

Ferndown PO Branch – Outline of Meeting with Mrs Athwal 6th January 2011

Attendees at meeting:

Kevin Gilliland – Sales & Network Director, POL
Angela Van Den Bogerd – Head of Network Services, POL
Helen Rose – Tactical Analyst, Security, POL
Mrs Rachpal Athwal, Spmr Ferndown Post Office
Mark Baker, NFSP Executive Officer

Note – Mrs Athwal in accepting the invitation to attend the meeting requested that the meeting be recorded. We are happy to record the meeting and provide a CD record for Mrs Athwal providing all attendees agree to the meeting being taped and that the recording is intended only as a factual record of the meeting. The content of the meeting is to remain confidential and the information discussed is not to be shared with other parties unless the express permission of all the attendees is given in advance of any disclosure.

Purpose of meeting:

Given recent events and ongoing correspondence the purpose of meeting today is to identify any outstanding issues; agree an approach to resolving these and in doing so begin to re-establish the relationship between us (POL and Mrs Athwal)

Areas to cover at meeting:

1) Horizon system.

- a) **Integrity of the Horizon System.** Mrs Athwal has questioned the integrity of the Horizon system. Helen to talk Mrs Athwal through the Horizon information/transaction logs to demonstrate the facts of the loss(es) in question. **Helen Rose**
- b) **POL or Fujitsu having remote access to individual horizon systems.** The system is based on a user log in, and all actions have to be endorsed by the user. POL cannot remotely control a branches system.

All system activity, down to the individual key stroke, is also recorded into a separate vaulted transaction file with every record encrypted and written to the log and with each record having a unique incrementing sequence number.

Any technical changes by Fujitsu that impact the system have to go through clearance processes which would prevent any amendment to existing data.

c) **Reliability of the Horizon System/Network Performance**

Our contract with Fujitsu and the associated SLA is based on a 99.45% service across the network as a whole. The most recent statistics reveal that the system is performing at 99.62% and so we can comfortably say that we are performing ahead of target. This is a network wide measure and not branch specific.

d) **Independent review of Horizon system integrity.** POL is fully satisfied that the Horizon systems and the accounting processes around it are robust and fit for purpose. Systems are based on the principles of double entry book-keeping, have been subjected to independently assured testing processes, information security is accredited to industry standards, the system meets all payment industry standards, there are the necessary checks and balances throughout the system to ensure its integrity with secure audit logs are maintained of all activity. The accounts of the company are subject to full appropriate external audit.

In addition to the independent review above, the robustness of the Horizon system is audited on an annual basis by Ernst & Young. Never before has the quality and accuracy of the system been doubted here.

2. Issues raised by Mrs. Athwal in her email to Andy Terrett of 5th November

Mrs. Athwal asks the following questions in her email to Andy, answers which

need to be provided. Questions along with suggested POL response are as follows:

- a) **My office was closed 6th & 7th May 2010 for which you have not paid me any money.** Following further investigation we can confirm that we will credit your account with £463.32, covering your absence from the branch on the 6th & 7th May. You will receive a letter from POL detailing the calculation used here. This will be paid in January's remuneration.
- b) **On the 7 May 2010, I gave a cheque to the Auditor which cleared through the account for £961.39, which also needs to be refunded.** The cheque will not be refunded as this was paid to cover the loss discovered at your office by our audit team. Under the terms of your agent contract you are responsible for making good any losses incurred at your office. One of the factors taken into account when agreeing to reinstate you as sub postmaster at Ferndown branch was the fact that you had made good all outstanding losses.
- c) **Since this is a Commercial Debt, I am entitled to receive Interest in accordance with, The Late Payment of Commercial Debts (Interest) Act 1998.** See above – this is not a commercial debt
- d) **In addition to the above, I also lost 4 days trading in the shop which averages around £350 per day.** Post Office Ltd takes no

responsibility for the non Post Office business conducted in your premises and are not obligated to compensate you for any loss of business here.

3. Issues raised by Mrs. Athwal in her letter to Paula Vennells of 2nd December

The following issues are apparent within the letter dated 2nd December:

- a) **Accusations of a data protection breach by POL.** POL has apologised for the error involved here which should never have happened. We have taken steps to rectify the errors in our internal systems to prevent this from happening again. Under the terms of the data protection act, a breach is classed as an incident whereby an individuals' personal information is disclosed to an unauthorised third party. In this case, no specific personal details, financial or otherwise were disclosed, only data pertaining to the amount of remuneration to be reimbursed. This data is not personal to you but to the Post Office and in any event, the temporary agent who opened the letter was well aware of the levels of income generated by Ferndown Post Office branch.

Our legal advice is that POL has not committed a breach of the data protection act on this occasion and no compensation will be payable to you.

4. Threats to prevent any POL auditors from accessing the premises

- a) **Mrs. Athwal threatens to prevent access to her premises until such point as all her questions have been answered and she has been provided with a list of all personnel logged on to her system remotely, without her authority.** Whilst we will endeavour to answer all questions posed by Mrs Athwal, Mrs. Athwal needs to understand that all cash and stock contained within her premises is the property of Post Office Ltd, as is the Horizon system itself. Mrs. Athwal is acting as an agent for and on behalf of POL.

If Mrs. Athwal refuses entry to her premises she is automatically in breach of section 12 of her sub postmaster contract. An extract from clause 12 is attached below:

ACCOUNTS

4. *The Subpostmaster must ensure that accounts of all stock and cash entrusted to him by Post Office Ltd are kept in the form prescribed by Post Office Ltd. He must immediately produce these accounts, and the whole of his Post Office® branch cash and stock for inspection whenever so requested by a person duly authorised by Post Office Ltd.*

