

Post Office Mediation Scheme – DRAFT V2

Case Review Report

Applicant: Virendra Kumar BAJAJ - **GRO**

Advisor: Nick Taylor (Taylor Rushby)

February 2014

1. Introduction

1.1. This report should be read in conjunction with the following documents:

- a) The documents submitted by the applicant or their professional advisor;
- b) The Post Office Investigations Report prepared by Post Office Limited (“Post Office”) including attachments;
- c) Second Sight’s *“Thematic Issues Report”*; and
- d) Post Office’s *“Glossary of Acronyms”*.

1.2. The Terms of Reference for Second Sight as set by the Mediation Working Group are as follows:

- a) To investigate the specific complaints raised by each Subpostmaster who has been accepted into the Scheme with the aim of providing:
 - i. an assessment of points of common ground between Post Office and that Subpostmaster;
 - ii. an assessment of points of disagreement between Post Office and that Subpostmaster;
 - iii. where there is disagreement, a logical and fully evidenced opinion on the merits of that Subpostmaster’s complaint where it is possible to do so;
 - iv. a summary of any points on which it is not possible to offer a fully evidenced opinion due to a lack of evidence / information;
 - v. a view on whether a case is suitable for mediation; and
 - vi. assisting with any reasonable requests made by the Working Group and/or Post Office;

1.3. Second Sight has been provided with the following documents:

- a) The initial application to the mediation scheme submitted by the applicant;
- b) the Case Questionnaire Response submitted by Taylor Rushby; the professional advisor to the applicant; and
- c) the Post Office Investigation Report, prepared in response to the above mentioned documents.

1.4. The following matters are the key issues raised by the applicant:

- a) Various problems with the Horizon system that gave rise to losses of approximately £16,000 in 2005 and 2006;
- b) liability for cheques lost in post;
- c) disputed Audit discrepancy in May 2006;
- d) inadequate training and support; and
- e) Poor line management.

1.5. The applicant was in post between April 1990 and his suspension in May 2006 as a result of the discovery of an audit discrepancy of £8,773.49. Post Office did not seek recovery of this amount.

1.6. It should be noted that the matters raised by the applicant occurred in the period 1990 to 2006 and therefore fall outside the normal document retention period of the Post Office. This has severely limited the number of documents available for review.

2. Points of common ground between the applicant and Post Office Limited

2.1. It is common ground that the applicant raised a number of issues concerning alleged problems with the Horizon system in 2005 and 2006. Post Office provided some limited support in order to resolve these problems including at least 3 visits from an Area Intervention Manager in 2005 (See POL GRO POL_FSA_Visit_SH_008.pdf). These visits were unable to identify any issues that were causing Horizon problems. The alleged problems remained unresolved.

3. Points of disagreement between Post Office and that Subpostmaster:

3.1. The following issues represent points of disagreement between Post Office and the applicant:

Losses caused by unknown problems in Horizon system

3.2. Evidence of the alleged loss of approximately £16,000 has not been provided. Furthermore, the applicant has disclosed evidence of a £20,000 surplus in August 2004 which would normally result in that amount being withdrawn by the applicant. The applicant states that he did not withdraw the disclosed surplus and that the surplus eventually disappeared.

3.3. The Post Office note that *“when a temporary agent took over the branch for 12 weeks, he only incurred one loss (of £50) and two surpluses (both less than £1,000). The temporary agent would have used the same equipment as the Applicant which suggests that Horizon was not at fault.”*

Applicant Liable for cheques lost in post

- 3.4. Post Office states that the applicant would not be liable for cheques lost for “unknown reasons”. Due to the expiry of document retention periods it has not been possible to investigate the matter further.

Disputed Audit discrepancy in May 2006

- 3.5. No action was taken to recover the discrepancy identified by the Audit in May 2006 and therefore any dispute about the exact amount of the loss is irrelevant.

Inadequate training

- 3.6. No particulars of alleged inadequate training have been provided.

Poor line management

- 3.7. The Post Office state that no evidence has been found that corroborates allegations of poor line management.

4. Where there is disagreement, a logical and fully evidenced opinion on the merits of that Subpostmaster's complaint where it is possible to do so;

- 4.1. The following sections represent the opinions reached by Second Sight as a result of the documents and other evidence provided to it.

Losses caused by unknown problems in Horizon system

- 4.2. The applicant has provided evidence that he experienced a number of problems with the Horizon system in 1995 and 1996. The Post Office provided some limited support in order to assist in resolving those problems. The support that was provided was unable to resolve those problems. It was unfortunate that further action or support was not provided at this time in order that the issues reported could be fully resolved.
- 4.3. We do not find the argument by Post Office that the lack of significant issues during a 12 week period where the branch was operated by a temporary agent as particularly relevant or compelling. There may well have been extended periods during the applicant’s tenure where few issues arose.
- 4.4. Because of the expiry of document retentions periods it is no longer possible to investigate these matters any further.

Applicant Liable for cheques lost in post

- 4.5. Post Office states that the applicant would not be liable for cheques lost for “unknown reasons”. Due to the expiry of document retention periods it has not been possible to investigate the matter any further.

Disputed Audit discrepancy in May 2006

- 4.6. The applicant disputes the value of the loss or discrepancy established by the Audit in May 2006. We find it surprising that the Post Office did not attempt to recover this alleged loss at this time. We also note that the distribution list on the May 2006 Audit Report (See POL/**GRO** POL_Audit Report_SH_001.pdf) does not show the applicant as being a recipient of the Audit Report. This provides some limited support for the allegation that the applicant was not provided with a copy of the Audit Report.
- 4.7. The failure by Post Office to pursue the loss established by the May 2006 audit may indicate some concern by Post Office as to either the quantum of the loss or the legitimacy of its recovery. We note that document POL/**GRO** POL_Debt Position_SH_004.pdf includes the comment "Not pursued because of possible counterclaim". We also note that we have found no evidence that the applicant was notified of the decision by the Post Office to not recover this alleged loss.

Inadequate training

- 4.8. No particulars of alleged inadequate training have been provided. It is therefore not possible to comment on the merit or otherwise of this matter. Based on the documents provided to us, the real issue appears to be a lack of effective support, rather than inadequate training.

Poor line management

- 4.9. We find the failure by Post Office to resolve fully the concerns reported to it by the applicant as unfortunate. It is no longer possible to resolve these matters due to the expiry of document retention periods. The time to do this was at or close to the time the concerns were reported. The failure to do this provides some limited support for the allegation of "Poor line management".

5. A summary of any points on which it is not possible to offer a fully evidenced opinion due to a lack of evidence / information;

- 5.1. The expiry of document retention periods has resulted in it no longer being possible to offer a fully evidence opinion on a number of the matters raised by the applicant. Details of those matters are included in Section 4 above.

6. Is this case suitable for mediation?

- 6.1. In our opinion the following issues raised by the applicant are suitable for Mediation:

- a) The failure by the Post Office to resolve fully the matters reported to it in 1995 and 1996. These are linked to the allegations of "Losses caused by unknown problems in Horizon system" and "Poor Line Management"; and
- b) The "Disputed Audit discrepancy in May 2006" including the reasons behind the decision not to seek recovery of this discrepancy.