

## SUBPOSTMASTER DEBT CLAIMS

CHECKLIST OF DOCUMENTS TO BE PROVIDED BY FORMER AGENT DEBT TEAM (CHESTERFIELD) TO  
EXTERNAL LAWYERS (BOND PEARCE & BEACHCROFT)

## All claims

Name and address of debtor	Mr Peter Damian McCartan <b>GRO</b>
Branch Code, Branch Name and address	168704 Ballynafeigh 230 Ormeau Road Belfast BT7 2FZ <b>GRO</b>
Value of debt	£44,839.18
POLTD Number	1009745
If address unknown, please give details of any traces undertaken	
Any additional information (eg any known assets, previous settlement arrangements, indications from debtor about potential defence)	The debtor has agreed to pay the debt via instalments, initially £30/£40 a week. I agreed this for the initial period of 6 months when the repayment amount would be reviewed. I also confirmed with the debtor that due to the level of debt, we would pursue judgement and a charge on his property. Also that he would be required to complete an Income & Expenditure form at every 6 month review.
POL business contact and number	Dawn Colclough: <b>GRO</b>
POL legal contact and number to receive invoice	
Cost Centre Code	

**Stage 1 enclosures: initial instructions & letter before action**

	<b>Documents</b>	
1.	Appointment papers & details of contract (e.g. standard, modified, temporary) or franchise (including guarantee from company director)	<b>Yes</b>
2.	Final Account	<b>Yes</b>
3.	Correspondence between Agent Debt Team & subpostmaster re: debt	<b>Yes</b>
4.	Audit report	<b>Yes</b>
5.	Statement of debt	<b>Yes</b>
6.	Evidence in support of <u>each</u> element of statement of debt	<b>Yes</b>
7.	Product statements re: any third party products	<b>n/a</b>
8.	<del>Correspondence between contracts manager &amp; subpostmaster re: suspension, termination &amp; appeals, including RTU interview</del> Case overview from Post Office security	<b>Yes</b>

**Stage 2 enclosures: before commencing proceedings**

	<b>Documents</b>	
1.	Cash accounts and/or branch trading statements for relevant period	
2.	Relevant extracts from Credence reports	
3.	Details of subpostmaster training	
4.	Tiers 1 & 2 Helpline call logs (if any)	
5.	Details of tenure of branch	
6.	Investigator's report, security file & details of any criminal investigations	
7.	Employment details of assistants	
8.	Termination file (reasons to urge letter, appeal correspondence if any, interview notes)	

Date 17.06.2015

**FORMER SUBPOSTMASTERS ACCOUNT  
BALLYNAFEIGH POST OFFICE  
FAD 168704  
MR PETER DAMIEN MCCARTEN**

Mr Peter Damien McCarten was the postmaster at Ballynafeigh Post Office until 03.01.2013

Details are:-

National Insurance Number Not in file

Date of Birth Not in file

Address:

GRO

Tel Not in file

Mob Not in file

Email Not in file

Outstanding Debt £44,839.18

**Background**

Please see background from POL Security Doc.No.8

09.06.2015 a Letter Before Action was sent to the debtor.17.06.2015 a phone call received from the debtor – he offered to repay in the debt via instalments, initially £30/£40 a week. I agreed this for the initial period of 6 months when the repayment amount would be reviewed. I also confirmed with the debtor that due to the level of debt, we would **pursue judgement and a charge on his property**. Also that he would be required to complete an Income & Expenditure form at every 6 month review.

Yours sincerely,

Dawn Colclough  
Former Agents Accounting  
Post Office Limited  
First Floor West  
No 1 Future Walk  
Chesterfield  
S49 1PF  
Tel No: **GRO**  
External Email: **GRO**

## The Subpostmaster's Contract



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

### Acknowledgement of Appointment

I accept The Appointment as Subpostmaster at:

**Ballynafeigh Post Office**

and agree to be bound by the terms of my contract,  
and by the rules contained in the book of rules and  
the instructions contained in those postal  
instructions issued to me.

Date

11/10/02

Signature of Subpostmaster

**PETER DAMIAN MCCARTAN**

Date

11/10/02

Signature of Witness

**GRO**

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

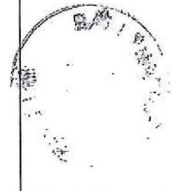
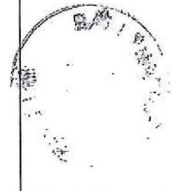
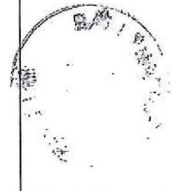
The Post Office and the Post Office symbol are  
registered trade marks of Post Office Ltd in the  
UK and other countries.

2A

TO BE AFFIXED TO THE FRONT OF THE CASH ACCOUNT PRODUCED ON DAY OF TRANSFER /CLOSURE

**Final Trading statement** OF Subpostmaster/Franchisee/Operator  
(referred to in this form as "Agents") OF: -

Post Office ® branch name BALLYNAFEIGH

Deficiency in final trading statement (Amount posted to Late Accounts)	£ 45555.02	<del>Due to Transfer*</del> / Temporary Closure* / <del>Permanent Closure*</del> *Delete as applicable									
Surplus in final trading statement (amounts over £150 only) (Amount posted to Late Accounts)	£ /	Temporary closure due to Suspension* / <del>Robbery*</del> / <del>Other</del> Please state for other _____									
Deficiency made good at final trading statement (attempts to make good should be made for most occasions)	£ /	Branch Code 1687042									
Surplus withdrawn at final trading statement (up to £150.00 ONLY)	£ /	Date of final trading statement 07 / 01 / 13									
BRANCH TRANSFER - when a transfer takes place outside the allocated trading statement day, Horizon should be rolled into the next balancing period. Please state if a full TRADING STATEMENT is due for this accounting period * <del>YES</del> / NO		<table border="1"> <tr> <td>Week No</td> <td>T/P</td> <td>Datestamp</td> </tr> <tr> <td></td> <td>10</td> <td></td> </tr> <tr> <td></td> <td>BP 03</td> <td></td> </tr> </table>	Week No	T/P	Datestamp		10			BP 03	
Week No	T/P	Datestamp									
	10										
	BP 03										
Actions	Check on Horizon if there are any outstanding Transaction Corrections NONE	Has the suspense account been cleared? N/A									

2B

TO BE AFFIXED TO THE FRONT OF THE CASH ACCOUNT PRODUCED ON DAY OF TRANSFER /CLOSURE

The sum of £ <u>NIL</u> (being the amount of cash and value stock on hand). Non-value stock items are listed on the Balance Snapshot. To be charged in the Trading Statement of <u>07/01/13</u> day of period ended as balance transferred from old account.		Signature of incoming agent  <u>N/A</u>	
I acknowledge the transfer of ( <u>1</u> ) keys for the ( ) safes listed on the ARS110		Signature of Outgoing Agent <u>PRECAUTIONARY SUSPENDED</u>	
Examined at TP			
Are there any amounts in suspense <del>Yes</del> /No		Detail reason for amounts left in suspense:	
Transfer noted in TP			
Witness to the signature of the Incoming Agent  Signature: <u>N/A</u> Print Name of Signatory:		Witness to the signature of the Outgoing Agent  Signature: <u>PRECAUTIONARY SUSPENDED</u> Print Name of Signatory:	
Representative of Post Office Ltd		Representative of Post Office Ltd	

Local Schemes

Following discussion with the outgoing Agent, I confirm that all local schemes have been returned to \*NSSC/transferred to the incoming Agent (\*delete as applicable) and reconciliations completed

Post Office Ltd representative signature: GRO

Post Office Ltd representative name: TARA CURRIE

20

There is no need to send this form special delivery

P344  
(Revd Jan 2010)

### TRANSFER REPORT

IMPORTANT - See Notes overleaf

Send to:-  
Former Agents Debt  
Product & Branch Accounting  
Post Office Ltd  
No. 1 Future Walk  
CHESTERFIELD  
S49 1PF email:

Important Message for Post Office Ltd  
representatives

Please ensure that this Transfer Report is forwarded to the Former Agents Debt team at the address opposite on the day of transfer.

GRO GRO

GRO  
P/L GRO

<b>Outgoing agent</b>		<b>Branch name</b>	<b>Branch code</b>
1. Name and Branch code		Ballynafeigh	168704
3. Name (in full) of outgoing Agent (BLOCK LETTERS)		Mr Peter Damian McCartan	
4. DATE OF APPOINTMENT OF OUTGOING AGENT		18.04.2002	
5 (1) DATE OF CESSATION (2) State whether Trading Statement prepared		03.01.2013	
6. Cause of cessation (see notes overleaf)		Suspension	
<b>Incoming agent</b>		<b>Branch name</b>	<b>Branch code</b>
8. Name and Branch number		Ballynafeigh	168704
9. (1) Name (in full) of incoming Agent (BLOCK LETTERS) (2) If related to outgoing Agent, state relationship		Mr Michael James Moan (2)	
10. (1) State whether the incoming Agent is a/an:  - new Subpostmaster; - reinstated Subpostmaster; - Temporary acting Subpostmaster; - Nominee Subpostmaster; - Franchisee; - Operator; or - member of Post Office Ltd staff placed in temporary charge.		Please write reason in this box  Temporary acting Subpostmaster;	
11. Date of commencement			

Details of POL representative completing this :

Signature ..... Name Chris Fisher  
Telephone Number [ ] Date 09.01.2013

2D

## NOTES

THE TABLE BELOW SHOWS WHETHER A TRANSFER REPORT (P344) AND/OR FINAL CASH ACCOUNT (P242) SHOULD BE PREPARED WHEN AN AGENT LEAVES HIS/ITS APPOINTMENT OR THERE IS A CHANGE OF BRANCH STATUS:-

CAUSE OF CESSATION	TRANSFER REPORT (P344) TO BE PREPARED	FINAL CASH ACCOUNT (P242) TO BE PREPARED	REMARKS
Termination of contract+ by Agent	YES	YES	
- Suspension of Agent	YES	YES	If the agent is reinstated after suspension a further P344 and a P242 should be prepared
- Termination of contract+ by Post Office Ltd	[ ]	[ ]	
- Illness* (when a relative acts as a temporary Agent)	YES	YES	When the agent resumes after illness, a further P344 and P242 should be prepared
- Death* (when a relative acts as a temporary Agent)	YES	NO	When a new agent is appointed, a further P344 and P242 should be prepared
- Agent in charge (Post Office Ltd staff)	YES	YES	Neither form necessary on transfer from OIC to another OIC
- Temporary Subpostmaster	YES	YES	
- Nominee Subpostmaster and change of firm	YES	YES	
- Nominee Subpostmaster (no change of firm)	NO	NO	Neither form necessary on transfer from OIC to another OIC from the same firm
<b>Change of Branch status</b>			
- From a Crown to an agency branch	NO	NO	

+This could be a Subpostmaster Contract, Franchise Agreement or other agency contract such as Post Office@ Essentials.

\*Not applicable where the Agent is a company.

Retention period: 6 years

3A



CORRESPONDENCE ADDRESS  
 FORMER AGENTS DEBT TEAM  
 2<sup>nd</sup> Floor West  
 No 1 Future Walk  
 Chesterfield  
 S49 1PF

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Email: **GRO**

Opening Hours  
 Monday to Friday 8:00am - 5:00pm

Private and Confidential  
Mr Peter McCartan

Mrs Zoe Topham  
Former Agents Advisor  
Telephone: **GRO**

**GRO**

Date: 25<sup>th</sup> July 2013

FORMER SUBPOSTMASTERS ACCOUNT  
BALLYNAFEIGH POST OFFICE  
FAD 168 704

Dear Mr McCartan

I am writing to you in respect of the recovery of deficiencies found in the accounts at the above Post Office whilst you were sub-postmaster.

The sum of £45,081.18 is due to Post Office Limited to clear the account. I have attached a copy of the statement of errors which details how the account is made up.

Your contract with Post Office Limited provides that you are obliged to make good any and all losses incurred during your term of office. The contract also confirms that this obligation continues after your last day of service.

Under the Limitation Act 1980 Post Office Limited is entitled to claim any sums due.

Please forward a cheque made payable to Post Office Ltd, for the full amount to the address above within 21 days of the date of this letter.

Payment may also be made by credit / debit card.

If full payment cannot be made immediately then you must contact this office within 21 days to discuss a repayment plan.

A prepaid envelope is enclosed for your convenience.

Should you have any queries regarding this account, please do not hesitate to contact me at the address above or telephone me on the number listed above.

Yours Sincerely,



[www.postoffice.co.uk](http://www.postoffice.co.uk)

Post Office Limited is registered in England and Wales. Registered No. 2154540. Registered Office 148 Old Street, London EC1V 9HQ.  
Post Office and Gro Post Office are registered trade marks of Post Office Limited.

3B



CORRESPONDENCE ADDRESS	
FORMER AGENTS ACCOUNTING TEAM	
2 <sup>nd</sup> Floor West	
No 1 Future Walk	
Chesterfield	
S49 1PF	
Email	GRO
Opening Hours	
Monday to Friday 8:00am – 5:00pm	

Private and Confidential  
Mr Peter McCartan

Mrs Zoe Topham  
Former Agents Accounting Team  
Telephone: GRO

**GRO**

Date: 2<sup>nd</sup> September 2013

FORMER SUB-POST MASTERS ACCOUNT  
BALLYNAFEIGH POST OFFICE  
FAD 168 704

Dear Mr McCartan

I wrote to you on the 25<sup>th</sup> July 2013 regarding the recovery of deficiencies found in the accounts at the above Post Office, whilst you were Sub-postmaster. To date no payment has been received.

I must remind you that you are contractually obliged to make good any losses incurred during your term in office for up to six years after your last day of service. (Limitations Act of 1980.)

Please give this matter your urgent attention and forward a cheque for £44,839.18 made payable to Post Office Limited.

Yours Sincerely



Mrs Zoe Topham

[www.postoffice.co.uk](http://www.postoffice.co.uk)

3C



LETTER BEFORE ACTION

CORRESPONDENCE ADDRESS	
FORMER AGENTS ACCOUNTING TEAM	
2 <sup>nd</sup> Floor West	
No 1 Future Walk	
Chesterfield	
S49 1PF	
Email :	GRO
Opening Hours	
Monday to Friday 8:00am – 5:00pm	

Private and Confidential  
Mr Peter McCartan



Mrs Zoe Topham  
Former Agents Legal Enquiry Officer  
Telephone GRO

Date: 1<sup>st</sup> October 2013

FORMER SUBPOST MASTERS ACCOUNT  
BALLYNAFEIGH POST OFFICE  
FAD 168 704

Dear Mr McCartan,

I am writing to you for payment of £44,839.18 being the sum you owe in respect of accounting errors found in the accounts of Ballynafeigh Post Office during your term in office.

We have previously written to you on 25<sup>th</sup> July 2013 and again on 2<sup>nd</sup> September 2013 requesting repayment of the above sum but to no effect.

As you are no doubt aware, under the contract for services you are responsible for all losses occurring as a result of the acts or omissions of yourself or your assistants. Deficiencies due to such losses must be made good without delay and your responsibility for the losses does not cease when your appointment as Sub Postmaster finishes.

I must, therefore, ask you to forward a remittance in payment for the total sum of £44,839.18 within 7 days from the date of this letter.

In the circumstances, if you fail to comply with this request within the prescribed limit, legal proceedings will be issued against you forthwith to recover the sum due together with interest and cost of such action without any further reference to you.

~~We trust this will not be necessary and look forward to hearing from you within the next 7 days.~~

Yours Sincerely



Mrs Zoe Topham  
www.postoffice.co.uk

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31

FORMER AGENTS ACCOUNTING TEAM  
Finance Service Centre  
No 1 Future Walk  
Chesterfield  
S49 1PF  
Email : **GRO**  
Opening Hours  
Monday to Friday 8:00am – 5:00pm



Private and Confidential  
Mr Peter Damian McCartan

**GRO**



Dawn Colclough  
Former Agents Accounting Team  
Telephone: **GRO**

Date: 09.06.2015

FAD 168704F  
CUSTOMER ACCOUNT: 1009745

### LETTER BEFORE ACTION

Dear Mr Peter Damian McCartan

Post Office Ltd is writing to you for payment of £44,839.18 being the sum you owe in respect of a deficiency in the accounts of 1009745

The sum of £44,839.18 is required to balance the account for the branch during your term, and must be paid within 7 days from the date of this letter.

There are a number of ways you can repay the debt to us. These are listed on the reverse of this letter.

If you would like to repay the money by debit/credit card, contact me on the telephone number above and I or a member of our team will be happy to help you.

This letter is being sent to you in accordance with the Practice Direction on Pre-Action Conduct (the "PDPAC") contained in the Civil Procedure Rules. In particular, I refer you to paragraph 4 of the PDPAC concerning the court's powers to impose sanctions for failure to comply with its provisions. Your contract/agreement with Post Office Ltd requires you to make good any losses incurred by the branch during your term without delay. This obligation continues after your contract/ agreement is terminated with Post Office Ltd. If we do not receive payment or instruction by 17.06.2015 the matter will be referred to our Legal team, who may begin formal proceedings for recovery of (1) the debt; (2) interest accruing on the debt; and (3) Post Office Ltd's costs, without further reference to you..

We trust, however, that this will not be necessary and look forward to hearing from you by 17.06.2015

You should note that free independent advice and assistance can be obtained from organisations including those listed below.

Please do not disregard this letter. Ignoring this letter may lead to Post Office Ltd starting proceedings against you and may increase your liability for costs.

4A

## IN CONFIDENCE

<b>To:</b>	<b>From:</b>	<b>cc:</b>
Paul Williams Contracts Advisor	Tara Currie Field Advisor	Suzanne Winter Security Manager  Linda McLaughlin Field Support Team Leader
<b>Date: 03/01/2013</b>		<b>GRO</b>

**Audit of Post Office®Ballynaveigh, Branch Code 1687042.**

On the 3/1/2013 accompanied by my colleague Field Advisor Bernie Stewart, I conducted an audit of the above named branch.

The purpose of this audit was to verify financial assets due to the Post Office® and confirm compliance with a range of Business processes, procedures and regulatory requirements.

The audit revealed a shortage in the branch of £45,555.22. A breakdown of the audit result and details of the audit findings are as follows:

£	44491.76	(-)	Identified as a difference in cash figures
£	1.20	(-)	Identified as a difference in cheque on hand figures
£	1154.88	(+)	Identified as a difference in stock figures
£	1414.89	(-)	Identified as a difference in postage figures
£		(+/-)	Obsolete stock not included in audit figures
£	£802.25	(-)	Identified as a difference in foreign currency figures
£		(+/-)	Transaction errors revealed to documentation
£		(+/-)	Outstanding transaction corrections not processed
£		(+/-)	Discrepancy as per office snapshot
£		(+/-)	Other
£	-45,555.22	(+/-)	Total Shortage

I contacted the Network Business Support Centre (NBSC) at approximately 08:40 am and advised that an audit would be performed at the branch, and that it would remain closed until its conclusion. The nominated branches offered were: Rosetta and Botanic Gardens and a notice placed on display at the branch detailing this information.

48

We arrived at the branch at 08:45 am and introduced ourselves to the Postmaster Mr Peter Damien McCartan when he arrived at approximately 09:05 am and I advised that we were there to perform an audit on behalf of Post Office Ltd.

I asked Mr McCartan before he entered the premises not to log on, just to confirm our identity using the correct procedures. He took our ID's and took around ten minutes to come back; I looked through the shop window during this time and saw him typing on the Horizon. When we gained access to the office I challenged him as to why he had logged onto the Horizon system. He stated he had to put through a business deposit, I asked where the money was and he said it was already in the safe he just hadn't processed it on Horizon on Line. Mr McCartan allowed us access to the secure area, and was present in the secure area whilst the audit was carried out. The office was in a messy, disorganised, filthy state with rubbish all over the floors, desks, overflowing bin and bits of stamps and money and stock lying everywhere, drawers filled with rubbish, papers, old out of date stamps used cups everywhere.

We proceeded to carry out the audit, I started by printing a pre-opening transaction log to see the business deposit Mr McCartan had carried out and it was over £15,160.00. I proceeded to print other reports and Bernie started counting available cash and stock from the two safes that had opened, after waiting for the third safe to open at approx 0930 we continued to carry out the audit and I enquired if there was anything in the inner cell of the third safe, Mr McCartan confirmed there was but not sure as to how much, when I said we were looking for approx £46,000 and asked was that in the inner cell he said yes but it didn't open until 11-11:30am. While waiting for the inner cell Bernie carried out the Compliance Tests and I continued with the P32 and called Cash Management and spoke to Andrew Keighley who informed me the office was non conformant for cash declarations from 3-12<sup>th</sup> December 2012 and from 13<sup>th</sup> December 2012 the cash declarations had been coming through. Their Rem day is a Wednesday and they had asked for £10K to be sent back as they were holding too much and it wasn't sent back. Andrew also informed me the offices biggest payment day is a Monday and they don't need to be holding any more than £30K and if they're low on a Friday not to worry as according to his screen they normally put through a business deposit on a Saturday. I fed back this information to Mr McCartan who said the business deposit doesn't always come on the same day and he can't rely on that and he has excess coin as it was the Christmas period. I contacted my FTL Linda McLaughlin to inform her of the amount we were waiting to count and as yet I had not let the branch open, especially after Mr McCartan had logged on before letting us enter the building and carried out a business deposit of over £15K, Linda was on a visit and couldn't answer so I left her a voicemail to call me back.

At 11am I asked Mr McCartan to try opening the inner cell and when it didn't work he said it must be 11:30am or 12o'clock and mumbled something about it was set to a later time because of tiger kidnapping.

Linda called me back and after explaining the situation she agreed that it wasn't too much longer to wait and it was OK to keep the branch closed until we verified the amount we expected in the inner cell as it was such a vast amount. Mr McCartan said

40

nothing apart from anytime we asked him questions and even at this answered with mostly yes or no, he read the paper and did the crossword very calmly. At 12 o'clock I again asked Mr McCartan to open the inner cell and he pressed the buttons on the safe numerous times before it opened, to which he then said, "There's nothing in it." I asked what he meant and he repeated "There's nothing in it." I asked where is the money and he said he didn't know, I then asked did you know there was nothing in it and he said yes. I then asked why didn't you tell us if you knew this whole time and he said he was chancing his luck. I asked how you balance if there's no money in there and he said he just makes the figures right so he balances. I asked how this happened and he said it started when the new Pin pads went in and they were telling him to pay out double and he wasn't clearing his Horizon screen and settling the screen after every transaction and he later said he had underpaid a customer by £1000.

Mr McCartan then confirmed that the figures of the audit team were correct, as he thought the amount was about half of what the outcome was. This was the only time he showed any shock.

I then telephoned yourself at 1pm to report a preliminary suspected shortage of approximately £46,000 and that I would ring you back with the final figure once I had completed the audit. This I did at 5pm to report an overall shortage in the branch of £43927.62. This amount changed on Monday 7/1/2013 to £45555.22 short due to a difference in cash and some stock.

Also present when it changed to a Tier 2 on site were Linda McLaughlin FTL and Peter Todd FCA.

I also notified Suzanne Winter Security Manager at 2pm to relay these findings.

You advised me to contact David Sears to advise him this could go to suspension as you were driving with very little or no signal.

The decision taken was to precautionary suspend Mr McCartan at 5pm and that the assets were secured in safe until Monday 7/1/2013 when the audit could continue as the post office was in such a mess we had to make sure all figures were correct. The keys were taken by Linda McLaughlin FTL as Bernie and I were on a special audit the following day; I had contacted Romec and ensured alarm codes were changed.

The branch was rolled into TP 10 BP 02 and a Final Account produced on 7/1/2013 at 17:25 and staff present was myself, Bernie Stewart, Sean McCaughey and Roy Hayes. The total figure was different due to a difference in stock figures.

The amount of £45,555.02 was posted to Late Account instead of £45,555.22; there is a difference of 20p this was to do with the difference in foreign currency exchange rates that could not be amended.

4D

Compliance Tests were carried out at this audit, gaps identified were; all compliance training receipts missing for Dangerous Goods test, Not sure about the procedure when hiring new staff, No record of checking weighing scales on a weekly basis and no security manual.

On Tuesday 8/1/13 I and my colleague Roy Hayes arrived at the branch to meet Mr McCartan at 0850, Mr McCartan did not arrive until 0908. We had a Rem collection due in the morning time that Suzanne Winter had organised especially as the Rem day is usually a Wednesday. Whilst waiting for the Rem to be collected Mr McCartan began cleaning the kitchen and tidying rubbish into bin bags. CIT arrived to collect Rem at approximately 11:00 and the defund took place. Mr McCartan called Romec to change the alarm code for the premises and did so and we left the branch. Mr McCartan called me about 30 minutes later to say the safes weren't set correctly and he could not set the premises perimeter alarm and as I had the secure area code could I come back, which Roy and I did, while onsite at the request of Chesterfield we accessed Horizon and printed off additional reports and rolled the office into BP 03. I have given the keys, date stamps and Paystation to BAU FCA Mandy Donaldson.

If you require any additional information, please contact me on the telephone number below.

Tara Currie  
Lead Auditor

 **GRO**  
Mobex: **GRO**

4E

IN CONFIDENCE

To:	From:	cc:
Mr Peter Damian McCartan Subpostmaster Ballynaveigh	Tara Currie Field Advisor	Paul Williams Contracts Advisor Keith Gilchrist Security Programme Manager Branch Support Team Linda McLaughlin Field Team Leader

Date: 7th January 2013

Audit of Post Office Branch

Ballynaveigh

168704

**Section 1 - Introduction**

An audit of the above branch, led by myself, was undertaken on 03 January 2013. The purpose of this audit was to verify financial assets due to the Post Office® and confirm compliance with a range of Business processes, procedures and regulatory requirements.

Section 2 provides a management summary, including the financial audit result.

Section 3 details a breakdown of the result of the financial audit.

Appendix A details the areas of non-compliance to regulatory matters and Appendix B details areas of non-

**Section 2 - Management Summary**

The financial audit revealed a current trading position of £45,555.22 short subject to a reconciliation of some figures (undertaken after the audit). A breakdown of this figure, including any pending transaction corrections or losses being settled centrally, can be found in section 3.

Due to findings revealed at audit, a decision was taken by the Contracts Advisor to temporarily suspend you from your role as subpostmaster pending further enquiries. Details of non-conformance revealed during compliance testing carried out at the audit, can be found in the appendices attached.

4F

### Section 3 - Result of the Financial Audit


Financial assets to the value of £27991.04 were physically verified compared to the amount due to Post Office® of £ 73546.26

The difference between these figures is broken down as follows:

£	44491.76	(-)	Identified as a difference in cash figures
£	1154.88	(+)	Identified as a difference in stock figures
£	802.25	(-)	Identified as a difference in foreign currency figures
£	1.20	(-)	Identified as a difference in cheque (voucher) figures
£	1414.89	(-)	Identified as a difference in postage figures
£	45555.22	(-)	Total shortage

### Comments

The shortage of £45,555.22 has been sent to 'Late Account' Product & Branch Accounting and is to be settled in accordance with terms. The bulk of the shortage was in the cash which you had confirmed when asked the £46K was in the inner cell and on opening of the inner cell you admitted you knew the cash was not there and have signed a document stating this.



5

**Account Statement****Branch:**  
168704F**Account Number:**  
1009745

Mr Peter Damian McCartan

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

**Enquiries To:**  
 Finance Service Centre  
 No. 1 Future Walk  
 Chesterfield  
 S49 1PF  
 Telephone: 

<b>GRO</b>
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 Email: 

<b>GRO</b>
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Date: 17.06.2015

**Customer Name** Mr Peter Damian McCa **Statement of Account From** 01.11.2012 **To** 17.06.2015

Document Number	Transaction Detail	Document Date	Amount (£)
	<b>Balance b/fwd</b>	31.10.2012	0.00
1600005040	Customer Credit	29.11.2012	242.00-
1800005279	Final Account	07.01.2013	45,555.02
1600008456	Remuneration Payment	29.01.2013	473.84-
	<b>Balance at</b>	17.06.2015	£44,839.18

[www.postoffice.co.uk](http://www.postoffice.co.uk)

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6A

AG 7/8/13  
TP6

FORMER SUBPOSTMASTERS STATEMENT OF DISCREPANCY

BRANCH NAME : Ballynafeigh BRANCH CODE : 168 704  
 PRODUCT : Violet Giro Cheques -  
530120  
 DATE OF DISCREPANCY : 29.11.2012 £ £242.00 CR  
 (\*Delete as applicable)  
 HORIZON ENTRY : £ 0.00 CLIENT DATA TOTAL : £ \_\_\_\_\_

Details of Error: (PLEASE PROVIDE FULL WRITTEN HISTORY OF THE ERROR)

A violet giro was received at Santander which was proper to the above office  
but the violet giro was not claimed on Horizon.

Find attached a copy of the TC which would have been sent to the office.

NB. Attach all relevant supporting documentation.

FOR INTERNAL USE ONLY

\*G/L \* DR (\*Delete as applicable) 530120

\*VENDOR SPECIAL \* DR/\*CR (\*Delete as applicable) \_\_\_\_\_

Duty Holders Name and Signature :

JAETH VOTT (Print Name)

**GRO**

Signature

Second Validation Name and Signature :

Shawn Wood (Print Name)

**GRO**

Signature

Team Name :

Financial Services Enquiry Team

Date TP6 Passed to Former Agent Accounting Team : \_\_\_\_\_

TP6  
68

LIST NO.  
ITEM NO.

DATE

ERRORS ON ENCASHED VIOLET ORDERS

OFFICE NAME: **BALLYNAFEIGH** OFFICE CODE 168 704 2

CASH ACCOUNT WEEK/YEAR: 37 12/13

W/E DATE: 29.11.12

SERIAL NUMBER: 300701

DIFFERENCE TO BE CLAIM £242.00

AMOUNT ENTERED IN CASH ACCOUNT LINE; £1318.46

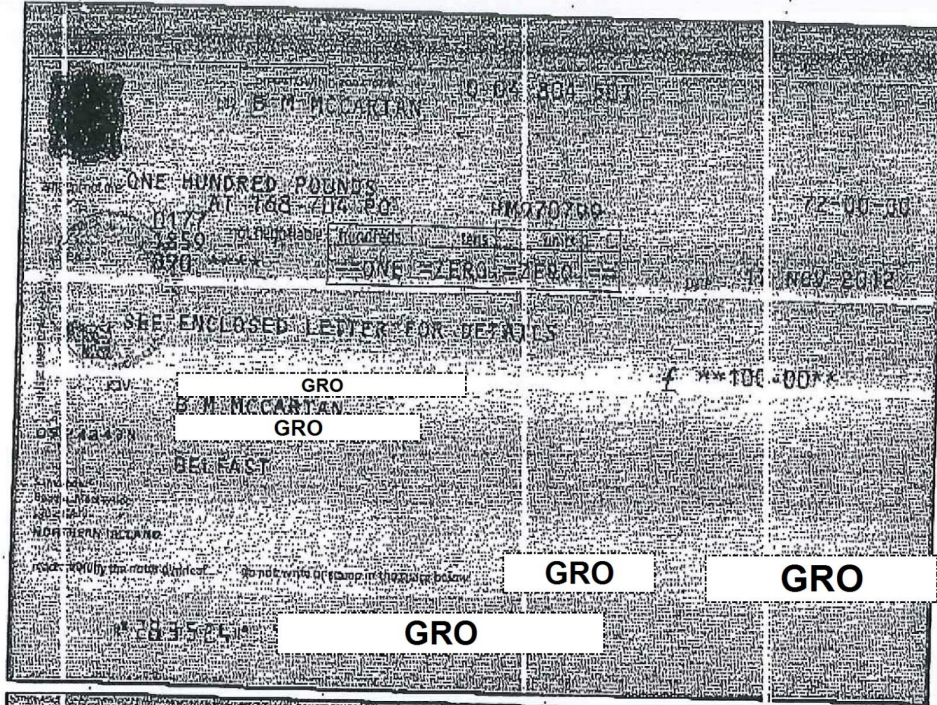
REASON FOR ISSUE: VIOLET ORDER HELD NOT CLAIMED IN CASH ACCOUNT WEEK

SUPPORTING EVIDENCE ATTACHED

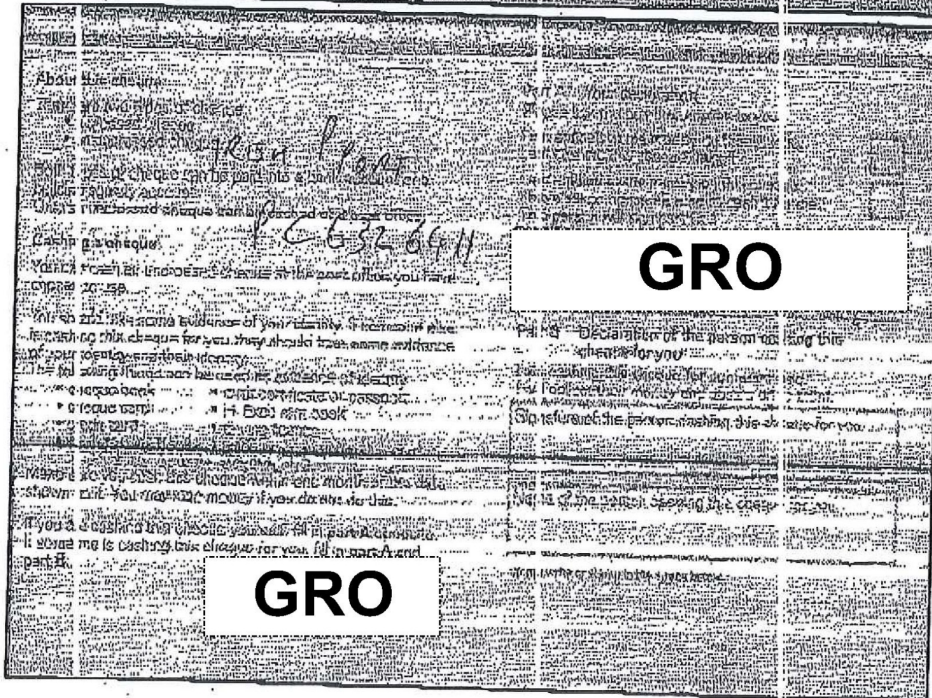
bc

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Page 1 of 1



Hand 3/1/13

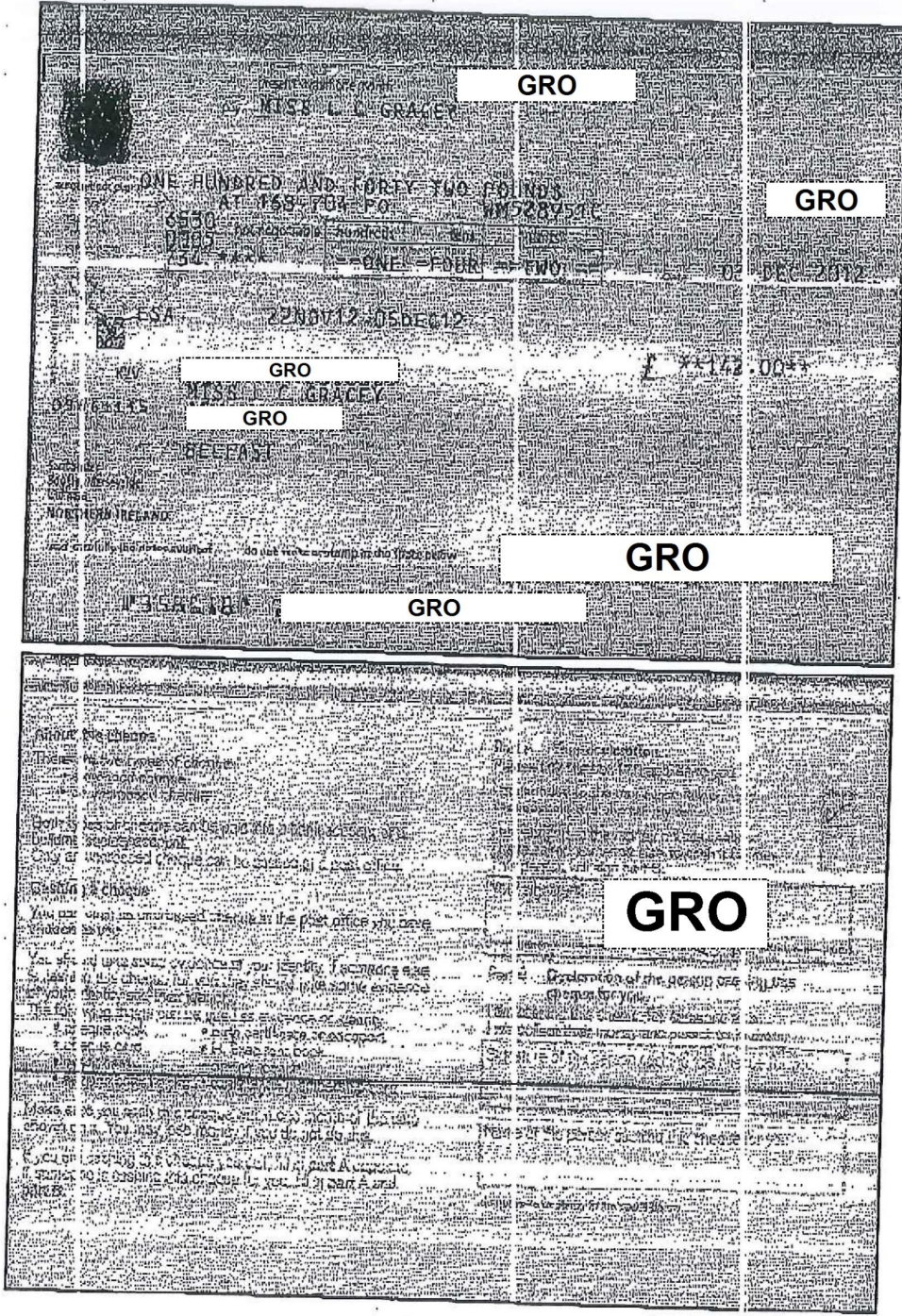


HELD IN 168704 WK 37  
NOT CLAIMED

6D

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Page 1 of 1



168704 WK 37  
 2 GROSS @ £292.00  
 HELD NOT CLAIMED

3/1/13  
 [Signature]

HELD IN 168704 WK 37  
 NOT CLAIMED

8A

**Dawn L. Colclough**

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**From:** Simon I Hutchinson  
**Sent:** 09 June 2015 14:29  
**To:** Dawn L Colclough; Helen Dickinson  
**Cc:** Michelle Stevens  
**Subject:** RE: Case closure Ballynafeigh

Dawn

I can report the following:

This investigation relates to a cash shortage of £45,555.22 in the office accounts at Ballynafeigh Post Office Branch, BELFAST identified at audit on Thursday 03/01/2013 and the subsequent interviews with the Sub Postmaster, Mr Damian McCartan. A comprehensive report was prepared from which it appeared that there was no doubt that the Sub Postmaster stole £45,555.22 from the Post Office.

Ballynafeigh Post Office is a stand-alone office sited in South Belfast. Damian McCartan had been the Sub Postmaster for over eleven years and employed two Post Office assistants. The last previous audit conducted at Ballynafeigh Post Office was on 07/02/2008 and the result was a surplus of £87.14

At the time of the 2013 audit the Field Support Advisors (FSA) reported that the office was in a messy, disorganised, filthy state with rubbish covering the floors, dirty desks, overflowing bin and bits of stamps, money and stock lying everywhere, drawers filled with rubbish, papers, old out of date stamps and used cups all over the floor. Damian McCartan was suspended and is now no longer employed by the Post Office.

On Friday 18/01/2013 Post Office Security carried out an interview, under caution and recorded, with Damian McCartan along with his National Federation of Sub Postmasters Representative (NFSP), Mr Stephen HARPER. Damian McCartan was challenged on his attitude regarding the Post Office as he had not recorded any losses or voiced his concerns to Post Office Ltd. Damian McCartan denied theft, however he admitted inflating the cash figures to disguise the loss as he was fearful of losing his job. Furthermore; Damian McCartan claims the losses were caused when the new pin pads were installed and he had not followed the POCA "withdraw limit" process correctly, even though information regarding the PIN pad installation was communicated to all branches; Damian McCartan admitted it was deceitful to disguise the loss; due to Transaction Credit Entries since the audit took place in 03/01/2013 the amount owing to Post Office Ltd at 29/01/2013 is **£44,839.18**.

On Friday 22/11/2013 Post Office Security carried out a second interview, under caution and recorded, with Damian McCartan and again along with his NFSP Representative, Mr Stephen HARPER. Recovery of the loss was discussed, with Damian McCartan explaining that he had not approached the bank for a loan as he had recently started work with a taxi company but due to being involved

**GRO**

8B

At the termination of this final interview, and after the tape recording had been switched off, Damian McCartan asked [GRO] **if he should mention Horizon now**, and was advised not to.

The submission of the prosecution file to the Public Prosecution Service was put on hold pending a report from specialists to address the Horizon issues and as the Horizon issue remains unresolved, and it may be a further six to nine months before a specialist report will be available, the time period involved in this may well become a matter of adverse comment in relation to Mr McCartan's human rights. The Post Office Northern Ireland legal representative is in no doubt that Damian McCartan's defence team will raise an issue in that regard.

Damian McCartan's unresolved Horizon issue was not identified, nor did it go to mediation, but I believe we can surmise that he was going to blame Horizon on the identified loss. In terms of the Human Rights issues, this refers to the POL NI Solicitor pointing out that the delay in bringing this case to court may impact on Article 6 of the European Convention on Human Rights which is a provision of the European Convention which protects the right to a fair trial. In criminal law cases and cases to determine civil rights it protects the right to a public hearing before an independent and impartial tribunal **within reasonable time**.

I hope this informs.

Regards

Simon



**Simon Hutchinson**  
Security Manager

Brent House  
15 Heron Road  
Belfast BT3 9LE

[GRO]  
[GRO]  
[GRO]  
*For Government Security Classifications  
OFFICIAL please use:*  
[GRO]

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**From:** Dawn L Colclough  
**Sent:** 09 June 2015 12:55  
**To:** Simon I Hutchinson; Helen Dickinson  
**Cc:** Michelle Stevens  
**Subject:** FW: Case closure Ballynafeigh

Hi Simon/Helen

I have received the case closure for Ballynafeigh, and I will now need to pursue Mr McCartan for repayment of the debt.

Are there any issues I need to be aware of in advance of this?

What is the unresolved Horizon issue, as I was not aware this case was in the mediation scheme? The report also refers to Human Rights issues, can you please expand on the details.