

Message

**From:** Jessica Madron [jessica.madron@GRO]  
**on behalf of** Jessica Madron <jessica.madron@GRO> [jessica.madron@GRO]  
**Sent:** 05/04/2013 14:51:59  
**To:** Jacqueline Whitham [jacqueline.whitham@GRO]  
**Subject:** FW: Agent's Debt

Jacqueline

For info

Kind Regards  
Jessica Madron  
Principal Lawyer  
Legal & Compliance

My working days are Tuesday to Friday.

 148 Old Street, LONDON, EC1V 9HQ  
   
  
 Jessica.madron@GRO  
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**From:** Paul Inwood  
**Sent:** 05 April 2013 15:47  
**To:** Ravi Chauhan; Jessica Madron  
**Subject:** RE: Agent's Debt

Great, I'll leave it to you to make that minor adjustment Ravi, thanks.

**From:** Ravi Chauhan  
**Sent:** 05 April 2013 15:00  
**To:** Paul Inwood; Jessica Madron  
**Subject:** RE: Agent's Debt

Hi Paul

Yes I can confirm this is covered off in the in service debt policy. May be it needs to further state that we have the right to recover 100% of the debt so as to not confuse with the approach where the POL is recovering in service debt whilst the agent is still in service.

Completely agree with all views outlayed below.

Ravi

Kind regards

Ravi Chauhan | Contracts and Policy Advisor

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**GRO**

ravi.chauhan@postoffice.co.uk **GRO**



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**From:** Paul Inwood  
**Sent:** 05 April 2013 14:35  
**To:** Jessica Madron  
**Cc:** Ravi Chauhan  
**Subject:** RE: Agent's Debt

Jessica,

Your points are all correct and the contract advisor is incorrect. I believe he or she is confusing how we recover in-service debts from an agent with how we should recover from a leaver at their final pay day.

The very fact that any leaver would object to POL using equitable set-off on 100% of their remuneration would indicate that they may not have intended to repay the debt. Any consideration re agent cash flow should not survive the contract, and the agent should be planning to manage their cash flow thereafter, taking into consideration any set-off.

Ravi – remind me please, is this type of circumstance covered in your policy work on debt, if not can you put something in there to clear this one up please, many thanks?

Regards,  
Paul.

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**From:** Jessica Madron  
**Sent:** 05 April 2013 12:42  
**To:** Paul Inwood  
**Subject:** FW: Agent's Debt

Paul

Do you have any thoughts on this email chain please?

Many thanks

Kind Regards  
Jessica Madron  
Principal Lawyer  
Legal & Compliance

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**From:** Jessica Madron  
**Sent:** 05 April 2013 11:11  
**To:** Jacqueline Whitham  
**Subject:** RE: Agent's Debt

Jacqueline

I'm not sure if I agree that this is "quite wrong" – where we set off a subpostmaster's contractual debt against his contractual remuneration we rely on the equitable right of set off, rather than a contractual right. In terms of how much you can deduct in one go, there isn't a legal reason for limiting this but as a matter of policy we have not taken more than a certain percentage – mainly because we don't want to jeopardise the subpostmaster's solvency and viability.

Where a subpostmaster is leaving, POL may want to consider increasing this percentage to up to 100% of the final remuneration to ensure that we can recover as much as possible of the debt. However, there may be PR implications in doing this which you need to take into account. It is also possible that taking a larger percentage of the final remuneration could still push the leaving subpmr into insolvency, and if it then turns out that the debt was not actually due to POL there could be a claim in damages against POL.

Many thanks

Kind Regards  
Jessica Madron  
Principal Lawyer  
Legal & Compliance

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**From:** Jacqueline Whitham  
**Sent:** 05 April 2013 10:19  
**To:** Jessica Madron  
**Subject:** Agent's Debt

Dear Jessica

I wondered if I could ask you a quick legal question regarding Current Agent Debt? This is debt that operators/agents/subpostmasters settle centrally in the branches which the Current Agent Debt Team in Chesterfield chase up.

Historically if a branch is due to leave and they have outstanding debt settled centrally we have on occasion (depending on the day in the month) contacted HR and requested that they withhold all the remuneration due to the agent which we offset against the outstanding debt.

After a recent conversation with a Contract Advisor I was told that this should not happen and we were quite wrong to do this and leave the agent with no remuneration for the month that they were leaving in.

I just wondered if you would clarify our legal position on this? I suppose I am talking about the outstanding debt being larger than the agent remuneration amount due so there would still be an outstanding debt amount which would transfer to the Former Agent Team to chase.

I shall be out most of this morning but if you would like to discuss further I will be at my desk most of the afternoon.

Jackie Whitham – Finance Roadmap – CFS

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