

Thank you for your letter of 17 October 2008 concerning your former appointment as Subpostmaster, Astwood Bank Post Office®. Please accept my sincere apologies for the delay in replying to your letter.

On 11 September 2008 an audit was undertaken at Astwood Bank Post Office® and this revealed a shortage of £XXXXXX in the branch account. You were subsequently precautionary suspended in line with business procedure pending further investigation. Post Office Ltd has a conduct code which is followed in these circumstances which has been agreed with the National Federation of Subpostmasters, a body recognised by Post Office Ltd as representing the views of Subpostmasters.

The conduct code, where a breach of the Subpostmasters contract for services has been identified, allows the Subpostmaster to respond to that charge by either attending an interview, called a reason to urge interview, or by providing written representation. Should the Subpostmaster opt for an interview the Subpostmaster can be accompanied at the interview by a fellow Subpostmaster, a registered post office® assistant or a Post Office Ltd employee. Following the decision to issue you with a precautionary suspension you subsequently took advice from your representative of the National Federation of Subpostmasters, after which you decided to tender your resignation as Subpostmaster, Astwood Bank Post Office®. This was effective from the date of your suspension on 11 September 2008. In view of this, you were not invited to attend an interview or put forward a written submission in line with the above process.

With regard to your concerns over the frequency of audits undertaken at Post Office® branches, I can confirm that Post Office Ltd plans audits using a risk based model which utilises a wide variety of information. Taking into account the size of the Post Office® network this helps to ensure that any audit activity is targeted effectively using the resources which are available to us.

In respect of your comment regarding the suspension of your 'pay', I feel it appropriate to remind you that as a former agent of Post Office Ltd you were not an employee of the organisation and as such you received a remuneration for the provision of Post Office® services provided at the branch.

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I also note your belief that there are systematic problems with the Horizon computerised accounting system in use within the Post Office® network. I can assure you that in terms of the integrity of the Horizon accounting system Post Office Ltd has been using this system now for the past nine years. During that time it has been tested in both the criminal and civil courts and has not found to be wanting.

With regard to the on-going training provided at Post Office branches, taking into account the size of the Post Office® network and from a purely logistical point of view it is necessary for the majority of the on-going training provided to Subpostmasters to be either paper based or delivered electronically via the Horizon computerised accounting system. However, Subpostmasters are encouraged to contact the Network Business Support Centre Helpline if they have any queries or need further assistance on any training issues. Following a call to the aforementioned Helpline, additional on-site training can be arranged as necessary.

I have also noted your comment that you appear to be in disagreement with the current Temporary Subpostmaster over the processing of National Lottery business on the private retail side of your business. Please be advised that any rental agreement that exists between you and the current Temporary Subpostmaster is a private matter and one which does not fall within the domain of Post Office Ltd.

Finally, if your branch had shown a £27,000 surplus in the account, then under the current guidelines you would have had the option of either a) withdrawing the amount or b) settling the amount centrally with Chesterfield in anticipation of receiving a compensating Transaction Correction.

I trust I have helped to answer the queries that you raised.

Yours sincerely

Glenn Chester
Contract Manager