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Celtic Court
Tremains Road
Bridgend
CF31 1TZ

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05 NOV 2003

29 October 2003

Mrs Betty Williams MP
House of Commons
LONDON
SW1A 0AA

Your ref : C2331/41024



an essential part of everyday life" www.postoffice.co.uk

Dear Mrs Williams,

I have been asked to reply to your letter of 22 October 2003, to Allan Leighton about Craig y Don Post Office® branch temporary closure.

Briefly, we have given notice to Mr Bates, the present subpostmaster, that we are withdrawing from our contract with him. This is because we have lost confidence in his willingness to conduct the job in the manner expected. We gave the contractual notice period of 3 months, which ends on 5 November 2003. The branch will close for business at 17.30 on 3 November, to enable us to complete a final audit and decommission the branch the following day before his contract expires.

It is not our wish to see this branch close, and ever since we gave Mr Bates notice, we have been seeking a response from him as to whether he would be selling his business (thus allowing us the opportunity to continue the service from the same location, albeit with a new subpostmaster) or if not whether he would be willing to make his premises available for a temporary replacement whilst a permanent appointment could be made. We have a person ready to step in as a temporary replacement, but it was only this week that Mr Bates finally informed us he was not willing to allow this to happen.

Page 1 of 2

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Registered Office: 90-95 Old Street
London EC1Y 9NN

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Meantime, we have been advertising for a permanent replacement and currently have several interested parties with premises in the immediate vicinity. Unfortunately, it will not be possible for any of them to be in a position to take over on 5 November, indeed it is unlikely that anyone will do so until the New Year. But I am optimistic that we will be able to make an appointment very soon.

I acknowledge the concerns of your constituents about the temporary withdrawal of service. Indeed several have written directly to us in similar vein. Please assure them we have been, and are doing, all we can to maintain service here and apologise that due to circumstances beyond our control that is not possible. If you personally can bring any pressure to bear on Mr Bates to allow the temporary use of his premises, I would be grateful as this would prevent the interruption of service we are facing. Meanwhile, we are ensuring that facilities and staffing are increased at the main branch in Vaughan St to cope with the extra business caused by the Craig y Don closure.

I will ensure you are informed when a permanent appointment is made, as we will be consulting about the change in premises. Meantime, please let me know if I can help further.

Yours sincerely,

GRO

DAVE BARRETT
Head of Commercial Urban Area
Wales, The Marches and Merseyside

GRO

19 Jan 05 16:45
19 Jan 05 15:34
5-Nov-2003 17:22

Betty Williams MP
Stephen Timms Minister-1 Vic St

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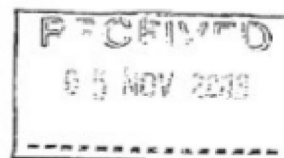
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41423

C2331

5 November 2003

Mrs Betty Williams MP
House of Commons
LONDON
SW1W 0AA



Stephen Timms MP
MINISTER FOR ENERGY, e-COMMERCE
AND POSTAL SERVICES

Your Ref: C2331

GRO

Thank you for your faxed note earlier today, following up on your telephone conversation with my Assistant Private Secretary, regarding your concerns about Post Office Ltd's handling of a contractual disagreement with Mr Alan Bates, the sub-postmaster of the Craig-y-don Post Office in Llandudno. I am sorry to hear that you have not yet received a satisfactory response from Allan Leighton.

You ask me to state the Government's position on this particular contractual disagreement and I am happy to do so. Post Office Ltd, which operates as a separate company within the Royal Mail Group, is responsible for contracts with sub-postmasters. A sub-postmaster's contract is a commercial arrangement between the individual sub-postmaster and Post Office Ltd.

Conflicts over contractual matters are issues for the sub-postmaster and Post Office Ltd – with ultimate recourse through the legal system if necessary. The Government's role in post office matters is confined to broad issues of general policy and overall financial control.

*I am trying to find out what the dispute is here.
Yours ever,*

GRO

STEPHEN TIMMS

Department of Trade and Industry

V 865
1 Victoria Street
London SW1H 0ET

Direct Line: **GRO**Fax +44 (0)20 7066 1000 **GRO**Minicom: **GRO**Enquiries: **GRO**

www.dti.gov.uk

mpat.timms@dti.gov.uk **GRO**



HOUSE OF COMMONS
LONDON SW1A 0AA

BETTY WILLIAMS AS/MP
Aelod Seneddol Llafur Etholaeth Conwy
Labour Member of Parliament for Conwy

Office: **GRO**
Surgery Appointments: **GRO**

Mr Stephen Timmins MP
Minister of State for E-Commerce, Energy, and Postal Services
Department of Trade and Industry
1 Victoria Street
LONDON
SW1H 0ET

FAXED TO **GRO**

My Ref: C2331/41420/41423 - please quote in reply

6th November 2003

Dear Stephen

Thank you for your fax message of 5th November 2003 concerning the contractual dispute between the Post Office Ltd and Mr A Bates, past subpostmaster of Craig-y-Don Post Office in my constituency.

Following receipt of letter dated 29th October 2003 (received late due to postal dispute at my office on 5/11/03) from Mr Dave Barrett, Head of Commercial Urban Area Wales, The Marches and Merseyside of the Post Office Ltd, I contacted him this afternoon on his mobile telephone number which was listed in his letter to clarify whether he had any objections to his letter being copied to constituents who has raised the issue with me. I did this in view of comments he was making about Mr Bates in his letter. His arrogant attitude was wholly unacceptable. Enclosed is a copy of my telephone log note concerning this together with a copy of Mr Barrett's letter of 29/10/03.

I should be grateful if you could make a formal complaint on my behalf to Mr Allan Leighton, Chairman of the Royal Mail about Mr Barrett's manner.

If this is the manner people like Mr Barrett uses with MPs I shudder to think how he talks to subpostmasters, prospective subpostmasters and members of the public

Thank you for your assistance.

Yours sincerely

GRO

R Shane
107759

MINISTER FOR ENERGY, E-COMMERCE AND POSTAL SERVICES	
TO R Shane	COPIES TO
FOR ADVICE (AND DRAFT REPLY IF APPROPRIATE) PLEASE BY 6/11 (PLEASE PHONE EXT GRO IF DEADLINE CANNOT BE MET).	



Note of Tel. conv. between BW &
C2331 Dave Barrett 6/11/03 2pm

6/11/03 2pm (cont) Mr D Barrett GRO

BW wished to enquire whether Mr B's letter of 29/10/03 could be released to constituents.

Before BW could ask anything Mr B said:
"How did you get my number?" in a very abrupt manner.

BW: Have you any objections? Shouldn't I have it?

DB: I'm just interested to know how you got it.

BW: It's on the letter dated 29/10/03 from yourself which I rec'd yesterday.

DB: Oh.

BW: The letter is not marked confidential but it has information in it which might be of a personal nature concerning Mr Balls. I first wanted to check with you whether you are happy for it to be released to constituents.

DB: Why should you want to show it to constituents?

BW: Because they have raised the issue with me & I've promised to let them know what response I get.

DB: I don't remember all the details in the letter but I suppose it's OK. Mr Balls is no longer sub postmaster anyway as from yesterday. He has not been particularly helpful anyway.

BW: You have been dealing with this matter since you & I have been asked to respond to me by Mr Allan Loughton?

DB: I saw Mr Boxer about a year ago
but am certainly familiar with Gaigghen. C2

BW: So Mr Highton asked you to respond?

DB: I've sent the letter haven't I?

BW: Thank you, I'll let my constituents
know.

BW's comments.

Mr Barrett's arrogant manner is unacceptable.

dti

17 November 2003

Stephen Timms MP

MINISTER FOR ENERGY, e-COMMERCE
AND POSTAL SERVICES

Betty Williams AS/MP
House of Commons
London
SW1A 0AA

Your Ref: C2331/41420/41423

Dear Betty,

Thank you for your faxed note of 6 November, regarding your telephone conversation with Mr Dave Barrett, Post Office Ltd's Area Manager with responsibility for Wales, The Marches and Merseyside. You found Mr Barrett to be arrogant and believe that his "attitude was wholly unacceptable".

I understand that Mr Barrett was responsible for the decision to close Craigydun post office, which you had vigorously opposed. I am sorry to hear that your personal experience of Mr Barrett has left you with cause for concern, however, it would be inappropriate of me to comment on an employee of Post Office Ltd or seek to intervene in this matter.

However, in view of your concerns, I have passed your correspondence to David Mills, the Chief Executive of Post Office Ltd, and have asked him to investigate the matter and respond to you direct.

Yours ever

GRO

STEPHEN TIMMS

Department of Trade and Industry

V 842
1 Victoria Street
London SW1H 0ET

GRO

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11 November 2003

Stephen Timms MP

MINISTER FOR ENERGY, e-COMMERCE
AND POSTAL SERVICES

David Mills
Chief Executive
Post Office Ltd
148 Old Street
London
EC1V 9HQ

Dear David,

I am writing to let you know that Betty Williams AS/MP for Conwy, has written to me to complain about how she was spoken to in a telephone conversation with David Barrett - Post Office Ltd's Area Manager with responsibility for Wales, The Marches and Merseyside.

Complaints about staff representing Post Office Ltd are an operational matter for the company and I should be grateful if you could arrange to provide an early response to Ms Williams, with a copy to me for information.

Yours sincerely,

GRO

STEPHEN TIMMS

Department of Trade and Industry

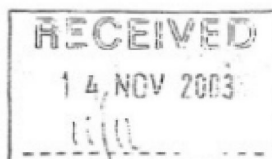
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GRO

Mrs B Williams MP
House of Commons
LONDON
SW1 0AA



Alan Bates



GRO

11th November 2003

Removal of Craig-y-don Post Office from The Wool Post

Your Ref: C2331/41413

Dear Mrs Williams

Thank you for your letter dated 10th November 2003 and the copies of responses you enclosed.

First I would like to comment on the response to you from Dave Barrett in which he states about me, "we have been seeking a response from him as to whether he would be selling his business". I have never once been asked this question by anyone at Post Office Ltd.

They did make an approach as to whether or not I would allow another Subpostmaster to continue on a temporary basis at our premises. But I am sure you can appreciate that when this 'organisation' is taking away a major investment of ours as well as our livelihood with the effect of wiping out our lifesavings, our willingness to help them out of the mess they have created is less than forthcoming. It just goes to show how little in touch with the real world they are. I would have gladly carried on providing the Post Office service at our premises until some future date if they had asked, but they never did. This I would purely have undertaken for the sake of the local community, not for Post Office Ltd.

The comments made in his letter about "lost confidence" etc., is really just a smokescreen to try and justify their actions from their position. The real truth behind all this are the problems with the Post Office Horizon system and the lengths that the Post Office will go to keep it covered up. If this had not been the case, Post Office Ltd could have answered all my previous letters over the past three years about liability and access, and we could have moved on. But they realised if they entered into correspondence on access and liability the real extent of the system problems would become exposed, so they decided to remove me a different way and are trying to hide behind the phrase of a contractual issue.

With regard to the response you received from the Minister I can see that the Post Office is using its 'contractual issue' ploy with him again, but he really needs to look into the Horizon issues. It is Horizon which in one way or another is causing the problems.

My stance since the Horizon system was installed three years ago was that I was unable to accept liability for system data until such time as I could access the system to check the data I had input. I have yet to find a person who finds that unreasonable, other than the Post Office who have refused to even recognise my query. There is nothing in the contract between myself and Post

Office Ltd to say that I should, hence the only way to try remove me was under a clause where they were not required to give a reason. During the time I had Craig-y-don post Office we had invested tens of thousands of pounds improving the premises and post office facility and had been growing business year on year.

Post Office Ltd are terrified about the real facts with Horizon being known and it seems they will stop at nothing to keep them hidden. I would say now that we are getting into an area that the Minister should be involved with.

I will offer a recent experience as an example, though as I and others struggle to obtain hard information or replies, some of the detail may be corrected at a later time. A number of weeks ago some poor advice received from the Post Office support helpline resulted in £600 relating to a foreign currency purchase being entered onto the Horizon system wrongly. Over the following weeks there were a number of telephone calls to and from the Post Office support team trying to follow through on this incident.

The last phone-call I received from them on this matter was from the Post Office Problem Management Unit in Barnsley (25th September 2003) when they requested that I print off a report from the system to enable them to look for the detail of the currency transaction. I was instructed to install a new till roll in a counter printer and run the printer overnight, printing off every transaction from all three till positions for the whole week in which the currency transaction had happened. The resulting till-roll was to be sent to them and they would go through the thousands of transactions on it line by line to try and locate the currency transaction. All this had to happen relatively quickly as after 30 days all the data is lost from the computer and also there is no way for their department to access the data at our post office even though the Horizon system is networked.

So if you now return to my stance about being held liable for data I am unable to check, the fact that the data is only in existence for 30 days but the liability Post Office Ltd are trying to impose is timeless. Perhaps you can appreciate why Post Office Ltd refuse to discuss this issue, preferring to keep it hidden.

This really does need to be investigated at the highest level. I have other examples of problems and have heard many other stories from Subpostmaster and others. I firmly believe this is only the tip of an iceberg about the appalling condition of the Horizon system is in, and I am hoping that my website will encourage others to come forward and document their experiences.

GRO

Alan Bates
Ex Subpostmaster Craig-y-don Post Office



HOUSE OF COMMONS
LONDON SW1A 0AA

BETTY WILLIAMS AS/MP
Aelod Seneddol Llafur Etholaeth Conwy
Labour Member of Parliament for Conwy



Office: **GRO**
Surgery Appointments: **GRO**

Mr Stephen Timms MP
Minister of State for E-Commerce, Energy, and Postal Services
Department of Trade and Industry
1 Victoria Street
LONDON
SW1H 0ET

My Ref: C2331/41609 - *please quote in reply*

19th November 2003

Dear Stephen

Enclosed is a copy of a letter of 11th November 2003 from my constituent Mr Alan Bates, The Wool Post, 21 Queens Road, Llandudno, LL30 1AZ about the temporary closure of the Craig-y-Don Sub Post Office.

I hope you agree that Mr Bates raises relevant questions which need to be clarified and I have also sent a copy of Mr Bates' letter to Mr Allan Leighton and asked for his official response. I should be grateful if you could consider the points made and let me have your views, especially on the Horizon issues.

Yours sincerely
Betty

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dti

8 January 2004

Mrs Betty Williams MP
House of Commons
LONDON
SW1A 0AA

Stephen Timms MP
MINISTER FOR ENERGY, e-COMMERCE
AND POSTAL SERVICES

Your Ref: C2331/41609

Dear Betty,

Thank you for your letter of 19 November enclosing further correspondence from your constituent Mr Alan Bates of The Wool Post, 21 Queens Road, Llandudno, LL30 1AZ.

Mr Bates was formerly the sub-postmaster of the Craig-y-don post office branch, however, following a dispute between Mr Bates and Post Office Ltd.(POL) his contract was terminated. I have outlined in previous correspondence on the matter the Government's policy on such issues and that operational decisions of this nature are matters for POL which it would not be appropriate for me to comment on. However, in view of the concerns raised by Mr Bates as to the validity and reliability of POL's 'Horizon' computer system, which he sees as a factor in his dispute, I have had my officials contact the company to receive their response to the issues raised.

I should explain that 'Horizon' is the name given to the project to install modern computer systems that have automated every post office branch and enable POL to offer on-line banking products including the Post Office card account. The Government invested £480 million in this project and so I take very seriously Mr Bates' suggestion that the Horizon system is in an "appalling condition".

I understand that the management of POL do not share Mr Bates' concerns and are fully confident as to the reliability of the Horizon system. The company has looked into specific instances that have caused Mr Bates' concern at the validity of the information generated and retained by the system. They have found no evidence to suggest that there is any fault with the Horizon system and maintain that the decision to terminate Mr Bates' contract was legitimate. I understand that POL will be writing to you, in response to your letter to Allan Leighton, about the operational issues raised in Mr Bates' letter.

Yours ever,

GRO

STEPHEN TIMMS

Department of Trade and Industry

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