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Sent: Tue 08/02/2011 12:23:24 PM (UTC)
To: Kevin Gilliland [REDACTED] GRO; Paula Vennells [REDACTED] GRO; Mike Young [REDACTED] GRO; Susan Crichton [REDACTED] GRO; Rod Ismay [REDACTED] GRO; Alana Renner [REDACTED] GRO; Nick Beal [REDACTED] GRO; Angela Van-Den-Bogerd [REDACTED] GRO; Mike Moores [REDACTED] GRO
Subject: Inside Out programme on BBC South last night

For your information, further to my recent e-mails.

The BBC ran the piece relating to Horizon on the Regional Inside Out programme last night. It ended up as a 10 minute element of the 30 minute programme – and you can see it on the i player (link below)

http://www.bbc.co.uk/iplayer/episode/b00ycv9s/Inside_Out_South_07_02_2011/

I've also included below the transcript of the relevant element of the programme. It used part of our statement (but not all of it).

David Simpson informs me that there has been no further press pick up of the programme.

In terms of next steps on this issue (for example the threatened civil legal challenge by Shoosmiths that was mentioned in the programme), I'll liaise with Kevin Gilliland, Susan Crichton and Mike Young.

Thanks

Mike

Mike Granville

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FALSE ACCOUNTING

Programme : INSIDE OUT SOUTH
 Station : BBC 1 SOUTH (OXFORD)
 Date : 07/02/11
 Time : 19:28
 Duration : 09 MINUTES 53 SECONDS

JOHN CUTHILL: Presenter

First, as lawyers prepare for a civil action against the Post Office on behalf of village sub-postmasters, we've been talking to people across the South accused of cooking the books - but they swear they've done nothing wrong. So, what's up behind the counters of our post offices? Nick Wallace reports.

NICK WALLACE: Reporter

This Surrey post office has a new sub-postmaster. The last one, Sima Misra, is behind bars, convicted of false accounting and stealing £74,000. Sima and her husband Davinda maintain she didn't steal the money, but that inexplicable errors in her post office accounts made it look as if she had.

DAVINDA MISRA: Husband of Sub-Postmistress

I feel ashamed of this country, they put innocent into prison. I am a good citizen, my wife only good citizen, we are good people, she's everything for me. To put her into prison... you giving whole family into prison. [sic]

NICK WALLACE:

What have you told your son about where your wife is?

DAVINDA MISRA:

She's in [REDACTED] GRO. She's in [REDACTED] GRO.

NICK WALLACE:

Sima's case is far from isolated. We've come across dozens of examples similar to this: postmasters who feel they've been victims of a serious injustice. They say they were just trying to serve their community, but when things started going inexplicably wrong, the Post Office have pointed the finger of blame firmly at them.

There are plenty of services you can get from a post office nowadays, it's not just about buying stamps - you can get your tax disc, you can pay your bills online, get your lottery ticket. But all the transactions that take place behind this glass over here are automatically recorded at a centrally located database, and at the end of the day what the centrally located database says you have must match what's in the tills behind the glass.

Sub-postmasters, under their contracts, are personally liable for shortfalls. Jo Hamilton knows this only too well. She used to run this post office in Hampshire; now the Post Office counter has been removed and she's only left with the village shop. Her troubles began when her post office computer terminal showed the money in her till didn't seem to match her takings.

JO HAMILTON: Former Sub-Postmistress, South Warnborough

I got to the end of the week, on a weekly balance, and I was £2,000 down. So I rang the helpdesk and they told me to do this, this and this, and the number actually doubled right in front of my eyes in the space of three minutes. The upshot was that I had to repay the £4,000 which I didn't have, so they took it out of my wages.

NICK WALLACE:

To Jo's horror, the accounting discrepancies continued to pile up. She says she hoped it was just a computer glitch that would correct itself.

JO HAMILTON:

I always thought one day some electronic wizardry would happen and that it would put itself right. But it didn't. I mean, there were nights, and people will bear me out, there were nights I just sat there sobbing because I just didn't know what to do, how to get out of the mess. I had no idea that this was happening to other people, I thought I was the only one, and I just felt absolutely terrified.

NICK WALLACE:

Jo's mistake was not to challenge the computer's figures, but to sign them off believing

they were wrong. By doing that, she was telling the Post Office everything was fine, when it wasn't - which amounts to false accounting. Eventually, when the losses reached £36,000, she called in the Post Office auditors, and the decision was taken to prosecute her. Jo, who says she's never even had a parking ticket, found herself in court.

ROCH GARRARD: Village Resident

The court case was amazing, because we all trooped down to the Crown Court for the hearing and the judge sort of... 'Look, what's going on here?' And it was quite clear that nobody there for a moment had thought that Jo had taken any money. But she had to plead guilty to false accounting for saying the money was there when it wasn't. But there was no explanation from the Post Office as to what had happened to this money. They didn't prosecute her for stealing the money, they just prosecuted her for not accounting for the money properly.

NICK WALLACE:

But that unaccounted-for money had to be paid back - somehow.

JO HAMILTON:

I had to remortgage the house and we borrowed £30,000 on that, and the village lent me £3,000 and gave me £3,000 to make up the other £6,000, for which I'm very grateful.

NICK WALLACE:

Jo is not alone. Other sub-postmasters have got together and have formed a campaign group, and in the next few weeks lawyers representing 55 of them plan to take the first steps in launching a civil action against the Post Office.

So, Amanda, how big is this?

AMANDA GLOVER: Solicitor

Well, we're told at the moment that the clients we've got are, to some extent, the tip of the iceberg. We've got 55 people that have already come forward, we're told there are more. We're waiting very much to see what the final figure actually is.

NICK WALLACE:

All of the people you're representing, is there one thing that keeps coming up in your discussions with them?

AMANDA GLOVER:

They all seem to be saying that the system has caused them problems, but what...

NICK WALLACE:

The computer system?

AMANDA GLOVER:

...the computer system. What we've found then when we've been talking to these individuals is that there's a number of issues for some people when you drill down - they've had problems with training, they've had problems with support of the system - so there are a number of factors, but it all seems to come down to what ultimately is stored in the computer system.

NICK WALLACE:

And you, presumably, wouldn't do this unless you were absolutely certain that they have a case?

AMANDA GLOVER:

Yeah, yeah. I think once you've met these individuals, what you do find is they're all very good citizens, they all come with the same story - they wanted to be part of the community. They're very believable and when you've got such numbers, it has to be more than coincidence that this is happening to such a large number right across the country.

NICK WALLACE:

One of those people is David Bristow. Soon after he bought his post office and village shop, he says his computer terminal began throwing up accounting losses. He called in the Post Office auditors. He says they found that some of the errors were down to him pressing the wrong buttons. But £42,000 of losses couldn't be explained. He says he was told he was no longer fit to be the sub-postmaster.

Dave, what's it like being here rather than out the back in the post office serving your customers?

DAVID BRISTOW: Former Sub-Postmaster, Odiham

I was suspended and it's just been left like that. Although we've asked the Post Office many, many times for information, they haven't been forthcoming, and so I'm just suspended.

NICK WALLACE:

Can you say honestly, on the record, that you never took any of that money?

DAVID BRISTOW:

Yes.

NICK WALLACE:

You haven't been going on any holidays abroad that we don't know about?

DAVID BRISTOW:

No, no, no - there was a discrepancy that is unexplained. The Post Office do not know... how or when or why the discrepancy occurred. They have their records which say there is a discrepancy, but I can categorically say I've taken nothing.

NICK WALLACE:

For more than two years David has been in limbo, running the village shop with someone else running the Post Office counter for him. But at any time, the Post Office could close it down.

As far as the Post Office are concerned, the only way this can be resolved is for you to pay them £42,000 which they say you owe.

DAVID BRISTOW:

Yeah, yeah. If I paid £42,000 to them, they probably... well, just take it and that would be the end of it. But I... I didn't take any money. I haven't... it's a paper error, it's a computer problem, or somebody, somewhere, has not processed the information correctly and they can't find it.

NICK WALLACE:

So this is it, the computer system which so many postmasters see as the root of all their accounting problems. We asked the Post Office a simple question: is there anything wrong with it? And they gave us this statement:

POST OFFICE STATEMENT:

"The Horizon Computer System is absolutely accurate and reliable and has operated successfully in over 11,000 branches for more than 10 years. It has been fully and robustly tested and meets the relevant banking industry standards."

NICK WALLACE:

While Jo Hamilton pleaded guilty to false accounting, she says she's never understood what was supposed to have happened to the missing cash.

JO HAMILTON:

Nobody seems to be able to explain it properly, and the Post Office never have to provide evidence that you've had any money - it's awful. If you're a law-abiding citizen and all of a sudden you find yourself in this situation, it's terrifying.

JAMES ARBUTHNOT MP: Hampshire North East

I am actually very concerned about this because there are a lot of cases which seem to be cropping up all round the country. The Post Office has been, I think, pretty hard-nosed in the way that they have taken these cases to court. Now that's pretty tough for these people who have been faced with a new computer system, which they've been struggling to master, and I think they need to think again and be more sympathetic.

NICK WALLACE:

But the Post Office say sub-postmasters are supported. They're given full training, including on-site supervision, and have access to a dedicated helpline. There may well be dishonest sub-postmasters, just as you come across dishonest people in all walks of life, and of course the Post Office have every right to go after law-breakers. It says it deals with the transactions of 20 million people who visit its branches every week and has a duty to protect all the money in its care. But some of those who are accused of false accounting insist they never stole a penny, but were let down by the system and didn't get the support they needed. Meanwhile, as Davinda waits for his wife Sima Misra to finish her 15-month prison sentence, he faces another crisis. When she's released, they're going to have to figure out how to pay back the £74,000 Sima was found guilty of stealing.

JOHN CUTHILL:

And we'll keep you posted on that story.

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