

Witness Name: Carola Ramsden

Statement No.: WITN05720100

Dated: 15/5/23

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF CAROLA RAMSDEN

I, CAROLA RAMSDEN will say as follows...

INTRODUCTION

1. I was employed by Post Office Ltd from 1986 until September 2006, where I undertook a number of roles within this time period.
2. This witness statement is made to assist the Post Office Horizon IT Inquiry with the matters set out in the Rule 9 Request dated 3 April 2023.

Overview of Roles in Post Office Ltd

3. I began my career as a Post Office Counter Clerk at Keighley Branch Office in 1986 and would also during my time there cover for the Branch Manager.

4. In 1990 I was employed as an Agency Trainer in the Bradford Area office, whereby I trained new Subpostmasters in a classroom environment as well as at their own branch when they were appointed. This training was all paper based.
5. In 1993 after the Post Office reorganisation I was employed as a Training Coordinator in Leeds. This involved coordinating and scheduling a number of trainers across the region for them to carry out training for new Subpostmasters.
6. In 1995 I was promoted to the role of Transactional Knowledge Manager. This role involved managing and organizing events in the evenings for Subpostmasters to improve their knowledge of transactions. It was delivered by means of a computer-based quiz with any gaps in knowledge being addressed.
7. From February 1999 to September 2001 I was employed as a Retail Network Manager in Bradford and then subsequently in Sheffield when I was promoted to CM1 to cover a colleagues sick leave. I was responsible for approximately 30-50 branches motivating and assisting Subpostmasters to manage their branches effectively in a customer friendly way.
8. As part of the Retail Network Manager role I would also be responsible for recruiting Subpostmasters as well as taking any disciplinary action if required.
9. In September 2001 after another re-organisation I was employed as a Contracts Manager for the Rural Agency Network for the North East Region. This role was to maintain the end-to-end recruitment process as well as to provide guidance on contractual and remuneration issues to team members

and Heads of Area. I was also responsible for handling legal cases for the area liaising with legal services where appropriate. I left this role in June 2004.

10. In 2004 I was employed as an Operations Manager for the Regional Agency Network. This role was project based and involved designing processes for Mailwork branches; reducing costs to the business by ensuring process were in place to reduce cash in the network; Managing, monitoring and controlling the budget of the Government fund for the Capital Subsidy start up scheme for rural post offices and the flexible fund.

11. My final role was from March 2005 until September 2006 was a Service Standards Support Manager/Restrictions Manager, this was a band 9 role. I was responsible for the development and review of processes for the service teams; responsible for implementation for E Recruitment for Post Office Ltd; Providing guidance and advice on contractual matters to line managers.

12. I have 7 O levels from school and college.

13. I can recollect attending in-house training on how to manage people, sales training, as well as manager training days. These were throughout my career. I also attended conferences where training and team building was provided. In the 1990s I undertook an Open University course called the Capable Manager. Most of the training within the Post Office was via shadowing and mentoring other colleagues who performed the same role.

14. As stated above I was promoted throughout my career from a Post Office Clerk to a Senior Band 9.

Contractual liability of Subpostmasters for shortfalls

15. I have been asked to consider the following documents, and answer a number of questions relating to the Contractual liability of Subpostmasters for shortfalls: POL00083939, POL00088904, POL00086845, POL00088867, and POL00030562.
16. I have been asked what the contractual position as to the responsibility for SPMS for shortfalls or "losses" identified within their branch was at the time I worked for the Post Office. My understanding of the contractual obligation for losses within the Subpostmasters branch was that they were responsible for making good any losses incurred. This was always defined in their contract and also as part of the training process.
17. During my time as both an Agency Trainer, Retail Network Manager and Contracts Manager this was always the same.
18. In terms of larger losses Subpostmasters could hold them in the suspense account if permission was given by the Retail Network Manager and subsequently the Helpline.
19. I have been asked how the Post Office policy on the responsibility of employees within Crown Offices for shortfalls and "losses" in a Crown Office differed from the policy for SPMS for shortfalls and losses in their branch. Having not worked within the Crown Network as a manager my only recollection is when I worked on the counter at Keighley Post Office of how losses were dealt with is that they were recorded and over a certain limit I think it was three or more losses disciplinary action would be taken. I believe

that counter clerks were not responsible for making good the losses whereas Subpostmasters were.

20. I am unaware of the disciplinary action taken against Crown Office employees for losses or whether legal action was taken as I had never been involved with the Crown Office Network and its employees in relation to shortfalls.

Policies and Practices

21. I have been asked to explain the relevant roles I held at the Post Office between 1986 and 2006, and my involvement in policies/practices relating to error notices, transaction corrections/acknowledgements, branch discrepancies and "corrective action" taken against SPMs.
22. As an Agency trainer I would go out to branches following losses and retrain Subpostmasters on procedures/processes within the branch. This would be because they were receiving error notices from either Chesterfield or the Remittance Unit and my role was to ensure they understood why they made the errors and knew the correct procedures.
23. I was employed as a Retail Network Manager between February 1999 and September 2001. During this time I would assist Subpostmasters who had error notices to both understand what they were, investigate and try to resolve any unknown errors and to ensure they made good losses. I would also on occasions assist Subpostmasters who had mis-balanced trying to identify their losses and double check their balances on their balancing day.
24. In terms of the investigations undertaken by me as an RNM I would look at all the paperwork to try to identify any loss, comparing stock from the current

week to the previous; recounting stock and cash. Prior to Horizon daily documents would have been checked but after Horizon was installed it was harder to identify missing documentation as bills etc were electronic. Chesterfield and or the remittance unit would also be contacted to ascertain whether there were any pending error notices.

25. As a Contracts Manager I would interview Subpostmasters regarding losses following an audit. The interviews were investigative interviews following the audit whereby the loss was not declared and cash holdings over inflated to cover the loss or held in the suspense without authority.

26. The Subpostmaster would be brought into an interview by their Retail Network Manager and I would also be in attendance and chair the interview. A Subpostmaster always had the right at interviews to have a colleague or National Federation of Subpostamaters representative (NFSP).

27. Following the investigative interview further follow up investigations may have been carried out to check what Subpostmasters disputed during interviews or if any other information came to light this would be by reviewing the accounts, error logs, transaction logs and trying to establish if any error notices had come to light.

28. A Subsequent interview would then be conducted by the Retail Network Manager and myself to determine the conclusion with an outcome. Again this was with a NFSP representative or colleague of the Subpostmaster if they requested this. Following the outcome the Subpostmaster had the right of appeal which would be held by a Senior Manager. The outcome of the interview could range from no action, a warning, final written warning or dismissal.

29. I have been asked who made the final decision whether to pursue legal action. Legal action would I believe be decided between the Head of Area and the Post Office Legal team.

30. I was in the Contract Manager role from Sept 2001 - June 2004. I cannot recollect any specific incidents regarding error notices but in most cases Subpostmasters had not declared the loss but had inflated their cash on hand figures to cover up a loss.

31. If a Subpostmaster disputed a large loss time would be given to allow any error notices to come through the system this amount would be held in the suspense account. A large loss would usually mean over a couple of hundred pounds otherwise the Subpostmaster would have to make good the loss or give reasons or prove financial hardship to repay over a period of time. The onus was on the Subpostmaster to prove the loss, although as an RNM I would try and assist in trying to identify any loss.

Error Notices

32. I have been asked to consider the following documents and answer a number of questions in relation to error notices, transaction corrections and acknowledgements and branch discrepancies: POL00083939, POLO00088904, NFSP00000169, NFSP00000043, POL00085794, POL00030562, POL00083951, and POL00083952.

33. I have been asked after the introduction of Branch Trading, what an Error Notice was. Error Notices were issued by Chesterfield, remittance units and National Savings Bank (NSB). Errors were issued prior to Horizon being

introduced in paper format and would be for example the giro slips, telephone stubs or other paperwork not matching to the submitted cash accounts or daily summary. Subpostmasters would send in daily transactions to various departments and then submit a weekly cash account, if the stubs didn't match then an error notice would be issued whether it be in favour or a loss to the Subpostmaster.

34. Error notices could also be issued if a customer had complained to Post Office Ltd about a bill not being processed and they would have the paper receipt with the Subpostmasters date stamp to prove it had been paid.
35. I have been asked after the introduction of Branch Trading, what a transaction correction ("TC") and what a transaction acknowledgement ("TA") was. Following the introduction of Horizon these error notices were then called transaction corrections which I believe were sent electronically on to the system. The transaction correction was an instruction to the Subpostmaster of what the error was and a transaction acknowledgement was that they acknowledged that error and accepted it as being their error.
36. For both Error notices and Transaction corrections Subpostmasters could dispute the error but would need to provide evidence as to why they were disputing the error.
37. As part of the balancing process Subpostmasters would declare their loss and when signing the cash account they were declaring they had made it good.
38. I can not recollect what the amount was for which Subpostmasters could settle centrally or what the process was at the time.

IMPACT Programme

39. I have been asked about the IMPACT programme, and the role the local suspense account played before its removal. I cannot recollect the Impact programme, although vaguely remember Subpostmasters not having to submit a balance on a weekly basis which had always been the case from when I started at the Post Office.
40. If a Subpostmaster was unable to make good the loss due to the amount incurred, they could prior to Horizon ask the Retail Network Manager to hold it in the suspense account, following Horizon it would be via the helpline. As an RNM the loss would be held if there was a potential error notice known i.e. the Subpostmaster could identify the error or for further investigations to take place.
41. I cannot recollect what the helpline process was for allowing Subpostmasters to put losses in the suspense account but presume it would be the same as the the RNM reasons.
42. I have been asked if "settling centrally" meant acceptance of a debt liability. My understanding is that Subpostmasters had to make good all losses under the terms of their contract and if they didn't have any evidence to dispute the error they would need to make it good. The document POL00026854 was after my time at Post Office Ltd so I cannot comment on this document.

43. I agree that in the majority of cases when a TC or error notice was issued it would be the Subpostmaster or their assistants that had made the error. The error notices should have been backed up by receipts, evidence when sent through to the Subpostmaster.
44. I left the business in September 2006 so have no knowledge of events after that time.

Corrective Action taken against Subpostmasters

45. I have been asked to consider a memo sent by me to Contract and Service Managers, along with other recipients (POL00083945). This document was sent out by me as guidance for Contract and Service Managers to improve performance in the Agency outlets.
46. I have no evidence of any corrective action against Subpostmasters following the issue of this document. However it would be expected that the managers would discuss any issues with the Subpostmaster and put in an action plan/re-training and support to identify any learnings needed to reduce the errors.
47. I cannot now recall the Subpostmasters contract to determine what would constitute a material breach of contract as referred to in the para 3.4 in the document (POL00083945) but would suggest one as a breach of security.
48. During all my time as a Manager at the Post Office I was only involved with Agency Branches and had no dealings with the Crown Network.
49. Following an audit where a discrepancy was discovered my role as a

contracts Manager was to investigate the loss by checking transaction logs, error notices, cash accounts and by interviewing the Subpostmaster. My role would also have been to determine any false accounting and any penalty as an outcome of the investigation.

Recovery of Agents Debt

50. If a Subpostmaster settled centrally then it would have not come to my attention unless a discrepancy was found at audit.

51. Up until I left the Post Office my understanding of the losses and gains policy was that Retail Network Managers could write off losses for new Subpostmasters or if they had financial hardship and a payment plan would be put in place.

52. I am unaware as to how often relief was given.

Statement of Truth

I believe the content of this statement to be true.

Signed: **GRO**

Dated: 15/5/23

Index to Witness Statement of Carola Ramsden

No.	URN	Document Description	Control Number
1.	POL00083939	Post Office Ltd Guidance on Losses at SPSO's: Guidelines on Responsibilities and Recovery Arrangements	POL-0080997
2.	POL00088904	Post Office Ltd Policy on Losses and Gains within the POCL Agency Network	POL-0085962
3.	POL00086845	Post Office Ltd Security Policy: Accounting Losses Policy for Agency Branches	POL-0083903
4.	POL00088867	Post Office Ltd: Liability for Losses Policy for agency branches v2.0 January 2004	POL-0085925
5.	POL00030562	PO Overarching Losses Policy	POL-0027044
6.	NFSP00000169	Letter circulated to the National Executive Council enclosing correspondence regarding debt recovery process dated 17 December 2004	VIS00007617
7.	NFSP00000043	Negotiating Committee for Horizon debt recovery	VIS00007491
8.	POL00085794	Debt Recovery Process under Branch Trading	POL-0082852
9.	POL00083951	Process for Awaiting TC (Transaction Correction) - Multiples - v1	POL-0081009
10.	POL00083952	Process for awaiting TC (Transaction Correction) - singletons - v1	POL-0081010
11.	POL00083945	Agency Changes Communique from Carola Ramsden to Contract and Service Managers, Heads of Area, Heads of Sales, SAMs/RSMs	POL-0081003