




2nd Floor
The Markets Crown Office
6-16 New York Street
LEEDS
LS2 7DZ
T 

Mr Laurence Bailey
Post Office® Howey Branch
Howey
Llandrindod Wells
LD1 5PT

Strictly Confidential

5 January 2011

Dear Mr Bailey

Post Office® Howey branch at Howey, Llandrindod Wells LD1 5PT and satellites at Hundred House LD1 5RY & Llanbadarn Fynydd LD1 6YA

I refer to our recent telephone conversation and confirm that you have been suspended from your Subpostmaster Contract in respect of the above branch with effect from 5 January 2011 until further notice. This suspension is made under section 19, paragraph 4 of your Subpostmaster Contract. It does not mean that your contract has terminated.

During our telephone conversation you indicated that you would be willing to make the above premises available for use by a temporary subpostmaster during your suspension for the purposes of ensuring continuation of Post Office® services. If and when a temporary subpostmaster is appointed by Post Office Ltd, please note that it will be up to you and the temporary subpostmaster to reach agreement over an appropriate payment by the temporary subpostmaster to you in respect of any rent, staff wages, utilities and other relevant expenses.

I would be grateful if you could complete and return to me at the address above the slip set out below confirming your understanding and intention regarding the matters set out in this letter.

Yours sincerely,

A rectangular box with a dashed border containing the letters "GRO" in a bold, sans-serif font.

Colin Burston
Contract Manager

www.postoffice.co.uk

Page 2 of 2

To: Colin Burston
Agent Contract Manager

From: Mr Laurence Bailey
Post Office® Howey, Hundred House & Llanbadarn Fynydd

I confirm that I Mr Laurence Bailey am willing to make my premises at Howey, Llandrindod Wells LD1 5PT and satellites at Hundred House LD1 5RY & Llanbadarn Fynydd LD1 6YA available for use by any temporary subpostmaster appointed by Post Office Ltd in order to provide Post Office® services during my suspension and that I understand that it is my responsibility to come to an agreement with any such temporary subpostmaster regarding the use of my premises and any payments for that use and for any staff costs.

Signed: _____

Name of subpostmaster in capitals:

Date: _____



RECEIVED
10 JAN 2011

To: Colin Burston
Agent Contract Manager

From: Mr Laurence Bailey
Post Office® Howey, Hundred House & Llanbadarn Fynydd

I confirm that I Mr Laurence Bailey am willing to make my premises at Howey, Llandrindod Wells LD1 5PT and satellites at Hundred House LD1 5RY & Llanbadarn Fynydd LD1 6YA available for use by any temporary subpostmaster appointed by Post Office Ltd in order to provide Post Office® services during my suspension and that I understand that it is my responsibility to come to an agreement with any such temporary subpostmaster regarding the use of my premises and any payments for that use and for any staff costs.

GRO

Signed: _____

Name of subpostmaster in capitals:

Date: 7th JAN 2011



RECEIVED
20 JAN 2011

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LEEDS
LS2 7DZ
T **GRO**

158644



Mr Laurence Bailey
Post Office® Howey Branch
Howey
Llandrindod Wells
LD1 5PT

Strictly Confidential

13 January 2011

Dear Mr Bailey

Post Office® Howey Branch at Howey, Llandrindod Wells LD1 5PT and satellites at Hundred House LD1 5RY & Llanbadarn Fynydd LD1 6YA

I wrote to you on 5th January 2011 confirming the suspension of your contract for services as Subpostmaster of Post Office® Howey branch and the satellites at Hundred House and Llanbadarn Fynydd.

I have now received the necessary papers relating to this case and, after reviewing them, I should advise you that I will have to consider the summary termination of your Contract for Services on the grounds that an audit at Post Office® Howey branch on 5th January 2011 resulted in an overall reported loss of Post Office Ltd cash and stock to the value of £13,044.23. During the course of the audit Mrs Bailey admitted that she had been inflating cash for several months to cover losses at the branch. It was also discovered that the anti bandit door at Post Office® Howey branch was no longer in place and that this had been like this for about a year in clear breach of security guidelines.

Section 1 paragraph 5 of your Contract for Services states that the Subpostmaster is not obliged to attend the sub-office personally but he is required whether he is there or not to accept full responsibility for the proper running of his sub-office and the efficient provision of those Post Office services which are required to be provided there. Retention of the appointment as Subpostmaster is dependent on the sub-office being well managed and the work performed properly to the satisfaction of Post Office Ltd.

Section 12, paragraph 4 of your Contract for Services states that the Subpostmaster must ensure that accounts of all stock and cash entrusted to him by Post Office Ltd are kept in the form prescribed by Post Office 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 Post Office Ltd.



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Section 12 paragraph 5 of your Contract for Services states that the Subpostmaster is held strictly responsible for the safe custody of cash, stock of all kinds and other Post Office Ltd property, papers and documents, whether held by himself or his assistants and should keep them in a place of security especially at night.

Section 12 paragraph 6 of your Contract for Services states that the Subpostmaster is responsible for maintaining a standard of security sufficient to enable him to meet obligations laid on him by paragraph 5 for the safe keeping of Post Office Ltd cash and stock placed in his care. If any circumstances arise that leads him to doubt whether he can do so he should immediately consult Post Office Ltd.

Section 12 paragraph 7 of your Contract for Services states that in deciding the standard of security which it would be reasonable to require under paragraph 6 Post Office 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; (c) any particular circumstances affecting the sub-office which appears relevant.

Section 12, paragraph 12 of your Contract for Services states 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.

This is in accordance with your Contract for Services which provides that the Agreement may be determined at any time in case of breach of conditions by you, or non-performance of your obligations or non-provision of Post Office Services.

Before I reach any decision about the future of your Contract for Services, I would like to give you the opportunity to put forward your version of events relating to the above charge. You can do this by attending the prearranged interview at 10:30 on 2nd February 2011 at Swansea Mail Centre Siemans Way Swansea SA1 1AA or submitting a written response to the charges. In either case you should inform me of your intentions, in writing, by 24st January 2011.

You also have the right to request and receive all information relating to the aforementioned charge.

If you choose to attend the interview, it will be recorded in order that an accurate record of the discussion can be made. A copy of this recording will be provided to you after the interview.

If you wish to put forward a written representation this should reach me by 2nd February 2011.

Please note that if that you decline this opportunity to present your case, or fail to advise me of your intentions within the above stated timescales, I shall have to reach my decision about the future of your Contract for Services on the basis of the evidence available to me.



Should you choose a personal interview, you may be accompanied at the interview by a friend, who must be a Royal Mail employee, a registered Sub Office Assistant or a Subpostmaster, who may also be a representative of the National Federation of Subpostmasters. If there are any specific circumstances or special requirements that either yourself or your friend have in terms of the interview, please provide details of these when returning the reply slip.

Yours sincerely

GRO

Colin Burston
Agent Contract Manager

Post Office Ltd



To: Colin Burston
Agent Contract Manager

From Laurence Bailey
Post Office®, Howey branch

*I will attend for interview on 2nd February 2011 at Swansea Mail Centre and will be accompanied by

Mrs JOAN FRANCIS BAILEY

Please indicate if you have any specific circumstances or special requirements which need to be considered when arranging an interview. YES / NO

- If yes please enclose details

~~*I will be submitting a written representation by 2nd February 2011.~~

~~*I do not wish to attend for interview or submit a written representation~~

* Please delete as necessary

Signed

GRO

Date

19th JANUARY 2011

1/8

21 January 2011



Mrs Joan Bailey
Howey Post Office
Llandrindod Wells
LD1 5PT

Post Office Ltd
Old Swan Crown Office
489 Prescot Road
Liverpool
L13 3BU

Tel: GRO

Dear Mrs Bailey

Re: Howey Post Office Branch

Telephone conversations of today 21 January 2011 refers.

At the recent audit AT Howey Post office branch on 5 January 2011 a number of irregularities in the accounts have come to light and these matters need to be explored with you. In order that you have an opportunity to discuss the circumstances, I am writing to invite you to attend a voluntary interview with the Post Office Ltd Security Investigation Team.

In order to progress this matter with some urgency would you please give me two dates in the next two weeks that you would be available. When I have received your reply, I will send you the necessary details to enable you to attend for interview.

If you would like to telephone me to arrange mutually convenient dates then please do on the number above.

I must remind you that we are investigating possible criminal offences and as such the proposed interview will be under caution and taped recorded.

Your legal rights will be explained to you in full at the interview, however so that you are aware of them I will detail a brief summary of them now.

1. Should you attend the interview - it is on a voluntary basis - you do NOT have to remain at the interview - you are NOT under arrest.
2. You may wish to seek legal advice from a solicitor before you attend this interview - Your solicitor may also attend the interview with you.
3. In addition to your right to consult with or have a solicitor present - you may also have a Post Office friend present. This friend is classed as someone over the age of 18 years of age and is currently employed by the Post Office, he or she must not be involved in the enquiry.

2/8

21 January 2011

Alternatively if you engage the services of a solicitor you may pass this letter onto your solicitors for them to deal with.

Yours sincerely

GRO

Stephen Bradshaw

Fraud Investigator

Post Office Ltd Security Team

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2nd Floor
The Markets Crown Office
6-16 New York Street
LEEDS
LS2 7DZ
T GRO



Mr Laurence Bailey
Post Office® Howey Branch
Howey
Llandrindod Wells
LD1 5PT

Strictly Confidential

21 February 2011

Dear Mr Bailey

Post Office® Howey Branch at Howey, Llandrindod Wells LD1 5PT and satellites at Hundred House LD1 5RY & Llanbadarn Fynydd LD1 6YA

I am writing following our meeting on 2nd February 2011 in which you put forward reasons why your Contract for Services should not be summarily terminated. I have reviewed the papers relating to this case very carefully and have taken into account the points you have put forward.

After consideration I have decided not to summarily terminate your contract for services as Subpostmaster Post Office® Howey branch and satellites at Hundred House and Llanbadarn Fynydd. In coming to this decision I have accepted that you were unaware of the mounting losses at Post Office® Howey branch which were hidden from you by your wife's actions when preparing the branch accounts. You were also under pressure because of personnel reasons within your family. However you are responsible for the proper running of your sub-office and responsible for maintaining a standard of security that both protects Post Office Ltd assets as well as protecting both you and your assistants at Post Office® Howey branch.

I am prepared, therefore, to give you a final opportunity to improve your performance as Subpostmaster of Post Office® Howey branch and associated satellite services. You must clearly understand that unless there is a significant and sustained improvement in the performance of the branch, I will have to seriously consider the future of your Contract for Services.

Your reinstatement is subject to the following conditions.

1. The current outstanding debt of £12,906.06 must be repaid in full.
2. A fully conforming security door must be fitted to the Post Office secure area.
3. Your wife Mrs Joan Bailey will be debarred within RMG which will prevent her from carrying out Post Office Ltd business both at your branches and any other within the network.



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I will make arrangements to transfer the branch back to you when the above conditions are met.

Please sign and return one copy of this letter and I enclose a second copy for your retention.

Yours sincerely

GRO

**Colin Burston
Agent Contract Manager
Post Office Ltd**

To: Colin Burston
Agent Contract Manager

From: Laurence Bailey
Post Office@ Howey Branch

- I do / do not* accept the conditions of reinstatement.
- I understand the consequences of not maintaining a significant and sustained improvement in my branch performance.
- I enclose a cheque for £12,906.06

*delete as appropriate

Signed _____

Date _____



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LS2 7DZ
T **GRO**



Mr Laurence Bailey
Post Office® Howey Branch
Howey
Llandrindod Wells
LD1 5PT

Strictly Confidential

07 March 2011

Dear Mr Bailey

Post Office® Howey Branch at Howey, Llandrindod Wells LD1 5PT and satellites at Hundred House LD1 5RY & Llanbadarn Fynydd LD1 6YA

I wrote to you on 21st February 2011 regarding your reinstatement at the above Post Office® branches and the conditions attached to your reinstatement.

I have not received your reply and now need you to respond by 14th March 2011 so that alternative plans can be made for Post Office® service provision in the area if you do not accept the conditions set for your reinstatement.

Yours sincerely

GRO

Colin Burston
Agent Contract Manager
Post Office Ltd



158644

44

**CAMILLA HOUSE
HOWEY POST OFFICE
HOWEY,
LLANDRINDOD WELLS
POWYS
LD15PT**

11TH MARCH 2011

**CONTACT SUPPORT TEAM
POST OFFICE LTD
THE MARKET CROWN OFFICE
2ND FLOOR 6/16 NEW YORK STREET
LEEDS
LS27DZ**

Dear Mr. Burston,

**Post Office Howey Branch HOWEY Llandrindod Wells LD15PT
Satellites at Hundred House LD15RY & Llanbadarn Fynydd LD16YA**

I am sorry that I had not yet replied to your letter 21st February regarding my reinstatement at the above Post Offices

I will not be accepting the conditions of my reinstatement.

I wish to tender my resignation.

Pease pay into my bank account all holiday pay due to me since my start of employment,

According to ACAS all holidays not taken are to be paid for,

I give no permission for any of the monies to be deducted apart from tax and N.I, these payments are protected by law.

The anxiety that has been caused to me and my family has left me very ill and under the care of a psychiatrist at the clinic in Llandrindod Wells.

The time taken for the Post Office to resolve the situation shows total disregard of the people in your employ, and shows no duty of care or stress in the work place.

What is the authority not to pay an employee under suspension please send me details.

Yours Sincerely

Mr. Lawrence Glyn Bailey

GRO

**CAMILLA HOUSE
HOWEY POST OFFICE
HOWEY,
LLANDRINDOD WELLS
POWYS
LD15PT**

14TH MARCH 2011

**Post Office Ltd.
Old Swan Crown Office
489 Prescot Road
Liverpool
L13 3BU**

Dear Mr. Bradshaw

RE: Howey Post Office

I have spoken to my husband Glyn concerning the repayment of the monies to the Post Office from ourselves.

He is very reluctant to repay some thing that we have not had in the first place But I have pointed out that we have to repay monies lost as it is in his contract.

We will repay the monies when we are able to sell our house which we will be sorting out over the next few weeks.

Yours Sincerely

Joan Francis Bailey

**CAMILLA HOUSE
HOWEY POST OFFICE
HOWEY,
LLANDRINDOD WELLS
POWYS
LD15PT**

14TH MARCH 2011

Dear Mr. Bradshaw,

I did not go into detail about Glyn's illness when we had our meeting on Wednesday 9th 2011.

Glyn had a heart attack in 2006 during the closure program we had not long brought the business only to be told that we could lose the post office.

We waited eighteen months before we knew that we were safe.

He has been and still is on medication each day. (List below)

When the audit was done in January Glyn started to stress, and I persuaded Him to go to the doctor he did so on January 24th

The doctor put him off work and told him that he(the doctor) was very worried about him and arranged for Glyn to attend the Hazels clinic in Llandrindod Wells which he did on the 3rd February to have the help of a psychiatrist. He sees her every two weeks.

She has told Glyn that it will take him a while to get better and that he must have as little stress as possible.

GRO



Markets Branch Office
6/16 New York Street
Leeds

T **GRO**

Strictly Confidential

Mr Laurence Bailey
Post Office® Howey Branch
Howey
Llandrindod Wells
LD1 5PT

15 March 2011

Dear Mr Bailey

Post Office® Howey Branch at Howey, Llandrindod Wells LD1 5PT and satellites at Hundred House LD1 5RY & Llanbadarn Fynydd LD1 6YA

Thank you for your letter of 11 March 2011 purporting to give notice of your resignation as the Subpostmaster of the above Post Office®Howey branch.

We note that your letter gives less than the three months' notice required by your Subpostmaster Contract and it is therefore not a valid notice to terminate that contract. However, we are willing to accept your letter as notice to terminate your contract with effect from 11 March 2011 which will be your official last day of service.

Your notice of resignation is accepted without prejudice to any rights or claims Post Office Ltd may have under the subpostmasters' contract or in law. You are still required to make good any outstanding shortages, as well as any further deficiencies highlighted by future enquiries which arose whilst you were subpostmaster.

I must also make it clear to you that Post Office Ltd regards your resignation as one made in order to avoid summary termination of your contract. [This will mean that you will not be eligible to make an application to the Discretionary Fund.]

nice comments made to someone in the care of a mental health team

www.postoffice.co.uk

Please note that it will not be possible for you to withdraw your resignation without our
prior written consent.

It would assist us in our task of appointing a new subpostmaster in the area if you could
indicate your intentions regarding your premises by signing and returning the enclosed
reply slip to me as soon as possible.

Yours sincerely

GRO

Colin Burston
Agents Contract Manager

.....

To:
Agents Contract Manager

From:
Mr Laurence Bailey
Howey, Llandrindod Wells LD1 5PT - 158644

Please delete any of the following statements which are not applicable.

1. If requested to do so by Post Office Ltd, I would be willing to [continue to] make my premises at Howey, Llandrindod Wells LD1 5PT available for use by a temporary subpostmaster appointed by Post Office Ltd for the purpose of providing continuity of Post Office® services to customers.

2. I intend to market the premises/private business at Howey, Llandrindod Wells LD1 5PT I understand that should any purchaser of the premises and private business wish to apply to Post Office Ltd for appointment as a subpostmaster, this will be entirely at Post Office Ltd's discretion. I have completed the details on the attached proforma, should the vacancy be advertised.

3. I do not intend to market the premises at Howey, Llandrindod Wells LD1 5PT

Signed: _____

Name in CAPITALS _____

Date: _____

Details of the premises and associated retail business, should the vacancy be advertised.

Address

Contact name and number: _____

Type of accommodation : *Freehold / Leasehold

*Lock up / residential

Details of any retail business:

Asking price : _____

Business Transfer Agent contact details

** delete as appropriate*

POST
OFFICE

THE BRANCH OFFICE
6-16 New York Street
LEEDS
LS2 7DZ
T **GRO**

Mr Laurence Bailey
Post Office® Howey Branch
Howey
Llandrindod Wells
LD1 5PT

Strictly Confidential

21 March 2011

Dear Mr Bailey

Your letter of 11 March 2011 tendering your resignation refers. As you are aware I have acknowledged your resignation separately. My purpose in writing to you today is to address the other points that you raised in your letter. To help in this matter I have enclosed a copy of the Subpostmaster Contract for reference.

I am sorry that you feel that Post Office Ltd has failed in its duty of care to you as a Subpostmaster following the suspension of your contract on 5 January 2011; however in dealing with your case I have followed due process which has been agreed with the National Federation of Subpostmasters.

You appear to be under the impression that you are an employee and as such have certain rights, however your Subpostmaster contract with Post Office Ltd is a contract for services and consequently you are an agent, not an employee (Section 1 paragraph 1 refers).

Under the terms of your contract for services you are not obliged to render personal service and as such you can arrange to absent yourself from your branch provided you make suitable arrangements for the continuation of customer service in your absence. As Subpostmaster you are not entitled to annual leave but, subject to certain conditions, you may be able claim for reimbursement of the necessary cost of your substitution when taking a holiday (Section 4 refers). Our records show that the last claim made as Subpostmaster at Post Office® Howey branch was in August 2009 and you have not claimed for holiday substitution since and therefore there are no outstanding claims.

Again in accordance with the contract for services when a Subpostmaster is suspended, his remuneration in respect of any period of suspension is withheld as long as the suspension continues (Section 19 paragraph 5 refers). However your suspension was on 5th January 2011 and you have received the remuneration for these five days in your January 2011 remuneration advice totalling £270.83 net.

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Page 2 of 2

I appreciate that my reply will be a disappointment to you but I hope that I have been able to clarify the position for you.

Yours sincerely

Colin Burston
Agent Contract Manager
Post Office Ltd

**CAMILLA HOUSE
HOWEY POST OFFICE
HOWEY,
LLANDRINDOD WELLS
POWYS
LD15PT
21ST MARCH 2011**

GRO

**MARKETS BRANCH OFFICE
6/16 NEW YORK STREET
LEEDS
LS27DZ**

Dear Mr.Burston,

RE: Post Office Howey

Thank you for your letter accepting Glyn's resignation he knows that it was three months notice that he needed to give you, but there was no way that he could return to work for months as he is very ill.

Also none of us knew anything about a discretionary fund.

When I telephoned the human resources team I was told that Glyn was not entitled to sick pay,that I would have to send his statutory sick pay certificate from the doctor to the DHSS.

Also he had been on suspension for two and half months.

As I explained in our telephone conversation 18th March 2011 we can not make our premises at Howey available for use by temporary sub postmaster:

GRO

GRO

Also if there were any more losses /errors on Horizon the suspicion would fall on me again.

As I explained we intend to sell the house and shop I will tell anyone interested in the business that they may apply to the Post Office for the Post Office to be reinstated in Howey again, if that is agreeable to you.

I would like to say that Glyn and I worked very hard for the Post Office promoting their products and saving items.

We were as helpful as we could be as I have always worked with public and I always gave my time to help and explain forms ECT.

Many customers came to us as we did make time for them and we were always friendly no matter how many problems in our private life we never took them to the work place.

I hope that you can fix up a Post office for the people of Howey and the outreach Post offices soon

Please let us know so that we can inform the residents where and when it is to be, we will put up posters in our shop window and the village notice board if you send them to us.

Yours Sincerely

Joan Francis Bailey