

Strictly Confidential

FEBRUARY 2013

POST OFFICE LIMITED MATTERS – DISPUTE RESOLUTION  
PRIVILEGED AND CONFIDENTIAL – CLAIMS OVER £500K OR THOSE OF A SENSITIVE NATURE

FILE NAME	CASE HOLDER	BUSINESS UNIT & CONTACT	DESCRIPTION	STATUS	XSP
<h1>IRRELEVANT</h1>					
Claim for Judicial Review	POL/HF/RW	Angela Van-Den-Bogerd	<p>A former subpostmaster (SPM) sought “judicial review” of POL’s decision to terminate his SPM contract.</p> <p>The SPM claimed that POL’s termination process was flawed and infringed his Human Rights. He asked the court to review POL’s decision and find that it was</p>	<p>At an oral hearing on 16/11/12, the Court gave the SPM permission to proceed to a full hearing. In doing so, the Court only found the SPM’s case to be arguable, and did not make any conclusive findings on his claim.</p> <p>POL is finalising its evidence in response</p>	DAC Beachcrofts

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			<p>unlawful and/or an abuse of power.</p> <p>POL asked the Court to refuse to permit judicial review of the decision on the grounds that it was a commercial matter.</p> <p>On 27/09/12 the Court refused the SPM permission to pursue judicial review. The Court did this on the papers without hearing from the parties.</p>	<p>to the SPM's claim. That evidence and detailed grounds of opposition will be filed by the end of January 2013.</p> <p>The matter will then be listed for a hearing during Q2 2013.</p> <p>POL has started settlement discussions with the SPM to see if a commercial resolution can be reached.</p>	
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**IRRELEVANT**

<b>Horizon claims</b>	POL/HF/R W	Rod Ismay	<p>POL has received various claims from former SPMs alleging wrongful termination of contract based on alleged defects in POL's internal processes and alleged defects with the Horizon system.</p>	<p>Following consultation with MPs, Second Sight Support Services Ltd (an independent investigator) is reviewing up to 16 cases where SPMs allege that Horizon caused them losses. That investigation is currently underway.</p>	Bond Pearce
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			<p>These allegations were initially made in 5 claims brought through the SPMs' solicitors, Shoosmiths. To date, Shoosmiths have not progressed 4 of the 5 claims, and POL successfully had the Court strike out the fifth claim.</p> <p>These allegations are also being made through SPMs' MPs, and in defences to court proceedings brought by POL to recover debts from SPMs.</p>	<p>Post Office Ltd has also reached an agreement with Second Sight and Justice for Subpostmasters Alliance (an organisation "established to raise awareness of the issues within the Post Office Horizon system") whereby individual subpostmasters can raise concerns with Horizon within a "no blame" framework, provided such claims are brought by 28/02/13. Those concerns would be considered as part of Second Sight's review.</p>	
<b>Employment</b>	POL/HF/RW	Colin Stretch	<p>Four claims against POL are currently proceeding before the Employment Tribunals.</p> <p>Claims allege unfair dismissal for conduct, race discrimination, and victimisation. One claim also relates to whistleblowing – but external has advised POL that the Claimant's prospects of success are low.</p> <p>Potential exposure to POL over three claims is c.£65,000 with two cases yet to be valued.</p> <p>Claims could require policy changes if upheld (e.g. with respect to race or sex discrimination).</p>	<p>Significant claims continue to be monitored (both internally and with external counsel) and risk assessed as they progress.</p>	Weightmans
<b>Employment</b>	POL/HF/NM	Colin Stretch	<p>A POL employee who is a Grade 2B Crown Post Office Assistant Branch Manager has submitted 6 Employment Tribunal claims over the past 4 years alleging race discrimination, sex discrimination, bullying and harassment and</p>	<p>The employee has consistently complained about what she believes is a campaign against her orchestrated by the area CWU representative on racial grounds. POL anticipates this represents a significant barrier to her re-deployment.</p>	Weightmans

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			<p>victimisation against numerous POL managers and a CWU representative.</p> <p>The employee's claims of race and sex discrimination were not upheld, however the employee's most recent ET claim for victimisation did succeed. Judgment will result in an award for 'Injury to Feelings' – damages will be in the bracket of £6k - £19k and it is possible the employee will institute further legal proceedings. POL has been advised that if the employee brings a further claim of unfair and discriminatory dismissal, compensation is uncapped and could be in the range of £135,000 to £170,000.</p> <p>The employee is currently suspended from work and wants to be re-instated.</p>	<p>In all of the circumstances, POL anticipates the way forward is a mutual severance of the employment.</p> <p>A mediation session between the parties was held on 10/03/14. Employee was reluctant to discuss settlement. An offer of circa £50,000 was made, but was not accepted by the employee. POL has written to the employee formally setting out the offer together with a Compromise Agreement. Awaiting response.</p> <p>If employee does not accept severance payment, POL will institute dismissal proceedings.</p> <p>POL's Communications team is engaged in the event these claims are of interest to the media.</p>	
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**PART (B) – PRINCIPAL CRIMINAL CASES BROUGHT BY POST OFFICE LIMITED**

DESCRIPTION	STATUS
Subpostmaster accused of theft of £85,872.07. Restraint order against assets is in place.	Defendant pleaded guilty to theft of £67,000 and has been sentenced to 12 months' imprisonment (suspended for 2 years) with supervision and 100 hours unpaid community work. Defendant <b>has repaid £51,000</b> through the sale of property, leaving £16,000 to be recovered by late accounts team. Therefore confiscation proceedings to be withdrawn.
Subpostmaster accused of fraud of £38,284.68.	Defendant pleaded guilty and was sentenced to 6 months imprisonments (suspended for 2 years) and 250 hours unpaid community work .At the confiscation hearing on 11/02/13 agreed benefit of £38,284.68 and realisable assets Of £113. Therefore confiscation order in the sum of £113 was made to be paid within 28days and in default to serve 7days in custody.
Two assistant sub postmasters accused of covering shortages by	POL has served expert reports and notice of additional evidence in preparation

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delaying the processing of business deposits to Santander. Case concerned 40 deposit slips being suppressed with a total value of £34,115.50.	for trial listed for 15 <sup>th</sup> April 2013.
Sub postmaster accused of theft of £78,660.63.	Having pleaded guilty .On the 5 /02/13 defendant was sentenced to 2 years immediate imprisonment. A timetable has been set for confiscation proceedings to determine the sum payable to POL with final hearing set for 9/05/13
Two brothers in partnership as subpostmasters accused of theft and/or fraud of £237,240.64	On 09/10/12, the second day of trial, one Defendant pleaded guilty to theft/fraud of £99,000. This was accepted by the prosecution and no evidence was offered against the other defendant. On 20/11/12 the guilty Defendant was sentenced to 17 months imprisonment. A timetable was also set for confiscation proceedings to determine the sum payable to POL, with final hearing set for 20/05/13.
Subpostmaster accused of theft of £77,905.02	The court has set a hearing date of 26/02/13 to determine the details of trial.
Subpostmaster accused of theft of £57,811.79	Defendant pleaded guilty and on 28/11/12 was sentenced to 9 months imprisonment (suspended for 18 months)and 180 hours unpaid community work .A timetable has been set for confiscation proceedings to determine the sum payable to POL with a final hearing set for 25/03/13
Subpostmaster accused of theft of £25,860.66	<b>POL has recovered £43,988.03 to date.</b>
Subpostmaster accused of two offences of theft £9999.43 and £175,260 and two offences of false accounting.	Defendant having pleaded guilty and on 8/02/13 was sentenced to 12 months imprisonment suspended for 2 years. Defendant was also ordered to pay £1200 POL prosecution costs. <b>POL has recovered £25,860.66 .</b>
Subpostmaster accused of fraud of £115,172.11	The court is to set a date for the first hearing of this case to determine the details of trial.