

## Message

**From:** Mark Underwood1 [GRO]  
**Sent:** 20/12/2019 16:34:54  
**To:** Ben Foat [GRO]; Rodric Williams [GRO]; Andrew Parsons [GRO]; Amy Prime [GRO]; Angela Van-Den-Bogerd [GRO]  
**Subject:** RE: GLO

Hi Ben,

Suspense accounts are accounting tools for temporarily holding differences in payments moving between Post Office and its clients, where the client and Post Office's view of what is payable or receivable differ.

Differences are investigated but in some cases neither Post Office, the client, nor the branch are able to determine the identity of the customer who performed the transaction in question or the specifics of the transaction. For example, Post office may not be able to determine the details of the bank account to be credited. In such situations, and following enquiries with branches, unresolved differences are moved to Post office Suspense Accounts. Such discrepancies are held in its suspense accounts to give time for customers and clients to put forward more information to explain what has happened. If no new information is provided, then after 3 years values held in suspense are released to Post Office's P&L.

Second Sight requested details of the credits released from Post Office's suspense accounts to profit for the period 2008 to 2013. As there is a 3 year retention period – no amounts at that time had been released for the years 12/13 and 13/14. The total gross credits released from suspense to profit from 2007/8 onwards was as follows:

Years released to profit	Value
2010/11	£612,000
2011/12	£207,000
2012/13	£234,000
2013/14	£104,000
2014/15 (YTD at the point provided)	£8,000

These released amounts should be considered within the overall context of Post Office performing around 2.5 billion transactions per annum, with a combined value in the order of £60bn. The amount of unresolved credits that end up in Post Office's P&L is therefore less than 0.001% of all transactions (by value) undertaken by branches.

The Second Sight report cites "unreconciled" balances for the 2014 financial year of c£96 million in respect of Bank of Ireland ATMs and c£66 million in respect of Santander.

Second Sight misunderstood the information provided by Post Office. The balances of £96m and £66m were taken from routine trading balances yet to be settled with other organisations at a particular month end. In other words, they represented amounts due to other parties, not amounts that are unreconciled and which may be due to Subpostmasters.

I hope this helps

Mark

**Mark Underwood**  
Portfolio Director



Ground Floor  
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London EC2Y 9AQ

Mobile number:

GRO

Advanced notice of leave: 23 December 2019 – 3 January 2020

**From:** Ben Foat

**Sent:** 20 December 2019 15:02

**To:** Mark Underwood1 <GRO>; Rodric Williams <GRO>  
andrew.parsons <GRO>; Amy Prime <GRO>; Angela Van-Den-Bogerd  
<GRO>

**Subject:** RE: GLO

Hi Mark

On the suspense account issue - what is POL's defence to this. Ostensibly it looks outrageous so I'm assuming that there are more facts or an explanation around this.

Kind regards

Ben



**Ben Foat**

Group General Counsel  
Ground Floor  
20 Finsbury Street  
LONDON  
EC2Y 9AQ

Mobile :

GRO

**From:** Mark Underwood1 <GRO>

**Sent:** Friday, December 20, 2019 10:16:59 AM

**To:** Ben Foat <GRO>; Rodric Williams <GRO>; Angela Van-Den-Bogerd  
<GRO>; Emanuel, Catherine <GRO>; Lord, William  
<GRO>; Melanie Corfield <GRO>; Patrick Bourke  
<GRO>

**Cc:** Watts, Alan <GRO>; andrew.parsons <GRO>; Amy Prime  
<GRO>

**Subject:** RE: GLO

Hi Ben,

1. The only suicide which I am aware of and presume is the same as that referred to in the Independent article is that of a Mr Martin Griffiths on 23.09.2013. From memory, I think Mr Griffiths stepped out in front of a bus. A summary of events and the conclusions reached as a result of the investigations performed during the Complaint Review & Mediation Scheme are attached. Please note a settlement agreement was made with Mr Griffiths wife – details of which are included in the attached.

*Mel / Patrick* – is there some way to confirm the case referred to in the independent is indeed Mr Griffiths?

2. Assertions made in relation to POL's suspense accounts can be summarised as per the below:

- Post Office operated one or more "suspense accounts" in which it held unattributed surpluses including those generated from branch accounts;
- After a period of 3 years, such unattributed surpluses were credited to Post Office's profits; and
- Post Office therefore stood to benefit and/or did benefit from apparent shortfalls wrongly attributed to the Claimants, which did not represent real losses to Post Office (and were actually taken to POL's suspense accounts).

Further information is provided at paragraph 53 – 55 of the attached Report ("**Scheme Report – Final**"), which Post Office produced upon the closure of the Complaint Review & Mediation Scheme and in the attached "**3. P2 Reply – Suspense Accounts Statements**" which is an extract from POL's reply to Second Sight's Report.

In preparation for later breach trials, I had been working with WBD (Amy) and Deloitte to extract the necessary data to be able to determine whether, for the period of time the branches were operated by claimants, any monies were actually taken to suspense account. This work (which has been ongoing for 2 years ...) has now paused. We could complete this work, if that would give the business assurance regarding the operation of its suspense accounts.

3. Please find attached the final Second Sight Part 2 report dated 9 April 2015 ("**Final Briefing Report Part Two**"). A summary of the 'thematic issues' covered in that report and Post Office's findings are provided within the attached report ("**Scheme Report – Final**") at paragraphs 34 -39 and then in greater detail on pages 105 -116.

Let me know if you need anything further.

Mark



**Mark Underwood**

Portfolio Director

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Mobile number: **GRO**

Advanced notice of leave: 23 December 2019 – 3 January 2020

**From:** Ben Foat

**Sent:** 20 December 2019 09:27

**To:** Rodric Williams **GRO**, Mark Underwood1 **GRO**

Angela Van-Den-Bogerd **GRO**, Emanuel, Catherine

**GRO**, Lord, William < **GRO**

**Cc:** Watts, Alan **GRO**, andrew.parsons **GRO**

**Subject:** GLO

Good morning

Could someone send me today a summary of

1. the case which involved a postmaster suicide
2. the suspense account issue
3. second sight report (including attaching the report)

Thanks

Ben



**Ben Foat**  
Group General Counsel  
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