

IN THE HIGH COURT OF JUSTICE  
QUEEN'S BENCH DIVISION

Claim No. HQ16XO1238

THE POST OFFICE GROUP LITIGATION

BETWEEN:

**ALAN BATES & OTHERS**

Claimants

**- and -**

**POST OFFICE LIMITED**

Defendant

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AMENDED SCHEDULE OF INFORMATION

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1.	Claimant & Branch Details	
1.1.	Name	Mr David Peter Yates
1.2.	Home address	<b>GRO</b>
1.3.	Branch address	Walton On Thames Post Office, 73 Hersham Road, Walton On Thames, Surrey, KT12 1LN (FAD Code: 090 023 0)
1.4.	Subpostmaster (Yes / No, if No give details, e.g. Crown Office Employee, guarantor of Franchisee)	Yes. I was Subpostmaster of the branch from January 1993. Before that I worked as a Crown Office Counter Clerk from 1979 to 1993.
1.5.	Date and form of any contract entered	Pending access to any contractual

	into with Post Office	documents and records that Post Office may hold, my recollections are as follows:  When I took over the branch in January 1993 I was asked to sign a document. . However, I have now seen the length of a full Subpostmaster Contract and I do not think that I signed that contract. The document which I signed was much shorter, I estimate it to be around 10 pages. I therefore believe that I signed a shorter version of the contract, but I do not recall the specifics of this document.
1.6.	Start date of appointment/engagement	9 January 1993.
1.7.	End date of appointment/engagement	7 March 2003.
1.8.	Currently employed / engaged? (Yes/No)	No.
1.9.	Lived in linked residential premises? (Yes/No)	No.
1.10.	Employed assistants? (Yes/No, and if yes identify number as at date of termination of appointment)	Yes.  I employed assistants whilst I was at the branch, and had 4 part time assistants when I was suspended.
1.11.	Operated a retail business from same premises (Yes/No)	Yes.  I operated a successfull greetings cards and stationary business from the branch.  I ran the branch and the retail business with my business partner and we shared the profits equally. I mainly worked in the branch and ran the counter services whilst my partner ran the retail business.

<b>2.</b>	<b>Training and Support</b>	
2.1.	Received initial training from Defendant re: Horizon when introduced in 1999/2000 (Yes/No)	<p>Pending access to any training records that Post Office may hold, my recollections are as follows:</p> <p>Yes.</p> <p>The branch migrated to Horizon in 2000. I recall attending 2 days of training at a hotel before the system was installed. I do not recall the specifics of this training, but I think it was just a basic overview.</p> <p>I do not think this training adequately prepared me for having to deal with any discrepancies on the system as it was a very basic overview.</p> <p>Once the system had been installed, 2 trainers attended the branch for around 4 days. I recall the trainers overseeing what I was doing and my first balance on the system. I do not recall them showing me anything specific or raising any problems with my balancing.</p>
2.2.	Received initial training from Defendant re: Horizon when took up position? (Yes/No, and if yes give date and brief details of any training said to have been inadequate or inappropriate)	Not applicable.
2.3.	Received any further training from Defendant re: Horizon? (Yes/No, and if yes give date and brief details of any training said to have been inadequate or inappropriate)	<p>Pending access to any training records that Post Office may hold, my recollections are as follows:</p> <p>I recall requesting further training when the system was installed. However, I do not recall that Post Office responding to my requests. I do not recall receiving any further training on Horizon.</p>
2.4.	Contacted Helpline to seek advice re: Horizon and/or alleged shortfalls? (Yes/No, and if yes give approximate date and brief details of any advice and responses said to have been inadequate	<p>Pending access to any Helpline call logs that Post Office may hold, my recollections are as follows:</p> <p>Yes. When I first became Subpostmaster, I called the Helpline once per week when I first</p>

	<p>or inappropriate)</p> <p>became Subpostmaster to report apparent shortfalls and issues. However, I eventually stopped contacting the Helpline as it was a pointless exercise. I knew that advisors would not be able to help. On more than one occasion, I was told by advisors to complete certain actions on the system to try to rectify apparent shortfalls which would result in the shortfalls getting worse. The advisors could not explain why this had happened or tell me how to correct it.</p> <p>I was also told on more than one occasion not to worry and that the shortfalls would '<i>sort themselves out</i>'. As a result of this, I did not think the Helpline were taking my concerns serious. I was always led to believe that Post Office would resolve the issues I was experiencing.</p> <p>I recall that I was also told by some Helpline advisors that I would simply have to make good the unexplained differences even though they had not been investigated. No other option or assistance was provided to me. I could not afford to make the apparent shortfalls good and therefore, losses mounted.</p> <p>I also recall the Helpline sending out 'error notices' or transaction corrections to the branch. However, sometimes these would not correspond to the shortfalls and so it soon became very difficult for me to manage the shortfalls. The error notices/corrections would be sent a couple of months after the event so it was very difficult to reconcile them when they did come in. I always felt that I had no option but to input the error notices even if this made the alleged shortfalls worse as this is what the Helpline advised me to do.</p> <p>During the mediation scheme set up by Post Office, I was provided with some Helpline call logs. Having reviewed the documents, I do not think they show the full extent of the problems I had at the branch. They are not a complete and full record of my contact with the Helpline.</p>
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		<p>Overall, I do not think the Helpline provided me with adequate support and/or advice. The lack of competent and adequate support from the Helpline (or by any other means) meant that the differences I encountered could not be resolved. I felt completely isolated as the shortfalls began growing larger and larger. Eventually I lost all faith in the Helpline and stopped calling. I knew that advisors would only make the alleged shortfalls worse or tell me that the differences would 'sort themselves out'.</p>
3.	<b>Apparent or Alleged Shortfalls</b>	
3.1.	<p>For each apparent or alleged shortfall attributed by the Defendant to the Claimant and in relation to which complaint is made, specify:</p> <ul style="list-style-type: none"><li>(a) Amount(s):</li><li>(b) Date(s):</li><li>(c) Paid by the Claimant to the Defendant? (Yes/No, and dates of payment).</li><li>(d) How did the Claimant treat the above amounts in the accounts and why?</li></ul>	<p>Pending access to full transaction and account records from Horizon, I am only able to give approximate figures, although I do have a clear recollection of payments having been made by me.</p> <p>I would estimate throughout my time at the branch I have repaid approximately £46,000 to Post Office in relation to alleged shortfalls. Due to the passage of time, I do not recall specific details of the alleged shortfalls however my recollections are as follows:</p> <p>Before Horizon was installed I do not recall having any significant shortfalls at the branch. However, after around 6 weeks of Horizon being installed I started experiencing shortfalls which were completely unexplained. In the beginning, when a shortfall appeared, I would put in the cash from my own personal funds to make sure that the system balanced. I do not recall ever declaring these as losses in the accounts.</p> <p>However, in 2002 the apparent differences increased to a point where it was impossible for me to make good the differences anyway. By this time, I had lost all confidence in the Helpline's ability to resolve the issues. I felt as if I had no option but to manually alter the figures on the system to enable me to keep trading. As the Helpline had repeatedly told me that the alleged shortfalls would sort</p>

		<p>themselves out, I always thought that Post Office would resolve the issues over time.</p> <p>Eventually I was audited on 7 March 2003 at which point Post Office found an apparent shortfall of £359,325.71. I consider this to have been an accumulation of alleged shortfalls over a number of years.</p> <p>I entered into a settlement agreement with Post Office and signed a consent order in September 2007. I agreed to pay £40,000 to Post Office to settle the alleged shortfall. I repaid this in full to Post Office.</p>
<b>4.</b>	<b>Audit and Investigation</b>	
4.1.	Did the Defendant conduct one or more audits of the branch prior to termination? (Yes/No, and if yes give date and brief details)	<p>Yes. I experienced 3 audits at the branch whilst I was Subpostmaster. I was not given any notice by Post Office ahead of the audits taking place. In order to give specific details, I will require access to Post Office's audit records. In the meantime, I can give approximate details as follows:</p> <p><b>Audit 1:</b></p> <p>Auditors attended the branch on 23 May 2002. I do not recall the specifics of the audit but to my recollection, the auditors did not find any specific issues or shortfalls at the branch even though I had been altering the figures by this point.</p> <p>As a result of this audit I began suspecting there was a wider problem with Horizon. When the auditors found no issues I remained hopeful that this meant that the apparent shortfalls were sorting themselves out as the Helpline promised.</p> <p><b>Audit 2:</b></p> <p>Auditors attended the branch again on 15 November 2002. Again, although I do not recall the specifics of the audit, to my recollection, the auditors did not find any specific issues or shortfalls despite me having altered the figures.</p>

	<p>I grew more suspicious that there was an issue with Horizon after this audit. The shortfalls were quickly increasing rapidly and I was certain that the auditors would identify an issue. When they didn't, I began losing all trust in the system.</p> <p><b>Audit 3:</b></p> <p>The final audit took place on 7 March 2003. I was informed by the auditor, Paul Bosson, that the audit team had found an alleged shortfall of £366,788.67. This figure was later reduced to £359,325.71 when the final audit was completed. Mr Bosson informed me that my contract with Post Office had been suspended as a result of the alleged shortfall.</p> <p>Representatives from Post Office's fraud team, Dave Posnett and Rob Fitzgerald attended the branch the same day and I was asked to attend an interview with them. I attended the interview under caution and without seeking legal advice. I was intimidated and just wanted the whole situation over and done with.</p> <p>In the interview I admitted to inflating the figures to cover up the alleged shortfalls and explained that I had taken small amounts of cash from the branch to help the business stay afloat. I always repaid these sums back into the branch and so never personally benefitted from this.</p> <p>The tone of the interview was aggressive. I was nervous and put under immense pressure. I therefore said things so that I could get out of the interview as soon as possible without making myself clear. Mr Posnett and Mr Fitzgerald did not offer any support. They appeared to have already decided that I was guilty of a crime.</p> <p>Following the interview, the investigators completed a search of the branch and my home. They took my passport and copies of my bank statements but nothing else. They did not find anything to show that I had stolen</p>
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		<p>money for my own benefit.</p> <p>At this time, I also gave authority for Post Office to access my bank records. To my knowledge, Post Office did not find any evidence that I had stolen money for my own gain which in any case, I had never done.</p> <p>As a result of the audit and interview the branch was closed. I felt completely humiliated and distressed about the whole situation.</p>
4.2.	Was there an investigation carried out by the Defendant relating to alleged shortfalls? (Yes/No, and if yes give date and brief details of any investigation(s) in relation to which the Claimant raises a complaint)	<p>I have seen no adequate investigation undertaken by Post Office.</p> <p>Whilst the alleged shortfalls were occurring I do not recall Post Office making any attempts to investigate the cause(s) of the shortfalls despite my calls to the Helpline.</p> <p>In addition, as there was no way to get an audit trail after Horizon was installed the same way as when we had the paper system, there was no way for me to investigate the losses myself.</p> <p>Following the final audit and interview, Post Office appeared to undertake an investigation which led to my prosecution in 2003. However, I do not think the investigation was a genuine investigation. I always felt as if there was an underlying presumption of guilt and there is no evidence to suggest that Post Office looked into the cause(s) of the alleged shortfalls. It always felt that once Post Office had my 'confession', it had made its case and so no further investigation was required.</p> <p>During the mediation process, Post Office alleged that it had carried out a full investigation into my case. However, Post Office still failed to undertake a full investigation into the cause(s) of the alleged shortfalls and instead, focused on my convictions.</p>

5.	<b>Suspension and Termination</b>	
5.1.	Was the Claimant suspended for a reason related to alleged shortfalls? (Yes/No, and if yes give date and brief details of any suspensions in relation which the Claimant raises a complaint)	Yes. I was suspended following the audit on 7 March 2003. I recall a hand delivered letter from Post Office arriving at my home on 8 March 2003 to confirm my suspension. I cannot recall the specific reasons given for my suspension, but I know that it was in relation to the alleged shortfall found at the final audit.
5.2.	<p>If the Claimant was suspended:</p> <p>(a) Was the branch closed by the Defendant? (Yes/No, and if yes give date)</p> <p>(b) Was a temporary Subpostmaster appointed by the Defendant? (Yes/No, and if yes give date)</p> <p>(c) Was the Claimant prevented from accessing records within the branch? (Yes/No, and if yes give date and brief details)</p>	<p>(a) Yes. The branch was closed the day of the audit (7/03/2003).</p> <p>(b) Yes. I do not recall the specific date, but I believe that Post Office appointed a temporary subpostmaster around one week after my suspension.</p> <p>(c) Yes. I was told by Post Office that I could not enter the premises and my keys to the building were taken from me. Therefore, I could not access the branch or records within the branch.</p>
5.3.	How did the Claimant's appointment end? (Terminated by Defendant / Resigned)	My contract was terminated by Post Office.
5.4.	<p>If the Claimant's appointment was terminated by Defendant, was this for a reason related to alleged shortfalls? (Yes/No)</p> <p>Was that reason stated by Post Office? (Yes/No)</p>	I do not recall the specific details surrounding the termination of my contract and/or ever receiving written confirmation of this. I presume that my contract was terminated because in my interview I had admitted to inflating figures at the branch and taking small amounts of cash from to pay overheads.
5.5.	Did the Defendant give notice? (Yes/No, and if yes, state period of notice)	No.
5.6.	If the Claimant resigned, was this under pressure from Defendant for a reason related to alleged shortfalls (Yes/No, and	Not applicable.

	if yes give date and brief details)?	
5.7.	Did the Defendant prevent or impede sale or transfer of the Claimant's business? (Yes/No, and if yes give date and brief details)	No.
6.	<b>Civil and Criminal Proceedings</b>	
6.1.	Did the Defendant pursue recovery of any alleged shortfalls by civil proceedings? (Yes/No, and if yes give date and brief details)	<p>Yes.</p> <p>When I left prison (see 6.4 below) I became aware that Post Office started to pursue a civil case against me to recover the apparent shortfall. Post Office obtained a judgment in the sum of £359,325.71 plus interest. Thereafter, Post Office sought to obtain a legal charge over my family home (which I owned jointly with my wife), with an intention to force the sale of my home to recover the monies.</p> <p>In light of this, I instructed solicitors and reached a settlement with Post Office. I agreed to pay £40,000 to Post Office in full and final settlement of the judgement.</p> <p>I understand from the documentation provided to me during the mediation process that Post Office denied entering into the settlement. In those documents, Post Office also alleges that it has no record of my repayment of £40,000 which I find completely unconscionable. I have in my possession correspondence which passed between legal representatives and a copy of the Consent Order.</p>
6.2.	If yes, what was outcome of proceedings? (Settled, Judgment for Claimant, Judgment for Defendant, currently stayed)  Please give date and brief details.	Please see 6.1 above.
6.3.	Did the Defendant pursue any criminal proceedings against the Claimant?	Yes.

	(Yes/No)	
6.4.	<p>If yes, specify (with dates):</p> <p>(a) charges (Theft, False Accounting, and any other charges);</p> <p>(b) outcome (guilty after contested trial, acquitted after contested trial, guilty plea, not pursued).</p>	<p>a) I was charged and convicted of the following:</p> <ul style="list-style-type: none"> <li>• Theft – 10 October 2003</li> <li>• False Accounting – 10 October 2003</li> <li>• Breach of Trust – 10 October 2003</li> </ul> <p>b) As I had no evidence to show how the alleged shortfalls had occurred, I was advised by my solicitor to plead guilty to all of the charges in the hope that I would receive a more lenient sentence. I was sentenced to 3 years in prison. I served 13 months in prison and 13 weeks on Home Detention curfew.</p>
6.5.	Has any conviction been referred to the Criminal Case Review Commission or is the subject of any appeal? (Yes/No)	No. I am in the process of initiating this.
7.	<b>Nature of claims pursued</b>	

*In this section, indicate whether the Claimant relies on generic Particulars of Claim in respect of the types of claim identified (in each case, Yes/No).*

7.1.	Contract, tort & fiduciary duty	
(i)	Training	Yes.
(ii)	Support	Yes.
(iii)	Availability of transactional information	Yes.
(iv)	Execution / reconciling transactions	Yes.
(v)	Inappropriate attribution of alleged shortfalls	Yes.
(vi)	Demands for payment	Yes.

(vii)	Investigation	Yes.
(viii)	Suspension	Yes.
(ix)	Termination	Yes.
(x)	Pressure to resign	No.
(xi)	Impeding sale / transfer	No.
(xii)	Concealment	Yes.
(xiii)	Breaches of overarching duties	Yes.
7.2.	Harassment	Yes.
7.3.	Deceit	Yes. I was led to believe that I had no alternative but to pay the shortfalls.
7.4.	Malicious Prosecution	Yes.
7.5.	Unjust Enrichment	Yes, subject to CCRC outcome.
8.	<b>Nature of claims for loss</b>	
8.1.	Repayment of alleged shortfalls (Yes/No and amount)	Yes. I estimate I have paid in the region of £46,000 to Post Office in relation to the alleged shortfalls. This sum is made up of £40,000 I agreed to pay to Post Office and approximately £6,000 I paid into the branch whilst Subpostmaster to make Horizon balance when the differences first started to occur.  Plus all sums found to be repayable following disclosure and upon investigation by the court.

8.2.	Loss of investment (Yes/No, and approximate value, subject to expert evidence)	<p>Yes I lost the value of the business.</p> <p>I estimate I have lost in the region of £10,000 for my initial investment into the retail operation ran from the branch.</p>
8.3.	Loss of earnings during suspension (approximate value and brief details)	<p>I cannot <u>fully</u> recall the details surrounding my suspension/termination. However, I did not receive any further payment from Post Office following my suspension on 7 March 2003.<u>I believe that I was suspended between 7 March 2003 and the end of the court case in October 2003.</u></p> <p><u>I therefore believe that I lost in the region of £45,500 based on my gross monthly remuneration.</u></p>
8.4.	Loss of earnings for failure to give notice (approximate value)	<p>Yes.</p> <p>I cannot recall my notice period but I was earning approximately £6,500 gross each month.</p>
8.5.	Loss of earnings post termination (period claimed and approximate value) [If not already dealt with at 8.2 above]	<p>Yes. Subject to expert evidence. I intended to run the branch until my retirement. I had hoped to retire at 55 and so have calculated my loss of earnings claim from the Defendant from 7 March 2003 (the date of my suspension) to 31 March 2017, which is shortly after my 55th birthday. From March 2002 to March 2003 my net remuneration was £78,378.70. My loss of earnings from Post Office has previously been calculated to be in the region of £800,000.</p> <p>Again, subject to expert evidence. My loss of earnings from the non-post office retail activities that were carried out at the branch. Having reviewed my accounts from 1 October 2001 to 12 March 2003 which effectively cover a period of 18 months, the retail business earned £29,261 of which my interest was 50%. This excludes post office income. This additional profit indicates that my non-post office income was running at around £10,000 per year gross. My loss of</p>

		<p>profits from losing the convenience store has previously been calculated to be in the region of £66,000 (at a rate of £10,000 per year gross, say £6,000 net).</p> <p>I came out of prison in December 2004 and from January 2005 I worked for my brother-in-law who owned an estate agency. I earned approximately £8,500 per annum net. I worked for him for approximately 2.5 years until he was forced to let me go due to the financial strain on his business. Due to my criminal record I found it difficult to find another job and so set up as a delivery agent for Next. I recently obtained a new job working in the NHS as I was no longer well enough to continue the delivery work. I now earn approximately £20,000 per annum.</p>
8.6.	Stigma and/or reputational damage (Yes/No and brief details)	<p>Yes. I was a well known in the area. I have never really been able to return there even though my family lives in the area because I felt so embarrassed and ashamed. Even now, all these years later, if I visit the area I feel anxious and worried.</p> <p>I recall the local newspaper, the Surrey Herald, running a story on my conviction which was humiliating. I could not do anything to stop this.</p>
8.7.	Personal Injury (Yes/No and brief details, subject to expert evidence)	No.
8.8.	Losses related to bankruptcy/other insolvency procedures (Yes/No and brief details)	No.
8.9.	Losses related to prosecution (Yes/No and brief details)	<p>Yes.</p> <p>I received legal aid for my criminal proceedings. However, my wife incurred travelling expenses in the region of £1,500 visiting me in prison.</p>

8.10.	Any other loss not covered above (identify category and provide, brief details and amount).	I incurred legal fees in the region of £2,500 in relation to the civil proceedings.  I lost several benefits which I enjoyed whilst at the branch, including a private pension fund which I could not afford to keep paying into.
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The information provided in this Schedule is true to the best of the Claimant's knowledge and belief on the basis of the information presently available to the Claimant. However, the information is provided prior to disclosure by the Defendant, prior to any expert evidence, and figures provided in relation to loss are approximations only.

I believe that the facts stated in this Schedule are true.

Signed: ..... 

Date: 29.11.17

Freeths Reference: 2114928/1/MA/CS