor Details (Contract Performance)**

<b>Name of Contract Advisor completing Rationale document</b>	
<b>Date completed</b>	

**Appendix 1 – Operator Contact**

<b>Notes from contact with Operator, through the course of the review (not including details of any meetings with the Operator):</b>	
--	--

**Appendix 2 – Improvements Opportunities Identified**

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

**Appendix 3 – Relevant Documents**

<b>Number</b>	
1	
2	
3	
4	
5	



