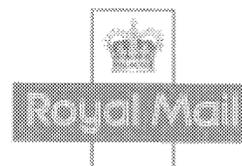


16<sup>th</sup> March 2005



The Real Network

Mr Alan Bates



Data Protection Act  
Services  
Royal Mail Group PLC  
PO Box 341  
ALDERSHOT  
GU11 1WW

Tel: 

Dear Mr Bates,

I am writing further to your Subject Access Request made under the terms of the Data Protection Act 1998.

Please find enclosed documents that you requested. Please note that some documents have been edited in accordance with the Act to remove references to third parties.

Please note that you may find that some items have been duplicated.

Yours sincerely



Roger Mence

Data Protection Act Services

## Electronic *memo*

Hard copy to:

Date: 20/11/2003 07:45

From:

Subject: . letter from Craig Y Don

Please see below a recent letter from Mr Bates dated 13th November 2003.

Dear Mr Wakley

Replying to your letter 31st October I wish to state the following. That at no time did Post Office Ltd ever ask me if I would continue providing a service as an interim measure.

I would not deny that you did make a sort of request to use our premises and our facilities to have someone else come in to provide a service at a time when you had taken away our livelihood, investment and life savings. But as you dont seem to live in the real world which I can tell you this was just received as an insult.

It seems your organisation will do anything and everything to keep the failure of Horizon hidden, regardless of who they have trample down on the way such as us or our community.

I can assure you of my continued and now increased resolve to bring the real facts of what is going on to those who will have no choice but to act, regardless of whether it takes years.

Yours sincerely

Alan Bates

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

13<sup>th</sup> November 2003

Dear Mr Wakley

Replying to your letter 31<sup>st</sup> October I wish to state the following. That at no time did Post Office Ltd ever ask me if I would continue providing a service as an interim measure.

I would not deny that you did make a sort of request to use our premises and our facilities to have someone else come in to provide a service at a time when you had taken away our livelihood, investment and life savings. But as you don't seem to live in the real world I can tell you this was just received as an insult.

It seems your 'organisation' will do anything and everything to try and keep the failures of Horizon hidden, regardless of who they have to trample down on the way such as us or our community.

I can assure you of my continued and now increased resolve to bring the real facts of what is going on to those who will have no choice but to act, regardless of whether it takes years.

**GRO**

## Electronic

To: [REDACTED]  
cc: [REDACTED]  
Hard Copy To: [REDACTED]  
Hard Copy cc: [REDACTED]  
Date: 18/11/2003 11:14  
From: [REDACTED]  
Subject:  Re: Ref: Criag Y Don

It seems that Mr Bates never remmed in the items and also never kept them secure in the timelocked safe. We can only deal with the items presented to us at the time of the audit and as everything was very accurate to the snapshot, we had no reason to search for missing stock.

think this is just another example of the Subpostmaster trying to make the situation as difficult as possible, and never mentioning or presenting or even remming in the items.

## Electroni

To:  
cc:

Hard Copy To:  
Hard Copy cc:

Date: 14/11/2003 11:50  
From:  
Subject:  Re: Craig-Y-Don Closure

have confirmed to Mr Bates, the arrangements for safe uplift on  
Monday 17th November, am.  
During the conversation, he requested that boxes marked 'logistics' be removed from the office.  
have no plans to be in the area during the next few weeks so cannot confirm what remains on site.  
Mr Bates was not very helpful when attempted to find out what was in the boxes.

## Electrc

To:

cc:

Hard Copy To:

Hard Copy cc:

Date: 04/11/2003 10:48

From:

Subject: Craig Y Don - latest state of play

to say that Mr Bates, SPM at Craig Y Don, was refusing access to PO auditors to do a final cash and stock reconciliation and to remove PO equipment from the premises.

He continues to trade and says he intends to continue trading until end of business on Wednesday 5 November, the date when his contract is terminated.

Mr Bates has told that he will allow access to the post office branch on Thursday 6 November for a cash and stock audit, and will allow the auditors to remove Post Office equipment, cash, stock and other associated items.

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

29<sup>th</sup> October 2003

Dear Mr Wakley

I write in response to your letter 27<sup>th</sup> October 2003. I can confirm I was not asked to provide interim service arrangement at these premises.

The decision to currently deprive local residents of post office services in Craig-y-don is that of Post Office Ltd alone and no one else.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office

IN CONFIDENCE

Mr A. Bates  
Subpostmaster

**GRO**

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

31<sup>st</sup> October 2003

Dear Mr. Bates

**REF: POST OFFICE LTD SERVICES AT CRAIG Y DON**

In reply of your letter dated 29<sup>th</sup> October 2003.

I wish to advise you that we wrote to you letter dated 2<sup>nd</sup> September 2003, seeking your approval to continue with services at the current site with a temporary Subpostmaster on an interim measure.

I also spoke to you by telephone about this on Friday 12<sup>th</sup> September.

Subsequently we also sent a letter dated 19<sup>th</sup> September highlighting our final request.

Please see attached copies of both letters

Royal Mail has confirmed receipt of both letters

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

Christine Randall  
Implementation Support  
Post Office Ltd  
8<sup>th</sup> Floor, Lionel House  
86 Lionel Street  
BIRMINGHAM  
B3 1HQ

Alan Bates



6<sup>th</sup> November 2003

Re Craig-y-don Post Office

Dear Ms Randall

As I have not received a reply to my letter dated 28<sup>th</sup> October 2003 and as the Post Office terminated my contract on 5<sup>th</sup> November 2003 I would be obliged if you would arrange for the collection of all Post Office stores, records and materials from our premises by Friday 14<sup>th</sup> November 2003.

Should you fail to meet the deadline for the collection of all your materials by that date I will then invoice you for the rental of the storage place taken up by Post Office Ltd materials at a rate of £1 per mailsack per week.

Yours sincerely

Alan Bates  
Subpostmaster Craig-y-don Post Office

IN CONFIDENCE  
Mr A Bates

**GRO**

Celtic Court,  
Tremains Road,  
BRIDGEND  
CF 31 1TZ

Telephone: 0845 6011022

20 October 2003

Dear Mr Bates

As you are aware, your last day of service is on the 5<sup>th</sup> November 2003 when your Contract for Services as a Subpostmaster ends.

In order to enable you to run the sub Post Office, Post Office Ltd has loaned to you various items of equipment belonging to it such as scales, alarms, safes and the Horizon computer equipment. There is also cash and stock at the office which will need to be removed on or before your last day of service.

On the 8<sup>th</sup> October 2003, a representative of the NIET team, John Bourke, went to your office by arrangement with you to survey the items of equipment which will need to be removed on or before the 5<sup>th</sup> November 2003. In order to do this, Mr Bourke needed access to the secure area at your Post Office, but you refused him access saying that there was nothing in your Contract for Services which required you to allow such access.

I agree that this situation is not expressly covered in the standard Subpostmasters Contract, but I am sure you will appreciate that Post Office Ltd needs to inspect the area to see if there will be any problems with removing particular items such as the safe on or before the 5<sup>th</sup> November 2003. If access is not allowed to the secure area, it may well be that the removal of the goods and equipment belonging to Post Office Ltd will have to be delayed if unforeseen problems with the removal are experienced before 5<sup>th</sup> November 2003 and I do not consider that this is in the interest of yourself or of Post Office Ltd.

/: Although

Although not a specific term of the contract, I have been advised that it would be an implied term of the contract to allow Post Office Ltd's business to function properly, that access should be granted to an authorised Post Office employee who properly identifies himself. I would point out that procedures for allowing access to official visitors are detailed in Section 9 – Page 19 of the Counter Attack Booklet. The Counter Attack Booklet forms part of the Operations Manual/Postal Instructions mentioned within Paras 13 – 17, Section 1 of the Contract for Services.

I would be grateful therefore if you would please reconsider your decision and allow access to the secure area to allow the inspection to take place. The date and time of the visit can be arranged to suit yourself and there is no reason why you should not be present at all times while Mr Bourke is in the secure area inspecting the goods and equipment.

It is accepted that the premises of which the secure area is a part belongs to yourself as the Subpostmaster and owner of the premises, but the cash, stock and equipment all belong to Post Office Ltd and while the contract is in existence, you are responsible for looking after all these items and as such, we would expect your cooperation in allowing Post Office Ltd access to inspect and safeguard its property.

I am also aware that you have apparently said that when the office is defunded you will simply transfer the cash and stock through the parcel hatch to the auditors who attend on that date and that you have no intention of granting them access to the secure area. If you insist on this procedure you would be putting at risk the security of the auditors and the security of the cash and stock at the office and you do have a contractual responsibility for the cash and stock under Section 12, Paragraph 5 of your Contract for Services. You would also be responsible for any losses caused by the lack of access to the secure area if that were to cause any losses to occur. Again, I would ask that you cooperate with the Auditors and allow them access to the secure area which is where the final audit takes place on the last day of service, or earlier if appropriate, of all Subpostmasters.

Post Office Ltd wishes to deal with all matters relating to the Craig y Don Sub Post Office as efficiently and quickly as possible and I would therefore ask for your cooperation and goodwill in enabling the goods and equipment to be inspected and then removed and for the cash and stock to be safely recovered from the office. Can you please therefore confirm that Mr Bourke can obtain access to the secure area in the near future to enable the necessary inspection to take place and that the Auditors will be allowed access to the secure area on the Tuesday 4<sup>th</sup> November 2003 the intended day for the audit of accounts and removal of the official cash and stock.

I look forward to hearing from you as soon as possible.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

Christine Randall  
Implementation Support  
Post Office Ltd  
8<sup>th</sup> Floor, Lionel House  
86 Lionel Street  
BIRMINGHAM  
B3 1HQ



28<sup>th</sup> October 2003

Dear Ms Randall

In response to your letter dated 24<sup>th</sup> October 2003 I must point out that your proposed action is an attempt to deny me the ability to trade by undermining the purpose of the contract. In effect it amounts to an intentional frustration of the contract by Post Office Ltd which would allow me to recover damages from you for 2 days loss of trade for your breach.

With regard to your proposed redirection of mail. I would advise you that considerable correspondence including private and confidential mail for myself and The Wool Post will also include Craig-y-don Post office in the address. I will expect this mail to be delivered without delay and without being opened.

Also I can find no reference in the contract requiring me prepare and despatch records for archiving, would you please advise me under which section you require this undertaken, or make alternative arrangement. Would you also please clarify under which section of the contract you require me to make waste any unused stores and manuals or again make alternative arrangements.

Yours sincerely

Alan Bates  
Subpostmaster Craig-y-don Post Office

**IN CONFIDENCE**

Mr A Bates  
Subpostmaster  
Craig Y Don Post Office  
Post Office Ltd®



**Celtic Court,  
Tremains Road,  
BRIDGEND  
CF 31 1TZ**

**Telephone: 0845 6011022**

27 October 2003



“rhan hanfodol o fywyd bob dydd” [www.postoffice.co.uk](http://www.postoffice.co.uk)

“an essential part of everyday life” [www.postoffice.co.uk](http://www.postoffice.co.uk)

Dear Mr Bates

I am writing following our telephone conversation of today, 27<sup>th</sup> October 2003. I can confirm that your decision not to grant permission for an interim service arrangement from your premises has been noted.

We will now proceed with the closure as previously advised.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

Swyddfa'r Post Cyf. Wedi'i Gofrestru yng Nghymry a Lloegr. Rhif: 2154540  
Swyddfa Gofrestredig: 80–86 Old Street, Llundain EC1V 9NN  
Mae Swyddfa'r Post a symbol Swyddfa'r Post yn nodau masnach  
i Swyddfa'r Post Cyf yn y Deyrnas Gyfunol ac mewn gwledydd eraill.

Post Office Ltd. Registered in England and Wales number: 2154540  
Registered Office: 80–86 Old Street, London EC1V 9NN  
The Post Office and the Post Office symbol are registered trade marks  
of Post Office Ltd in the UK and other countries.

IN CONFIDENCE

Mr A Bates  
Subpostmaster  
Post Office Ltd®

**GRO**

Celtic Court,  
Tremains Road,  
BRIDGEND  
CF 31 1TZ

Telephone: 0845 6011022

27 October 2003

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Dear Mr Bates

I am writing following our telephone conversation of today, 27<sup>th</sup> October 2003. I can confirm that your decision not to grant permission for an interim service arrangement from your premises has been noted.

We will now proceed with the closure as previously advised.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

# GRO

24<sup>th</sup> October 2003

Dear Mr A Bates

**Re: Closure of Craig-Y-Don Branch**

I am writing to confirm the arrangements for the closure of the above post office.

- The time & date of the office closure to the public is **17.30 on 03/11/03**
- The time & date of the final audit is **09.00 on 04/11/03**
- The time & date for the removal of cash & stock is approximately **12.30 on 04/11/03**.
- The time & date for the removal of the Horizon equipment is **10.00 on 04/11/03**.
- Your last day of service is **05/11/03**

**Alarm**

The existing alarm system will be removed from the secure Post Office area within your premises on **Tuesday 04/11/03**

**Signage**

It is your responsibility to remove all internal and external Post Office branded signage. Please arrange for this work to be completed by **Tuesday 04/11/03**

**Horizon**

You will shortly receive a number of boxes for the Fujitsu engineer to pack the Horizon kit after decommissioning. Please keep these safe and do not use for any other purpose. Your horizon terminal (s) will be uplifted **on Tuesday 04/11/03** the electrical supplies and ISDN box (BT) will be left in place. BT will disconnect the line outside your premises at some point over the next few days – if you wish to remove the internal fittings you may do so from **05/11/03**

**Telephone**

You are eligible to claim an allowance for your official telephone on a pro rata basis up to and including **Wednesday 05/11/03**. When you have paid the final bill you should forward it to the Human Resources Service Centre for a refund in the normal fashion.

Page 1 of 3

Page 2 of 3

Re: Craig-Y-Don Branch

**Closure Posters**

You will shortly be receiving closure notices for display. Please ensure that the details are correct and displayed as soon as possible after receipt. If there are any problems with posters please let me know as soon as possible.

**Pension & Allowance Books**

The Audit & Inspections Team will advise you where Pension and Allowance Books should be sent. They will notify you of this, when they phone to confirm the date for your Branch audit. Pension and Allowance books should be sent by Special Delivery.

**Redirection of Mail**

All mail relating to your Post Office Branch will be redirected to **Llandudno Branch Office**, as this will come into effect after your last day of trading.

**Archiving of Office Records**

We require certain office records to be archived. You will shortly receive 5 record centre archive boxes, per Horizon counter serving position. I enclose a number of record forms for the packing of the boxes - please place one form in each of the boxes. The following gives an indication as to how the records/boxes should be arranged:-

<u>Box</u>	<u>Contents</u>	<u>Accompanying Form</u>
Box 1	Cash account records	Requesting storage for 6 Years
Boxes 2-5	Daily account records Daily undercopies Weekly undercopies	Requesting storage for 2 Years

You will need to weigh each box and affix the appropriate postage stamps. As this will need to be done before the final cash account, please allow for the extra weight of the final week's worth of records.

The boxes are to be addressed to:- **Romec Records Centre, Unit 1 Elmlea Trading Estate, Leaside Road, LONDON, N17 0XR.**

**Datestamps**

Please retain and hand to the auditor when they arrive at your office.

**Stores & Manuals**

We will require you to make waste any unused stores and manuals. We are unable to collect and re-cycle this material.

Page 3 of 3

**Re: Craig-Y-Don Branch**

**Claiming Official Postage**

The cost of the postage is claimed as official postage for which you will need the following forms. These can be obtained from Swindon stores: -

P4273      Official Postage Paid in Stamps  
P5365      Summary of Vouchers Claimed  
P5408      Vouchers to TP (Adhesive Label)

Complete the P4273 with the total amount of postage affixed to all storage boxes and Special Delivery items. Transfer the total amount claimed to 5365, line 3. Enter datestamp, signature and FAD code on both forms. Once the final cash account is complete both forms are to be sealed in a brown envelope with the adhesive label (P5408), this is then despatched to Chesterfield in the brown one trip pouch.

You must enter the amount of official postage claimed through the Horizon system, before the final cash account is produced. The Horizon path is: - Transactions (F1), Serve Customer (F1), Postage Stamps (F3), Enter value from P4273, Finish to vouchers (F6), Pick Other Vouchers to TP, Enter value from P4273, Finish to Cash.

**Last Day of Service**

A representative from this office will attend on **Tuesday 04/11/03** to ensure that all agreed activities have been completed. You will be asked to sign a completion certificate during this visit.

If you have any queries relating to any of the above please call me on the number below.

Yours sincerely

**Christine Randall**

Implementation Support  
Post Office Ltd  
Network Implementation and Equipment Team  
8<sup>th</sup> Floor  
Lionel House  
86 Lionel Street  
BIRMINGHAM  
B3 1HQ

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster

**GRO**

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

19<sup>th</sup> September 2003

Dear Alan

**REF: POST OFFICE LTD SERVICES AT CRAIG Y DON-Final request**

I'm writing following my letter of 2<sup>nd</sup> September 2003

As of today, I have not received a reply from you confirming your intentions in order that we can make the appropriate arrangements, if possible, to maintain a counter service in the Craig y Don area.

I would be grateful therefore if you could advise us in writing, no later than 25<sup>th</sup> September 2003 of your intentions. If we do not receive your reply by this date, we will be left with no alternative but to seek other premises from which to operate a Post Office counter service in the area from your last day of service, 5<sup>th</sup> November 2003.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

IN CONFIDENCE  
Mr A Bates  
Post Office Ltd®

**GRO**

Celtic Court,  
Tremains Road,  
BRIDGEND  
CF 31 1TZ

Telephone: 0845 6011022

20 October 2003

---

Dear Mr Bates

As you are aware, your last day of service is on the 5<sup>th</sup> November 2003 when your Contract for Services as a Subpostmaster ends.

In order to enable you to run the sub Post Office, Post Office Ltd has loaned to you various items of equipment belonging to it such as scales, alarms, safes and the Horizon computer equipment. There is also cash and stock at the office which will need to be removed on or before your last day of service.

On the 8<sup>th</sup> October 2003, a representative of the NIET team, John Bourke, went to your office by arrangement with you to survey the items of equipment which will need to be removed by the 5<sup>th</sup> November 2003. In order to do this, Mr Bourke needed access to the secure area at your Post Office, but you refused him access saying that there was nothing in your Contract for Services which required you to allow such access.

I agree that this situation is not expressly covered in the standard Subpostmasters Contract, but I am sure you will appreciate that Post Office Ltd needs to inspect the area to see if there will be any problems with removing particular items such as the safe by the 5<sup>th</sup> November 2003. If access is not allowed to the secure area, it may well be that the removal of the goods and equipment belonging to Post Office Ltd will have to be delayed if unforeseen problems with the removal are experienced before 5<sup>th</sup> November 2003 and I do not consider that this is in the interest of yourself or of Post Office Ltd.

/: Although

Although not a specific term of the contract, I have been advised that it would be an implied term of the contract to allow Post Office Ltd's business to function properly, that access should be granted to an authorised Post Office employee who properly identifies himself. I would point out that procedures for allowing access to official visitors are detailed in Section 9 - Page 19 of the Counter Attack Booklet. The Counter Attack Booklet forms part of the Operations Manual/Postal Instructions mentioned within Paras 13 - 17, Section 1 of the Contract for Services.

I would be grateful therefore if you would please reconsider your decision and allow access to the secure area to allow the inspection to take place. The date and time of the visit can be arranged to suit yourself and there is no reason why you should not be present at all times while Mr Bourke is in the secure area inspecting the goods and equipment.

It is accepted that the premises of which the secure area is a part belongs to yourself as the Subpostmaster and owner of the premises, but the cash, stock and equipment all belong to Post Office Ltd and while the contract is in existence, you are responsible for looking after all these items and as such, we would expect your cooperation in allowing Post Office Ltd access to inspect and safeguard its property.

I am also aware that you have apparently said that when the office is defunded you will simply transfer the cash and stock through the parcel hatch to the auditors who attend on that date and that you have no intention of granting them access to the secure area. If you insist on this procedure you would be putting at risk the security of the auditors and the security of the cash and stock at the office and you do have a contractual responsibility for the cash and stock under Section 12, Paragraph 5 of your Contract for Services. You would also be responsible for any losses caused by the lack of access to the secure area if that were to cause any losses to occur. Again, I would ask that you cooperate with the Auditors and allow them access to the secure area which is where the final audit takes place on the last day of service, or earlier if appropriate, of all Subpostmasters.

Post Office Ltd wishes to deal with all matters relating to the Craig y Don Sub Post Office as efficiently and quickly as possible and I would therefore ask for your cooperation and goodwill in enabling the goods and equipment to be inspected and then removed and for the cash and stock to be safely recovered from the office. Can you please therefore confirm that Mr Bourke can obtain access to the secure area in the near future to enable the necessary inspection to take place and that the Auditors will be allowed access to the secure area on the Tuesday 4<sup>th</sup> November 2003 the intended day for the audit of accounts and removal of the official cash and stock.

I look forward to hearing from you as soon as possible.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster  
Craig Y Don Post Office

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

**GRO**

2<sup>nd</sup> September 2003

Dear Alan

**REF: POST OFFICE LTD SERVICES AT CRAIG Y DON**

Further to my letter dated 5<sup>th</sup> August 2003, we will write to you shortly with regard to arrangements for the required audit in readiness for your last day of service.

I must inform you that following 5<sup>th</sup> November 2003, it is Post Office Ltd's intention to carry on and continue with services within the Craig y Don area and would, if possible, still prefer to carry on services at the current location.

If you are agreeable, as an interim measure, Post Office Ltd may be able to appoint a temporary Subpostmaster in order to continue a counter service from the present site. However, Post Office Ltd will not accept responsibility for an additional costs arising from the provision of this service at your premises. Any costs would need to be agreed with any temporary Subpostmaster. This would allow you to advertise the business if you wished.

I would therefore be grateful if you could advise us in writing, no later than Thursday 11<sup>th</sup> September 2003 of your intentions in order that we can make the appropriate arrangements.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

Mr A Bates  
Craig y Don Post Office®

**GRO**

20.08.03

Dear Mr Bates

Thank you for your letter dated 7<sup>th</sup> August addressed to Allan Leighton, Chairman Royal Mail, which has been forwarded to me for reply.

I have now completed my enquiries into the issues you have raised and, have spoken with a number of the personnel involved in the search for a solution to the situation at Craig y Don Post Office®. Although I regret that the situation has reached the point of termination of your contract, I am confident that the various teams concerned in the events have worked hard to provide support and assistance to you in a consistent and sympathetic manner. This support included a number of on site support visits to assist with balancing and also extra training on the Horizon system. The aim was always that of achieving a solution to the difficulties you were experiencing in managing transactions and processes at Craig y Don Post Office® branch.

The Sub postmaster contract is clear on the requirement that postmasters must make good losses or gains made when misbalances occur and to bring error notices to account appropriately. It is evident you have consistently refused to do this, even when specifically requested to do so by the Area Management team. The Horizon system at Craig y Don Post Office® has been reviewed and interrogated in response to your complaints, and the reports from both the Horizon Field Support team and the NBSC have confirmed that there is nothing inherently wrong with the Horizon system installed at the branch.

Page 1 of 2

Page 2 of 2

In the circumstances I feel that the termination of contract notice must stand and can confirm your last day of service will be 5<sup>th</sup> November 2003.

Yours sincerely

Ria MacQueen  
Case Liaison Manager

Post Office Ltd  
Operations

Telephone: GRO

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates  
The Wool Post



23<sup>rd</sup> July 2003

**Reference: Loss of Income**

Dear Mr Wakley

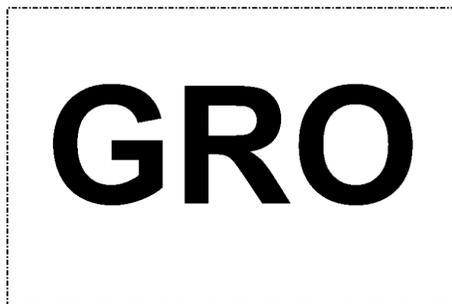
In previous correspondence to you I have brought to your attention the fact that we have incurred considerable loss to the income of the private side of our business due to Post Office Network Reinvention.

The sum has now be quantified for the net loss for the period from 9th April 2002, when we were first notified of being an urban branch and therefore included for consideration of closure by the Post Office, up to our financial year end 31<sup>st</sup> March 2003. This claim is for that period only, further claims will be submitted for all following periods until the outcome of the Post Office Network Reinvention issue for this office is finalised.

As has been put in writing to you previously, we have had little choice but to 'stand still' in the non post office side of our business (see my letter dated 11<sup>th</sup> November 2002). This was through no doing of our own but purely a result of the predicament we were placed in by the Post Office and as such we are not unreasonably seeking to recover our losses due to your decision.

In a previous letter I had requested the information as to whom this claim should be addressed to. As I received no response indicating others, I am presuming that this claim should be made to Post Office Limited through yourself.

The amount that has been calculated that I am claiming is £ 2,743.68 for the period as given above. Needless to say as a small business we would very much appreciate this claim being processed as soon as possible. If you would let me know what supporting documentation you require or should you prefer the claim to be submitted in a different format or to another department, please let me know otherwise I will presume this submission through yourself is correct.



Alan Bates, Subpostmaster Craig-y-Don Post Office

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster

**GRO**

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

28<sup>th</sup> July 2003

**Reference: - Loss of Income**

Dear Alan,

Thank you for your letter dated 23<sup>rd</sup> July 2003 concerning your claim for loss of income.

Please note that in December 2002, I was advised that you did receive a written reply to your letter dated 11<sup>th</sup> November 2002 from Rebecca Hart.

However, in reply to your current letter, I have forwarded it to the Network Reinvention team in London.

Please note any future correspondence on this matter should be sent to:

Programme Support Office  
Post Office Ltd  
Calthorpe House  
15-20 Phoenix Place  
LONDON WC1X 0DG

Yours sincerely

Mike Wakley  
Retail Line Manager

## Electronic *memo*

28/10/2003 15:03

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. 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

or if not  
whether he would be willing to make his premises available for a temporary replacement whilst a permanent appointment could be made.

but it was only this week that Mr Bates finally informed us he was not willing to allow this to happen.

If Mr Bates wants to change his preference to stay then the decision is made in the fact that we aren't yet talking to Subpostmasters who want to stay in the network. If Mr Bates then wants to expand his business and invest he can follow normal processes. However, reading his letter, and also considering his preference form where he says no to investing, there does seem to be some confusion around what he wants to do.

will get a letter out to Mr Bates before the Christmas period and get one of my team to call him to discuss his preference. If he still re-iterates that he wants to close then unfortunately there is no more can do at the moment.

Even though Mr Bates may be a low priority as things stand currently, there is no guarantee he will remain so over the lifetime of the programme. As his preference is Yes we may well revisit his branch/location at some point in the programme.

In the letter from Mr Bates also notice that he suggests he is having difficulties in trading. If that is the case then there are BAU processes that can no doubt advise Mr Bates on.

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster

**GRO**

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

28<sup>th</sup> July 2003

**Reference: - Loss of Income**

Dear Alan,

Thank you for your letter dated 23<sup>rd</sup> July 2003 concerning your claim for loss of income.

Please note that in December 2002, I was advised that you did receive a written reply to your letter dated 11<sup>th</sup> November 2002 from Rebecca Hart.

However, in reply to your current letter, I have forwarded it to the Network Reinvention team in London.

Please note any future correspondence on this matter should be sent to:

Programme Support Office  
Post Office Ltd  
Calthorpe House  
15-20 Phoenix Place  
LONDON WC1X 0DG

Yours sincerely

Mike Wakley  
Retail Line Manager

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

29<sup>th</sup> July 2003

**Reference: Loss of Income**

Dear Mr Wakley

Thank you for your letter dated 28<sup>th</sup> July 2003 in response to my claim for loss of income.

I have noted that you have forwarded my letter to the Network Reinvention team in London and I will correspond with them on this issue unless they direct me elsewhere.

For your information I can confirm that I did receive a written response to my letter dated 11<sup>th</sup> November 2002 from Rebecca Hart. The majority is just standard holding letter stuff, though in reply to my statement of intent to recover the loss of income from the private side of the business, my comment 'was noted'.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office

Celtic Court  
Tremains Road  
BRIDGEND  
CF31 1TZ

5 August 2003

Personal

Mr A Bates



Dear Mr Bates,

I am writing further to my letter dated 4<sup>th</sup> June 2003 and your written representation dated 12<sup>th</sup> June 2003.

In accordance with Section 1, Paragraph 10 of your Contract for Services, I am writing to issue you with three months notice of termination of your Contract for Services.

The termination of Contract will take effect on 5<sup>th</sup> November 2003.

Please sign and return one copy of this letter.

Yours sincerely,

**GRO**

**MIKE WAKLEY**  
Retail Line Manager

Tel: No.  
Fax No.

**GRO**

Page 2 of 2

To: **Mike Wakley**  
Retail Line Manager

I note the contents of this letter

Signed: .....

Date: .....

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster



Celtic Court  
Tremains Road  
BRIGEND  
Mid Glam  
CF31 1TZ



4<sup>th</sup> June 2003

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**Reference: - Losses and Gains**

Dear Alan,

I have carefully considered the explanations offered by you in your reply of 15<sup>th</sup> May 2003, about your failure to make good losses as required under the terms of your contract for services, Section 12 Paragraph 12 refers. However I do not consider that these explanations justify your continued failure to make good such losses. I feel therefore that I must give you a final opportunity to comply with the terms of your contract for services.

The letter you received from Mike Wiatrowicz, Management Information, Birmingham dated 6<sup>th</sup> March 2002, clearly stated:

‘After due consideration of the facts surrounding the loss and of your report, Post Office Ltd has decided to take no further action in respect of the loss at your post office which will be written off. This decision has been made without prejudice to Post Office Ltd’s rights to recover any future losses at your post office for which you may be liable under the contract for services and does not affect any future liability you may have for such losses.’

Swyddfa'r Post Cyf. Wedi'i Gofrestru yng Nghymry a Lloegr. Rhif: 2154540  
Swyddfa Gofrestredig: 80–86 Old Street, Llundain EC1V 9NN  
Mae Swyddfa'r Post a symbol Swyddfa'r Post yn nodau masnach  
i Swyddfa'r Post Cyf yn y Deyrnas Gyfunol ac mewn gwledydd eraill.

Post Office Ltd. Registered in England and Wales number: 2154540  
Registered Office: 80–86 Old Street, London EC1V 9NN  
The Post Office and the Post Office symbol are registered trade marks  
of Post Office Ltd in the UK and other countries.

You must clearly understand that unless you comply with these terms and make the losses good immediately and cease the practice of rolling over losses and gains, I will have to seriously consider the termination of your contract for services by means of three months notice.

Please sign and note one copy of this letter and return to myself at the above address by Friday 13<sup>th</sup> June 2003.

A second copy is enclosed for your retention.

Yours sincerely

**GRO**

Mike Wakley  
Retail Line Manager  
Post Office Ltd

To: **MIKE WAKLEY**  
Retail Line Manager

- I note the contents of this letter and confirm that my accounts are being maintained in the correct fashion

Signed: .....

Date: .....

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster

**GRO**

27<sup>th</sup> June 2003

---

**Reference: - Losses and Gains**

Dear Alan,

I am writing to acknowledge receipt of your letter dated 12th June 2003

I will consider the points you raised and let you know my decision as soon as possible.

Yours sincerely

Mike Wakley  
Retail Line Manager

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

12<sup>th</sup> June 2003

**Reference: Losses and Gains**

Dear Mr Wakley

I am in receipt of your letter dated 4<sup>th</sup> June 2003.

Unlike Post Office Ltd, I am fully compliant with the terms of my Contract of Service and as I have stated in my previous letter (15<sup>th</sup> May 2003) I would gladly make good any losses caused in the manner specified in section 12, paragraph 12. I would now suggest that my position in this matter has been made abundantly clear in all my previous correspondence.

**GRO**

Craig-y-Don Post Office

Celtic Court  
Tremains Road  
BRIDGEND  
CF31 1TZ

*Cymru*

2 May 2003

Mr A Bates



Tel: No. **GRO**  
Fax No.



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“an essential part of everyday life” [www.postoffice.co.uk](http://www.postoffice.co.uk)

Dear Mr. Bates,

**RE: LOSSES AND GAINS**

Thank you for your letter of the 16 April 2003, the content of which has been noted.

Nevertheless, I must point out that you are Bound by the Terms and Conditions of your Contract for Services, which was acknowledged by you on the 31 March 2003, when accepting your appointment.

To this effect you are charged with ensuring that all accounts entrusted to you are kept in the form prescribed by Post Office Ltd, by using the approved accounting system i.e Horizon, and therefore, in the event of any losses occurring these should be made good without delay (Section 12, paragraph 4, Section 12, paragraph 12 refers).

Accordingly, failure to comply with these obligations can be construed as a Breach of Contract, which could ultimately put your Contract for Services 'at risk'.

:/1

Swyddfa'r Post Cyf. Wedi'i Gofrestru yng Nghymry a Lloegr. Rhif: 2154540  
Swyddfa Gofrestredig: 80-86 Old Street, Llundain EC1V 9NN  
Mae Swyddfa'r Post a symbol Swyddfa'r Post yn nodau masnach  
i Swyddfa'r Post Cyf yn y Deyrnas Gyfunol ac mewn gwledydd eraill.

Post Office Ltd. Registered in England and Wales number: 2154540  
Registered Office: 80-86 Old Street, London EC1V 9NN  
The Post Office and the Post Office symbol are registered trade marks  
of Post Office Ltd in the UK and other countries.

I would therefore, request that you acknowledge the content of this letter within 10 days of its date of posting, confirming that your accounts are being maintained in the correct fashion. Which would also include adhering to the proper procedure in respect of making good your losses, as per your Contractual Obligations.

Yours sincerely,

**GRO**

**MIKE WAKLEY**  
Retail Line Manager

To: **MIKE WAKLEY**  
Retail Line Manager

- I note the contents of this letter and confirm that my accounts are being maintained in the correct fashion

Signed: .....

Date: .....

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

15<sup>th</sup> May 2003

**Reference: Losses and Gains**

Dear Mr Wakley

With regard to your letter dated 2<sup>nd</sup> May 2003, I presume the Terms and Conditions of my Contract of Service you refer to are those I acknowledged on the 31<sup>st</sup> March 1998 and not 31 March 2003 as stated in your letter.

You refer me to section 12 of that contract "The Subpostmaster is responsible for all losses caused through his own negligence, carelessness or error, and also for losses of all kinds caused by his Assistants. Deficiencies due to such losses must be made good without delay." You rightly point out that I have agreed these terms and I can confirm I would gladly make good any losses caused in these manners. But I can see nothing in this clause which states that I am also liable for data I am unable to check.

Taken to an extreme, if the Horizon system said I owed £1,000,000 you would say I would have to make good the loss without delay and without question.

There is no way I will agree to be held responsible for data I have input until such time as I am able to access the data that I am being asked to be responsible for. In trying to state that I have acknowledged such things in the Terms and Conditions of my Contract of Service you are in effect purporting to vary this contract.

As we are talking about matters contractual I would also draw your attention to item 4.5, and reference is also made in item 4.4 of the Conditions of Appointment for Craig Y Don Sub Post Office included in the Contract of Service. This relates to the National Lottery playstation which was already installed and operational when we took over the business. The Post Office removed the machine at the end of January 1999 despite all my protests both written and verbal about the loss of revenue they were going to cause me, about how it had been part of my business plan revenue projection, of how we had doubled the turnover of the terminal in the few months we had been in office. I presume the Post Office will now be returning the terminal to us and making good the loss of income we have incurred during the period we were without the terminal.

Finally, in respect of an issue I raised with you in my letter dated 3<sup>rd</sup> December 2003, namely recovering the financial shortfall from the private side of our business due to Post Office Limited's actions. Our accounts are currently with the firm of Chartered Accounts we use, who are preparing a statement on the level of shortcomings we have incurred. It will be significant and we will be looking to recover that lost income swiftly. In the meantime I would appreciate it if you would ascertain to whom the correspondence should be directed, in order to minimise the delay in meeting our claim. Or would it be better to address it to you?

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster

**GRO**

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

14<sup>th</sup> April 2003

**Reference: - Losses and Gains**

Dear Alan,

Further to our conversation, you confirmed that you have been rolling over losses and gains for the past two years or more. I was unaware of this practice taking place at Craig Y Don and acknowledge your comment that you wrote to the Post Office regarding Horizon, losses and gains over two years ago and that to date you have not received any reply or acknowledgment.

I am now instructing you, that with immediate effect, your are required to make good the outstanding loss and to cease with this current practice of rolling over any losses and gains.

Please be advised that Subpostmasters are responsible for all losses caused through their own negligence, carelessness or error and also for losses of all kinds caused by their assistants. Deficiencies due to such losses must be made good without delay. With regard to gains, surpluses may be withdrawn provided that any subsequent charge up to the amount withdrawn is made good immediately.

Thank you

Yours sincerely

**GRO**

Mike Wakley  
Retail Line Manager

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster

**GRO**

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

14<sup>th</sup> April 2003

---

**Reference: - Losses and Gains**

Dear Alan,

I wish to acknowledge receipt of your letter which I received on Friday 16<sup>th</sup> May 2003.

Please be advised that following enquiries, I will be writing to you on this matter

Yours sincerely

Mike Wakley  
Retail Line Manager

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster

**GRO**

14<sup>th</sup> April 2003

---

**Reference: - Losses and Gains**

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Thank you

Yours sincerely

Mike Wakley  
Retail Line Manager

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

16<sup>th</sup> April 2003

**Reference: Losses and Gains**

Dear Mr Wakley

~~I am in receipt of your letter dated 14<sup>th</sup> April 2003 confirming our conversation regarding losses and gains at our office which have always been rolled over since the installation of Horizon. I appreciate that you may well have been unaware of this practice at the office but can assure you many others Post Office staff knew of it.~~

My comments regarding this were well documented in a number of letters to Post Office Counters Limited such as that dated 19<sup>th</sup> December 2000 to my then Retail Line Manager, Gerry Hayes, which like all letters was sent recorded delivery.

The problem with rolling over the losses and gains is that I presume I would be accepting liability for them which is something that I have pointed out in writing to you since the introduction of Horizon here, I am unable to do until such time as I am able to access the data that I am being asked to be responsible for. As I have written previously "The totally inadequate report system has been made so complex it lacks the ability to interrogate the system when you know the information is inside", if I am unable to access the data to check items it is totally unreasonable to expect me to accept the liability from uncheckable data.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office

Mr Gerry Hayes  
Retail Network Manager  
Post Office Network  
60 Deiniol Road  
BANGOR  
LL57 1AA

Alan Bates

**GRO**

1<sup>st</sup> February 2001

**Reference: Various Issues**

Dear Mr Hayes

In this letter I was planning to address two distinct areas of reference. The first being business development within our Post Office, the second referring to Horizon, but as a Horizon Support Officer is visiting us next week I will leave Horizon until after his visit.

With regard to the how to develop the business further within this Post Office, I have identified a number of areas of opportunity that could be followed up with the assistance of Post Office Network. Though before raising these points I thought it would be of use to examine the current business the office is obtaining.

Looking back over the monthly sales reports, it is clear that apart from a couple of items this office is steadily growing trade month after month, when compared to previous years' figures. The two main items which have declined are Pension payments and budget stamps. The Pensions have reduced in line with the national trend, as more people have their money paid directly into banks, and the decline in the budget stamps to some degree falls victim to this trend. The budget stamp reduction has also been replaced by an increase in APT or APS sales, so it is not all lost.

As you are aware, we have been improving the facilities within our business and the relocation of the Post Office counter has been warmly met with approval from the majority of our customers and it has help offset, to a small extent, the slowing down of service resulting from the introduction of Horizon. We have not finished our improvements but when they are complete I hope the office will present an efficient, modern and professional service to the community, well able to meet the demands of its customers. In response to requests from the local community we have recently signed a contract for a instant photo booth to be located by the counter in order to assist customers to obtain the photographs they need for both passports and driving licences. There are also many other services which we intend to introduce over the next twelve months in response to community needs, but there are a number of needs that can only be fulfilled by Post Office Network. These currently are:-

- Motor Vehicle Licensing – This is by far the most heavily requested service which we are unable to provide. There seems to be many myths about why we are unable to provide this service, the most common one being that to allow us to provide MVL's some other office would have to lose the service and that would not be fair. But if

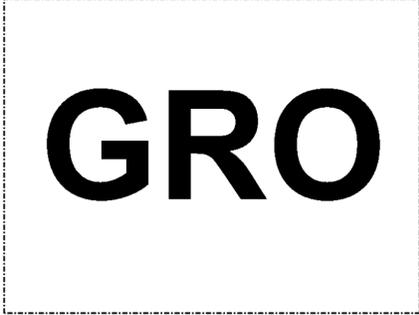
that had been true we would not have lost our National Lottery terminal to another office, soon after we had taken over this business.

- Passport Checking – We turn away scores of customers requesting this service, even being able provide the forms would help.
- Driving License Checking – Again the demand is there but we are unable to meet it. In both this and the Passport issue if there was no real demand we would not be installing a photo booth. We are doing our bit to support the needs of the customer, hopefully Post Office Network will do theirs.
- Bureau de change – Currently pre-order, but again we are losing considerable amounts of business because we unable to offer what the customer needs.

There may well be other services that Post Office Network is able to let us offer in the future, but those identified above would be the most effective in bring about a significant increase in trade at this office. It should be remembered that Craig-y-don does have a very busy travel agency which does not provide Bureau de change, and also it is still relatively easy to park in Craig-y-don and many people in the district use the village just to stop off for a few minutes to attend to their business.

In the Post Office we are constantly be asked to 'tweak' sales, but the opportunities I have identified would grow the business significantly, if that is what Post Office Network wants. Even if these services were introduced and realistic targets set for a twelve month period in order to keep them, I would have no doubt that Post Office Network would be more than happy with the results.

I look forward to the opportunity to discuss these issues and how best we can provide the services our customers really do need on your visit next week.



**GRO**

Craig-y-don Post Office

IN CONFIDENCE

To: Mr Alan Bates  
Agent

copy: Gerry Hayes  
Retail Network Manager

From: M Rannard  
Network Audit Team

Date: 11 June 2001

Audit of Craig Y Don Office code

An audit of the above office was undertaken on 07 June 2001 by M Rannard. This audit is a review of the product/process controls in place at the outlet and not a comment on the performance of individuals.

The following page contains a brief summary of the areas that could be routinely tested at audit and the tests carried out are selected on a basis of risk assessment from outlet performance data. The products/processes with a cross indicate items that have been tested by the auditors on this occasion and the findings revealed at audit.

Appendix A contains a more comprehensive report detailing our findings and recommendations for your information and attention. Any control gaps in bold were noted on a previous audit and had not been actioned at the time of our most recent visit.

At the audit, you were given a questionnaire to provide feedback on the audit process. If there is anything else you wish to bring to our attention please feel free to write your comments on the reverse of this report or contact Paul Large, Network Audit Manager on telephone number .

Please retain one of these reports for your information and return the other one, signing it to confirm that you understand all the points made.

Network Auditor signature ..... Date .....

Subpostmaster/ Outlet Manager signature ..... Date .....

## AUDIT OF

Products/Processes	Controls in Place	Control Gap Low Risk	Control Gap High Risk
Procedural Security	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Horizon System Controls	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cash Account	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stock Management	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cash Management	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Royal Mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franking Machines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stamp Vending Machines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alliance & Leicester Girobank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal Banking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Savings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Lottery On Line	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Lottery Instants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Littlewoods Scratchcards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bureau De Change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign Exchange Service	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Moneygram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benefits Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicle Licences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rod Fishing Licences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UK Passport Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Utility Schemes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local Transport Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Network auditors can only comment on the areas examined during their visit. It should not be assumed that untested processes have satisfactory controls in place.

## Appendix A

## Audit of Craig Y Don

### Asset Verification

A full check of cash, stock and vouchers revealed a surplus of £23519.75 which is broken down as follows:

Net surplus declared week no 9.	£23520.41
Net shortage declared week no 1.	£ 1041.86
Difference at audit	£ 8.66

An authorised amount of £ 1041.86 has been held in the Suspense Account between weeks (1) and (12).

#### Comments:

The large surplus of £23520.41 occurred two weeks earlier when a member of staff was being trained on balancing, an inward remittance had not been entered, an adjusting entry is being made.

### Security Procedures

Your security procedures were examined in line with the Counter Attack Reference Manual and all controls were found to be in place.

### Horizon System Controls

Controls relating to the use of the Horizon system were examined, in line with the Horizon System User Guide (HSUG). The following control gaps were found:-

#### *Control gaps - Low risk*

- obsolete users had not been deleted from system

#### Comments:

To maintain system security users must be deleted from the system as soon as they cease to work at the office.

### Cash Account

*Counters Operations Manual - Cash Account, Balancing & Preparation refers.*

The daily documentation for week (11) and weekly cash account documentation for weeks (4) to (11) was examined and the relevant controls were found to be in place.

## Appendix A

**Stock Management***Guidelines from National Secure Stock Centre*

The current optimum stock holding levels for your office were calculated using cash account weeks 3 to . These levels should be used as a guideline when re-ordering stock.

Stock Item	Average Weekly Sales	Maximum Holdings	Current Holdings	Surplus £	Surplus %
Postage	1059	4236	14694	10548	246
Postal Orders	109	327	2372	2044	624
MVL SS	34	100	1120	1018	1006
TVLSS	66	200	742	542	273
BT Phonecards	9	27	156	130	486
BG SS	103	310	2300	1990	643

**Control Gaps - High Risk**

- items over or under stocked by more than 25%

Comments: *state which stock items are overstocked*

**Postage, Postal Orders, MVLSS, TVLSS, BT Phonecards and BGSS are all overstocked. The maximum holding levels are now 4 times average weekly sales for Postage and 3 times average weekly sales for other stock items Counter News week 44 refers.**

**Cash Management**

Cash counted at the audit was compared to the declared figure in the daily cash book and it was found that the cash was accurately declared at the close of business.

**Control Gaps - High Risk**

- Cash holdings were more than 25% over target.

Comments:

A correct assessment of cash holdings could not be made because the Horizon system intermittently adds the previous days cash holdings to the daily declaration

Week 11 was found to be 46% over target

**National Savings**

*Counters Operations Manual - National Savings Accounts - Ordinary & Investment Account Withdrawals refers.*

National Savings warrants and advices on hand at the outlet were examined. The following gaps were identified:-/The process was adequately controlled.

Comments:

Appendix A

There were no warrants or advices on hand at the audit but by discussion it was clear that the current regulations are known

**PO Foreign Exchange**

Checks were carried out using the P4821s and P4822 for weeks (8) to (11), to the currency and travellers cheques on hand. All controls were found to be in place.

Mr A Bates  
The Subpostmaster

**GRO**

06 March 2002

Dear Mr Bates  
**Re: Aged Shortage - Horizon Case Write-Off**



“an essential part of everyday life” [www.postoffice.co.uk](http://www.postoffice.co.uk)

**OFFICE: Craig-Y-Don SPSO      OFFICE CODE: 461 614**

First of all I would like to apologise for the length of time it has taken to resolve this matter. It has been necessary to formulate a consistent approach for all such cases.

Post Office Ltd has received from you a short report setting out your reasons why you do not accept liability for the shortage of £1,041.86p at your post office.

After due consideration of the facts surrounding the loss and of your report, Post Office Ltd has decided to take no further action in respect of the loss at your post office which will be written off. This decision has been made without prejudice to Post Office Ltd's rights to recover any future losses at your post office for which you may be liable under the contract for services and does not affect any future liability you may have for such losses.

To enable me to monitor progress for all such losses could you please complete the section on the next page. Once the loss for £1,041.86p has been cleared from your suspense account, you must return the **whole** letter to me in the self addressed envelope provided. (A copy of this letter is enclosed, for retention at your office).

If I do not receive a reply from you by 22 March 2002 then it will be necessary for me to contact you to ascertain what the delay is.

Page 1 of 2  
Mike Wiatrowicz  
Management Information  
86 Lionel Street  
Birmingham B3 1HQ

**GRO**

Post Office Ltd  
Registered in England Number: 2154540  
Registered Office: Gavrelle House, 2-14 Bunhill Row  
London EC1Y 8HQ

The Post Office and the Post Office symbol are registered trade marks of Post Office Ltd in the UK and other countries

**Re: Repayment by Deduction from Remuneration**

Thank you for your co-operation in this matter

**GRO**

Mike Wiatrowicz  
Management Information Support



Post Office Ltd  
Finance  
Management Information  
Lionel House  
86 Lionel Street  
BIRMINGHAM B3 1HQ

Telephone: **GRO**

Facsimile:

E-mail: **GRO** **GRO**

Craig-Y-Don SPSO

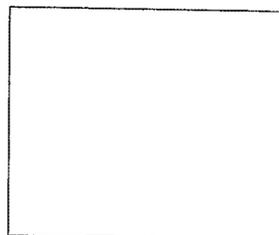
461 614

I have received a Write Off Authority Voucher to the value of  
£1,041.86p which has been cleared from my suspense account on  
(date)..... and the voucher has been cleared in the  
appropriate manner in cash account week number.....

Signature .....

Datestamp

Print Name .....



STANDARD 9

**WRITE OFF AUTHORITY VOUCHER**

OFFICE CRAIG Y DON SPSO  
 OFFICE FAD CODE 461 614  
 COST CENTRE CODE (For completion in Finance) 254 x 461 614  
 AMOUNT £ 1041.86p  
 AMOUNT IN WORDS One thousand and forty one pounds eighty six  
 LOSS CODE (SEE BELOW \*) Pence only

<b>A</b>	Robbery	82125	<b>M</b>	Outward Rem Discrepancy	82115
<b>B</b>	Burglary	82040	<b>N</b>	Voucher Rem Discrepancy	82100
<b>C</b>	CRU Personal Loss	82105	<b>O</b>	ATM Loss	82150
<b>D</b>	Counter Personal Loss	82035	<b>P</b>	SVM Loss	82035
<b>E</b>	Postshop Loss	82095	<b>Q</b>	COBC	82130
<b>F</b>	Agent Loss	82065	<b>R</b>	Postal Order Fees	82080
<b>G</b>	Forged Note	82030	<b>S</b>	RD Cheque	82055
<b>H</b>	Bank Note Shortage	82140	<b>T</b>	Other - To be specified	82150
<b>I</b>	NHTO Coin Loss	82140	<b>U</b>	Green Giro	82145
<b>J</b>	Girobank Coin Loss	82140	<b>V</b>	Housing Benefit	82145
<b>K</b>	Girobank Deposit Losses	82140	<b>W</b>	NSB	82000
<b>L</b>	Inward Rem Discrepancy	82115	<b>X</b>	P&A	82090

Reason for write off (referring to Sections 2 or 3 of Losses and Gains Policy, as appropriate) Disputed Horizon Cash Account Shortage

Signature of Authorisation \* GRO  
 Name ( In Block Capitals) DAVID NEIL BARRETT  
 Position HEAD OF AREA (WALES)  
 Date 6-2-02

Head of Finance Concurrence (where appropriate):  
 Signature \_\_\_\_\_  
 Date \_\_\_\_\_

\* confirming reference to write off levels (Losses and Gains Policy Section 5) and guidelines for relief (Losses and Gains Policy Sections 2 and 3)

Area Office  
Post Office Ltd  
Celtic Court  
Tremains Road  
Bridgend  
CF31 1TZ

21 May 2002

**FOR URGENT ATTENTION PLEASE**

Mr A Bates  
Subpostmaster

**GRO**

Dear Alan

**Subject: Outstanding missing voucher case for Green Giros -  
Week 36 (w/e 28.11.01) - £200.00p discrepancy**

I have received an e-mail from Jenny George ( Post Office Operations Team) regarding the above outstanding missing voucher enquiry. In her e-mail, Jenny informs me that your office has been sent an enquiry form regarding this case which unfortunately has not been returned. It is important that the enquiry form is completed as quickly as possible to allow the internal accounting process to be completed. Can I please ask that you complete the respective enquiry form and return it by 27.5.02 to Jenny George in the envelope enclosed. If the enquiry form is not to hand, can you please contact Jenny George on GRO  
Many thanks.

**GRO**

Glenn Chester  
Retail Line Manager

# Authorisation for the award of one non-illuminated slim-line projecting lozenge

(PLEASE ENSURE THAT THE SUB-POSTMASTER RETAINS A COPY OF THIS NOMINATION FORM AND A COPY OF THE LETTER ABOVE WHICH CONSTITUTES THE SUB-POSTMASTERS' AGREEMENT TO THESE TERMS)

The sub post office named below has been nominated for a free-issue projecting sign. **BLOCK CAPITALS PLEASE**

Post Office : CRAIG-Y-DON

Welsh\* : CRAIG-Y-DON

NB The above name(s) will appear on the sign. Ensure the details are accurate and legible.

*PLEASE NOTE  
-CONSERVATIONAL  
LOZENGE REQUIRED*

Full Postal Address

**GRO**

Postal Town

Postcode

**GRO**

office  
datestamp

Tel No.

**GRO**

FAD Code

**GRO**

A free issue projecting sign will only be awarded where the Sub-postmaster/postmistress accepts the following conditions. If they do not wish to do so, then they should not be nominated. A copy of this pro-forma should be retained by the Sub-postmaster/mistress for reference

I undertake at my own expense to:

Maintain the sign;

Keep it in good repair;

Comply with all standards of quality and presentation as notified in writing by POCL;

I accept that the sign and all intellectual property rights therein remain at all times in the ownership of POCL, and that POCL retain the right to remove the sign, following receipt of a written request

**GRO**

Sub-Postmaster Name/Signature

ALAN BATES

R.N.M Name and Area Number

MARY J DAVIES / 2

Cluster office and Region

Swansea / Tees Valley West

POCL Projecting Signs



Area Office  
Post Office Ltd  
Celtic Court  
Tremains Road  
Bridgend  
CF31 1TZ

16<sup>th</sup> February 2002

Mr A Bates  
Subpostmaster

**GRO**

Dear Alan

Re: Outlet Review 13<sup>th</sup> February 2002

Further to the above review, a short note to confirm the actions agreed:-

1. Horizon query 'SC FCS Coll' on Transaction Log - What does this stand for? Glenn to raise query with Helpline. **Action: Glenn** (As discussed with Suzanne today, the Horizon Helpdesk **GRO** believe the abbreviation stands for 'Foreign Currency Service Collection'. I hope this is of some help).
2. Discussion re. E-BAY (American Auction House) - Suggestion that Royal Mail/Parcelforce should have links to the Internet site. Glenn to raise with E-Commerce team and seek feedback. **Action: Glenn** (e-mail sent 16/2/02) ✓
3. Glenn to request Paypoint Defence Pack from Sales Support Team, Birmingham. **Action: Glenn** (Requested 16.2.02) ✓
4. Post Office Lozenge - Glenn to confirm situation re. PO lozenge sign. **Action: Glenn** (After speaking with the Network Transformation Team, I can confirm that in view of the current financial crisis affecting Consignia, funding for new signage has unfortunately been cancelled. Apologies for this. As promised however, I will obtain a new 'old style' lozenge to replace your current faded sign).
5. National Lottery - Glenn to speak with Larry Kightly (Camelot Field Sales Executive) and enquire re. the possibility of Craig Y Don SPSO obtaining the On-line Lottery facility. **Action: Glenn**

Hopefully I have covered all the actions agreed. If I've missed any can you please let me know via the Helpline (**GRO**).

Kind Regards.

**GRO**

Glenn Chester  
Retail Line Manager

**GRO**

1 May 2001

Dear Mr Bates

**Various Issues**

Please accept my sincerest apologies for not replying sooner to your letter, dated 1<sup>st</sup> February. This was caused by an administration oversight on my part.

In response to your issues about including additional services in your offices, I have consulted the Internal Account Management Team to ascertain Post Office Network's (PON) view. In an ideal world all post offices should be able to offer all products and services, unfortunately this practise is not cost effective and means that some of the networks have to be restricted i.e. DVLA, UKPA, prepay vouchers to name a few.

The number of offices in these restricted networks are continually being reviewed and monitored. A number of reviews have just been completed and the criteria for any additions to each network were agreed by the clients, Market Facing Units (MFU's) and PON. This was forwarded to Post Office Consulting to ascertain a list of offices that fit the agreed criteria.

Below you will find the results concerning the specific networks that you stated in your letter:

- Motor Vehicle Licensing - The review confirmed that 92% of the population in Britain were situated within 2 miles of an office offering the DVLA facility. This means that PON are meeting the requirements to fulfil the service availability that the DVLA require. There are no plans to increase this accessibility, at this moment in time.
- Photo on Licence - This is a relatively new service for PON and was only rolled out to the Branch Office network totally, six months ago. There are no plans at the moment to extend it any further in the Network.

- Passport Checking - This network has just been reviewed and a number of additional offices were added. Monitoring these additions will identify whether there is further scope to increase the network, and if this is the case outlets will be identified by the same processes used for the original review.
- On Demand Bureau de Change - First Rate and the MFU are currently in discussion about the way forward with this Network. They will be finalising their requirements and the criteria required to be met for any network changes. This criteria will then be applied to identify suitable outlets.

I sympathise with your frustration in not being allowed to offer a wide range of products and services. However, I have forwarded your letter to the Internal Account Management Team. The letter provides a good statement of intent to be included in any Network reviews and these will be considered as the opportunity arises.

I am sorry that you have had cause for concern and if you have any issues regarding network reviews, please do not hesitate to contact me on the number below.

Yours sincerely

Sue Perry  
Sales Support

Telephone  
Facsimile  
E-Mail

<b>GRO</b>	
<b>GRO</b>	<b>GRO</b>

Copy Gerry Hayes RNM

15 June 2001

Mr A Bates  
Subpostmaster

**GRO**

Dear Mr Bates

Thank you for your letter dated 7 June.

I am sorry I am unable to respond immediately nevertheless, may I assure you that I am dealing with your enquiry. Due to the nature of your query I have forwarded it to the Operations Manager dealing with Network Realignments, Roger Wood.

Roger has kindly agreed to respond to your letter and if you have any further comments, please address correspondence to:

Mr R Wood  
Post Office Network  
Gavrelle House  
Second Floor, South  
2-14, Bunhill Row  
LONDON  
EC1Y 8HQ

Please allow a couple of weeks for Roger to obtain the information to respond to your letter in full.

Yours sincerely

Sue Perry  
SALES SUPPORT

Sue Perry  
Sales Support  
Post Office Counters Ltd  
Lionel Street  
Birmingham  
B3 1HQ

Alan Bates

**GRO**

7<sup>th</sup> June 2001

Dear Ms Perry

In reply to your letter dated 1<sup>st</sup> May 2001 which really fails to meet many of the comments of my original letter and purely offers the standard responses, I would like to request further information.

Why is it that the majority of new services such as Photo on Licence and Passport Checking are always given to the Branch Offices as a matter of course, when it is the Branch Offices themselves which are losing nearly £1 million per week and so in reality are being subsidised by sub offices like ourselves? From the position of running a sub office it would seem that in such instances, even if it is not a policy, the reality of the situation seems to show that The Post Office is operating a restrictive practise in order to prop up the ailing part of the business, in this instance the Branch Offices. This is certainly not in the best interests of the customer and unlike the senior management I do spend considerable time with customers and I do have some understanding of their needs. Paragraph two of your letter states 'In an ideal world all post offices should be able to offer all products and services, unfortunately this practise is not cost effective,' so how is it cost effective to subsidise Branch Offices to the tune of £50 million per year?

In my original letter dated 1<sup>st</sup> February 2001 I pointed out that my office is growing the volume of its business month by month over previous years figures, but in real terms my income from the Post Office is reducing month after month. I presume that is either to prop up the Branch Office network or to try and recover some of the outrageous costs associated with the appalling disaster called Horizon. Before taking over this office three years ago I had spent many years working with new epos systems, both off the shelf and custom made and by comparison to what Horizon could have been, the current system is a joke. Speaking from the point of view of someone working on the counter, who has spent years working with effectives systems it is only too obvious that the system is overly complicated, slow and cumbersome. The totally inadequate report system has been made so complex and lacks the ability to interrogate the system when you know the information is inside. This is not only frustrating but causes hours of extra work for which again we do not get paid. The introduction of the system at this office has personally cost me between £1000-2000, but regardless of who you talk to nobody wants to know, it is always someone else's responsibility, never theirs!

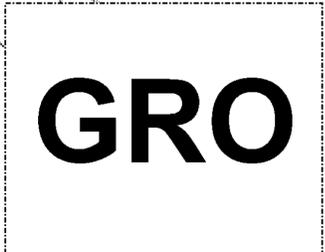
There is no sign anywhere from any of the senior management of Post Office Network that they have a real grasp or experience of what happens at the counter. There are however plenty of words printed of how wonderful the future will be, but the future is here now and business is shrinking, and almost nothing has appeared on the counter to offset the loss.

When we took over the business three years ago, a condition imposed by POCL was to open lunchtimes and Wednesday afternoons, but the salary for the office was not increased to cover this. We were told the extra revenue generated during these periods would cover costs. Three years on and there is still no sign of this so called extra income as the reality is that business has just time shifted; Oh, we also have to redirect all the people wanting MVL's to the nearest Branch Office as all the surrounding sub offices which offer MVL's are closed on lunchtimes and Wednesday afternoons. These extra hours, nearly 500 over the year, have effectively reduced our salary an extra £2000 per year, but nobody wants to know or do something real to try and help!

Whilst I am commenting on the ways POCL bullies financial pressures onto a small business such as ours, there is the matter of the National Lottery Terminal at this office. This not only formed part of the contractual conditions for taking over the office which required us to stay open longer on Lottery night to provide the service, but also formed part of our income in our business plan. Within a few months of taking over the business and doubling the Lottery turnover, POCL came and took the terminal away as you felt you could make more money with it elsewhere, a sort of 'to hell with the contract we can do whatever we like, we're POCL' attitude, and again nobody wants to know!

Returning to your letter you state 'that 92% of the population in Britain were situated within 2 miles of an office offering the DVLA facility'. The 92% was achieved without Craig-y-don Post Office and presumably these offices also offer all other Post Office products. Therefore Post Office products would still be available to 92% of the population if Craig-y-don Post Office closed. So either make me an offer to close the Post Office side of my business and thereby increase the profitability of surrounding offices or provide me with the services my customers require and ensure the viability of this office. To let the situation fester on is not only poor management with an increasing financial burden for this and the other surrounding offices, but it also raises the question of the morality of Post Office Networks' actions.

I know your response to my queries and comments will be how you sympathise with my comments and how they have been forwarded to whoever, but at the end of the day, nobody will accept the responsibility to actually do something real and make a difference.



**GRO**

Subpostmaster Craig-y-don Post Office

Mr A Bates

**GRO**

16 July 2001

Dear Alan

**Cash Account Loss £1041.86**

I have received correspondence from the Management Information Support Duty in Birmingham advising me that they now require repayment for the loss of £1041.86 currently held in Table 2a of your Cash Account.

Unfortunately neither the visits from Selwyn Berry and Ki Barnes nor the pension & allowance checks carried out for the problematic weeks, revealed specific reasons as to how the resultant loss of £1041.86 initially occurred.

I would therefore appreciate if, as a matter of some urgency, you could advise me of your proposals to now make good the loss.

Yours sincerely

**GRO**

Gerry A Hayes  
Retail Network Manager

Mr Gerry Hayes  
Retail Network Manager  
Post Office Network  
60 Deiniol Road  
BANGOR  
LL57 1AA

Alan Bates

**GRO**

18<sup>th</sup> July 2001

Dear Gerry

In reply to your letter dated 16<sup>th</sup> July 2001 I would like to draw your attention to the letter I sent you on the 19<sup>th</sup> December 2000. It related the problems with Horizon which I believe led to the losses at that time.

As I have said to you and every other person that has ever visited with regard to the problems with the Horizon system, it is nigh on impossible to access the data I as a subpostmaster need in order to track problems or accept responsibility for the processing through this office. It is not that the data is not within the system, and it is not that Chesterfield can access this data in many other ways. But I as a front line user need to be given the tools, such as a report writer package which can access files on a read only basis, to enable me to look for problems, duplications or errors, easily and effectively. The alternative, and this seems to be the essence of your letter, is that I should subsidise the shortcomings of this system.

I hope this clarifies my position and answers your letter.

Yours sincerely

**GRO**

Alan Bates  
Subpostmaster Craig-y-Don Post Office

## Electron

**To:**  
**cc:**  
**Hard Copy To:**  
**Hard Copy cc:**

**Date:** 04/09/2001 16:44  
**From:**

**Subject:** CRAIGYDON SPSO 461614 LOSS OF £1041.86

wish to inform you that the Spmr Mr Alan  
Bates has refused to compromise in any way in respect of honouring the loss of £1041.86.  
advised him that he would be in breach of contract if the shortage was not made good and he replied that he would be  
prepared to go to court to defend his actions.

Mr Gerry Hayes  
Retail Network Manager  
Post Office Network  
60 Deiniol Road  
BANGOR  
LL57 1AA

Alan Bates

**GRO**

19<sup>th</sup> December 2000

**Reference: Horizon Faults**

Dear Mr Hayes

Further to our telephone conversation on the morning of Thursday 14th December after the problems with our balance the previous day, I thought it prudent to confirm the details to you in writing.

The balance at this office on the Wednesday the 13<sup>th</sup> December was not only very stressful but also very worrying. The evidence that appeared during that day proved beyond any doubt that the Horizon system cannot be relied upon to give 100% accurate figures. The problem which was highlighted to this office that day was with regard to Giro Deposits and at one point the weekly returns were showing a variance, to the addition of the daily returns, of over £6000.

The whole of that afternoon was spent making a number of phone calls to the different helplines, one of almost 1 hour long, and kept two of the three terminals producing nothing but reports, at a peak trading time when we had queues out of the door; though eventually I did manage to track down the majority of the money. That said the cash account for that week is still showing a shortage of £1182.81. I can without any doubt attribute £368.50 of that to Giro items that have been double entered and that I am unable to track because of the way Horizon is set up. Of the remaining £814.31 shortage, I am presuming that £409.15 of that is the shortage from the previous week that has become added to the total. This leaves a difference £405.16 which I am unsure of where it comes from. It may well be a Giro system error as might be the previous weeks £409.15 shortage or it may be something else. Unfortunately the current Horizon system does not let you access previous transactions adequately enough to track problems with shorts or overs at the end of the week.

Having spoken to the local Branch Secretary of the Federation of Subpostmasters on these problems and realising the problems I am experiencing are being found by others around the country I really do believe it would be unreasonable for Post Office Network to hold me liable for losses on the cash account until such time as 100% guarantee can be given about the accuracy of Horizon.

I had been hoping to leave any comments in writing about Horizon until the Office is quieter in January and then write a detailed submission about the cost we have incurred with it (around £1000), the problems with the counter (staff working with money and stamp books on chairs or on the shelf behind them), the very poor layout



of the screen and menus, the slowness of the printers, the lack of report writing facilities, the chaotic end of day and end of week procedures and the problems of having to do 'office work' at a terminal on the counter. Given time I shall produce the report for you.

Please do not think that I am being nothing but negative about the system, I am a firm believer in the way forward being through such a system. But bear in mind my comments are made by someone who has had considerable experience of EPOS systems before joining the Post Office in 1998. I first began working with them in 1986 and have used a variety of systems, I have been involved with running an assessment program on one system and have developed and implemented a large site specific package with a software development company. So I do have some insight into these systems and I would gladly be willing to offer constructive feedback if asked.

With regard to the current deficit showing on our cash account for last week how do you want me to progress this week's balance? Should I just roll it through and see what happens, or what?

I would be very grateful for any guidance or assistance you can offer on this matter.

**GRO**

Subpostmaster Craig-y-Don Post Office

Mr Gerry Hayes  
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I hope this clarifies my position and answers your letter.

Yours sincerely,

**GRO**

Alan Bates  
Subpostmaster Craig-y-Don Post Office

Mr A Bates  
Subpostmaster Craig y Don SPSO



23 May 2001

Dear Mr Bates

Further to our meeting of 18 May 2001, I have forwarded an official privacy notice and arranged for the Sales Support Team in Bristol to send you an apology notice in respect of the non-issuing of MVL's at Craig y Don.

I have also forwarded some 'Please wait here' tape and a four-ring binder with product knowledge quiz answers for April and May enclosed within. Could I please ask for June's quiz, which is due to be sent to you shortly, to be completed by all members of staff with all answer sheets subsequently filed in the binder for my future reference.

Finally, I have made arrangements for Selwyn Berry to call at your office on Friday 8 June 2001 to assist with the resolution of accounting errors. Hopefully the outcome of the P&A check will then be known and this may give us a clearer picture as to how to proceed with clearance of the outstanding loss currently held in the office's suspense account.

Please do not hesitate to contact me if you have any issues to discuss prior to my next visit with Selwyn on 8 June.

Yours sincerely

Gerry A Hayes  
Retail Network Manager

Mr A Bates  
Subpostmaster Craig y Don

**GRO**

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of the screen and menus, the slowness of the printers, the lack of report writing facilities, the chaotic end of day and end of week procedures and the problems of having to do 'office work' at a terminal on the counter. Given time I shall produce the report for you.

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**GRO**

Subpostmaster Craig-y-Don Post Office

Mr Gerry Hayes  
Retail Network Manager  
Post Office Network  
60 Deiniol Road  
BANGOR  
LL57 1AA

Alan Bates

**GRO**

1<sup>st</sup> February 2001

**Reference: Various Issues**

Dear Mr Hayes

In this letter I was planning to address two distinct areas of reference. The first being business development within our Post Office, the second referring to Horizon, but as a Horizon Support Officer is visiting us next week I will leave Horizon until after his visit.

With regard to the how to develop the business further within this Post Office, I have identified a number of areas of opportunity that could be followed up with the assistance of Post Office Network. Though before raising these points I thought it would be of use to examine the current business the office is obtaining.

Looking back over the monthly sales reports, it is clear that apart from a couple of items this office is steadily growing trade month after month, when compared to previous years' figures. The two main items which have declined are Pension payments and budget stamps. The Pensions have reduced in line with the national trend, as more people have their money paid directly into banks, and the decline in the budget stamps to some degree falls victim to this trend. The budget stamp reduction has also been replaced by an increase in APT or APS sales, so it is not all lost.

As you are aware, we have been improving the facilities within our business and the relocation of the Post Office counter has been warmly met with approval from the majority of our customers and it has help offset, to a small extent, the slowing down of service resulting from the introduction of Horizon. We have not finished our improvements but when they are complete I hope the office will present an efficient, modern and professional service to the community, well able to meet the demands of its customers. In response to requests from the local community we have recently signed a contract for a instant photo booth to be located by the counter in order to assist customers to obtain the photographs they need for both passports and driving licences. There are also many other services which we intend to introduce over the next twelve months in response to community needs, but there are a number of needs that can only be fulfilled by Post Office Network. These currently are:-

- Motor Vehicle Licensing – This is by far the most heavily requested service which we are unable to provide. There seems to be many myths about why we are unable to provide this service, the most common one being that to allow us to provide MVL's some other office would have to lose the service and that would not be fair. But if

that had been true we would not have lost our National Lottery terminal to another office, soon after we had taken over this business.

- Passport Checking – We turn away scores of customers requesting this service, even being able provide the forms would help.
- Driving License Checking – Again the demand is there but we are unable to meet it. In both this and the Passport issue if there was no real demand we would not be installing a photo booth. We are doing our bit to support the needs of the customer, hopefully Post Office Network will do theirs.
- Bureau de change – Currently pre-order, but again we are losing considerable amounts of business because we unable to offer what the customer needs.

There may well be other services that Post Office Network is able to let us offer in the future but those identified above would be the most effective in bring about a significant increase in trade at this office. It should be remembered that Craig-y-don does have a very busy travel agency which does not provide Bureau de change, and also it is still relatively easy to park in Craig-y-don and many people in the district use the village just to stop off for a few minutes to attend to their business.

In the Post Office we are constantly be asked to 'tweak' sales, but the opportunities I have identified would grow the business significantly, if that is what Post Office Network wants. Even if these services were introduced and realistic targets set for a twelve month period in order to keep them, I would have no doubt that Post Office Network would be more than happy with the results.

I look forward to the opportunity to discuss these issues and how best we can provide the services our customers really do need on your visit next week.

**GRO**

Craig-y-don Post Office

Mr Gerry Hayes  
Retail Network Manager  
Post Office Network  
60 Deiniol Road  
BANGOR  
LL57 1AA

Alan Bates

**GRO**

20<sup>th</sup> April 2001

**Reference: Various Issues letter dated 1<sup>st</sup> February 2001**

Dear Mr Hayes

I wrote to you on the 1<sup>st</sup> February with regard to a number of issues. When you last visited this office you informed me that the letter had been forwarded to others for a response. Do you know when I will receive a reply to my original letter?

Also on the matter of date stamps we have been receiving a number of complaints from customers about our date stamps being incorrect. They currently read 'CRAIG-Y-DON LLANDUDNO GWYNEDD' (or in one instance reads 'GRAIG' instead of 'CRAIG'), and one recent customer was so concerned that they planned to take the matter up with the National Assembly in Cardiff.

What is Post Office Networks policy on this issue and how should we respond to customers who raise this inaccuracy?

If further information is required please do not hesitate to contact me.

**GRO**

Craig-y-don Post Office

Mr A Bates  
Subpostmaster Craig y Don SPSO

**GRO**

23 May 2001

Dear Mr Bates

Further to our meeting of 18 May 2001, I have forwarded an official privacy notice and arranged for the Sales Support Team in Bristol to send you an apology notice in respect of the non-issuing of MVL's at Craig y Don.

I have also forwarded some 'Please wait here' tape and a four-ring binder with product knowledge quiz answers for April and May enclosed within. Could I please ask for June's quiz, which is due to be sent to you shortly, to be completed by all members of staff with all answer sheets subsequently filed in the binder for my future reference.

Finally, I have made arrangements for Selwyn Berry to call at your office on Friday 8 June 2001 to assist with the resolution of accounting errors. Hopefully the outcome of the P&A check will then be known and this may give us a clearer picture as to how to proceed with clearance of the outstanding loss currently held in the office's suspense account.

Please do not hesitate to contact me if you have any issues to discuss prior to my next visit with Selwyn on 8 June.

Yours sincerely

**GRO**

**GRO**

Gerry A Hayes  
Retail Network Manager

CYFARWYDDWR CYNLLUNIO  
SWYDDFEYDD DINESIG  
BAE COLWYN  
LL29 8AR



DIRECTOR OF PLANNING  
CIVIC OFFICES  
COLWYN BAY  
LL29 8AR

R. G. Wild BA MCD DMS MSc MRTPI

Mr A Bates



Dyddiad / Date  
Ein cyf / Our ref  
Eich cyf / Your ref  
Golynnwch am / Please ask for  
Est / Ext  
Llinell Uniongyrchol / Direct Line

28<sup>th</sup> February 2000  
DR/AD/R/3/2/9

Mr D Rigby  
5206  
GRO

Dear Mr Bates,

Thank you for your letter of the 19<sup>th</sup> February enquiring into the relationship of your property to the Conservation Area.

I can confirm that your property does lie within the Conservation Area boundary and I am pleased to note that the Post Office retail network consider signage in more detail for Conservation Areas.

With regard to planning approvals for new signage could you please discuss this with Mr Neil Walters the Development Control Officer who will deal with the application when it is submitted.

Yours faithfully,



P M Detheridge  
Assistant Director Forward Planning

c.c Neil Walters



Mr A Bates  
Subpostmaster

Cownteri Swyddfa'r Post Cyf  
Post Office Counters Ltd

**GRO**

6 January 1999

Dear Mr Bates

#### ON LINE LOTTERY TERMINAL RELOCATIONS

I wrote to you in September to inform you that we were considering removing the lottery terminal from your office. We have held a meeting to decide which terminals need relocating and I am sorry to have to tell you that we decided to relocate the lottery terminal from your office. The terminal will be switched off by Camelot on Wednesday 27 January and collected from your office shortly after that. I shall arrange for a notice to that effect to be sent to you for display.

When making our decision we took full account of all the relevant factors. These included the viability of your office, your sales figures, what steps have been taken to increase sales, and the social and economic climate in your area. However, we have not been persuaded that the terminal should remain in your office.

I understand this decision will be extremely disappointing for you, but it has been taken with the overall needs of Post Office Counters in mind, and in the best interests of the business as a whole. Please feel free to discuss any aspects of this decision with your Retail Network Manager as we wish to do everything we can to support you in the future.

Yours sincerely

**GRO**

Ian Williams  
Commercial Development Manager

Cownteri Swyddfa'r Post Cyf  
Post Office Counters Ltd  
Gogledd Cymru a Gogledd Orllewin Lloegr  
North Wales and North West  
Capstan House, Chandler's Point  
35 Broadway, Salford Quays  
Salford M5 2YY

Ffacsimili/Facsimile: **GRO**  
Post Office Counters Ltd Registered in England  
No: 2154540 Registered Office King Edward Building  
King Edward Street London EC1A 1AA



Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

30<sup>th</sup> December 2002

**Reference: National Lottery Terminal**

Dear Mr Wakley

During your recent visit to this office, you commented that the removal of the National Lottery terminal which was at this office when we took over, was as a result of a decision made by Camelot.

In order to set the record straight, I have enclosed for your information a copy of one of the many letters I received from Post Office Counters Limited which clearly identifies the decision was made by POCL.

My comments at that time and on many occasions since, have highlighted that the income from the lottery terminal formed an important part of our business plan when purchasing this office. In the office specific terms of appointment POCL identifies the terminal in two separate sections. During the eight months we had the terminal we doubled the lottery turnover the office had had when we took over. If we ever arrive at a stage where we are formally looking at contractual obligations, then the matter of the losses we have incurred since the removal of the terminal will need to be addressed

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office

Mr A Bates  
Subpostmaster

**GRO**

14 January 2002

Dear Mr Bates

Thank you for your letter of 7<sup>th</sup> January 2002 regarding the counter shortage of £1041.86p currently being held in your office suspense account. Taking into account the length of time which has now elapsed since your concerns were first raised, I would agree with your comments that this matter now needs to be brought to a swift conclusion and I offer my apologies for the delay. With a view to bringing this matter to a speedy conclusion, I have forwarded your letter onto Mike Wiatrowicz (Post Office Ltd, Management Information Team, Birmingham Tel. ) who co-ordinates and controls all such enquiries. I have asked Mike Wiatrowicz to pursue this matter with some urgency and hope to be in a position to reply to you shortly.

Yours sincerely

**GRO**

Glenn Chester  
Retail Line Manager

Mr Glenn Chester  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

7<sup>th</sup> January 2002

**Reference: Horizon Faults**

Dear Mr Chester

As you are aware the cash account for this office is still showing an amount of £1041.86 in the suspense account. This cumulative figure was placed in the suspense account towards the end of 2000 and I have on doubt at all that it was due to errors in the Horizon system over a number of weeks at that time. In my letters to Gerry Hayes dated 19<sup>th</sup> December 2000 and 16<sup>th</sup> July 2001, neither of which did I receive a written reply to, I gave further details on this matter.

I really do think that enough time has now passed for Post Office Limited to have resolved this issue and that unless I receive a written comment to the contrary by the end of this month I will take it that this matter is closed. When I signed my contract with Post Office Counters I did not sign to accept the liabilities arising from the shortcomings of a less than adequate Horizon system, all liabilities from such a system are clearly the responsibility of Post Office Limited or ICL Pathway.

Allowing this issue to drag on not only continues the stress and strain of the original problems but I fear also continually casts doubt over my honesty and that of my staff. Therefore I would greatly appreciate it if you would bring this matter to a head in order that we can move on.

**GRO**

Subpostmaster Craig-y-don Post Office

Copies to:

Mr D Foster, Gwynedd Branch Secretary National Federation of Subpostmasters  
Mr C Baker, General Secretary National Federation of Subpostmasters

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

30<sup>th</sup> September 2002

**Reference: Office Procedures letter dated 21<sup>st</sup> August 2002**

Dear Mr Wakley

I refer to my letter to you dated 21<sup>st</sup> August 2002. As you suggested, I contact the helpline and faxed a copy of the letter to them. They in turn have informed me that they are unable to supply a written reply to my queries. In pursuing the matter on my behalf they were informed that these were contractual matters and as such were not able to respond to these questions.

So I am now back where I started, totally unclear as how to deal with the situations I described in the original letter. Though I am now concerned about any liabilities arising from the queries raised. I believe I am right in presuming that these will remain with Post Office Limited until such time as acceptable written guidance is provided, anything other would be unreasonable.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office  
Copied to NFSP

**bcc:**  
**Hard Copy To:**  
**Hard Copy cc:**

**Date:** 02/10/2002 18:16  
**From:**

**Subject:** Craig- y- Don queries regarding postoffice procedures for secure area and resulting liabilities with reference to the spmr contract.

was contacted by Alan Bates Postmaster at the above office, asking for clarification of correct postoffice procedures with reference to access to the secure area and any resulting liabilities. Alan has requested any responses in writing so that in case of any incidents he will be covered by previous correspondence.

Alan informed that he sent a letter titled Office Procedures to your office regarding this on 21 August 2002 and sent a duplicate to have addressed the first query regarding cash co with the pm and have referred him to Recall and Inventory. have also addressed the last query by informing Alan that there is no a list issued to particular types of sub postoffice indicating what forms and leaflets the office should hold for it's type. have also informed the pm with regards to the third question in paragraph six that there are no temporary post boxes for oversized parcels during the Christmas period. These responses have been accepted verbally and the pm has not requested written confirmation of this.

A colleague contacted Alan and Alan was discussing the sub postmasters contract with reference to Health and Safety and the acceptance of parcels outside of the secure area and any liabilities. we will not be able to address the remaining issues with the pm if he is relating them to his contract as we are, for good reason, not allowed/required to have access to this. As a result we are unable to put anything in writing which is something Alan is insisting upon.

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

30<sup>th</sup> October 2002

**Reference: Office Procedures**

Dear Mr Wakley

Earlier this month, on your visit to this Post Office, you issued me new documents to assist in providing answers to the questions I raised in my letter to you dated 21<sup>st</sup> August 2002.

The documents were pages 1, 8, 9, 13, 14 and 15 of Post Office Counters Ltd Security Manual Chapter 3 Section 1, Issue No 4 and pages 1, 3, 53 and 72 of Post Office Counters Ltd Section 1 and Appendix 2 of the Subpostmaster Contract and Status, Issue September 1994.

Though a number of sections in these documents were highlighted, such as clearly stating that postmen must not be admitted into the secure area, they failed to give clear and unambiguous instruction or guidance as to how to deal with the items as listed in my original letter.

I am sure that you will appreciate that many of the queries in the August letter are not simply a matter of security but also have many Health and Safety implications, and I can find no reference to H&S in the documents provided. Any assistance you an offer on this would be appreciated.

I don't know if it would help but I have quite a good working relationship with my local MP, who has a keen interest in Post Office issues and is involved with a number of Parliamentary interest groups looking into the Post Office. I am sure she work be delighted to try and assist in bringing clarity to some of these Health & Safety issues if asked. Please let me know if you would like me to make the request.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office  
Copied to NFSP

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

1<sup>st</sup> November 2002

**GRO**

Dear Alan

**Health and Safety**

Thank you for your letter dated 30<sup>th</sup> October 2002.

Please be advised that I have forwarded your letter on to the appropriate department for a reply.

Yours sincerely

Mike Wakley  
Retail Line Manager

Tel No: **GRO**  
Fax No:

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

30<sup>th</sup> September 2002

**Reference: Office Procedures letter dated 21<sup>st</sup> August 2002**

Dear Mr Wakley

I refer to my letter to you dated 21<sup>st</sup> August 2002. As you suggested, I contact the helpline and faxed a copy of the letter to them. They in turn have informed me that they are unable to supply a written reply to my queries. In pursuing the matter on my behalf they were informed that these were contractual matters and as such were not able to respond to these questions.

So I am now back where I started, totally unclear as how to deal with the situations I described in the original letter. Though I am now concerned about any liabilities arising from the queries raised. I believe I am right in presuming that these will remain with Post Office Limited until such time as acceptable written guidance is provided, anything other would be unreasonable.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office  
Copied to NFSP

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

11<sup>th</sup> November 2002

**Reference: Network Reinvention – Urban Branches**

Dear Mr Wakley

As you are aware we are one of the 9000 urban offices from which the 3000 office closures will be selected and as such, I thought it would be helpful to clarify in writing our position on this issue.

Earlier this year, at the time of being asked for our views by Post Office Limited with regard to our branch and in my subsequent further conversations with you, I have stated the following position. That we would be willing to stay on only if we are able to offer full services, which would include DVLA, Passports, etc. Items which were available along the road in Boots in Mostyn Street until it closed down earlier this year and which are constantly requested by our customers.

Realistically we will not be able to survive without these extra services as when I look closely at our customer base and their particular needs, the ACT effect over the next few years is likely to result in a loss of 60-75% of our current business. Our business will totally collapse before that point.

We took over the business four and a half years ago, since then we have spent many tens of thousands of pounds undertaking, from our point of view, major building and refurbishment schemes of the premises. At our own expense we have brought the Post Office to the front of the building where it now commands the main entrance and dominates the business. You only have to look at our sales figures for the last couple of years to see how these improvements, amongst others, have resulted in a steady month on month and year on year growth in our business. Though any benefits received from this extra business have quickly been overtaken by increased overheads, for example our wage bill is now 50% higher than it was when we took over.

Also reinvention has now stopped us in our tracks with regard to developing the rest of our business. When you were here last I showed you around the rest of the property which we had recently finished refurbishing. We have a whole new area ready for fitting out and stocking, probably 30-40 metres of wall space which on average will cost about £1000/metre to stock. With the present uncertainty there is no way we can commit to such an expenditure.

Reinvention has now begun and I would very much appreciate it if you would forward my letter with a request that this office be assessed at the earliest possible opportunity in order that we can continue our development of the business or make the necessary arrangements. Our business does survive purely from the Post Office, the private side makes a substantial contribution to the overall viability. Making us stand still for the next three years would in effect be subjecting us to a 'death by a thousand cuts' (or days), and knowing our current commitments and the proposed timetable of ACT I doubt whether we would be in a position to trade by the end of 2003.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office

To:-

cc.

From  
Ret

Date:- 15<sup>th</sup> November 2002

**Subject:- Craig y Don**

Please see attached correspondence from Alan Bates, Subpostmaster, Craig y Don.

Within Alan's letter he has pointed out his clear concerns and the development he has undertaken and has planned.

As requested, within his last paragraph he is seeking that his office is assessed as soon as possible.

would be grateful if you could reply to Alan, as he is most anxious.

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

26<sup>th</sup> November 2002

**Reference: Health & Safety Issues**

Dear Mr Wakley

I note the comments of your letter dated 11<sup>th</sup> November 2002, the contents of which has left me concerned over a number of issues which I will now list.

Prior to the installation of Horizon at this office, I raised the matter of the Health & Safety conformity of the equipment with the Horizon Implementation Team and the Post Office. I am sure you are aware that it is a HSE requirement for all employers to undertake a H&S assessment of new equipment brought into a business. My particular concern related to whether or not the equipment came under the Display Screens Equipment Regulations of 1992.

I spoke to many people and sent through considerable correspondence on this issue. Eventually I was told to forget it, as ICL Pathway and Post Office Counters Limited had ensured the system met all H&S criteria. Having received that assurance I let the matter drop, though I have neither been convinced nor received any written confirmation of the conformity. Also as the Post Office stipulated how the equipment was to be operated in this instance surely it falls within its remit to supply guidance in other matters where it has an operating requirement, such as those in my original letter.

The position I find myself in at present is certainly not helpful, nor I would imagine, is it satisfactory for the Post Office. On one hand you want me to meet certain operating criteria and you state that it is contractual, on the other hand you will not stipulate how we are meant to meet this criteria in order comply with HSE requirements. I fail to see how H&S compliance is the responsibility of the PO in some instances and not others and the selection seem quite arbitrary.

I am sure you will appreciate that in these days of liability and apportionment of blame it is important to ensure these matters are not left in a 'grey' state. It is far better for all concerned to make sure there are no areas of ambiguity.

If you are unable to offer any positive assistance in clarifying the comments of my original letter other than restating the details enclosed in your last letter. Then my next contact will be with the HSE to engage their assistance in clarifying the positions of responsibility and drawing up guidance for myself and the others employed here.

**GRO**

Craig-y-Don Post Office

Copied to NFSPN

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates



3<sup>rd</sup> December 2002

**Reference: Network Reinvention – Urban Branches**

Dear Mr Wakley

I wrote to you on the 11<sup>th</sup> November about Network Reinvention and in reply you informed me that you had sent copies of my letter on to others for them to reply.

Since then I have not heard from anybody and it is really important to contact those responsible for making decisions on this matter. Every day this indecision continues it is having serious detrimental financial effect on the private side of our business and regardless of whether our Post Office stays open or is closed, we will be looking for this shortfall to be met.

Yours is the only contact address I have for any item relating to the Post Office, but if you are able to provide me with the details of those involved I would gladly steer my comments directly to them.

The logo consists of the letters 'GRO' in a bold, black, sans-serif font, centered within a rectangular dashed border.

Alan Bates, Subpostmaster Craig-y-Don Post Office

To: POSTOFFICE@ **GRO**  
cc:  
Hard Copy To:  
Hard Copy cc:  
Date: 09/12/2002 12:46  
From:  
Subject: Craig Y Don

Dear Mr Wakley,  
Reference: Health and Safety

I note the comments of your letter dated 11 November 2002, the contents of which has left me concerned over a number of issues which I will now list.

Prior to the installation of Horizon at this office, I raised the matter of the Health and Safety conformity of the equipment with the Horizon Implementation Team and the Post Office. I am sure you are aware that it is a HSE requirement for all employers to undertake a H&S assessment of new equipment brought into a business. My particular concern related to whether or not the equipment came under the Display Screens Equipment Regulations of 1992.

I spoke to many people and sent through considerable correspondence on this issue. Eventually I was told to forget it, as ICL Pathway and Post Office Counters Limited had ensured the system met all H&S criteria. Having received that assurance I let the matter drop, though I have neither been convinced nor received any written confirmation of the conformity. Also as the Post Office stipulated how the equipment was to be operated in this instance surely it falls within its remit to supply guidance in other matters where it has an operating requirement, such as those in my original letter.

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I am sure you will appreciate that in these days of liability and apportionment of blame it is important to ensure these matters are not left in a grey state. It is far better for all concerned to make sure there are no areas of ambiguity.

If you are unable to offer any positive assistance in clarifying the comments of my original letter other than stating the details enclosed in your last letter. Then my next contact will be with the HSE to engage their assistance in clarifying the positions of responsibility and drawing up guidance for myself and the others employed here.

Yours sincerely,

Alan Bates - Craig Y Don  
Copied to NFSP

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

30<sup>th</sup> October 2002

**Reference: Office Procedures**

Dear Mr Wakley

Earlier this month, on your visit to this Post Office, you issued me new documents to assist in providing answers to the questions I raised in my letter to you dated 21<sup>st</sup> August 2002.

The documents were pages 1, 8, 9, 13, 14 and 15 of Post Office Counters Ltd Security Manual Chapter 3 Section 1, Issue No 4 and pages 1, 3, 53 and 72 of Post Office Counters Ltd Section 1 and Appendix 2 of the Subpostmaster Contract and Status, Issue September 1994.

Though a number of sections in these documents were highlighted, such as clearly stating that postmen must not be admitted into the secure area, they failed to give clear and unambiguous instruction or guidance as to how to deal with the items as listed in my original letter.

I am sure that you will appreciate that many of the queries in the August letter are not simply a matter of security but also have many Health and Safety implications, and I can find no reference to H&S in the documents provided. Any assistance you can offer on this would be appreciated.

I don't know if it would help but I have quite a good working relationship with my local MP, who has a keen interest in Post Office issues and is involved with a number of Parliamentary interest groups looking into the Post Office. I am sure she would be delighted to try and assist in bringing clarity to some of these Health & Safety issues if asked. Please let me know if you would like me to make the request.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office  
Copied to NFSP

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster

**GRO**

11<sup>th</sup> November 2002

**Reference:- Health and Safety Issues**

Dear Alan

Further to your letter dated 30<sup>th</sup> October 2002, concerning Health and Safety issues, I have been advised by Post Office Ltd's National Health and Safety Manager.

Please see below the following statement which clearly explains a Subpostmasters Health and Safety responsibility.

*'A Sub Postmaster, as a self employed business man, is responsible for the health and safety of his workplace and those he employees. Where any work his employees are required to do as part of their normal duties, includes manual handling, the Sub Postmaster is required under The Health and Safety at Work Act 1974 and The Management of Health and Safety Regulations 1999, to carryout a suitable risk assessment of the hazards and risks his employees face and provide them with suitable information, instruction, training and supervision, in carrying out that task safely. Manual handling training, available from many safety training organisations will equip his staff with the knowledge of how to carryout such tasks safely.'*

I trust that this clarifies any Health and Safety issues you may have.

Yours sincerely

Mike Wakley  
Retail Line Manager

19/12/2002 18:05

Subject: Craig y don 461614

you may recall we spoke about Craig y don a few weeks ago. To go through the full story for you.

The Postmaster, Mr Alan Bates, wrote to asking for a commitment regarding the future of his office.

spoke with about the criteria for choosing offices to consider NR activity and said that Craig-ydon was not a priority to close as it had a Very Low review index, did over 1100 BTH, has a remuneration of well over £35k and an overlap of just 11%. also pointed out that as this was a voluntary programme, if Mr Bates did not want his office to be considered for closure he should amend his preference.

Mr Bates has been pressuring for a response.  
Mr Bates has still had no answer.

Mr Bates is threatening to take this further although what this means is unclear.

**Hard Copy To:**  
**Hard Copy cc:**

**Date:** 11/01/2004 19:44  
**From:**

Bates wrote on 28th October alleging that we frustrated the contract and that he was entitled to damages for 2 days loss of trade. He also was enquiring about mail redirection and archiving.

Christine Randall  
Implementation Support  
Post Office Ltd  
8<sup>th</sup> Floor, Lionel House  
86 Lionel Street  
BIRMINGHAM  
B3 1HQ

Alan Bates

**GRO**

6<sup>th</sup> November 2003

Re Craig-y-don Post Office

Dear Ms Randall

As I have not received a reply to my letter dated 28<sup>th</sup> October 2003 and as the Post Office terminated my contract on 5<sup>th</sup> November 2003 I would be obliged if you would arrange for the collection of all Post Office stores, records and materials from our premises by Friday 14<sup>th</sup> November 2003.

Should you fail to meet the deadline for the collection of all your materials by that date I will then invoice you for the rental of the storage place taken up by Post Office Ltd materials at a rate of £1 per mailsack per week.

Yours sincerely

Alan Bates  
Subpostmaster Craig-y-don Post Office

21/10/2003 07:52

Subject: Craig Y Don

need advice if Mr Bates refuses to hand over cash  
and stock on the day.

would believe it would be correct for to then speak to Mr Bates and state that we have access to check and verify our stock and cash at any time as per contract and that we have advised him already of this in writing. If he then continues to deny access, would therefore suggest that he cooperates unless we would contact the Police to gain access to remove cash and stock.

**IN CONFIDENCE**

Mr A Bates  
Subpostmaster

**GRO**

Celtic Court,  
Tremains Road,  
BRIDGEND  
CF 31 1TZ

Telephone: **GRO**

8 October 2003

Dear Alan

**REF: POST OFFICE LTD SERVICES AT CRAIG Y DON**

Thank you for your letter of xxxxxx regarding the Craig y Don Post Office and seeking clarification regarding any TUPE obligations on the removal of the Post Office service from your premises.

Firstly, I must emphasise that a Subpostmaster operates under a Contract for Services and as such, any one employed as a Post Office assistant are his/her employees. The present circumstances regarding the Post Office in Craig y Don mean that your assistants are likely to remain your responsibility.

If the branch closes, you as the employer would therefore be responsible for any redeployment of your staff and any redundancy should you take such a decision.

If we succeed in our ambition to retain a Post Office counter service in the Craig y Don area, the degree of TUPE obligations would need to be considered against the circumstances and timing of any development.

I hope my letter has clarified the main points you raised, however, the National Federation of Subpostmasters do provide advice on TUPE legislation and I would recommend you contact them for further information.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

Subject: Craig y Don

Idos 5th November 2003. Mr A

Bates the Spmr has refused access  
as he cannot see in the contract that he should do so.

Also the Spmr has apparently said that come the closure day he will simply transfer the cash and stock through the parcel to the auditors and has no intention of granting them access to the secure area which maintains is his alone.

IN CONFIDENCE  
Mr A Bates

**GRO**

Celtic Court,  
Tremains Road,  
BRIDGEND  
CF 31 1TZ

Telephone: **GRO**

20 October 2003

Dear Mr Bates

As you are aware, your last day of service is on the 5<sup>th</sup> November 2003 when your Contract for Services as a Subpostmaster ends.

In order to enable you to run the sub Post Office, Post Office Ltd has loaned to you various items of equipment belonging to it such as scales, alarms, safes and the Horizon computer equipment. There is also cash and stock at the office which will need to be removed on or before your last day of service.

On the 8<sup>th</sup> October 2003, a representative of the NIET team, John Bourke, went to your office by arrangement with you to survey the items of equipment which will need to be removed on or before the 5<sup>th</sup> November 2003. In order to do this, Mr Bourke needed access to the secure area at your Post Office, but you refused him access saying that there was nothing in your Contract for Services which required you to allow such access.

I agree that this situation is not expressly covered in the standard Subpostmasters Contract, but I am sure you will appreciate that Post Office Ltd needs to inspect the area to see if there will be any problems with removing particular items such as the safe on or before the 5<sup>th</sup> November 2003. If access is not allowed to the secure area, it may well be that the removal of the goods and equipment belonging to Post Office Ltd will have to be delayed if unforeseen problems with the removal are experienced before 5<sup>th</sup> November 2003 and I do not consider that this is in the interest of yourself or of Post Office Ltd.

/: Although

Although not a specific term of the contract, I have been advised that it would be an implied term of the contract to allow Post Office Ltd's business to function properly, that access should be granted to an authorised Post Office employee who properly identifies himself. I would point out that procedures for allowing access to official visitors are detailed in Section 9 - Page 19 of the Counter Attack Booklet. The Counter Attack Booklet forms part of the Operations Manual/Postal Instructions mentioned within Paras 13 - 17, Section 1 of the Contract for Services.

I would be grateful therefore if you would please reconsider your decision and allow access to the secure area to allow the inspection to take place. The date and time of the visit can be arranged to suit yourself and there is no reason why you should not be present at all times while Mr Bourke is in the secure area inspecting the goods and equipment.

It is accepted that the premises of which the secure area is a part belongs to yourself as the Subpostmaster and owner of the premises, but the cash, stock and equipment all belong to Post Office Ltd and while the contract is in existence, you are responsible for looking after all these items and as such, we would expect your cooperation in allowing Post Office Ltd access to inspect and safeguard its property.

I am also aware that you have apparently said that when the office is defunded you will simply transfer the cash and stock through the parcel hatch to the auditors who attend on that date and that you have no intention of granting them access to the secure area. If you insist on this procedure you would be putting at risk the security of the auditors and the security of the cash and stock at the office and you do have a contractual responsibility for the cash and stock under Section 12, Paragraph 5 of your Contract for Services. You would also be responsible for any losses caused by the lack of access to the secure area if that were to cause any losses to occur. Again, I would ask that you cooperate with the Auditors and allow them access to the secure area which is where the final audit takes place on the last day of service, or earlier if appropriate, of all Subpostmasters.

Post Office Ltd wishes to deal with all matters relating to the Craig y Don Sub Post Office as efficiently and quickly as possible and I would therefore ask for your cooperation and goodwill in enabling the goods and equipment to be inspected and then removed and for the cash and stock to be safely recovered from the office. Can you please therefore confirm that Mr Bourke can obtain access to the secure area in the near future to enable the necessary inspection to take place and that the Auditors will be allowed access to the secure area on the Tuesday 4<sup>th</sup> November 2003 the intended day for the audit of accounts and removal of the official cash and stock.

I look forward to hearing from you as soon as possible.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

.....

IN CONFIDENCE

Mr A Bates  
Subpostmaster



Celtic Court,  
Tremains Road,  
BRIDGEND  
CF 31 1TZ

Telephone:

27 October 2003

Dear Mr Bates

I am writing following our telephone conversation of today, 27<sup>th</sup> October 2003. I can confirm that your decision not to grant permission for an interim service arrangement from your premises has been noted.

We will now proceed with the closure as previously advised.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

IN CONFIDENCE

Mr A Bates  
Subpostmaster

**GRO**

Celtic Court,  
Tremains Road,  
BRIDGEND  
CF 31 1TZ

Telephone: **GRO**

30 October 2003

Dear Mr Bates

Thank you for your letter dated 29th October 2003.

In reply to your letter, I wish to refer you to my letters dated 2<sup>nd</sup> September 2003 and 19<sup>th</sup> September 2003 concerning interim arrangements at Craig y Don Post Office to which you failed to reply to by the given date.

Yours sincerely

**MIKE WAKLEY**  
Retail Line Manager

**GRO**

24<sup>th</sup> October 2003

Dear Mr A Bates

**Re: Closure of Craig-Y-Don Branch**

I am writing to confirm the arrangements for the closure of the above post office.

- The time & date of the office closure to the public is **17.30 on 03/11/03**
- The time & date of the final audit is **09.00 on 04/11/03**
- The time & date for the removal of cash & stock is approximately **12.30 on 04/11/03**.
- The time & date for the removal of the Horizon equipment is **10.00 on 04/11/03**.
- Your last day of service is **05/11/03**

#### Alarm

The existing alarm system will be removed from the secure Post Office area within your premises on **Tuesday 04/11/03**

#### Signage

It is your responsibility to remove all internal and external Post Office branded signage. Please arrange for this work to be completed by **Tuesday 04/11/03**

#### Horizon

You will shortly receive a number of boxes for the Fujitsu engineer to pack the Horizon kit after decommissioning. Please keep these safe and do not use for any other purpose. Your horizon terminal (s) will be uplifted **on Tuesday 04/11/03** the electrical supplies and ISDN box (BT) will be left in place. BT will disconnect the line outside your premises at some point over the next few days – if you wish to remove the internal fittings you may do so from **05/11/03**

#### Telephone

You are eligible to claim an allowance for your official telephone on a pro rata basis up to and including **Wednesday 05/11/03**. When you have paid the final bill you should forward it to the Human Resources Service Centre for a refund in the normal fashion.

Page 2 of 3

Re: **Craig-Y-Don Branch**

### **Closure Posters**

You will shortly be receiving closure notices for display. Please ensure that the details are correct and displayed as soon as possible after receipt. If there are any problems with posters please let me know as soon as possible.

### **Pension & Allowance Books**

The Audit & Inspections Team will advise you where Pension and Allowance Books should be sent. They will notify you of this, when they phone to confirm the date for your Branch audit. Pension and Allowance books should be sent by Special Delivery.

### **Redirection of Mail**

All mail relating to your Post Office Branch will be redirected to **Llandudno Branch Office**, as this will come into effect after your last day of trading.

### **Archiving of Office Records**

We require certain office records to be archived. You will shortly receive 5 record centre archive boxes, per Horizon counter serving position. I enclose a number of record forms for the packing of the boxes - please place one form in each of the boxes. The following gives an indication as to how the records/boxes should be arranged:-

<u>Box</u>	<u>Contents</u>	<u>Accompanying Form</u>
Box 1	Cash account records	Requesting storage for 6 Years
Boxes 2-5	Daily account records Daily undercopies Weekly undercopies	Requesting storage for 2 Years

You will need to weigh each box and affix the appropriate postage stamps. As this will need to be done before the final cash account, please allow for the extra weight of the final week's worth of records.

The boxes are to be addressed to:- **Romec Records Centre, Unit 1 Elmlea Trading Estate, Leaside Road, LONDON, N17 0XR.**

### **Datestamps**

Please retain and hand to the auditor when they arrive at your office.

### **Stores & Manuals**

We will require you to make waste any unused stores and manuals. We are unable to collect and re-cycle this material.

Page 3 of 3

**Re: Craig-Y-Don Branch**

**Claiming Official Postage**

The cost of the postage is claimed as official postage for which you will need the following forms. These can be obtained from Swindon stores: -

P4273      Official Postage Paid in Stamps  
P5365      Summary of Vouchers Claimed  
P5408      Vouchers to TP (Adhesive Label)

Complete the P4273 with the total amount of postage affixed to all storage boxes and Special Delivery items. Transfer the total amount claimed to 5365, line 3. Enter datestamp, signature and FAD code on both forms. Once the final cash account is complete both forms are to be sealed in a brown envelope with the adhesive label (P5408), this is then despatched to Chesterfield in the brown one trip pouch.

You must enter the amount of official postage claimed through the Horizon system, before the final cash account is produced. The Horizon path is: - Transactions (F1), Serve Customer (F1), Postage Stamps (F3), Enter value from P4273, Finish to vouchers (F6), Pick Other Vouchers to TP, Enter value from P4273, Finish to Cash.

**Last Day of Service**

A representative from this office will attend on **Tuesday 04/11/03** to ensure that all agreed activities have been completed. You will be asked to sign a completion certificate during this visit.

If you have any queries relating to any of the above please call me on the number below.

Yours sincerely

**Christine Randall**  
Implementation Support  
Post Office Ltd  
Network Implementation and Equipment Team  
8<sup>th</sup> Floor  
Lionel House  
86 Lionel Street  
BIRMINGHAM  
B3 1HQ

Telephone No:

Christine Randall  
Implementation Support  
Post Office Ltd  
8<sup>th</sup> Floor, Lionel House  
86 Lionel Street  
BIRMINGHAM  
B3 1HQ

Alan Bates



28<sup>th</sup> October 2003

Dear Ms Randall

In response to your letter dated 24<sup>th</sup> October 2003 I must point out that your proposed action is an attempt to deny me the ability to trade by undermining the purpose of the contract. In effect it amounts to an intentional frustration of the contract by Post Office Ltd which would allow me to recover damages from you for 2 days loss of trade for your breach.

With regard to your proposed redirection of mail. I would advise you that considerable correspondence including private and confidential mail for myself and The Wool Post will also include Craig-y-don Post office in the address. I will expect this mail to be delivered without delay and without being opened.

Also I can find no reference in the contract requiring me prepare and despatch records for archiving, would you please advise me under which section you require this undertaken, or make alternative arrangement. Would you also please clarify under which section of the contract you require me to make waste any unused stores and manuals or again make alternative arrangements.

Yours sincerely

Alan Bates  
Subpostmaster Craig-y-don Post Office

19.01.04            Your ref:

Dear  
**Re: Post Office®, Craig Y Don branch**

Mr Bates - ex  
subpostmaster at Post Office®, Craig Y Don branch.

the  
termination of Mr Bates' contract with Post Office Ltd was done following proper investigation, coupled with both proper warnings and with appropriate offers of additional training and support. Additionally, no evidence was found which, in any way, substantiates the various claims being made by Mr Bates.

It is clear to me that the decision to terminate Mr Bates' contract was not only correct, but that it was the only sensible option.

Alan Bates



27.01.05

Dear Mr Bates

Thank you for your enquiry dated 5<sup>th</sup> January 2005 requesting the following information (I quote from your letter):

- “1) My contract was terminated citing a contractual clause which only requires Post Office Ltd to give three months notice without giving a reason. Why was this clause invoked at the time that it was?
- 2) As a subpostmaster was I liable for the data the Horizon system generated at my subpostoffice. If yes how long does that liability last for?
- 3) As a subpostmaster did I have full access into the Horizon system in order to check all the data I, and my staff had input into the Horizon system?
- 4) Did Post Office Ltd ever respond to the points I raised of access to data and acceptance of liability for that data in the letters from myself dated 19<sup>th</sup> December 2000, 18<sup>th</sup> July 2001, 7<sup>th</sup> January 2002 and 16<sup>th</sup> April 2003?
- 5) Do Post Office Ltd deem that the Horizon system to be 100% accurate and without flaw or error? “

Post Office Ltd regards information relating to 1) above as a 'subject access' request under the Data Protection Act. As such, the Freedom of Information Act provides that these are handled in accordance with the requirements of the Data Protection Act. I have forwarded your request to the Data Protection Services

Page 2 of 3

Team who will contact you to clarify your requirements. Please note that a fee is usually chargeable for this service.

In relation to point 2) this is a request for a legal opinion rather than a request for information and therefore the provisions of the Freedom of Information Act do not apply.

In relation to 3) above, as transactions are made by the subpostmasters and their staff throughout the day, there are opportunities to correct errors to the data that has been manually input into the Horizon system depending on the type of transaction involved. By way of example, some transaction errors, can only be amended within 10 minutes. For daily transactions, errors can be corrected at or before the end of the day. For weekly transactions, an opportunity exists to correct mistakes until the end of the week. Therefore subpostmasters have access to all of the data that has been inputted throughout the working day, by means of producing transaction, stock unit and office reports, and an opportunity is provided to correct it. However, access to system related information, is not made available.

In relation to point 4) above:

- I can confirm a letter was received on 19th December 2000 and is on file. There is no written reply on record. However, there is an e-mail from the NBSC customer relations (Gerry Hayes) regarding Horizon and stating that ICL pathway had spoken to Mr Bates at great length about the concerns that had been raised.
- I can confirm a letter was received on 18th July 2001 and is on file from yourself in reply to a letter sent by Gerry Hayes on 16th July 2001.
- I can confirm that a letter was received on 7th January 2002 and is on file from yourself. Glenn Chester sent a reply on the 14th January 2002.
- I can confirm that a letter was received on 16th April 2003 and is on file. Mike Wakley sent a reply on 2nd May 2003.

Page 3 of 3

In relation to point 5), this is again asking for an opinion rather than a piece of information, and therefore the terms of the Freedom of Information Act do not apply.

Yours sincerely

Neil Owen  
Information Compliance Officer  
Post Office Ltd

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

6<sup>th</sup> October 2003

Dear Mr Wakley

With regard to your proposed removal of Craig-y-don Post Office from our premises would you please obtain a reply from the appropriate person and respond in writing to the following queries.

What is proposed to be undertaken to meet the obligations of the T.U.P.E. regulations? How do they effect myself and what should I be saying to my staff at the present?

**GRO**

Alan Bates, Supervisor Craig-y-Don Post Office

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates



**Reference: Losses and Gains**

Dear Mr Wakley

With regard to your letter dated 2<sup>nd</sup> May 2003, I presume the Terms and Conditions of my Contract of Service you refer to are those I acknowledged on the 31<sup>st</sup> March 1998 and not 31 March 2003 as stated in your letter.

You refer me to section 12 of that contract "The Subpostmaster is responsible for all losses caused through his own negligence, carelessness or error, and also for losses of all kinds caused by his Assistants. Deficiencies due to such losses must be made good without delay." You rightly point out that I have agreed these terms and I can confirm I would gladly make good any losses caused in these manners. But I can see nothing in this clause which states that I am also liable for data I am unable to check.

Taken to an extreme, if the Horizon system said I owed £1,000,000 you would say I would have to make good the loss without delay and without question.

There is no way I will agree to be held responsible for data I have input until such time as I am able to access the data that I am being asked to be responsible for. In trying to state that I have acknowledged such things in the Terms and Conditions of my Contract of Service you are in effect purporting to vary this contract.

As we are talking about matters contractual I would also draw your attention to item 4.5, and reference is also made in item 4.4 of the Conditions of Appointment for Craig Y Don Sub Post Office included in the Contract of Service. This relates to the National Lottery playstation which was already installed and operational when we took over the business. The Post Office removed the machine at the end of January 1999 despite all my protests both written and verbal about the loss of revenue they were going to cause me, about how it had been part of my business plan revenue projection, of how we had doubled the turnover of the terminal in the few months we had been in office. I presume the Post Office will now be returning the terminal to us and making good the loss of income we have incurred during the period we were without the terminal.

Finally, in respect of an issue I raised with you in my letter dated 3<sup>rd</sup> December 2003, namely recovering the financial shortfall from the private side of our business due to Post Office Limited's actions. Our accounts are currently with the firm of Chartered Accounts we use, who are preparing a statement on the level of shortcomings we have incurred. It will be significant and we will be looking to recover that lost income swiftly. In the meantime I would appreciate it if you would ascertain to whom the correspondence should be directed, in order to minimise the delay in meeting our claim. Or would it be better to address it to you?



Alan Bates, Subpostmaster Craig-y-Don Post Office

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

1<sup>st</sup> November 2002

**GRO**

Dear Alan

**Health and Safety**

Thank you for your letter dated 30<sup>th</sup> October 2002.

Please be advised that I have forwarded your letter on to the appropriate department for a reply.

Yours sincerely

Mike Wakley  
Retail Line Manager

Tel No.  
Fax No.

**GRO**

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

30<sup>th</sup> October 2002

**Reference: Office Procedures**

Dear Mr Wakley

Earlier this month, on your visit to this Post Office, you issued me new documents to assist in providing answers to the questions I raised in my letter to you dated 21<sup>st</sup> August 2002.

The documents were pages 1, 8, 9, 13, 14 and 15 of Post Office Counters Ltd Security Manual Chapter 3 Section 1, Issue No 4 and pages 1, 3, 53 and 72 of Post Office Counters Ltd Section 1 and Appendix 2 of the Subpostmaster Contract and Status, Issue September 1994.

Though a number of sections in these documents were highlighted, such as clearly stating that postmen must not be admitted into the secure area, they failed to give clear and unambiguous instruction or guidance as to how to deal with the items as listed in my original letter.

I am sure that you will appreciate that many of the queries in the August letter are not simply a matter of security but also have many Health and Safety implications, and I can find no reference to H&S in the documents provided. Any assistance you an offer on this would be appreciated.

I don't know if it would help but I have quite a good working relationship with my local MP, who has a keen interest in Post Office issues and is involved with a number of Parliamentary interest groups looking into the Post Office. I am sure she work be delighted to try and assist in bringing clarity to some of these Health & Safety issues if asked. Please let me know if you request.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office  
Copied to NFSP



v.postoffice.co.uk

CC:

Date: 07.10.02

RE: CRAIG Y DON - 461 614

the simple answer to Mr Bates' question is that he is contractually obliged to, "at his own expense, provide premises in which such reasonable office accommodation and fittings as Post Office counters Ltd may require are made available for carrying on the Post Office Counter Business" (Section 13,1 refers).

To this end, if he provided a siphon door then all his other problems would be answered.

If he is unable to do this then reasonable security precautions should be maintained.

However, he is responsible for the safe keeping of all Postal Packets and if deemed negligent, he could fall foul of the Post Office Act 1953, extract attached.

## Electronic *memo*

To: POSTOFFICE@POSTOFFICE  
cc:  
Hard Copy To:  
Hard Copy cc:  
Date: 08/10/2002 20:04  
From:  
Subject: Craig Y Don

I have faxed a copy of the letters from Mr Bates, Sub postmaster Craig Y Don PO.

In his second letter following the verbal replies from he has quoted. 'Though I am now concerned about any liabilities arising from the queries raised, I believe I am right in presuming that these will remain with Post Office Limited until such times as acceptable written guidance is provided, anything other would be unreasonable'.

My understanding is that he is responsible for providing premises, which are suitable for carrying out Post Office business, and any H&S issues.

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

30<sup>th</sup> September 2002

**Reference: Office Procedures letter dated 21<sup>st</sup> August 2002**

Dear Mr Wakley

I refer to my letter to you dated 21<sup>st</sup> August 2002. As you suggested, I contact the helpline and faxed a copy of the letter to them. They in turn have informed me that they are unable to supply a written reply to my queries. In pursuing the matter on my behalf they were informed that these were contractual matters and as such were not able to respond to these questions.

So I am now back where I started, totally unclear as how to deal with the situations I described in the original letter. Though I am now concerned about any liabilities arising from the queries raised. I believe I am right in presuming that these will remain with Post Office Limited until such time as acceptable written guidance is provided, anything other would be unreasonable.

**GRO**

Alan Bates, Subpostmaster Craig-y-Don Post Office  
Copied to NFSP

**POST OFFICE LIMITED  
HIGH PROFILE CASE**

**SPICE: 1-545709105**

**CUSTOMERS NAME: Mr Alan Bates**

**YOUR DEADLINE: 20/08/03**

**SUBJECT: Mr Bates disputing decision to terminate  
his subpostmaster contract**

Mr A Leighton  
Chairman, Royal Mail Group plc  
148 Old Street  
LONDON  
EC1V 9HQ

Alan Bates

**GRO**

7<sup>th</sup> August 2003

Dear Mr Leighton

I am writing to you with regard to a letter I have just received from Post Office Limited giving me formal notification of their decision to in terminate my Subpostmaster contract. As Chairman of the group responsible for Post Office Limited I thought it important that you should be aware of what is being undertaken in your name.

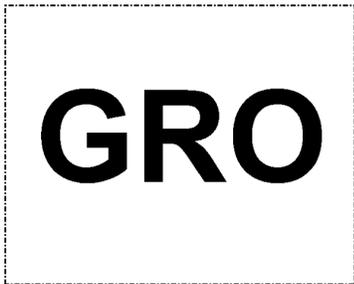
Please find enclosed a copy of that letter as well as copies of previous correspondence and notes regarding the problems in question, which I have tried to keep in a chronological order. In reality this matter should never have reached this stage but the extremely poor handling by Post Office management in the past has led to the situation which could result in us not only losing our business but also our home.

Unlike the Post Office I do not have endless funds to fight this injustice through the courts, but I do realise it is imperative for as many people as possible have an opportunity to see the in detail the management style applied by Royal Mail Group to the very public face of the local Post Office. It is again trying to use what seems to be so often described as its outdated 'Stalinistic' management approach, in order to bludgeon its will onto the poor Subpostmaster, with an issue that could bankrupt every sub post office in the country. Whilst I appreciate that principles can be expensive, I cannot agree to any position which would leave me (and every other Subpostmaster) liable for claims of millions of pounds from the Post Office without any redress or access to data to check such claims.

My only defence, until I can find an organization willing to offer support, is to ensure that the media and all those politicians who represents a ward with a subpostoffice, as well as everyone who runs a subpostoffice or uses one, has an opportunity to read all the facts. To that end these documents enclosed and others will shortly be available online, once the hoarding for the front of our building advertising our website [www.postofficevictims.org.uk](http://www.postofficevictims.org.uk), is ready in week or so. Originally I had registered [www.postofficevictim.me.uk](http://www.postofficevictim.me.uk) to use, but as the launch will undoubtedly bring up many other cases from across the country it was thought a larger and less personal site would be more appropriate.

It is important for me to make clear that as I have not breached my contract, I will not be ceasing to trade on 5<sup>th</sup> November 2003, if I did then I certainly would be in breach of my terms. If you read the enclosed documentation all is self evident.

I am sure you can tell that my back is up against a wall, but until the hoarding is ready and in place and all the web pages are downloaded to the server I would welcome any option that would resolve this matter with the minimum of fuss and without the national publicity this issue is bound to draw, hence my letter to you as a last attempt to reach a sensible conclusion.



**GRO**

Subpostmaster Craig-y-don Post Office

To: [redacted]  
cc: [redacted]  
Subject: Case 1-545709105, Bates

February 02? Is there a report for the extra Horizon training arranged for Mr Bates in

To:  
cc:  
Subject: Craig y Don

have just read through the paperwork relating to the issues raised by Mr Bates at Craig y Don Post Office® and the only reference made to NR that found so far is one in the summary :

Mr Bates informed him that:

'He has attended a meeting held by the NFSP and has been made aware of who would be staying as a result of NR. Mr Bates stated he would only stay if he can do the full range of services!

Other than that the pages and pages of letters and responses focus on his apparent reluctance to carry out business requirements to balance, clear losses and/or gains. He appears to have been given some remedial training on Horizon, and support from other than that nothing appears to have been discussed, at least in writing, about NR. Do you still want to see a copy of his letter/ reply?

20/08/2003 10:41

Subject: Re: Case 1-545709105, Bates

Bates had £1100 written off  
and was told in no uncertain terms at the time that any losses in future would  
be his responsibility. The fact that more have since come to light has been one reason for his ultimate  
termination of contract.

23 July 2003

**Reference: Loss of Income**

Dear Mr Wakley

In previous correspondence to you I have brought to your attention the fact that we have incurred considerable loss to the income of the private side of our business due to Post Office Network Reinvention.

The sum has now be quantified for the net loss for the period from 9<sup>th</sup> April 2002, when we were first notified of being an urban branch and therefore included for consideration of closure by the Post Office, up to our financial year end 31<sup>st</sup> March 2003. This claim is for that period only, further claims will be submitted for all following periods until the outcome of the Post Office Network reinvention issue for this office is finalised.

As has been put in writing previously, we have had little choice but to "stand still" in the non post office side of our business (see my letter dated 11<sup>th</sup> November 2002). This was through no doing of our own but purely a result of the predicament we were placed in by the Post Office and as such we are not unreasonably seeking to recover our losses due to your decision.

In a previous letter I had requested the information as to whom this claim should be addressed to. As I received no response indicating others, I am presuming that this claim should be made to Post Office Limited through yourself.

The amount that has been calculated that I am claiming is £2,743.68 for the period as given above. Needless to say as a small business we would very much appreciate this claim being processed as soon as possible. If you would let me know what supporting documentation you require or should you prefer the claim to be submitted in a different format or to another department, please let me know otherwise I will presume this submission through yourself is correct.

Yours sincerely

Alan Bates, Subpostmaster Craig-y-Don Post Office

Mr A Bates

**GRO**

**22 August 2003**

Dear Mr Bates

**Network Reinvention**

Thank you for your letter dated 23 July 2003 to Mike Wakley, to which I have been asked to reply.

It is simply incorrect to state that any loss of income to the private side of your business is due to Network Reinvention; the urban area designation letters (one of which you claim in your letter to have received) made it very clear that you "should not make any assumptions" based upon such designation. The letter went on to say that your branch would not necessarily be one involved in merger or closure etc, and therefore you could not have been "placed in a predicament" by Post Office Ltd.

You will be aware that one of the main conditions for participation within the Network Reinvention Programme is that the Subpostmaster has a current Subpostmaster's Contract in force; as your Contract has been terminated, you fall outside the terms of the Programme, and it therefore cannot apply, in any way, to your Post Office® branch.

Yours sincerely

Freda M Bates  
Network Reinvention Programme  
Post Office Ltd  
3 Infirmary Street  
Leeds  
LS1 1AJ

**GRO**

Mr A Bates



20.08.03

Dear Mr Bates

Thank you for your letter dated 7<sup>th</sup> August addressed to Allan Leighton, Chairman Royal Mail, which has been forwarded to me for reply.

I have now completed my enquiries into the issues you have raised, and in doing so I have spoken with a number of the personnel involved in the search for a solution to the situation at Craig y Don Post Office®. Although I regret that the situation has reached the point of termination of your contract, I am confident that the various teams concerned in the events have worked hard to provide support and assistance to you in a consistent and sympathetic manner. This support included a number of on site attendances to assist with balancing and also to provide extra training on the Horizon system. The aim was always that of achieving a solution to the difficulties you were experiencing in managing transactions and processes at Craig y Don Post Office® branch.

The Sub postmaster contract is clear on the requirement that postmasters must make good losses or gains made when misbalances occur and to bring error notices to account appropriately. It is evident you have consistently refused to do this, even when specifically requested to do so by the Area Management team.

The Horizon system at Craig y Don Post Office® has been reviewed and interrogated in response to your complaints, and the reports from both the Horizon Field Support team and the NBSC have confirmed

Page 2 of 2

that there is nothing inherently wrong with the Horizon system installed at the branch.

*The Sub postmaster Contract states that either party, Post Office Ltd or a Sub postmaster, may terminate the contract with three months notice without a reason being given. In this instance Post Office Ltd are exercising their right under this clause to terminate the agreement with you.*

In the circumstances I feel that the Management Team has been wholly professional, on the investigation and deliberation of this issue.

Yours sincerely

Ria MacQueen  
Case Liaison Manager

Post Office Ltd  
Operations

Telephone: **GRO**

Mr A Bates  
Subpostmaster Craig y Don SPSO

**GRO**

23 May 2001

Dear Mr Bates

Further to our meeting of 18 May 2001, I have forwarded an official privacy notice and arranged for the Sales Support Team in Bristol to send you an apology notice in respect of the non-issuing of MVL's at Craig y Don.

I have also forwarded some 'Please wait here' tape and a four-ring binder with product knowledge quiz answers for April and May enclosed within. Could I please ask for June's quiz, which is due to be sent to you shortly, to be completed by all members of staff with all answer sheets subsequently filed in the binder for my future reference.

Finally, I have made arrangements for Selwyn Berry to call at your office on Friday 8 June 2001 to assist with the resolution of accounting errors. Hopefully the outcome of the P&A check will then be known and this may give us a clearer picture as to how to proceed with clearance of the outstanding loss currently held in the office's suspense account.

Please do not hesitate to contact me if you have any issues to discuss prior to my next visit with Selwyn on 8 June.

Yours sincerely

Gerry A Hayes  
Retail Network Manager

Mr A Bates

Subpostmaster, Craigny, Don

**GRO**

16 July 2001

Dear Alan

Cash Account Loss £1041.86

I have received correspondence from the Management Information Support Duty in Birmingham advising me that they now require repayment for the loss of £1041.86 currently held in Table 2a of your Cash Account.

Unfortunately neither the visits from Selwyn Berry and Ki Barnes nor the pension & allowance checks carried out for the problematic weeks, revealed specific reasons as to how the resultant loss of £1041.86 initially occurred.

I would therefore appreciate if, as a matter of some urgency, you could advise me of your proposals to now make good the loss.

Yours sincerely

**GRO**

Gerry A Hayes  
Retail Network Manager

Sue Perry  
Sales Support  
Post Office Counters Ltd  
Lionel Street  
Birmingham  
B3 1HQ

Alan Bates

**GRO**

7<sup>th</sup> June 2001

Dear Ms Perry

In reply to your letter dated 1<sup>st</sup> May 2001 which really fails to meet many of the comments of my original letter and purely offers the standard responses, I would like to request further information.

Why is it that the majority of new services such as Photo on Licence and Passport Checking are always given to the Branch Offices as a matter of course, when it is the Branch Offices themselves which are losing nearly £1 million per week and so in reality are being subsidised by sub-offices like ourselves? From the position of running a sub-office it would seem that in such instances, even if it is not a policy, the reality of the situation seems to show that The Post Office is operating a restrictive practise in order to prop up the ailing part of the business, in this instance the Branch Offices. This is certainly not in the best interests of the customer and unlike the senior management I do spend considerable time with customers and I do have some understanding of their needs. Paragraph two of your letter states 'In an ideal world all post offices should be able to offer all products and services, unfortunately this practise is not cost effective,' so how is it cost effective to subsidise Branch Offices to the tune of £50 million per year?

In my original letter dated 1<sup>st</sup> February 2001 I pointed out that my office is growing the volume of its business month by month over previous years figures, but in real terms my income from the Post Office is reducing month after month. I presume that is either to prop up the Branch Office network or to try and recover some of the outrageous costs associated with the appalling disaster called Horizon. Before taking over this office three years ago I had spent many years working with new epos systems, both off the shelf and custom made and by comparison to what Horizon could have been, the current system is a joke. Speaking from the point of view of someone working on the counter, who has spent years working with effectives systems it is only too obvious that the system is overly complicated, slow and cumbersome. The totally inadequate report system has been made so complex and lacks the ability to interrogate the system when you know the information is inside. This is not only frustrating but causes hours of extra work for which again we do not get paid. The introduction of the system at this office has personally cost me between £1000-2000, but regardless of who you talk to nobody wants to know, it is always someone else's responsibility, never theirs!

There is no sign anywhere from any of the senior management of Post Office Network that they have a real grasp or experience of what happens at the counter. There are however plenty of words printed of how wonderful the future will be, but the future is here now and business is shrinking, and almost nothing has appeared on the counter to offset the loss.

When we took over the business three years ago, a condition imposed by POCL was to open lunchtimes and Wednesday afternoons, but the salary for the office was not increased to cover this. We were told the extra revenue generated during these periods would cover costs. Three years on and there is still no sign of this so called extra income as the reality is that business has just time shifted. Oh, we also have to redirect all the people wanting MVL's to the nearest Branch Office as all the surrounding sub offices which offer MVL's are closed on lunchtimes and Wednesday afternoons. These extra hours, nearly 500 over the year, have effectively reduced our salary an extra £2000 per year, but nobody wants to know or do something real to try and help!

Whilst I am commenting on the ways POCL bullies financial pressures onto a small business such as ours, there is the matter of the National Lottery Terminal at this office. This not only formed part of the contractual conditions for taking over the office which required us to stay open longer on Lottery night to provide the service, but also formed part of our income in our business plan. Within a few months of taking over the business and doubling the Lottery turnover, POCL came and took the terminal away as you felt you could make more money with it elsewhere, a sort of 'to hell with the contract we can do whatever we like, we're POCL' attitude, and again nobody wants to know!

Returning to your letter you state 'that 92% of the population in Britain were situated within 2 miles of an office offering the DVLA facility'. The 92% was achieved without Craig-y-don Post Office and presumably these offices also offer all other Post Office products. Therefore Post Office products would still be available to 92% of the population if Craig-y-don Post Office closed. So either make me an offer to close the Post Office side of my business and thereby increase the profitability of surrounding offices or provide me with the services my customers require and ensure the viability of this office. To let the situation fester on is not only poor management with an increasing financial burden for this and the other surrounding offices, but it also raises the question of the morality of Post Office Networks' actions.

I know your response to my queries and comments will be how you sympathise with my comments and how they have been forwarded to whoever, but at the end of the day, nobody has the responsibility to actually do something real and make a difference.

# GRO

Subpostmaster Craig-y-don Post Office

IAI

Mr Gerry Hayes  
Retail Network Manager  
Post Office Network  
60 Deiniol Road  
BANGOR  
LL57 1AA

Alan Bates

GRO

19<sup>th</sup> December 2000

**Reference: Horizon Faults**

Dear Mr Hayes

Further to our telephone conversation on the morning of Thursday 14th December after the problems with our balance the previous day, I thought it prudent to confirm the details to you in writing.

The balance at this office on the Wednesday the 13<sup>th</sup> December was not only very stressful but also very worrying. The evidence that appeared during that day proved beyond any doubt that the Horizon system cannot be relied upon to give 100% accurate figures. The problem which was highlighted to this office that day was with regard to Giro Deposits and at one point the weekly returns were showing a variance, to the addition of the daily returns, of over £6000.

The whole of that afternoon was spent making a number of phone calls to the different helplines, one of almost 1 hour long, and kept two of the three terminals producing nothing but reports, at a peak trading time when we had queues out of the door; though eventually I did manage to track down the majority of the money. That said the cash account for that week is still showing a shortage of £1182.81. I can without any doubt attribute £368.50 of that to Giro items that have been double entered and that I am unable to track because of the way Horizon is set up. Of the remaining £814.31 shortage, I am presuming that £409.15 of that is the shortage from the previous week that has become added to the total. This leaves a difference £405.16 which I am unsure of where it comes from. It may well be a Giro system error as might be the previous weeks £409.15 shortage or it may be something else. Unfortunately the current Horizon system does not let you access previous transactions adequately enough to track problems with shorts or overs at the end of the week.

Having spoken to the local Branch Secretary of the Federation of Subpostmasters on these problems and realising the problems I am experiencing are being found by others around the country I really do believe it would be unreasonable for Post Office Network to hold me liable for losses on the cash account until such time as 100% guarantee can be given about the accuracy of Horizon.

I had been hoping to leave any comments in writing about Horizon until the Office is quieter in January and then write a detailed submission about the cost we have incurred with it (around £1000), the problems with the counter (staff working with money and stamp books on chairs or on the shelf behind them), the very poor layout

I Aii

of the screen and menus, the slowness of the printers, the lack of report writing facilities, the chaotic end of day and end of week procedures and the problems of having to do 'office work' at a terminal on the counter. Given time I shall produce the report for you.

Please do not think that I am being nothing but negative about the system, I am a firm believer in the way forward being through such a system. But bear in mind my comments are made by someone who has had considerable experience of EPOS systems before joining the Post Office in 1998. I first began working with them in 1986 and have used a variety of systems, I have been involved with running an assessment program on one system and have developed and implemented a large site specific package with a software development company. So I do have some insight into these systems and I would gladly be willing to offer constructive feedback if asked.

With regard to the current deficit showing on our cash account for last week how do you want me to progress this week's balance? Should I just roll it through and see what happens, or what?

I would be very grateful for any guidance or assistance you can offer on this matter.

Your sincerely

Alan Bates  
Subpostmaster Craig-y-Don Post Office

Notes accompanying the correspondence  
relating to the current situation

The Post Offices' Horizon computer system was brought on line at Craig-y-don Post Office in September/October 2000, and right from the very beginning there were problems. It is true that it was a new system and it took some time to become familiar with it but the problems were far more than that. From my point of view the main issue was always, and is still, the lack of access to the system to obtain details of the data which I have input and which Post Office Limited wants me to accept financial liability for. In the early days it was not uncommon to spend an hour on the telephone to the 'helpline' trying to locate pieces of information and at the end of that time just give up. Nowadays there are very few calls to the 'helpline' to try and locate data, mainly because both we and they know it is not feasible to access it.

Shortly after a software upgrade in December 2000 we had a lot of problems with Horizon and after numerous telephone calls I wrote the letter dated 19<sup>th</sup> December 2000 1Ai, 1Aii. I had some assistance to look for these losses, but those I spoke with had little or less knowledge of these systems than I did and could not access the data any further than I was able. Eventually these shortages were bundled up and left in a 'suspense account' until they could be resolved and a series of letters 1B, 1C, 1D, 1E, 1Fi, 1Fii show the progress and the conclusion. My personal belief, based on my experiences and from stories I hear, is that the Post Office are having considerable problems with the Horizon software, and this was especially true in the early days.

Over the years the Horizon system been upgraded and 'improved', and is possibly more robust than when it first appeared as it does allow some data to viewed, albeit in a limited way. I have made endless telephone calls, spoken to many people, written many letters and have only received an occasional acknowledgment of my comments, and very few in writing regardless of the strenuous efforts I have made. There have been numerous personnel changes of those I am responsible to, or in correspondence with, and almost no structured approach to management that I can make sense of. So if the letters enclosed are a bit disjointed, that is probably why.

Returning to the current issues, these began with a letter received from Mike Wakely dated 14<sup>th</sup> April 2003 that I responded to on 16<sup>th</sup> April 2003, which in turn brought the letter dated 2<sup>nd</sup> May 2003 after which I sent my letter dated 15<sup>th</sup> May 2003 in response. See items 2A, 2B, 2Ci, 2Cii, 2D.

Paragraph 2 of the Post Office letter dated 2<sup>nd</sup> May 2003 (2Ci, 2Cii) states “*Nevertheless I must point out that you are Bound by the Terms and Conditions of your Contract for Services, which was acknowledged by you on the 31 March 2003, when accepting your appointment*”.

There are two items about this statement I want to bring to your attention, though they are not really the crux of the matter, just an example of management style.

- i. I acknowledged no Contract for Services on the 31 March 2003. I did however, acknowledge a Contract for Services on the 31 March 1998, a copy of which is attached, items 3A, 3Bi, 3Bii, 3Biii.
- ii. Item 4.5, and reference is also made in item 4.4 of the conditions included in the Contract of Service (3Bii), relates to the National Lottery playstation which was already installed and operational when we took over the business. The Post Office removed the machine at the end of January 1999 despite all my protests both written and verbal about the loss of revenue they were going to cause me, about how it had been part of my business plan revenue projection, of how we had doubled the turnover of the terminal in the few months we had been in office. The Post Office nowadays claim it was a Camelot decision and nothing to do with them, but I have clear, unambiguous written proof that the Post Office made the decision. See item 4.

I realise I digress but I think it is important to see the ways we have been treated over other issues, and there are numerous other examples I could supply you details with.

Returning again to the current issue, paragraph 3 of the Post Office letter dated 2 May 2003 (2Ci) refers to Section 12 of the Subpostmaster contract. A copy of Section 12 is attached, items 5A, 5B, 5C, 5D.

I have also included a letter I wrote dated 13<sup>th</sup> February 2002, item 6, which gives further insight into the problem as well as a copy of the letter 5 August 2003, items 7i, 7ii, in which Post Office Limited have issued the three months notice which I do not recognise as I am clearly not in breach of my contract.



1 B

Mr A Bates  
Subpostmaster Craig y Don

Cownteri Swyddfa'r Post Cyf  
Post Office Counters Ltd

**GRO**

16 July 2001

Dear Alan

**Cash Account Loss £1041.86**

I have received correspondence from the Management Information Support Duty in Birmingham advising me that they now require repayment for the loss of £1041.86 currently held in Table 2a of your Cash Account.

Unfortunately neither the visits from Selwyn Berry and Ki Barnes nor the pension & allowance checks carried out for the problematic weeks, revealed specific reasons as to how the resultant loss of £1041.86 initially occurred.

I would therefore appreciate if, as a matter of some urgency, you could advise me of your proposals to now make good the loss.

Yours sincerely

**GRO**

Gerry A Hayes  
Retail Network Manager

Cownteri Swyddfa'r Post Cyf  
Post Office Counters Ltd  
Gogledd Cymru a Gogledd Orllewin Lloegr  
North Wales and North West  
60 Deiniol Road  
Bangor  
Gwynedd LL57 1AA

**GRO**

Post Office Counters Ltd Registered in England  
No: 2154540 Registered Office Gavrelle House  
2-14 Bunhill Row London EC1Y 8HQ

IC

Mr Gerry Hayes  
Retail Network Manager  
Post Office Network  
60 Deiniol Road  
BANGOR  
LL57 1AA

Alan Bates

**GRO**

18<sup>th</sup> July 2001

Dear Gerry

In reply to your letter dated 16<sup>th</sup> July 2001 I would like to draw your attention to the letter I sent you on the 19<sup>th</sup> December 2000. It related the problems with Horizon which I believe led to the losses at that time.

As I have said to you and every other person that has ever visited with regard to the problems with the Horizon system, it is nigh on impossible to access the data I as a subpostmaster need in order to track problems or accept responsibility for the processing through this office. It is not that the data is not within the system, and it is not that Chesterfield can access this data in many other ways. But I as a front line user need to be given the tools, such as a report writer package which can access files on a read only basis, to enable me to look for problems, duplications or errors, easily and effectively. The alternative, and this seems to be the essence of your letter, is that I should subsidise the shortcomings of this system.

I hope this clarifies my position and answers your letter.

Yours sincerely

Alan Bates  
Subpostmaster Craig-y-Don Post Office

1 D

Mr Glenn Chester  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

7<sup>th</sup> January 2002

**Reference: Horizon Faults**

Dear Mr Chester

As you are aware the cash account for this office is still showing an amount of £1041.86 in the suspense account. This cumulative figure was placed in the suspense account towards the end of 2000 and I have on doubt at all that it was due to errors in the Horizon system over a number of weeks at that time. In my letters to Gerry Hayes dated 19<sup>th</sup> December 2000 and 16<sup>th</sup> July 2001, neither of which did I receive a written reply to, I gave further details on this matter.

I really do think that enough time has now passed for Post Office Limited to have resolved this issue and that unless I receive a written comment to the contrary by the end of this month I will take it that this matter is closed. When I signed my contract with Post Office Counters I did not sign to accept the liabilities arising from the shortcomings of a less than adequate Horizon system, all liabilities from such a system are clearly the responsibility of Post Office Limited or ICL Pathway.

Allowing this issue to drag on not only continues the stress and strain of the original problems but I fear also continually casts doubt over my honesty and that of my staff. Therefore I would greatly appreciate it if you would bring this matter to a head in order that we can move on.

Your sincerely

Alan Bates  
Subpostmaster Craig-y-don Post Office

IE

Mr A Bates  
Subpostmaster



14 January 2002

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“an essential part of everyday life” [www.postoffice.co.uk](http://www.postoffice.co.uk)

Dear Mr Bates

Thank you for your letter of 7<sup>th</sup> January 2002 regarding the counter shortage of £1041.86p currently being held in your office suspense account. Taking into account the length of time which has now elapsed since your concerns were first raised, I would agree with your comments that this matter now needs to be brought to a swift conclusion and I offer my apologies for the delay. With a view to bringing this matter to a speedy conclusion, I have forwarded your letter onto Mike Wiatrowicz (Post Office Ltd, Management Information Team, Birmingham Tel. **GRO**) who co-ordinates and controls all such enquiries. I have asked Mike Wiatrowicz to pursue this matter with some urgency and hope to be in a position to reply to you shortly.

Yours sincerely

**Glenn Chester**  
Retail Line Manager

Swyddfa'r Post Cyf. Wedi'i Gofrestru yn Lloegr. Rhif: 2154540  
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IFI

Mr A Bates

**GRO**

06 March 2002

Dear Mr Bates

Re: Aged Shortage - Horizon Case Write-Off



"an essential part of everyday life" [www.postoffice.co.uk](http://www.postoffice.co.uk)

OFFICE: Craig-Y-Don SPSO      OFFICE CODE: 461 614

First of all I would like to apologise for the length of time it has taken to resolve this matter. It has been necessary to formulate a consistent approach for all such cases.

Post Office Ltd has received from you a short report setting out your reasons why you do not accept liability for the shortage of £1,041.86p at your post office.

After due consideration of the facts surrounding the loss and of your report, Post Office Ltd has decided to take no further action in respect of the loss at your post office which will be written off. This decision has been made without prejudice to Post Office Ltd's rights to recover any future losses at your post office for which you may be liable under the contract for services and does not affect any future liability you may have for such losses.

To enable me to monitor progress for all such losses could you please complete the section on the next page. Once the loss for £1,041.86p has been cleared from your suspense account, you must return the **whole** letter to me in the self addressed envelope provided. (A copy of this letter is enclosed, for retention at your office).

If I do not receive a reply from you by 22 March 2002 then it will be necessary for me to contact you to ascertain what the delay is.

Page 1 of 2

Mike Wiatrowicz  
Management Information  
86 Lionel Street  
Birmingham B3 1HQ

**GRO**

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1Fii

Page 2 of 2

Re: Repayment by Deduction from Remuneration

Thank you for your co-operation in this matter

**GRO**

Mike Wiatrowicz  
Management Information Support



Post Office Ltd  
Finance  
Management Information  
Lionel House  
86 Lionel Street  
BIRMINGHAM B3 1HQ

Telephone: **GRO**

Facsimile:

E-mail: **GRO** **GRO**

Craig-Y-Don SPSO

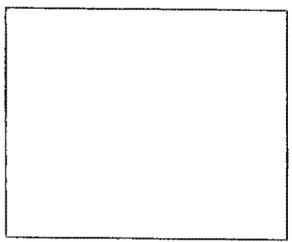
461 614

I have received a Write Off Authority Voucher to the value of  
£1,041.86p which has been cleared from my suspense account on  
(date)..... and the voucher has been cleared in the  
appropriate manner in cash account week number.....

Signature .....

Datestamp

Print Name .....



2A

Celtic Court  
Tremains Road  
BRIDGEND  
Mid Glam  
CF31 1TZ

**IN CONFIDENCE**

Mr A. Bates  
Subpostmaster



14<sup>th</sup> April 2003

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“an essential part of everyday life” [www.postoffice.co.uk](http://www.postoffice.co.uk)

**Reference: - Losses and Gains**

Dear Alan,

Further to our conversation, you confirmed that you have been rolling over losses and gains for the past two years or more. I was unaware of this practice taking place at Craig Y Don and acknowledge your comment that you wrote to the Post Office regarding Horizon, losses and gains over two years ago and that to date you have not received any reply or acknowledgment.

I am now instructing you, that with immediate effect, you are required to make good the outstanding loss and to cease with this current practice of rolling over any losses and gains.

Please be advised that Subpostmasters are responsible for all losses caused through their own negligence, carelessness or error and also for losses of all kinds caused by their assistants. Deficiencies due to such losses must be made good without delay. With regard to gains, surpluses may be withdrawn provided that any subsequent charge up to the amount withdrawn is made good immediately.

Thank you

Yours sincerely



Mike Wakley  
Retail Line Manager

Swyddfa'r Post Cyf. Wedi'i Gofrestru yn Lloegr. Rhif: 2154540  
Swyddfa Gofrestredig: Tŷ Gavrelle, 2-14 Bunhill Row, Llundain EC1Y 8HQ  
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2B

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

16<sup>th</sup> April 2003

**Reference: Losses and Gains**

Dear Mr Wakley

I am in receipt of your letter dated 14<sup>th</sup> April 2003 confirming our conversation regarding losses and gains at our office which have always been rolled over since the installation of Horizon. I appreciate that you may well have been unaware of this practice at the office but can assure you many others Post Office staff knew of it.

My comments regarding this were well documented in a number of letters to Post Office Counters Limited such as that dated 19<sup>th</sup> December 2000 to my then Retail Line Manager, Gerry Hayes, which like all letters was sent recorded delivery.

The problem with rolling over the losses and gains is that I presume I would be accepting liability for them which is something that I have pointed out in writing to you since the introduction of Horizon here, I am unable to do until such time as I am able to access the data that I am being asked to be responsible for. As I have written previously "The totally inadequate report system has been made so complex it lacks the ability to interrogate the system when you know the information is inside", if I am unable to access the data to check items it is totally unreasonable to expect me to accept the liability from uncheckable data.

Yours sincerely

Alan Bates, Subpostmaster Craig-y-Don Post Office

Bates has demonstrated in lots of other ways his disaffection with PO Ltd and lack of cooperation. We take the view he is not a person who wants to work with us and it would be better off without him. We are clearly within our rights to end our contractual relationship with 3 months notice and this is what we have done

2Ci

Celtic Court  
Tremains Road  
BRIDGEND  
CF31 1TZ

2 May 2003

Mr A Bates



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“an essential part of everyday life” [www.postoffice.co.uk](http://www.postoffice.co.uk)

Dear Mr Bates,

**RE: LOSSES AND GAINS**

Thank you for your letter of the 16 April 2003, the content of which has been noted.

Nevertheless, I must point out that you are Bound by the Terms and Conditions of your Contract for Services, which was acknowledged by you on the 31 March 2003, when accepting your appointment.

To this effect you are charged with ensuring that all accounts entrusted to you are kept in the form prescribed by Post Office Ltd, by using the approved accounting system i.e Horizon, and therefore, in the event of any losses occurring these should be made good without delay (Section 12, paragraph 4, Section 12, paragraph 12 refers).

Accordingly, failure to comply with these obligations can be construed as a Breach of Contract, which could ultimately put your Contract for Services 'at risk'.

:/ |

Swyddfa'r Post Cyf. Wedi'i Gofrestru yng Nghymry a Lloegr. Rhif: 2154540  
Swyddfa Gofrestredig: 80-86 Old Street, Llundain EC1V 9NN  
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i Swyddfa'r Post Cyf yn y Deyrnas Gyfunol ac mewn gwledydd eraill.

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# 2 Cii

I would therefore, request that you acknowledge the content of this letter within 10 days of its date of posting, confirming that your accounts are being maintained in the correct fashion. Which would also include adhering to the proper procedure in respect of making good your losses, as per your Contractual Obligations.

Yours sincerely,

**GRO**

**MIKE WAKLEY**  
Retail Line Manager

To: **MIKE WAKLEY**  
Retail Line Manager

- I note the contents of this letter and confirm that my accounts are being maintained in the correct fashion

Signed: .....

Date: .....

Mr Mike Wakley  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

2D

Alan Bates

**GRO**

15<sup>th</sup> May 2003

**Reference: Losses and Gains**

Dear Mr Wakley

With regard to your letter dated 2<sup>nd</sup> May 2003, I presume the Terms and Conditions of my Contract of Service you refer to are those I acknowledged on the 31<sup>st</sup> March 1998 and not 31 March 2003 as stated in your letter.

You refer me to section 12 of that contract "The Subpostmaster is responsible for all losses caused through his own negligence, carelessness or error, and also for losses of all kinds caused by his Assistants. Deficiencies due to such losses must be made good without delay." You rightly point out that I have agreed these terms and I can confirm I would gladly make good any losses caused in these manners. But I can see nothing in this clause which states that I am also liable for data I am unable to check.

Taken to an extreme, if the Horizon system said I owed £1,000,000 you would say I would have to make good the loss without delay and without question.

There is no way I will agree to be held responsible for data I have input until such time as I am able to access the data that I am being asked to be responsible for. In trying to state that I have acknowledged such things in the Terms and Conditions of my Contract of Service you are in effect purporting to vary this contract.

As we are talking about matters contractual I would also draw your attention to item 4.5, and reference is also made in item 4.4 of the Conditions of Appointment for Craig Y Don Sub Post Office included in the Contract of Service. This relates to the National Lottery playstation which was already installed and operational when we took over the business. The Post Office removed the machine at the end of January 1999 despite all my protests both written and verbal about the loss of revenue they were going to cause me, about how it had been part of my business plan revenue projection, of how we had doubled the turnover of the terminal in the few months we had been in office. I presume the Post Office will now be returning the terminal to us and making good the loss of income we have incurred during the period we were without the terminal.

Finally, in respect of an issue I raised with you in my letter dated 3<sup>rd</sup> December 2003, namely recovering the financial shortfall from the private side of our business due to Post Office Limited's actions. Our accounts are currently with the firm of Chartered Accounts we use, who are preparing a statement on the level of shortcomings we have incurred. It will be significant and we will be looking to recover that lost income swiftly. In the meantime I would appreciate it if you would ascertain to whom the correspondence should be directed, in order to minimise the delay in meeting our claim. Or would it be better to address it to you?

Yours sincerely

Alan Bates, Subpostmaster Craig-y-Don Post Office

3A



Mr A Bates



Cownteri Swyddfa'r Post Cyf  
Post Office Counters Ltd

30 March 1998  
Our Ref: NEWAPP1

Dear Mr Bates

I am delighted to inform you that your application for the Subpostmastership of Craig y Don Post Office, in the premises situated at 21 Queens Road Craig y Don Llandudno, has been successful.

The transfer of the office will take place on a mutually convenient date, normally on the half day closure, when a member of Post Office Counters Limited staff will attend to transfer the cash and stock to you.

The present Subpostmaster has been notified of your appointment and I would be grateful if you would write to the Agency Recruitment Manager at the address overleaf when the legal affairs connected with the transfer of the business/property have been completed.

Please find enclosed with this letter two copies of a list of the main conditions attached to your appointment. Would you kindly confirm your acceptance of these conditions by signing one copy and returning it, in the envelope provided, to the Agency Recruitment Manager. Please do not hesitate to ring if you need further information about your appointment.

May I take this opportunity of welcoming you to the ranks of our local subpostmasters and of wishing you every success in this venture. Post Office Counters Ltd will endeavour to support you through every stage of your appointment. The Helpline number below is your first point of contact and the staff in our Regional Office will be only too pleased to help and advise you on any matter.

Good luck!

Yours sincerely,



Retail Network Manager

cc Security Manager

Telephone

Cownteri Swyddfa'r Post Cyf  
Post Office Counters Ltd  
Gogledd Cymru a Gogledd Orllewin Lloegr  
North Wales and North West  
Capstan House, Chandler's Point  
35 Broadway, Salford Quays  
Salford, M6 2XX



INVESTOR IN PEOPLE

KW:G\RECRUIT\NEWAPP1.DOC

YOUR COPY

3Bi

*Post Office Counters limited  
North Wales and North West Region  
Capstan House  
Chandlers Point  
35 Broadway  
Salford Quays  
SALFORD M5 2YY*

**MR ALAN BATES**  
**CONDITIONS OF APPOINTMENT FOR CRAIG Y DON**  
**SUB POST OFFICE**

- 1) The remuneration at the office is determined partly by an Assigned Office Payment (A.O.P) paid in twelve equal instalments and partly by a variable volume related Payment (called a Product Payment) which reflects the work transacted at an office in an accounting period. The Product Payment is also paid monthly and is calculated two months in arrears.

By way of example, based on last year's traffic, the Product Payment would be £23,410.47 per annum which together with the Assigned Office Payment of £14611.51 per annum equates to a total of £38,021.98 per annum.

However, in order to reflect the uncertainty and risk to Post Office Counters Ltd in making an appointment to fill this vacancy, the remuneration paid for the first 12 month period will be 75% of the payment as above. The remuneration covers any attendance during normal scheduled hours.

- 2) You will be required to attend 2 days training prior to your taking up the appointment. The training will also be offered to your spouse or partner. The Training Manager will contact you to discuss the arrangements.
- 3) The office opening hours, as agreed at interview, will be:

Monday to Friday	09.00 to 5.30
Saturday	09.00 to 12.30

3Bii

4) The following conditions will also be attached to your appointment:

4.1 Posters and Advertising

Notices and publicity must not be fixed to the counter screen without the agreement of the retail network manager. Permission will not be given for non Post Office advertisements in the Post Office area.

4.2 Quality of Service

In order to monitor the quality of service given at your office, samples of waiting times will need to be undertaken on a daily basis. The timings for these samples will be provided to you.

4.3 Signage

A signage pack depicting Post Office Counters latest corporate image, incorporating a lozenge, fascia board and window decals is to be installed at your cost within 6 months of taking up appointment. The signage to be manufactured and installed by a company nominated by POCL.

4.4 Trading Hours

Immediately upon taking up appointment, the trading hours are to be 09.00 to 5.30 Monday to Friday, and 09.00 to 12.30 on Saturday, with the private business operating until 7.00pm on Wednesday and Saturday to accommodate national lottery requirements.

4.5 National Lottery

A National Lottery playstation must be installed in a prominent position within the shop trading area.

4.6 Weekly accounting

The outlet currently utilises a computerised system to handle its accounting aspects. This arrangement which contributes significantly towards safeguarding the standards and quality of the work which is undertaken on behalf of our client customers and is a system which should continue to be used until the office is automated as part of the national programme currently being rolled out.

4.7 Introductory and ongoing procedural training.

We will provide all training necessary for yourself. It is critically important that both yourself and your staff should keep abreast of revised procedures, and become fully familiar with new elements of work that are introduced. You will therefore be expected to conduct refresher training sessions with you staff from time to time outside normal Post Office opening hours using material and training briefs that will be supplied to you,

Additionally, meeting and training sessions are organised periodically for subpostmasters by the Retail Network Manager, and under the terms of your contract you will be expected to attend these events.

**3 Biii**

**4.8 Welsh Language Act**

The Welsh Language plan, which the Post Office has prepared in response to the requirements of the 1993 Welsh Language Act, stipulates that third parties delivering services on behalf of the Post Office must comply with the contents of that plan. The main thrust of the Act is to normalise and promote the use of the Welsh language alongside English. I will provide you with a copy of the Post Office scheme under separate cover.

**4.9 Post Office Point of Sale displays**

Sufficient wall space must be afforded to accommodate two Post Office point of Sale displays. Merchandising officers, whom we will contact on your behalf, will advise you on the layout should you need to alter the existing display arrangements.

**4.10 Mystery Shopper Scheme**

Post Office Counters Ltd operate a "Mystery Shopper" scheme to check upon the standard of service given to our customers. It is run by a wholly independent outside market research organisation. The reports received, both good and bad, are being fed back to offices and, where shortfalls from your contractual commitments are revealed, we will be asking you to take any necessary corrective action.

**4.11 Queuing Area**

An adequate space must be provided for customers waiting for service. When consideration is being given at the six month stage as to what layout and product changes should be made, there should be discussions with the retail network manager regarding installing a formal queuing system.

**4.12 Counters Club**

Also at the six month stage, if product lines are being reviewed, consideration should be given at that time to joining the Counters Club, if the products are viewed to be compatible with the retail offer at Craig y Don.

- 5) As an incoming Subpostmaster there is an obligation for you to implement any Security recommendations made by our Regional security section. Any works should be completed no later than three months after your appointment, and may I remind you that no alteration to the Post Office accommodation should be made without first consulting myself.
- 6) You will be bound by the terms of the standard Subpostmasters Contract for services at scale payment offices, a copy of which is enclosed.

To: \_\_\_\_\_  
 If you \_\_\_\_\_  
 app \_\_\_\_\_  
 Sig: **GRO** \_\_\_\_\_  
 MR ALAN BATES

itions and agree to avail myself of the pre-  
 Date 31st March 1998

Office: CRAIG Y DON POST OFFICE



4

Mr A Bates  
Subpostmaster

Cownteri Swyddfa'r Post Cyf  
Post Office Counters Ltd



6 January 1999

Dear Mr Bates

**ON LINE LOTTERY TERMINAL RELOCATIONS**

I wrote to you in September to inform you that we were considering removing the lottery terminal from your office. We have held a meeting to decide which terminals need relocating and I am sorry to have to tell you that we decided to relocate the lottery terminal from your office. The terminal will be switched off by Camelot on Wednesday 27 January and collected from your office shortly after that. I shall arrange for a notice to that effect to be sent to you for display.

When making our decision we took full account of all the relevant factors. These included the viability of your office, your sales figures, what steps have been taken to increase sales, and the social and economic climate in your area. However, we have not been persuaded that the terminal should remain in your office.

I understand this decision will be extremely disappointing for you, but it has been taken with the overall needs of Post Office Counters in mind, and in the best interests of the business as a whole. Please feel free to discuss any aspects of this decision with your Retail Network Manager as we wish to do everything we can to support you in the future.

Yours sincerely



Ian Williams  
Commercial Development Manager

Cownteri Swyddfa'r Post Cyf  
Post Office Counters Ltd  
Gogledd Cymru a Gogledd Orllewin Lloegr  
North Wales and North West  
Capstan House, Chandler's Point  
35 Broadway, Salford Quays  
Salford M5 2YY

Facsimil/Facsimile   
Post Office Counters Ltd Registered in England  
No: 2154540 Registered Office King Edward Building  
King Edward Street London EC1A 1AA



INVESTOR IN PEOPLE

5A

POST OFFICE COUNTERS LTD

SECTION 12

RESPONSIBILITY FOR POST OFFICE STOCK AND CASH

**CREDIT STOCK OF STAMPS ETC.**

1. The Subpostmaster on taking up his appointment is supplied with suitable Post Office stock, the amount of which is fixed by the Regional General Manager.

**CASH BALANCE**

2. The Subpostmaster is permitted to hold Post Office Counters Ltd cash normal to meet payments at his sub-office after due allowance has been made for expected receipts and in accordance with official accounting and security instructions.
3. The Subpostmaster is expressly forbidden to make use of the balance due to Post Office Counters Ltd for any purpose other than the requirements of the Post Office service; and he must, on no account apply to his own private use, for however short a period, any portion of Post Office Counters Ltd funds entrusted to him. He must also be careful to keep the Post Office money separate from any other monies. Misuse of Post Office Counters Ltd cash may render the offender liable to prosecution and, or, the termination of his Contract of Appointment.

**ACCOUNTS**

4. The Subpostmaster must ensure that accounts of all stock and cash entrusted to him by Post Office Counters Ltd are kept in the form prescribed by Post Office Counters Ltd. He must immediately produce these accounts, and the whole of his sub-office cash and stock for inspection whenever so requested by a person duly authorised by the Regional General Manager.

5B

**SECURITY OF CASH, STAMPS ETC.**

5. The Subpostmaster is held strictly responsible for the safe custody of cash, stock of all kinds and other Post Office Counters Ltd property, papers and documents, whether held by himself or by his Assistants, and should keep them in a place of security, especially at night.
6. The Subpostmaster is responsible for maintaining a standard of security sufficient to enable him to meet the obligations laid on him by paragraph 5 for the safe keeping of Post Office Counters Ltd cash and stock placed in his care. If any circumstances arise which lead him to doubt whether he can do so he should immediately consult the Regional General Manager.
7. In deciding the standard of security which it would be reasonable to require under paragraph 6 Post Office Counters Ltd will have regard to (a) the circumstances in which the Subpostmaster was appointed, and in particular the standard of security then accepted; (b) the length of time since his appointment; and (c) any particular circumstances affecting the sub-office which appear to be relevant.
8. All vouchers for payments e.g. Postal Orders, Allowance Dockets etc., should be placed in a suitable receptacle (cardboard box or strong envelope), labelled "Paid Vouchers" and at the close of business kept separately from cash and stock in another secure place, such as a locked drawer or cupboard.
9. The Subpostmaster must be careful to keep his stocks of all kinds in such a manner that they remain in good condition. The stocks must be protected against damp and dust.
10. Datestamps used for authenticating documents (e.g. Postal Orders) or stamping correspondence must be kept in a position on the counter where they are out of reach of members of the public. When not needed for work they must be locked away.
11. Precautions should be taken to guard against the risk of fire.

5C

### LOSSES

12. The Subpostmaster is responsible for all losses caused through his own negligence, carelessness or error, and also for losses of all kinds caused by his Assistants. Deficiencies due to such losses must be made good without delay.
13. The financial responsibility of the Subpostmaster does not cease when he relinquishes his appointment and he will be required to make good any losses incurred during his term of office which may subsequently come to light.

### GAINS

14. Surpluses may be withdrawn provided that any subsequent charge up to the amount withdrawn is made good immediately.

### THEFT OR BURGLARY

15. If a theft or burglary is committed or attempted at a sub-office, whether or not official cash or stock is stolen, the facts must be reported at once to the Police and to the Regional General Manager by the person who first makes the discovery.

### MISSING OR STOLEN STOCK

16. If a Subpostmaster considers that any stock items have been accidentally lost, or stolen he should make a report, in accordance with Appendix 1, as quickly as possible to the Regional General Manager.

5D

**RELIEF**

17. **COUNTER LOSSES** A Subpostmaster may exceptionally not be required to make good the full amount of certain losses at his office. If he feels entitled to relief in making good a loss he should apply to the Retail Network Manager.
18. **THEFT OR BURGLARY** The question of granting relief will depend upon whether the Subpostmaster has taken reasonable precautions to safeguard the official cash and property.
19. **FRAUD** All cases of fraud or attempted fraud should be reported immediately to the Regional General Manager.

(APPENDIX 1 FOLLOWS)

6

Mr Glenn Chester  
Post Office Limited  
Celtic Court  
Tremaines Road  
BRIDGEND  
CF31 1TZ

Alan Bates

**GRO**

13<sup>th</sup> February 2002

**Reference: Horizon Faults and Shortcomings**

Dear Mr Chester

Having given your recent request for the office total to be reset to zero after each weeks' balance much consideration, my concerns are as follows.

Since I have been writing to you and your predecessors about my concerns over the Horizon System I have always maintained the position that I am unable to accept any liabilities shown by the system until such time as I am able to access the data to check it. I refer you to my letter dated 18<sup>th</sup> July 2001 where I clearly state my position and suggest a way in which this could be done, without any compromise to the security of the data.

However I am concerned on two points over your recent request about zeroing the system weekly by taking money out or putting money in. Firstly it is the liability I am accepting by default in agreeing to put money in if the system shows short, while there is no report writer package to assist me track transactions. Secondly is the concern that the system does not actually log what the weeks' shortage or over was or how it was arrived at anywhere on the documentation we print out and keep. Although at one point the information does appear on the screen, that information is lost the moment we 'roll over'. At least with the current way we are finishing our balance we can track from week to week our position and know where the office stands at any one time.

Related to the above concerns is the matter of error notices which at present are almost impossible to process as we are unable to retrieve the data about the transactions. Although some data is still accessible up to 30 days after the transaction most error notices are for transactions at least 10 weeks ago. Nowadays we are having to refer these error notices back to Chesterfield for more supporting documentation, but it would be so much easier and quicker to access the data at our office to help us track what had happened.

Referring back to your original request, I will gladly conform to your requirement but I must make it clear that my position with regard to Horizon derived figures has not and will not change until such time as I have access to the data and a report writer package with adequate training is provided.

Yours sincerely

Alan Bates Subpostmaster Craig-y-don Post Office

Celtic Court  
Tremains Road  
BRIDGEND  
CF31 1TZ

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5 August 2003

Personal

Mr A Bates



"rhan hanfodol o fywyd bob dydd" [www.postoffice.co.uk](http://www.postoffice.co.uk)

"an essential part of everyday life" [www.postoffice.co.uk](http://www.postoffice.co.uk)

Dear Mr Bates,

I am writing further to my letter dated 4<sup>th</sup> June 2003 and your written representation dated 12<sup>th</sup> June 2003.

In accordance with Section 1, Paragraph 10 of your Contract for Services, I am writing to issue you with three months notice of termination of your Contract for Services.

The termination of Contract will take effect on 5<sup>th</sup> November 2003.

Please sign and return one copy of this letter.

Yours sincerely,



MIKE WAKLEY  
Retail Line Manager

Tel: No.   
Fax No.

7 ii

Page 2 of 2

To: **Mike Wakley**  
Retail Line Manager

I note the contents of this letter

Signed: .....

Date: .....

Mr A Bates

**GRO**

27.08.03

Dear Mr Bates

Thank you for your letter dated 7<sup>th</sup> August addressed to Allan Leighton, Chairman Royal Mail, which has been forwarded to me for reply.

I have now completed my enquiries into the issues you have raised, and I apologise for the delay in replying to you. My enquiries have taken longer than expected.

I have spoken with a number of the personnel involved in the search for a solution to the situation at Craig y Don Post Office® branch. Although I regret that the situation has reached the point of termination of your contract, I am confident that the various teams concerned in the events have worked hard to provide support and assistance to you in a consistent and sympathetic manner. This support included a number of on site attendances to assist with balancing and also to provide extra training on the Horizon system. The aim was always that of achieving a solution to the difficulties you were experiencing in managing transactions and processes at Craig y Don Post Office® branch.

The Horizon system at Craig y Don Post Office® has been reviewed and interrogated in response to your complaints, and the reports from both the Horizon Field Support team and the NBSC have confirmed that there is nothing inherently wrong with the Horizon system installed at the branch.

Page 2 of 2

The Sub postmaster contract is clear on the requirement that postmasters must make good losses or gains made when misbalances occur and to bring error notices to account appropriately. It is evident you have consistently refused to do this, even when specifically requested to do so by the Area Management team. The contract also states that either party, Post Office Ltd or a Sub postmaster, may terminate the contract with three months notice without a reason being given. In this instance the Management Team, on behalf of Post Office Ltd, are exercising their right under this clause to terminate the agreement with you.

I am sure you have carefully considered the idea of your website. I feel that you should be aware that use of Post Office Ltd's imagery on your website may constitute trade mark infringement.

In the circumstances I feel that the Management Team has been wholly professional in the management, deliberation and investigation of your issues.

Yours sincerely

Ria MacQueen  
Case Liaison Manager

Post Office Ltd  
Operations

Telephone: **GRO**

**From The Chairman's Office**

11 August 2003

**1-545709105**

Mr Alan Bates



Dear Mr Bates

Thank you for your letter dated 07 August 2003 to Mr Allan Leighton, Chairman of Royal Mail.

A full reply will follow once our enquiries are completed.

Yours sincerely

Stephen Kenny  
Chairman's Office

5th Floor, 148 Old Street, LONDON EC1V 9HQ

Tel: **GRO** Fax: **GRO** Textphone: **GRO**

To ensure that we maintain the highest possible standards the service we provide to you is monitored on our behalf by a research agency. Each month telephone interviews are conducted with a sample of the customers with whom we have been in contact. If you would prefer not to be contacted please call Freephone 0800 652 5900 within 7 days of the date of this letter and quote the reference above.