



**Complaint Review  
and  
Mediation Scheme**

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## **1. Executive Summary**

1. The Post Office is an essential part of the fabric of the Nation. It is of vital importance that all those who work in the business, and their customers, can have confidence in the systems which underpin its work.
2. In 2012, the Post Office commissioned Second Sight Support Services Limited to carry out an independent review of its Horizon computer system, which is supplied to the Post Office by Fujitsu Services Limited, in response to allegations by a small number of former Postmasters about the integrity of that system. Second Sight reported on their investigation in July 2013.
3. The investigation found no evidence of system-wide issues with Horizon and its associated processes. However, it did point to areas where the Post Office could have done more to support Postmasters, for instance in the support they received. In response, the Post Office set up a Branch Support Programme which led to the introduction of a number of important new measures, set out in this report.
4. Following publication of Second Sight's conclusions in 2013, the Post Office also set up a Complaint Review and Mediation Scheme (the Scheme) to examine individual cases and, where appropriate, provide a forum to assist their resolution through mediation. The Scheme was set up in consultation with Members of Parliament (MPs), the Justice for Subpostmasters Alliance (JFSA) and Second Sight and overseen by a Working Group chaired by Sir Anthony Hooper, a former Court of Appeal Judge.
5. 136 cases were admitted into the Scheme. The Post Office has now completed thorough investigations into each one. Nothing has been found in any of the cases to suggest Horizon has not worked as it should.
6. Where the facts indicate genuine grievances, for example that the support provided in a particular instance fell short of the desired standards, those issues are being discussed with Applicants and a number of complaints have been resolved.
7. However, many cases are based on allegations which, following investigation, are not supported by the evidence.
8. Having completed all its investigations, the Post Office has now decided to put forward for mediation all cases remaining in the Scheme except those that have been subject to a previous court ruling. This will accelerate the conclusion of the Scheme in the interests of Applicants and ensure that commitments made to Applicants at the outset are met.
9. The mediation process will continue to be overseen by the Centre for Effective Dispute Resolution (CEDR). The Post Office will also seek to continue to make available to Applicants an independent review by forensic accountants Second Sight, where this has not already been provided. The Post Office will also work with Second Sight to support

completion of their further thematic report in order that it is available to inform the ongoing mediation process.

10. For those Applicants who have been the subject of court rulings, two important points need to be drawn out. Firstly, we will continue to consider each of these cases carefully, on a case by case basis, even though mediation cannot overturn a court's ruling.

11. Secondly, as prosecutor, Post Office has a continuing duty after a prosecution has concluded to disclose immediately any information that subsequently comes to light which might undermine its prosecution case or support the case of the defendant. Having now completed its reinvestigation of each of the cases, Post Office has found no reason to conclude that any original prosecution was unsafe. Applicants remain able to pursue the normal legal avenues open to them to appeal court rulings with any further material disclosed to them, including that produced through the Scheme.

12. In all cases, including those subject to court rulings, (if Applicants give their consent) the Post Office continues to be prepared to discuss individual cases, in confidence with relevant Members of Parliament or indeed to meet separately with individual Applicants to discuss their cases.

13. The approach set out above will help to bring the mediation process to a conclusion earlier than previously envisaged. It will also bring to an end the role of the Working Group which previously recommended whether a case is suitable to go to mediation or not.

14. It has been a long and difficult process to reach this position. However, while it has been challenging, it has also been productive. The Post Office is a better business for the steps that have been and will continue to be taken.

## **2. Horizon and Second Sight's Initial Investigation**

15. Horizon is the electronic point of sale system used across all Post Office branches to process and record a wide range of transactions. The term 'Horizon' is used throughout this report to refer to the original Horizon system, which was introduced in 1995, as well as the current version of Horizon, introduced in 2010, known as Horizon On Line.

16. Horizon now processes six million transactions every working day and nearly 500,000 users have worked with Horizon since it was introduced, serving millions of customers.

17. In early 2012, a group of Members of Parliament led by Rt Hon James Arbuthnot MP raised a number of concerns with the Post Office over the reliability of Horizon, having been approached by a small number of mainly former Postmasters under the banner of the Justice for Subpostmasters Alliance (JFSA). These Postmasters considered that apparently unexplained accounting issues in their Post Office branches might be the product of a flaw in the Horizon operating system.

18. Given the serious nature of the issues raised, the Post Office agreed to appoint an independent firm of forensic accountants, Second Sight Support Services Ltd (Second Sight), to investigate these claims as a matter of urgency. The basis of Second Sight's initial engagement was reflected in a document for Postmasters entitled "Raising Concerns with Horizon", a copy of which is available at Annex A, and included the requirement to:

*"Consider and advise on whether there were any systemic issues and/or concerns with the Horizon system including training and support processes, giving evidence and reasons for the conclusions reached."*

19. The document, produced by the Post Office at the request of the JFSA, was intended to facilitate Second Sight's work, not least by reassuring Postmasters that they should have absolutely no hesitation in raising any concerns they might have about the operation of the Horizon system and assisting Second Sight in their work. The content of the document was agreed jointly between the Post Office, Second Sight and the JFSA. A copy was posted on the JFSA's website to ensure maximum coverage among those with an interest.

20. A year-long investigation took place during which the Post Office provided Second Sight with an enormous amount of information concerning the operation of the Horizon system in Postmasters' branches. To answer Second Sight's questions about the specific issues raised by Postmasters, the Post Office also conducted a significant number of 'spot reviews', designed to explain how a particular transaction or procedure should be processed (where possible) and apply that to a specific example raised by a Postmaster.

21. After a year's work, Second Sight had neither completed their investigations into the cases brought to their attention, nor had they been able to reach any definitive conclusions in respect of any of the concerns raised with them, save that they had found no evidence

of a system-wide flaw with Horizon. As a result, it was agreed with Second Sight that they would produce an 'Interim Report' of their findings to date which was published on 13 July 2013.

22. The report set out six preliminary conclusions, chief among which was that Second Sight had found "no evidence of system-wide (systemic) problems with the Horizon software". However, Second Sight considered that a limited number of other issues may have contributed to difficulties being experienced by those Postmasters who had raised concerns, most notably around the effectiveness of the support offered to them by the Post Office and suggesting that these merited further examination.

### **3. The Establishment of the Complaint Review and Mediation Scheme**

23. Since Second Sight had not found any evidence of systemic issues with Horizon that could affect all Postmasters, the Post Office decided to establish the Scheme in order to provide an avenue for any Postmasters to raise their specific concerns directly with the Post Office on an individual basis.

24. The Scheme, developed jointly by Post Office, Second Sight, and the JFSA as the way of focusing Second Sight's investigations on the issues raised in individual cases, also provided any other Postmasters with a relevant complaint the opportunity to make an application to the Scheme. The Scheme was open to both serving and former Postmasters, as well as to counter clerks employed by Post Office. Applications were invited through the Post Office's internal communications channels as well as through the JFSA over a 12 week period between 27 August and 18 November 2013.

25. The Scheme was overseen by a Working Group comprising representatives from the Post Office, Second Sight, and the JFSA. The Working Group's role was to ensure the Scheme was run in a fair and efficient manner and to make decisions on how particular cases should be progressed. To ensure its impartiality, the Working Group appointed an independent Chair, Sir Anthony Hooper, a former Court of Appeal judge. The press release announcing Sir Anthony Hooper's appointment is available at Annex F.

26. In an initial application process, Postmasters with a complaint were invited to submit details of their case to Second Sight. The Working Group's role at this juncture was to ensure that the application met the Scheme's entry criteria.

27. On acceptance into the Scheme proper, Applicants were given the opportunity to apply for a funding contribution of £1,500 +VAT, payable by the Post Office, so that they could appoint a professional advisor to assist with setting out the detail of their complaint. When a complaint was made, this was passed to the Post Office for comprehensive investigation. This new investigation constituted a further detailed examination of all the available facts. Except in a small number of cases where the issue had not previously been raised with the Post Office, this included a review of the investigation which took place at the time of the original incident.

28. The purpose of Second Sight's engagement by the Post Office changed fundamentally following the establishment of the Scheme. Whereas Second Sight had previously been concerned with reporting to the Post Office about the workings of the Horizon system, their remit was now to focus their attention on the individual complaints in the Scheme. In doing so, they were to serve as a Member of the Working Group; investigate the specific issues raised by each Applicant; prepare a report for each case and offer a view as to whether a case might be suitable for mediation.

29. Consideration of Second Sight's final reports by the Working Group resulted, more frequently than not, in a recommendation that mediation should take place. Where that occurred, the case details were then passed to the Centre for Effective Dispute Resolution (CEDR), the independent organisation appointed by the Post Office to administer the mediations.

30. Since mediation is a voluntary process, it is a matter for each party to decide whether they actually wish to proceed to mediation. This is consistent with the process set out in the original documentation which established the Scheme and was agreed by the Working Group.

#### **4. Post Office Investigations, Principal Findings and Improvements to Date**

31. The Post Office investigated comprehensively all complaints and applications accepted into the Scheme save for those that were resolved to mutual satisfaction at an early stage. In all other instances, a full investigation report was completed, passed to Second Sight and sent to the Applicant. Although cases varied in their complexity, investigation reports were supported by up to 80 pieces of evidence in each case.

32. Whilst these investigations took longer than it would have wanted, the Post Office is satisfied that they were comprehensive and thorough. Although some cases were very old and outside the standard retention periods for keeping information, the Post Office went to considerable lengths to search its records and provide as much evidence as possible. Thousands of pages of information were identified, recovered and made available both to Applicants and Second Sight.

33. The investigation team comprised 20 members of staff drawn from across the business with the requisite skills and expertise to undertake this type of work. They were managed by one of the Post Office's most experienced and long-serving senior managers, who signed off each investigation report personally before it was passed to Second Sight.

34. Second Sight identified a number of what it calls 'thematic issues' arising from its general assessment of the Applicants' complaints. Although a number of cases do have some features in common, Post Office's assessment is that each case is demonstrably different and influenced by its own particular facts.

35. Nonetheless, now that the Post Office has completed all its investigations into each complaint made under the Scheme, the findings of those investigations, together with opportunities for the Post Office to make improvements to various processes, procedures and ways of working have been cross referenced with the 'thematic issues' identified in Second Sight's report. These were:

- A. Transactions or transaction corrections not entered by the Postmaster or staff.
- B. Transaction anomalies associated with cash or stock remittances.
- C. Transaction anomalies associated with Pensions and Allowances.
- D. Transaction anomalies following telecommunication or power failures.
- E. Transaction anomalies associated with Automatic Teller Machines.
- F. Transaction anomalies associated with Lottery Terminal or Scratch Cards.
- G. Transaction anomalies associated with Motor Vehicle Licences.
- H. Transaction anomalies associated with Foreign Currency.

- I. Transaction anomalies associated with Bank / GIRO / Cheques.
- J. Transaction anomalies associated with the handling of Stamps, Postage Labels, Phone Cards or Premium Bonds.
- K. Hardware issues including printer problems, PIN pads, touch screens and PayStation.
- L. Failures to follow correct procedures or imperfect advice provided by POL's HelpLine.
- M. Training and Support issues including Helpline and Audit.
- N. Limitations in the Transaction Audit Trail available to Postmasters.
- O. Process issues at the end of each Trading Period.
- P. The contract between the Post Office and Postmasters.
- Q. The lack of an outreach investigations function.

36. The Post Office's headline findings in respect of these thematic issues are:

- Five 'thematic' issues were attributable to errors made by a Postmaster or their staff in operating their own branch (e.g. mis-keying transactions into Horizon): D, E, F, I, and J.
- Five 'thematic' issues were found not to have actually occurred but arose out of the misunderstandings of certain Postmasters: A, N, O, P and Q.
- Four 'thematic' issues did occur in branches but were issues that, by their very nature, could and did not cause any loss of cash or stock in a branch: B, G, H and K.
- Two 'thematic' issues were not found to be 'thematic' at all but rather turned on the specific circumstances of each case: L and M.
- One 'thematic' issue was the product of fraud by a postmaster or their staff: C.

37. Human error was found to be the primary cause of cash and stock losses in the cases investigated. Through the Branch Support Programme established in 2013, the Post Office has, following discussion with the National Federation of Subpostmasters (NFSP), introduced improvements to reduce further the risk of human error in branches by Postmasters and their staff. Further details of the Branch Support Programme and the improvements that have been made are available at Annex J of this report.

38. In addition, training and support was claimed by a number of Applicants to have been insufficient. The Post Office's investigations have found that for the majority of Postmasters its training practices (principally when a Postmaster is first appointed) were adequate and did give most Postmasters the skills needed to operate their branches.

However, in some cases, where certain Postmasters were struggling, the Post Office has accepted that it might have delivered additional training sooner.

39. Annex I of this report provides further comprehensive detail about the issues identified and the results of investigations into the identified 'thematic' issues.

## 5. Mediations

40. The Centre for Effective Dispute Resolution (CEDR) was engaged to provide mediation services for the Scheme. The arrangements put in place by CEDR, and agreed by the Working Group, are in line with CEDR's own Code of Conduct and the European Code of Conduct for Mediators which the Civil Mediation Council requires all UK providers to observe in order to maintain accreditation.

41. The reason independent, well established and reputable mediation experts were appointed to conduct the mediations was specifically to ensure that mediations are undertaken in line with best practice.

42. Consistent with its approach of supporting Applicants to the Scheme throughout the process, the Post Office further agreed to provide each Applicant with £1,250 + VAT (full day) or £750 + VAT (half day) towards costs of a professional advisor in preparing for and attending mediations. In addition, it provides Applicants and up to two representatives with reasonable expenses in respect of their travel to and from the mediation.

43. When a case is passed to mediation, the Applicant and their advisor are contacted by CEDR to arrange a date for mediation and provided with information about the process. Every mediation is conducted by an experienced and entirely independent mediator appointed by CEDR, and Applicants typically attend mediation with their own professional advisor.

44. In deciding who attends individual mediations on its behalf, the Post Office considers the particulars of the case and selects the team which it considers best able to contribute to a successful outcome. The team is drawn from a pool of senior Post Office staff with long experience working within the Post Office network and a pool of experienced lawyers who are familiar with mediation, the Scheme and case investigations.

45. As is standard mediation practice, parties sign a confidentiality agreement prior to a mediation session. Under those confidentiality arrangements, which are a key component of every mediation, no one other than the parties involved is entitled to know the outcome of individual mediations. This includes the Working Group. Mediation is, by its nature, a voluntary process designed to help reach a resolution through compromise. Accordingly, the Working Group agreed that the final decision on whether or not to mediate a case rested with the parties involved and it could not compel either party to participate in mediation.

46. In relation to the Post Office's approach to mediation, it took the view that it should adopt a general default position in favour of mediation, at least for the initial cases, and await feedback from CEDR. In all cases where Post Office has attended mediation it has done so in good faith, giving each Applicant the opportunity to voice their concerns and

attempted to address those concerns. Some initial feedback from CEDR has now been received and is included at Annex R.

## **6. Access to Information**

47. Before and during the Scheme, Post Office has provided Second Sight with a considerable amount of information including:

- Spot Reviews (as described above);
- Post Office's investigation findings into specific cases;
- line-by-line comments on Second Sight's own case reports;
- technical papers on particular issues raised by Second Sight;
- detailed feedback on Second Sight's first thematic report; and
- answers to over 100 questions posed by Second Sight on thematic issues.

48. Accusations have however, recently been made that the Post Office has been unwilling to provide information to assist in Second Sight's work or has otherwise been attempting to frustrate that work through the inappropriate control of information. Those accusations are incorrect. The specific allegations concerned information in three broad areas, covered in the following paragraphs.

### **Legal files**

49. As Post Office made plain in its evidence to the Business, Innovation and Skills Committee on 3 February 2015, it has made the appropriate documentation from its prosecution files available to Second Sight. However, the Post Office has not provided legally privileged material. This is a generally accepted practice, and it is well understood that this information is not shared with anyone else, even the Court.

### **Emails**

50. In 2013, Second Sight asked for the email accounts of a number of Post Office employees dating from 2008. This was in response to an issue raised by Second Sight as part of its initial investigation, prior to the publication of its report in July 2013. The allegation related to whether the Horizon test environment in the basement of Fujitsu's office in Bracknell could have been used to edit live branch data. The Post Office explained at the time that it may be difficult to provide such information in view of its age but did, in May 2013, provide the email data it was able to retrieve.

51. In order to address the allegation more comprehensively, the Post Office also provided Second Sight with a witness statement from a key member of staff who worked at a Fujitsu site at Bracknell. This confirmed that the basement was a secure test environment, there was no connection to any live transaction data; live transaction data could not be accessed from the basement; and the basement was never used to access, change or manipulate

live transaction data in branches. In addition, the Post Office provided Second Sight with a considerable amount of policy documentation relating to the Bracknell office covering systems access, building access and security.

52. In light of this, the Post Office has asked Second Sight for further clarification as to the scope of emails sought. Pending receipt of this clarification, Post Office will supply a more limited range of emails which it believes should address the specific questions which Second Sight says it is seeking to address.

### **Suspense Account Data**

53. In June 2014, Second Sight asked the Post Office to explain the operation of its suspense account. The Post Office replied to that request in a written paper in July 2014. Second Sight then made a request for further data on the accounting entries being posted to the suspense account. Given that the purpose of this request was unclear, Second Sight agreed to provide further clarity on the nature of the enquiry, which they did in October 2014. Following some residual uncertainty over the focus and purpose of the request, the Post Office sent a further written paper to Second Sight explaining the operation of its suspense account.

54. Whilst the Post Office acknowledges it originally took longer to respond to Second Sight's initial requests than it would have wished, it was able to answer Second Sight's questions when a shared understanding of the nature of the enquiry had been reached.

55. Post Office's Chief Financial Officer has now had two meetings with Second Sight to discuss these matters and has provided Second Sight with further 'contextual data'. At the most recent meeting, Second Sight agreed that it needed no further information on the Suspense Account, requesting some further data on another aspect of client accounts to provide additional reassurance.

## **7. Prosecutions Policy and Practice**

56. All cases of potentially criminal conduct are investigated thoroughly and decisions about appropriate courses of action are taken on the basis of the available facts and evidence.

57. Post Office records show that in the financial years 2011-12 and 2012-13, for example, approximately 12% of all audits conducted led to the suspension of a Postmaster and approximately half of those Postmasters suspended saw their contracts terminated. Approximately 2.5% of the audits during this period led to criminal prosecutions.

58. The decision to prosecute a Postmaster or employee, in the small number of instances where this occurs, is always taken following numerous checks and balances. The Post Office is confident that its approach complies with all legal requirements.

59. If the Post Office decides to prosecute a case, its conduct of the prosecution is scrutinised by defence lawyers and ultimately by the Courts themselves. Possible miscarriages of justice in the criminal courts of England, Wales and Northern Ireland can also be reviewed by the Criminal Cases Review Commission, which refers appropriate cases to the Court of Appeal.

60. In deciding whether a case is suitable for prosecution, the Post Office considers (among other factors) whether it meets the tests set out in the Code for Crown Prosecutors. The Code requires prosecutors to be satisfied that there is sufficient evidence for a realistic prospect of conviction and that the prosecution is in the public interest. The Code is issued by the Director of Public Prosecutions and followed by Crown Prosecutors. The Post Office is not required to inform the Crown Prosecution Service (CPS) that a private prosecution has commenced but the CPS can take over a private prosecution if circumstances warrant. Like the CPS, the Post Office keeps cases under continuous review all the way up to and during any trial.

61. Once a decision has been made to prosecute and a defendant is charged, he or she is entitled to receive private and confidential legal advice. Should the defendant wish to dispute the charges, the Post Office has a duty to disclose to the defendant and his or her lawyers, any material that could assist the defence or undermine the prosecution. The defendant's lawyers can also ask the Post Office to produce any material which they believe the Post Office may hold which could assist the defence or undermine the prosecution.

62. The Post Office is duty bound to communicate with a defendant's lawyers, and any decision by a defendant to plead guilty is made after he or she has had the opportunity to take private and confidential legal advice and consider, with lawyers, all the available evidence. The evidential requirements for proving the offences of theft or false accounting are a matter of law.

63. The suggestion that the offence of false accounting is a less serious offence to that of theft has appeared in a number of contexts, most commonly where it is alleged that an Applicant has pleaded guilty to the former offence so as to avoid “the more serious” charge of theft, or has pleaded guilty to “the lesser offence” of false accounting.

64. Both are offences of dishonesty and both carry the same maximum sentence (7 years imprisonment).

65. Also, Post Office does not advise a defendant on their response to a criminal charge. Every person charged with a criminal offence is entitled to independent legal advice and representation. Further, Legal Aid may be available to any defendant where the offence carries a risk of imprisonment (as do the charges levelled by the Post Office):

- The decision to plead guilty is always one for the defendant only, having taken advice from their own lawyers.
- When deciding to plead guilty, the defendant will have been advised by his or her own lawyer that a guilty plea represents a complete admission to having committed the offence (which the defendant can qualify by a written ‘basis of plea’) and, where the offence is one of dishonesty (theft, false accounting, fraud), to that dishonest act. This is advice a defence lawyer is duty bound to give.
- The Code for Crown Prosecutors requires prosecutors to consider in any individual case whether there is sufficient evidence and if so, whether a prosecution is in the public interest. In cases where an audit discloses a loss in circumstances where there is evidence of false accounting, the fact of the loss together with the false entries will often be regarded as sufficient evidence on which to base a charge of theft.
- The initial suggestion that a defendant pleads guilty will come from the defendant’s lawyers, usually motivated by the defendant’s instructions that they are guilty of that offence.
- Finally, it is the duty of the defence lawyers to identify to the Court where there is insufficient evidence to sustain a charge, or to seek further information from the Post Office which might assist the defendant’s case. If the Court agrees, then the Judge must dismiss that charge. Thus a charge upon which there is no evidence will inevitably fail.

66. Any suggestion that the CPS would have acted differently from the Post Office as a prosecutor, perhaps by not prosecuting at all, or by accepting a different outcome, is misplaced:

- Both the Post Office and the CPS are bound by the Code for Crown Prosecutors; the courts oversee both and both must act in accordance with the principles of fairness.
- The Post Office is not unique in prosecuting its own cases. Many organisations conduct prosecutions within their own sphere of interest, including for example the Driver and Vehicle Standards Agency, Transport for London, the Environment Agency, and many local authorities.
- The Post Office prosecutors are all experienced criminal lawyers, many of whom have wide experience of prosecuting both for the Post Office and the CPS. These lawyers advise the Post Office in full, including by reference to the Code for Crown Prosecutors and its application in the Courts, before a prosecution is commenced and continued. The CPS does not have any role in this process.
- Neither does the CPS 'review', 'oversee' or otherwise regulate non-CPS prosecutions — that function is reserved for the courts.

67. The Post Office is concerned by the allegations that there may have been miscarriages of justice. In re-investigating each case through the Scheme, we have considered whether it raised anything which could lead us to question whether the original conviction was unsafe, including whether any of the material reviewed could have undermined the prosecution case or supported the case for the defendant. As a prosecutor, Post Office has a continuing duty after a prosecution has concluded to disclose immediately any such material to the defendant and/or his lawyers, and it has acted throughout the Scheme with this duty in mind. Having now completed its reinvestigation of each of the cases, Post Office has found no reason to conclude that any original prosecution was unsafe.

## **8. The Contract between Postmasters and the Post Office**

68. The Scheme was established to consider complaints about Horizon and associated issues, not wider matters about the Post Office's business model, including contracts. This Section provides a summary of the information Post Office has provided to Second Sight and others in response to questions about the postmaster's Contract ('the Contract').

69. Postmasters are not employees of the Post Office. They are independent business people who make a conscious choice to enter into a contract with the Post Office. The Contract is a contract for services, which sets out the basis on which the parties agree to do business. Its core principles, including that relating to risk, are consistent with arrangements used throughout the UK and the well established law of agency. It reflects standard agency agreements in use in the United Kingdom.

70. The current version of the Contract is the 1994 issue, which has been subject to a number of amendments since then. Post Office discusses and agrees variations to the Contract with the National Federation of Subpostmasters (NFSP) on behalf of Postmasters.

71. The basis on which a Postmaster is bound to the Contract, e.g. by signing it or an 'Acknowledgment of Appointment' letter, is determined by the particular circumstances of each individual case. Either method is legally binding. It is worth noting that in the 'Acknowledgment of Appointment' letter which is frequently used to record a Postmaster's appointment, the Postmaster states that he or she has been given and accepted the terms of the Contract.

72. Under the terms of the Contract, Postmasters are only responsible for losses caused through their "own negligence, carelessness or error" or for losses caused by their assistants. Postmasters are therefore only liable for losses arising from those operations that are under their control and responsibility. Postmasters employ their assistants directly and are responsible for organising their staff and implementing controls to prevent opportunities for losses to occur. Therefore, they are responsible for the actions of their employees, even if those employees act dishonestly.

73. Postmasters' assistants are employees of the Postmaster and not the Post Office. The Postmaster is accordingly responsible for the management and performance of their staff including any disciplinary action which the Postmaster may consider appropriate. Postmasters must also assure themselves that any assistants they employ are suitable for the role, for instance by conducting interviews and seeking references, and that they are appropriately trained

74. Postmasters should undertake a number of basic checks when they recruit a new member of staff (e.g. right to work in the UK, proof of identity, and proof of address along

with five-year work history). There is an annual check of all assistants to ensure they have been cleared through the pre-employment checking system.

75. Under their Contract for services with the Post Office, every Postmaster must establish, maintain and adhere to a formal disciplinary policy in respect of any assistants who fail to comply with the Postmaster obligations as detailed in the contract. The disciplinary policy must include the content as defined in the Contract and records must be retained.

**9. Annexes and Further Reading**

76. Placeholder