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TO: GRO

- (1) C Train
- (2) Defendant
- (3) First

Claim No. HQ 05 X 02706

IN THE HIGH COURT OF JUSTICE

QUEEN'S BENCH DIVISION

BETWEEN:

POST OFFICE LIMITED

Claimant/
Part 20 Defendant

and

LEE CASTLETON

Defendant/
Part 20 Claimant

WITNESS STATEMENT OF
CHRISTINE TRAIN

I, CHRISTINE TRAIN, of Marine Drive Post Office, Dridlington WILL SAY as follows:

1. I started work at Marine Drive Post Office in January 1988⁴ at the age of 16 on a Post Office YTS scheme. I was trained by the full-time counter clerk who had approximately 12 years experience as the sub-postmistress at that time had only been in post for around 6 months.

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2. By the time the post office was sold about 3 years later, I was working on the counter full time with another assistant and was actually doing more of the work than the actual sub-postmistress. I was the only member of staff that stayed on when the new owners took over.

3. I trained the new sub-postmaster and his business partner's daughter who covered holiday periods. I was in effect left to run the post office largely on my own with minimal assistance. For 13 years, I probably did around 80% of the work myself – I ordered and returned the cash and stock, did the majority of balancing on my own, changed posters and leaflets and dealt with all of the changes in procedures as and when required.

4. Over the years, Marine Drive Post Office has had maybe 5 or 6 Regional Line Managers and, prior to the problems experienced by Mr Castleton during his period as sub-postmaster, I cannot recall ever having to need one of them to become involved to sort out any particular problems. Cath Oglesby was the Regional Line Manager for several years prior to Mr Castleton taking over and was aware of how long I had been at the office and that I did the majority of the work there. When she made her routine visits, it was me that answered most of her questions – as I did the majority of the work, I was have a brief look at the recent paperwork to check how balances were and would typically not stay any longer than an hour. This changed once Mr Castleton took over.

5. Mr Castleton took over as sub-postmaster in July 2003. His take over date was one of the worst possible. His first day was a Saturday, the first of the school holiday, and so one of the busiest periods of the year. The shop and post office were even busier than usual because the spa complex across the road from the post office was playing host to an international competition.
6. Despite the office being so busy, we soon developed a routine. Mr Castleton and his wife Lisa were quite happy for me to carry on doing things in the same ways I had done previously and which I was used to. They essentially left me to get on with things. It was hard work at first with Mr Castleton being new to running a post office but we soon worked how to work together and developed a good team relationship.
7. In early 2004, with Christmas and New Year out of the way, Mr Castleton began to think about what he wanted to do to change the business. He had plans drawn up to build a new post office counter so that the shop could be re-fitted and he could introduce new products. He wanted to make me the manager of the post office, giving me a say in how the post office would look. We also discussed hiring another assistant to help me whom I would train up. Mr Castleton knew I was capable of running the post office side of the business so freeing up him and his wife to concentrate on the retail side of the business.
8. The Horizon system was installed and rolled out in Marine Drive Post Office in [when?].^{8.} 27-10-00
I found that in practice it did not really have much effect on the way in which I worked – old habits tended to die hard and I continued to follow the same routine as I always had. I found that this meant that if something was missed or forgotten, it was not long before it came to light and so it was possible to avoid having to spend a lot of time back-tracking and re-checking things.

9. In general, if you carry out the week end balance and the system shows a loss, the greater the loss the easier it tends to be to find it. When in Week 42 we carried out the balance and the system shows a loss of around £1,100 it was a surprise but we thought we must have missed a bundle of notes and a bag of coins. The cash was recounted but we arrived at exactly the same figure again. I was surprised and bemused to say the least. All the system reports had been run off and we checked the rest of the week's figures again. Nothing appeared to be missed out. Mr Castleton kept asking me what we should check next and what we needed to do to deal with the discrepancy.
10. We had not experienced any problems in the week preceding that balance – the cash declared had been the same as the snapshot every night. Mr Castleton rang the Horizon helpline but I knew that they would just ask if each report had been done. I could not understand how £1,100 could disappear in one day's trading. I kept thinking that we must have missed something despite being sure that we had not. If an error of that amount had been made, it could logically only have been in respect of certain things – typically, the ones that are checked the most i.e. Girobank transactions.
11. My instinct and experience said that we hadn't missed anything so I was at a loss to know why we could not find such a large loss. Mr Castleton and I ran through the figures yet again before deciding to call it a night and start from scratch again the following morning before opening when we would have the benefit of clearer heads and fresher eyes. I spent most of the night awake going over things in my mind. I felt guilty that Mr Castleton was looking to me for an answer, given my experience, but that I was unable to provide him with one.

12. We were unable to identify the source of the problem on the following morning. Ultimately, Mr Castleton had to make good the £1100 loss or so in cash from his own pocket to allow the system to balance and so enable us to roll over for the following week. Any spare moment that week was spent poring over the Week 42 figures trying to identify the source of the problem. I knew from experience that if an operator error is made then it can take up to 6 weeks for it to be resolved at head office and for it to come back to the office. As much as we both wanted to get to the bottom of the problem, the only thing we could do was to wait.

13. Cath Oglesby was due to make one of her routine visits on the following Friday morning (week 43). Mr Castleton and I explained to her what had

happened but she simply sat there and said "You'll have made a mistake. It'll come back as an error notice in a few weeks time." During week 43 the declared cash at the end of the day was showing large differences to the Balance Snapshot. Mrs Oglesby said that the figures would even themselves out by the end of the week as the Balance Snapshot is not an accurate figure. According to the Post Office manual though, the Balance Snapshot is there to be used as a guide to check for differences. Mrs Oglesby went about the rest of her business and then left.

14. Obviously, having had this problem on the balance of week 42, we conducted all transactions in the following week even more carefully than usual. On the following Wednesday's balance it showed a loss of around £4250. The second I saw that, I knew that something strange was happening. There was no way that we could have made a mistake of that size and certainly nothing involving that amount of money. We generated the transactions logs and checked everything again so that we could confirm to the Helpdesk operator that we had done so when we called for assistance.

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15. I was astounded that she had not asked why we thought that the Horizon system was at fault or that she did not seem interested in reviewing the paperwork for herself. She seemed completely disinterested in trying to resolve the problem or even understanding how and why it had arisen in the first place. If the Retail Line Manager would not listen, then who would? We had continued to make calls to the Horizon helpline but they seemed unable to assist and we were not receiving any kind of support to resolve the problems being experienced. The Horizon system appeared to show that we were over £5,000 short in just two weeks trading – it was a frightening prospect to wonder what we might find come the time to carry out the next week end balance on the following Thursday.
16. On carrying out that balance, another shortfall was shown. We made further phone calls to the helpline but, again, to no avail. By this point, both Mr Castleton and I were very worried about the problems being experienced but also by the apparent lack of interest in helping us to resolve them from the Horizon helpline staff and Mr Castleton's line manager. We did not know what was going on nor what else we had to do before someone was prepared to take us seriously and help to sort out the problem. No error notices had been generated at the regional head office in Chesterfield so, as far as Mr Castleton and I were concerned, that really only left a fault with the Horizon system as being the source of the problem.

17. As the weeks went by, the losses continued to accrue. We printed off a great variety of reports from the system – anything and everything, even things we did not need to do according to standard Post Office protocol. We looked at everything we could think of from every conceivable angle. Eventually, the Horizon helpline suggested carrying out a system check. It took a number of weeks before one was actually carried out and even then it was not clear what was actually done nor how deep into the Horizon system those checks actually went.

18. When the losses reached £8000, we were authorized to transfer the loss figure into the suspense account so as to remove it from our daily figures. A loss of around £3500 occurred that week. When this loss was moved into the suspense account the Horizon system seemingly did not move it as it should have done. The figure was added to the £8000 or so in the separate suspense account and on its allocated line on the final balance but not on the gains line to even itself out back to a nil balance. The Balancing with Horizon booklet shows how the suspense account should work and where the figures should be, but the system did not appear to treat the transfer in the way that it should. By the £3500 not being shown on the gains line, this kept the total at a £3500 loss as the balance rolled into the following week. (see manual for picture explaining how it should've looked.

19. At Cath Oglesby's next visit, her main concern seemed to be how and when Mr Castleton was going to start making good the losses. Mr Castleton made it clear that he was not refusing to pay the money back but that he wanted evidence of the error or errors before he was willing to do so. Rather than try to assist in getting to the bottom of the problem Mrs Oglesby's idea of support was to arrange a hardship loan to be sent to Mr Castleton and to offer to help him fill it in.

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20. The Horizon helpline suggested that we only used the gateway computer, that's to say the principal one of the two terminals in the office, to enter lottery transactions and remittances but this did not make any difference. The shortfalls appearing each week did not resemble anything on the system at all. It is no exaggeration to say that two months of these problems had made Mr Castleton's and my working life a living hell. The losses just kept stacking up. It felt like no-one within the Post Office management wanted to do anything about the whole situation either.
21. Some 12 weeks after the first losses occurred, and by which time shortfalls in excess of £20,000 had accrued, Cath Oglesby returned to Marine Drive Post Office. She finally agreed that there was a problem and this could not go on. However, her response was still to ask what we (i.e Mr Castleton and I) were going to do about it. As far as I was concerned, we had done everything we could and had made numerous calls to the Post Office and Horizon helplines but that we were no further forward than when the shortfalls first arose. The only thing left to do was to ask for a full audit of the post office.
22. The audit took place on Tuesday 23 March 2004, a day that will stick in my mind for quite some time. I arrived at work at around 8.40am to find Helen from the audit team had already arrived and started her audit. Mr Castleton was explaining to her the sequence of events and what had been happening. The post office remained closed all day and Mrs Oglesby was called by Helen to ask her to come to the office.

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- 23. By mid-afternoon, Mrs Oglesby told Mr Castleton that she would have to suspend him and remove him from the post office along with his staff, or that she would have to close the post office as a whole. This did not really leave Mr Castleton with much choice so, in order to keep the office open for his customers, he agreed to her demand. I was mortified at the action being taken and at being removed from my job. It seemed to me that we were being made to feel as though we had stolen the money.

- 24. Mrs Oglesby arranged for someone she knew from another post office to come and take over. She assured us that the office would be run as normal with two staff. Ruth Simpson subsequently arrived. She checked and signed for the cash and stock, signed for it and the auditors left. Before she left that day, Helen said to Lisa Castleton and I words to the effect that Mrs Oglesby should have stopped this situation after 3 weeks, never mind leaving us with this problem for 3 months.

- 25. Mrs Oglesby was in the office with Ruth Simpson for quite some time. It was apparent that they knew each other very well. At around 6pm, they came out of the office. I had waited and offered to show Mrs Simpson where everything was but Mrs Oglesby said that Mrs Simpson would manage and made it clear that my assistance was not required.

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26. I arrived at work the following day tired from lack of sleep as I had spent most of the night awake trying to work out how things had come to this. I was apprehensive as to what would happen when our customers saw that we were not in the office. We were busy enough to need 2 staff most of the time so when Mrs Simpson arrived on her own I was somewhat surprised. Despite Mrs Oglesby having said that the office would be staffed as it usually was, Mrs Simpson said she had discussed it with Cath and that she would manage on her own. She would only bring else on a Monday.

27. At this point, Mrs Simpson still had to produce a cash account for that week despite it being only 1 day's trading after the audit. I would have expected her to be finished by 6pm easily but she did not leave until nearer 7pm. She had been on her mobile phone in the office for much of that time. It was apparent that something was amiss from the length of time she spent on the phone and the number of calls she was making.

28. Following the balance week ending 31/03/2004 Mrs Simpson arrived the following morning, added the lottery transactions from the previous day and finished the balance. However as she opened at 9am the computer system went down. Ordinarily, a system reboot should take around 10 minutes. On this occasion it was almost 3 hours before the system was usable again. Based on my experience of it doing so, this is more like the time it takes for a full download. When Horizon was first installed the full system download took around 3 to 4 hours and a reboot 20 mins. Now is it nearer 10mins for a system reboot and is usually done after such occurrences as power cuts or breaks in the phone line connections. On that particular morning there was no power cut to the premises.

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29. Once the post office was open, there was a constant queue. Customers complained all day long at the length of time to took them to be served as they were not used to having to wait like that. I tried to keep busy in the shop but every 5 minutes or so Mrs Simpson would ask me where something was. Mondays proved to be even worse as they are usually the busiest day – despite the fact that Mrs Simpson had an assistant working with her on Mondays, things did not improve. Her assistant was not much help – she was slow and surly with the customers.

30. It got to the point where I could not bear to be in the shop and see what was happening to the post office. I felt sick watching my high standards and all my hard work over the years I had worked there being destroyed. The customers complained constantly to me, even when they saw me outside the shop in the supermarket or on the street. In just 4 weeks, Mrs Simpson had manage to lose about 1/3 of the office's regular customers.

31. Mrs Oglesby then arranged in April^A for Greg Booth to take over as the temporary sub-postmaster. He was thorough but incredibly slow. He did at least recognise the need for additional staff and so enlisted the help of GRO Joan, who had 30 years experience of working in post offices. I knew that she would be more considerate to our customers and would do what she could to help for my sake. Mr Booth managed to fall out with a number of customers. By the time he left some 4 weeks later, he had managed to alienate yet more of our regular customers.

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32. During the time that Mr Booth was the temporary sub-postmaster, Mrs Oglesby visited the office and took all of the paperwork covering the period of the misbalances. I tried to get her to clarify the way that the suspense account should work but she either would not or could not give me a reasonable answer. In her view, the £3,500 that had been placed into the suspense account but which did not appear to us to have been properly dealt with by the system was just another loss because it showed up on its correct line despite it missing from the gain line at the top of the final balance. Mrs Oglesby took the paperwork away with her to review before then contacting Mr Castleton to arrange a meeting to discuss his suspension.
33. This meeting took place at Darlington Area Office. It was attended by Mrs Oglesby and Lesley Joyce, the Contracts Manager, on behalf of the Post Office and by Mr Castleton and me. Mrs Oglesby went through things week by week and Mr Castleton was asked whether he had taken the money. Again, he stated that he had not and that nor had his staff. He pointed out that no error notices had been sent by the Post Office to suggest human error either. The suspense account error was discussed once again but Mrs Oglesby insisted that it was still a loss.
34. About a week later, Mr Castleton received a letter confirming that his contract had been terminated. He had been expecting that, following the meeting, but it did not make it any easier to take when it finally happened. It seemed to me to be such an unfair decision as Lee had not done anything wrong and at every step had been honest with Post Office management in the hope and expectation that they would assist him in resolving the problem.

35. Mr Castleton immediately took steps to arrange an appeal meeting. The meeting took place at Darlington Head Office with Mr John Jones, a Network Reinvention Manager. Mr Castleton's termination was upheld by Mr Jones. According to the Subpostmasters contract, appeals are to be heard by an independent party. Neither the venue nor personnel involved were independent of Post Office Ltd.

36. When the final account arrived from Chesterfield asking for the losses to be made good, there were actually 3 error notices. Two were National Lottery errors made on the 24 and 25 March after Mr Castleton's suspension. The other was a National Savings & Investments error relating to a deposit made by GRO which had not been processed correctly by NS&I. The latter was brought to Post Office management's attention by Mr Castleton at the time but they did nothing about it. The problem had not been solved until Mr Castleton took the matter to NS&I direct, at which it was resolved swiftly.

37. Both Mr Castleton's and my user names were deleted from the Horizon system at Marine Drive Post Office when we were removed from the office on 23 March. Any transactions after that could not have been carried out by us since a) we had both had been suspended and b) we physically could not carry out the transactions in any event since we had no user name to log onto the system with.

38. Dorothy Day took over as temporary sub-postmistress at the end of May 2004 and she has remained in position since then. Mrs Oglesby was not present on the appointed take over day and as Mrs Day had not previously worked with National Lottery terminals she called Mrs Oglesby to tell her. Mrs Oglesby said that she was too busy to come and see Mrs Day but would send out a trainer instead. This was of no help when the lottery figures needed to be entered the following morning. I had to talk Mrs Day through the process so that she was able to balance.

39. In fact it was almost 2 months before Mrs Oglesby arrived to see Mrs Day for the first time. On that visit Mrs Oglesby informed Mrs Day that I had been cleared of any wrong doing and asked whether Mrs Day would have me back to work in the office. Mrs Day said she would be happy to do so.

40. Following my reinstatement to assist Dorothy, I went through Mrs Simpson's paperwork and found the lottery tickets loose in an envelope that had not been entered which created the error notices. There is also a summary on which she wrote the amount of cash received from the shop on her first in post. Not having a lottery terminal herself, she had made a mistake and did not account for the prize money already paid out. This should've been given back to Mr Castleton or at least shown in the balance as being a gain but it was not.

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41. I believe that the contents of this statement are true.

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