
From: Christopher Ingles[imceax-
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=christopher+20i180e7561-c3d5-4a14-9f11-fc342ce4aaa6887@c72a47.ingest.local]
Sent: Tue 13/01/2015 4:27:14 PM (UTC)
To: Angela Van-Den-Bogerd[GRO]
Cc: Rodric Williams[GRO]
Subject: FW: (D.A)FOR ACTION: Ref: ECT 1153/14 Customer name: Tim McCormack Feedback
due: 15/01/15 Case signatory: TBC

Angela,

I have now had a chance to review the correspondence from Mr McCormack and have also liaised with Andy Parsons in respect of the horizon processes which are followed in the printing of labels. I am uncertain as to who is holding the pen on any response to Mr McCormack so have addressed this only to you in the first instance for onwards circulation as necessary.

In brief: I cannot see that Mr McCormack has provided sufficient evidence to indicate a liability for POL under either either in civil or criminal law. On that basis the appropriate response to Mr McCormack's correspondence would be to note the allegations made but reject them in their entirety. It should be noted that in the event that Mr McCormack does provide any evidence in support of his accusations in future then it would be appropriate to review the position at that point in respect of any civil liability.

Details for the rationale behind this conclusion follow below.

The allegations:

- Mr McC has alleged that, as a result of errors in the process for the printing of labels, SPMRs are suffering a financial loss to the benefit of POL/RM;
- Further, that the nature of the benefit to POL/RM would constitute a criminal offence of misappropriation and/or false accounting under the Theft Act 1968; and
- Mr McC has stated that he has evidence of issues he has described occurring from current SPMRs and potentially CCTV footage showing the issue in practice.

Substantiation of evidence:

- Mr McC has refused to provide any further information or evidence in support of his claims;
- POL has specifically requested further information/evidence but has had the request turned down by Mr McC; and
- Therefore, the claims remain unsubstantiated by Mr McC.

POL investigations:

- POL requested NBSC search for any calls logged calls addressing this issue – no such calls could be located; and
- POL have confirmed the labels process on Horizon with Andy Parsons. In essence, before any transaction is logged on Horizon as a result of a label being printed it is necessary for the SPMR to respond to a prompt screen confirming that the label had printed in a satisfactory fashion. There are procedures in place to address the circumstances described in Mr McC's correspondence.

Conclusion on the factual position:

Given that:

- (i) Mr McC has failed to substantiate his allegations in spite of having been requested to do so;
- (ii) POL considers there are appropriate processes in place to deal with all label printing issues; and

(iii) POL has been unable to locate any calls logged addressing the issue complained of;

It is entirely reasonable for POL to consider that the circumstances described of by Mr McC are not occurring. As a result there can be no civil or criminal liability for POL.

Theft Act 1968

As stated above, given that there do not appear to be grounds for believing the circumstances complained of by Mr McC are actually occurring, there do not appear to be any grounds for criminal liability. Nevertheless, in any event and for completeness, it is worth noting that dishonesty is required for an offence to be required under the Theft Act 1968. Dishonesty is defined in s2 of the Act. s2(1)(a) of the Act states that dishonesty will not have been present if the appropriator had the belief that they had the right in law to deprive the other person of the funds. In the current circumstances POL does consider that it is entitled to withhold funds under law and, as such, is not acting dishonestly – and as such is not acting criminally.

Do let me know should you wish to discuss matters.

Regards

Christopher

Christopher Ingles
Litigation Lawyer



148 Old Street, LONDON, EC1V 9HQ



GRO



GRO



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From: flagcaseadvisor

Sent: 13 January 2015 09:51

To: Angela Van-Den-Bogerd; Belinda Crowe; Eamon Price; Melanie Corfield

Cc: Craig Tuthill; Rodric Williams; Contract Admin Team; Alwen Lyons; Nick Beal; Martin Humphreys; Connie Hewitt; Tom Wechsler

Subject: RE: (D.A)FOR ACTION: Ref: ECT 1153/14 Customer name: Tim McCormack Feedback due: 15/01/15 Case signatory: TBC

Hi Angela,

Many thanks for the update.

Regards

Donna Alder

Chief Executive's Correspondence Team
148 Old St, London, EC1V 9HQ

GRO

From: Angela Van-Den-Bogerd
Sent: 13 January 2015 09:21
To: flagcaseadvisor; Belinda Crowe; Eamon Price; Melanie Corfield
Cc: Craig Tuthill; Rodric Williams; Contract Admin Team; Alwen Lyons; Nick Beal; Martin Humphreys; Connie Hewitt; Tom Wechsler
Subject: RE: (D.A)FOR ACTION: Ref: ECT 1153/14 Customer name: Tim McCormack Feedback due: 15/01/15 Case signatory: TBC

Donna,

Thanks for sight of this. Given the implications of Mr McCormack's claim then I suggest:

- we need join up with Royal Mail (cc'd to Eamon Price).
- we need a legal view - **Rodric** could you provide please.
- we need to flag to Fujitsu. I'll pick this up with Belinda.
- we need Comms team input (cc'd to Melanie Corfield)

By way of background I spoke to Tim McCormack a few weeks ago; a lengthy conversation lasting 45 mins which concluded with me asking Tim to provide me with details of specific instances so that I could investigate the claims. He said that he was unable to do that as he was getting his information via closed Spmr forums and that Spmrs would not want him to share their details. I have since asked NBSC for call clogs of branches that have reported such claims however despite a search they could not provide me with anything. So it would appear that branches are not reporting the issues but perhaps as Tim suggests dealing with the issues themselves. I will go back to Tim and ask him for the CCTV footage details as without specifics we will struggle to put this to bed.

Thanks,
Angela

Angela Van Den Bogerd | Head of Partnerships



Ty Brwydran House, Atlantic Close, SWANSEA SA7 9FJ



Mobile: GRO Mobex GRO



GRO



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From: flagcaseadvisor
Sent: 12 January 2015 14:28
To: Belinda Crowe; Angela Van-Den-Bogerd
Cc: Craig Tuthill; Rodric Williams; Contract Admin Team; Alwen Lyons; Nick Beal; Martin Humphreys; Connie Hewitt; Tom Wechsler
Subject: (D.A)FOR ACTION: Ref: ECT 1153/14 Customer name: Tim McCormack Feedback due: 15/01/15 Case signatory: TBC

POST OFFICE LTD
CHIEF EXECUTIVE CORRESPONDENCE TEAM
INVESTIGATION & FEEDBACK REQUIRED

CASE REF NO: ECT 1153/14

COMPLAINT RECEIVED: 12/01/15

DEADLINE FOR FEEDBACK TO ECT: 15/01/15

CUSTOMER DETAILS: Tim McCormack

SUBJECT: Problems with Horizon

BRANCH NAME: Duns ? BRANCH CODE: 108 803

FOR THE SIGNATURE OF: TBC

Dear All

Please find some emails pasted below and copies also attached sent to Paula Vennells & Moya Greene.

As this appears to be an ongoing matter, can you let me know what the current position is and what the response to Mr McCormack will be. I will send the usual acknowledgement.

Angela - In one of the emails he mentions talking to you so not sure if he was expecting a response off the back of your conversation.

Nick - Copied for your information only at this point.

Please reply to : ECT GRO

Thank you

Donna Alder
Chief Executive's Correspondence Team

GRO

N.B. Should you have any problems meeting this deadline or need to discuss further, please contact the Chief Executive's Correspondence Team at ECT GRO

From: Tim McCormack [<mailto:> GRO]
Sent: 10 January 2015 10:59
To: Moya Greene
Subject: FW: New Year Update - This has now got quite serious

Hi

My name is Tim McCormack and I was previously a Subpostmaster.

I have been in communication with Ms Vennells regarding an intermittent problem with Horizon whereby when a SPMR requests a batch of labels to be printed, one or more labels are in fact not generated by the system. The POL Help desk, when informed of such an error by the SPMR explains to the SPMR that there is no problem with Horizon, the error is the SPMRs fault and they must make good the cost of the missing labels from their own pocket. In my opinion this happens as a result of a poor communication link between printer and the Horizon terminal and I have examples of it occurring from all around the country in a multitude of unrelated sub post offices.

As you can see from the example below in the Email to Paula I explain how both RMG and POL profit from this error which may or may not be the fault of the SPMR.

The Theft Act clearly defines this as Appropriation - I am not a lawyer and could not advise whether or not you should face criminal charges - but I must admit it does look likely.

Indeed in my personal opinion, having knowledge now that your company has obtained money in such a way and recorded that in their accounts it could be held as False Accounting - a term I am sure you are familiar with.

I have offered a solution to the problem below. I trust you take this seriously enough to act upon it in conjunction with POL and Paula.

Kind regards

Tim McCormack

You learn more from one criticism than from ten compliments

From: timandag@GRO
To: paula.vennells@GRO
Subject: RE: New Year Update - This has now got quite serious
Date: Sat, 10 Jan 2015 08:46:56 +0000

Hi

I hope you don't mind but I have copied Moya Greene as she should know of this.

I had quite a long chat yesterday with a representative of the BBC who contacted me for some background information on POL and the NT program and it was while I was trying to explain the label problem to them briefly it dawned on me that this is more serious than it looks.

An example using some easy figures rather than real ones:

A SPMR requests 10 £5 postage labels from Horizon for a customer who obviously has 10 parcels to post.

As a result of the error I have pointed out to you only 9 are printed yet 10 are on the stack.

The Help Desk informs the SPMR that it is their loss and they have to make good the missing label.

So the customer pays £50 to the SPMR for the Postage.

The SPMR pays £5 for the extra label.

BUT only 10 labels have been produced and RMG incur the cost of delivering these to their destination.

For simplicity sake the breakdown of costs for each label are £1 TRP to the Subpostmaster, £1 Profit/Handling Fee to POL and £3 Profit/Handling Fee to RMG.

So therefore POL have received £1 for a label that was never printed, and RMG £3 for a package that never existed.

This despite POL being informed by the SPMR that the label never appeared.

I have been informed that such circumstances are covered by the Theft Act and it is perfectly possible that both POL and RMG could be held liable.

Proof: Other than CCTV footage there can be no proof that these events occur by their very nature on an individual basis. (e.g. think of someone who puts £1 in a vending machine and the chocolate bar does not appear). However there is clear and overwhelming evidence from around the country just from my enquiries alone that this error occurs quite frequently at random times. There is also a clear paper trail of POL having been informed of this error multiple times via the Help Desk over a number of years. Plus of course the fact that you were personally made aware of this error by myself before Xmas yet nothing has been done about it yet.

Overprinting: The SPMR can also cause this error to manifest itself in another way by re-inserting a label that has already been printed and I have received several messages from SPMRs that they readily admit to having done this. This is just as serious or perhaps even more serious, because POL's stance on this is that in this case the SPMR should still make good on the missing label as the SPMR has confirmed via Horizon that the label had printed correctly. POL's correct course of action in these cases would be at a minimum not to seek financial gain and indeed RMG should not receive consequential financial gain. In POL's case they have lost only the intrinsic value of the label that has been printed which is clearly negligible.

Recovery of Loss by SPMR: As I have previously mentioned to you, the majority of colleagues I have communicated with regarding this problem recover their losses arising from such an error by fraudulent means. Should POL find out that this is what they are doing then it is clearly a criminal offence for which they could be prosecuted. It would make for a very interesting court case should it go that far.

Possible Solution: The SPMR is not provided with the means to print duplicate labels without first confirming to HOL that the label did not print correctly. This is for

obvious reasons but as I have pointed out there is clearly a requirement for POL to allow this. If you consider that a SPMR may decide to scan several DG barcodes in order to recover his losses on the missing label then this is clearly just as unacceptable and hard to track. POL do not even get to hear about the original lost label. If a system was put in place to allow the SPMR to use official postage to replace the missing label and having to indicate via HOL the reason was because of this label printing problem, then POL (and RMG) would no longer be liable under the Theft Act, POL could make allowances for these errors in settlement with RMG so that would absolve RMG, and the SPMR would suffer no loss and no longer be tempted to perform a criminal act. In addition you would get a clear audit trail of the extent of this problem throughout the network which may help you track down the source.

Clearly it will be difficult to monitor misuse of the system but a track record of frequency of missing labels per branch could be built up over time and a warning issued to a SPMR that an auditor / engineer will spend two weeks in his branch in order to see the problem occurring will quickly stop that SPMR from misusing the system.

I think the solution I propose would be acceptable all round however it does not cover the losses that many SPMRs have incurred over the years. May I respectfully suggest that you offer a settlement to all SPMRs based on a percentage of the number of labels they print per annum? It should cover the period from the introduction of Label Printing to the time you put in place a solution to the problem.

Hope this helps.

Cheers, Tim

You learn more from one criticism than from ten compliments

From: timandag GRO
To: paula.vennell GRO
Subject: New Year Update
Date: Tue, 6 Jan 2015 21:25:15 +0000

Hi

Happy New Year to you and your colleagues.

Subsequent to my phone call with Angela and my search for other examples of the intermittent Horizon fault I reported to you I was contacted discreetly (off forum) by an SPMR who claims to have CCTV footage of the Horizon screen when such a fault occurs showing the system adding two printed labels to the stack when only one was printed.

They want to remain anonymous because of the way they handle the error - i.e. the

way they collect back the money from POL.

That got me thinking ...

I know of many ways to extract money from POL ranging from the downright dishonest methods to the ones that are no more than mischievous (although your organisation would of course not approve)

Last Summer I helped an SPMR in reviewing his last 6 months pay slips and calculating for him how much he would earn (stand to lose) if he converted to Mains.

Looking at his transactions there was something so obviously wrong in what he was doing that I called him and warned him to stop as he would be found out. Despite spending several hours doing unpaid work for him that was the last I heard from him. He was clearly embarrassed at what I had seen. Not only this but I know he is a senior local councillor of many years good standing.

So I wondered what if a Horizon error such as the ones that have happened to at least a few of the Second Sight cases had happened to me. Several thousand pounds short, what would I have done? I don't know the details but I assume in most of these cases the total amount is a result of accumulated losses of smaller amounts. I could easily generate £50 to £100 of additional income from POL related sources each day. You don't have to be particularly smart to know how to do this - just dishonest.

So why did these people not resort to similar tactics to cover their losses? Don't you think if they were dishonest they would do this? It doesn't add up. It doesn't make sense. These are surely honest people (for the most part) that have had their lives destroyed by POL. Do you feel no compassion towards them?

You have a chance to put this right. Put in place the Second SIGHT recommendations to prevent re-occurrences, eliminate the shock and terror tactics of the auditors and arrange a blanket settlement. As I keep repeating you need to look seriously at the people who continue to advise you that there are no problems with your organisation in the face of clear evidence to the contrary. Have you ever heard of the Peter Principle?

I sincerely hope you take my advice.

Kind regards

Tim

PS We all make mistakes - after we closed the PO - the Audit team had been and gone - the night before we realised a £500 gain which we pocketed - fair enough. Later that week I was dismantling our combi till and stuck between the top of the drop safe and the counter was a cash cassette containing £200 - in hindsight a simple mistake to make as there is very little distance between the two openings.

So whose money was that? Obviously mine. £700 up at the end of 4 years trading??

Don't start jumping to conclusions with regard to what I said earlier - I am honest through and through as is my wife. Remember also you only hear about the mistakes that cause losses not the ones that produce gains.

But consider this. The same mistake made but with £2k in the cassette instead, just before the Auditors walk in? What then? £2k down and money nowhere to be seen?

I would be adamant that nothing untoward had happened. Not a Horizon error this time a physical error. No money missing, just hidden by a design fault. End up in Jail for something like that - you have to be kidding.

PPS Branch Finder - you do know its been out of commission for some time now? You do know how they have been phoning the branches to find out their opening hours - operative word 'how' as in method. Totally bizarre.

You learn more from one criticism than from ten compliments

Flag Case Fact Sheet: The information contained in this sheet will be used to prepare the final response and will be shared with the signatory. It may also be recalled in any FOI enquiry.	
Background information & actions taken This should include details relating to customer complaint. (what went wrong/why it went wrong/ what has been done about it)	
Additional Information: Please supply any additional information - including any In Commercial Interest or In Confidence, which may assist in completing response or provide a better understanding to the background. Also advise if information can be used in response.	
Information supplied by:	