

## COMMERCIALLY SENSITIVE AND PREPARED IN CONNECTION WITH MEDIATION

## Initial Complaint Review and Mediation Scheme

## Post Office Investigation Report

<b>Branch Name:</b>	Torquay Road	<b>Branch Code:</b>	140114	<b>Case Number:</b>	M009
<b>Applicant Name:</b>	Mr Virendra Bajaj	<b>Status of Case:</b>	Mediation Application	<b>Date of Appointment:</b>	April 1990 – May 2006
<b>Executive summary</b>					
Due to the age of this case (1990 – 2006) and document retention practices, there is limited information available to investigate specific issues.					
However, given that a temporary agent was able to successfully operate the branch for 12 weeks (between 26/05/06 and 17/08/06) using the same equipment, this indicates that there was no problem with Horizon at this branch. A temporary agent was in post until a permanent agent was appointed on 06/09/06. That agent is still in post. National Business Service Centre (NBSC) call logs show that no issues with branch discrepancies or Horizon issues have been raised by the current permanent agent.					
The Applicant has raised concerns about the quality of his training and the support he received from his line manager. Although several calls were made to various helplines, the available calls logs do not show any record of the Applicant criticising POL management (Area or Regional managers) or training at the time of the events in question.					
Without any evidence or information to investigate further, this appears to be a case where the losses were generated by user error.					
<b>The Applicant's complaint</b>					
The Applicant was in post at the branch from April 1990 until he was suspended following an audit in May 2006 which revealed a final account shortage of £8,773.49. (Doc 001 & 002 refer)					
On his submission, the Applicant is alleging losses due to the failure of the Horizon system from December 2004 until 2006, inadequate training, and inefficient Horizon support and area managers.					
The Applicant has provided dates and details with reference to some of the issues he has raised. However, the time periods of these complaints are now outside normal document retention periods. There is therefore very limited information now available to POL.					

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Case Review Actions			
<i>Summary of the information collated by Post Office</i>			
<b>Information available from Post Office records:</b>			
Information area	Information provided with this response	Information not available as beyond retention period	Information not available for other reason
Electronic Filing Cabinet	X		
Horizon Service Desk		X	
Transaction Corrections		X	
Financial Dispute Resolution		X	
POL Investigations		X	
System Connectivity		X	
Branch Training Records		X	
Contractual Files/Records		X	
Branch Audit Records		X	
<b>NBSC Call logs reviewed:</b> Record of NBSC call logs: – 23 calls made during the period of time in post (1 x screen freeze; 6 x reported remittance ("rem") failures (remittances not received); 16 general enquires). (Doc 003 refers)			
<b>Debt position:</b>			
A sum of £8,793.49 was made up of a Final Account Deficiency of £8,773.49 and a £20.00 debit NS&I error relating to 22/04/2006 that came to light after Mr Bajaj left service (Last Date of Service being when he was suspended on 09/05/06). (Doc 004 refers)			
£8,793.49 was written off by POL. (Doc 004 refers)			
<b>Legal:</b>			
No criminal or civil case.			
<b>Record of Intervention:</b>			
16/08/05 Area Manager visited branch; 4 weeks' cash accounts prior to date of visit were checked showing:			
Wk 15 20/07/05 -£31.48	Wk 16 27/07/05 +£18106.18	Wk 17 03/08/05 -£3530.62	Wk 18 10/08/05 -£3001.33
Other findings: no lock on door to secure area. (Doc 005 refers to findings during visit)			

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17/08/05: Applicant submitted resignation letter. Confirmed by POL 25/05/05. (Docs 006 & 007 refer)

17/08/05: Field Support Advisor (FSA) visited branch at the request of the Applicant, who felt that there was something wrong with his Horizon equipment and wanted it checked out. The branch had had 3 losses since Christmas, each for around £3,500, which was the basis of his complaint. The last of these losses was reduced to £2,116. The Applicant did not make good the loss, although FSA requested that he did, because he was not happy to put the money in until the system had been checked. (Doc 008 refers)

3 weeks of transaction logs were produced at the visit to ascertain if the FSA could find anything wrong. No issues were identified by the FSA. (Doc 008 refers)

It was also noted during visit that Mr Bajaj was selling foreign currency on his shop side as he was unwilling to enter the Post Office scheme. 30/08/05: Following visit, POL letter sent advising loss of £3,001.33 still to be made good. (Doc 008 refers)

17/10/05: Applicant withdrew resignation. 24/12/05: POL confirmed resignation withdrawal.

21/11/05: MP letter received requesting that POL look into the discrepancies. (Doc 009 refers)

14/03/06: POL confirmed receipt of resignation sent by Applicant 1<sup>st</sup> March 2006 (Doc 010 refers)

26/04/06: Applicant's solicitor sends letter to POL's solicitors advising that they are aware that (1) POL is investigating, (2) the Applicant will be closing premises 01/06/06, and (3) querying the outstanding loss amount.

08/05/06: Applicant suspended and a further "extra" audit undertaken. (Doc 001 refers)

08/05/06: Fax sent by Applicant's solicitor to POL's solicitors disputing the audit result.

22/05/06: Fax from Applicant's solicitor to Alan Lusher advising that all evidence has been handed over to POL solicitors.

26/05/06: Temporary agent Mr Najmin Jaffer appointed. (Doc 011 refers)

17/08/06: Letter from temporary agent to POL Contract Advisor detailing balances during their time spent in branch. During the 12 weeks that the temp agent spent in the branch, there were 2 surpluses: £560.64 (in Trading Period 02) and £111.94 (in Trading Period 04). The only loss that occurred during the time was the final account on 17/08/06 which was for £50. (Doc 012 refers)

**Additional Info:**

Various letters from the Applicant (and the Applicant's son) are held on the POL Electronic Filing Cabinet (EFC) regarding relief cover following suspension. Some letters also allege Horizon issues. (Docs 013,014,015 refer)

NB: POL EFC is an electronic filing cabinet that holds some information applicable to the branch e.g. intervention requests, training records, letters sent to and from the Applicant etc.

POL EFC detailed the following Transaction Corrections (TCs). NB: this information could not be provided by POL's Finance Service Centre, due to its age, but was located on the EFC when investigating these issues.

Date sent	Charge	Claim	C/A Date	BTA	Product Name
22-Sep-04	£0.00	£100.00	01-Sep-04	06-Oct-04	A & L DEPOSITS
22-Sep-04	£91.90	£0.00	18-Aug-04	06-Oct-04	P & A
22-Sep-04	£0.00	£100.00	01-Sep-04	06-Oct-04	A & L DEPOSITS
22-Sep-04	£91.90	£0.00	18-Aug-04	06-Oct-04	P & A
11-Oct-04	£0.00	£100.00	18-Aug-04	13-Oct-04	Withdrawals
03-Dec-04	£302.96	£0.00	08-Sep-04	08-Dec-04	CURRENCY SERVICE

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21-Dec-04	£25,222.29	£0.00	18-Aug-04	12-Jan-05	CHQ TO PROCESSING CTR
01-Mar-05	£0.00	£511.30	15-Dec-04	09-Mar-05	GREEN ORDER
05-Jul-05	£40.00	£0.00	15-Jun-05	13-Jul-05	DEPOSITS
15-Aug-05	£0.00	£106.56	04-May-05	17-Aug-05	GREEN ORDER
24-Aug-05	£20.00	£0.00	03-Aug-05	31-Aug-05	UNPAID CHEQUES FROM TP
29-Sep-05	£100.00	£0.00	29-Jun-05		CASH REMS REC'D

The large amount of £25,222.29 refers to the time period in the Applicant's submission relating to an issue regarding cheques on hand. However at this time, without being able to refer to branch accounts, POL is unable to comment on whether or not this resulted in a loss to the branch. It may be worth noting that on his submission the Applicant states that on 18/08/04 there was a large surplus of £20k. However, he does not confirm whether he withdrew this as per the usual accounting procedure.

## Response to issues raised by Applicant

	Issue raised	Investigation findings
1.	Losses caused by unknown problems in Horizon system	<p>No transaction logs are available for review as they have been deleted in accordance with POL document retention practices. (Doc 016 refers)</p> <p>However, when a temporary agent took over the branch for 12 weeks, he only incurred one loss (of £50) and two surpluses (both less than £1,000). The temporary agent would have used the same equipment as the Applicant which suggests that Horizon was not at fault. (Doc 012 refers)</p> <p>The temporary agent covered the branch until a new permanent agent was appointed on 06/09/06 and remains in post. Available NBSC call logs show that no issues regarding branch discrepancies or Horizon issues have been raised by the current permanent agent. (Doc 017 refers)</p>
2.	Applicant liable for cheques lost in post	<p>See Spot Review response 12 which explains why agents are not liable for cheques lost for unknown reasons. (Doc 018 refers)</p> <p>Due to document retention periods, POL is unable to investigate the specific issue raised regarding missing cheques. However, the detail provided in the submission suggests that the Applicant may not have been following POL's standard operating procedures:</p> <p>The Applicant states that on 18/08/04 there was a £20k surplus. However, the Applicant does not provide any supporting evidence, or mention if this was withdrawn, posted to suspense, etc.</p> <p>December 2004: The Applicant states £22k worth of cheques went missing, but does not confirm if these went missing from branch accounts (which would have shown a shortage) or missing in post after being accounted for (in</p>

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		<p>which case the accounts would balance).</p> <p>December 2004: The Applicant states £3,800 worth of cheques was received at the cheque processing centre. He then goes on to claim that at audit on 26/01/05, the account was £4,320.56 short which included £3,800 worth of cheques showing on the Horizon system but not present in branch. According to the TC information obtained from the EFC, no TCs were issued for this amount which suggests the loss was properly attributed to the branch.</p>
3.	Audit incorrectly identified a loss	<p>Apart from the "extra" audit undertaken on 08/05/06 when the Applicant's service was suspended, the records of the audit report are not available as they have been deleted in accordance with Post Office retention practices. (Doc 019 refers)</p> <p>However, Post Office standard audit processes give an agent an opportunity to (i) witness the audit in process and (ii) review the audit report – see Auditing Process sections 7.13 &amp; 13.2 (Doc 020 refers)</p> <p>It is impossible to say now whether the audit process was followed fully but likewise the Applicant has not presented anything which suggests that it was not.</p> <p>In any event, POL did not seek to recover the loss revealed by the audit from the Applicant. (Doc 004 refers)</p>
4.	Inadequate training	The Applicant mentions that he was inadequately trained but does not provide any particulars of why his training was inadequate. It is not therefore possible to investigate this complaint.
5.	Poor line management	The Applicant mentions that on occasion his Area Manager was unable to answer his questions or was unavailable. This complaint was not previously raised with Post Office (through a call to the helpline or any other route) and so we cannot find any evidence of difficulties with the Applicant's manager. (Doc 003 refers)

**Documents being provided to Second Sight**

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<i>List documents (if any)</i>	
<b>Reference</b>	<b>Description</b>
M009_POL_Audit Report_SH_001	Audit Report
M009_POL_Suspension Letter_SH_002	<i>Letter confirming suspension</i>
M009_POL_NBSC call logs_SH_003	<i>NBSC call logs applicable to applicant</i>
M009_POL_Debt Position_SH_004	<i>Outstanding amount still due to POL</i>
M009_POL_Intervention Visit_SH_005	<i>Findings from intervention visit</i>
M009_POL_Resignation Letter_SH_006	<i>Applicant resignation letter</i>
M009_POL_Resignation Acknowledgement_SH_007	<i>POL acknowledgement of resignation</i>
M009_POL_FSA visit_SH_008	<i>Findings from FSA visit</i>
M009_POL_MP Letter_SH_009	<i>MP letter sent to POL</i>
M009_POL_Resignation Letter2_SH_010	<i>2<sup>nd</sup> Applicant resignation letter from</i>
M009_POL_Temp Contract_SH_011	<i>Copy of temp agent appointment</i>
M009_POL_Letter from Temp_SH_012	<i>Letter from temp agent advising of discrepancies.</i>
M009_POL_Agent Letter_SH_013	<i>Letter to POL from Applicant</i>
M009_POL_Agent Letter1_SH_014	<i>Letter to POL from Applicant</i>
M009_POL_Agent Letter2_SH_015	<i>Letter to POL from Applicant</i>
M009_POL_HSD out with Retention_SH_016	<i>Email confirming no records on hand</i>
M009_POL_NBSC New Agent_SH_017	<i>NBSC calls relating to current agent in post for a 6 month period from appointment</i>
M009_POL_Spot Review 12 Response_SH_018	<i>POL Response to spot review 12</i>
M009_POL_Audits out with Retention_SH_019	<i>Email confirming no records on hand</i>
M009_POL_Audit Process_SH_020	<i>POL Branch Audit Process sections 7.13 &amp; 13.2 refer</i>

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