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(by email: mediation@)

20 November 2013

Dear Sirs

**Case Number - M039**  
**Case Questionnaire - Julian Wilson**

We attach a Case Questionnaire on behalf of Julian Wilson.

Yours faithfully



**Robert Holland**  
**Partner**

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## Post Office Initial Complaint Review and Mediation Scheme

### Case Questionnaire

Case Number - xxxx M039

Julian Wilson

#### 1. Introduction

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1. This Case Questionnaire relates to myself, Julian Wilson, and the issues that I encountered whilst I was employed as Subpostmaster at the Astwood Bank, Redditch branch (3462463) during the period from 6 November 2002 to 11 September 2008 when I was suspended.
2. The format of this document is that I firstly set out some background information that is relevant to understand the basis of my complaint and my responses to the ten key questions set out in the guidance notes. I then deal with each of the ten key questions in turn. Finally, attached to this questionnaire are spreadsheets which summarise my calculation of the losses that I have suffered as a result of these issues and the losses I continue to incur and certain relevant evidential documents.

#### 2. Background

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1. I became a subpostmaster and took over the shop and post office at Astwood Bank, Redditch on 6 November 2002.
2. Fortunately the site had someone working there that had been working in a post office for over twenty years as my initial training only lasted two days at Worcester Crown Post Office training room followed by one week at Astwood Bank and the odd day in the following week. The trainer was unable to give me more time due to Post Office commitments elsewhere.
3. My previous employment had been in various sales, marketing and business development roles, but in 2002 I decided to opt for a working life that involved less travelling, but which could still utilise the skills that I had developed. I started to look for a post office and the site at Astwood Bank, which was close to family, dropped into my lap.
4. My intention on taking over the post office was to build it up and then operate it until I was, say, 70, in order that I could then retire comfortably.
5. Over the period to 2008 my weekly balances and branch trading statements generally showed a loss or a profit, with more losses being recorded than profits. However, I was able to substantially improve the business and my salary increased from about £38,000 to £53,366 in the tax year to 5 April 2008.
6. Early in 2008 I experienced an issue with my hard drives. This was the first time I had experienced a problem like this. An engineer came to deal with the problem and put a new unit in, but could not get it to load up correctly. As a result they had to go and collect the old unit, bring it back and cannibalise something out of it to get the system back up and running. In addition I had a problem with the ISDN line which neither the Post Office or BT would accept responsibility for. This lasted for three months until the fault was found and resolved. Over this period I had to transmit via the mobile network and there were many times that the system froze so that I could not complete the relevant transaction.
7. It was after this point that the losses I experienced began to be more pronounced.

8. There was no formal training for new products and services and I was often left floundering when something new came in. Booklets were merely sent to each post office to explain things.
9. Also when Horizon "Online" was introduced to my Post Office I discovered that the trainer was actually a counter clerk from a nearby Crown Post Office.
10. Specific issues that arose included:
  - A new service was provided to cash Co-op business cheques and I received one over the counter for £500. I had not processed one before and so I called the Helpline and followed their instructions, which included sending it in the usual bag. I had not appreciated, and was not told, that it had to be sent somewhere else. As a result the cheque was lost and I had to bear the £500 loss.
  - The Astwood Bank Post Office did well with the Lottery but we had some out of date scratchcards. These were remmed out on the Camelot till and I was told by Camelot that a transaction correction would come through, but it never did. As a result this cost me £250.
  - A problem arose with forged Green Giro cheques amounting to over £10,000. I was required to make good for one of these, to the value of £350, but never received a satisfactory answer as to what became of the others.
  - I also issued approximately £1,500 of US dollar traveller's cheques on a Wednesday to a customer who lived nearby. On the Thursday my wife had a call from Twickenham as they could see that the transaction was not processed correctly. She called on the customer who was local and re-processed the transaction correctly with First Rate, the currency supplier. However, I needed to reverse out the first transaction, but could not do that as I had balanced on the Wednesday. First Rate, who dealt with traveller's cheques said they would organise for a transaction correction to be sent through, but it never arrived.
11. I did contact the Helpline when necessary, but they were of little help to me, particularly when new products and services were introduced that they themselves were not familiar with. They were also often hard to get hold of, particularly around the time of balancing.
12. I was concerned about incurring losses and raised this with my line manager and Business Development Manager. My line manager, Paul Fantuzi, told me not to worry as the system would work itself out. Unfortunately it did not.
13. As well as my line manager I asked a new Business Development Manager, Keith Bridges, about the losses I was experiencing but he could not help me. I also asked who, other than myself or the Post Office, had access to the system but was told that no other parties had access. However, on several occasions the cash declaration at the close of business on Saturday was different to the balance I opened up with on Monday, even though I had not processed any transactions in the meantime.
14. Despite repeated requests no investigations were ever carried out to establish the cause of my losses. I think it was all too easy for them to rely on the fact that I was liable for any shortfalls and as a result they thought there was no need to help me find the reasons why losses were incurring.
15. Finally on 11 September 2008 I was audited and told the auditors that I expected a loss of around £27,000. In the event a loss of £27,911.98 arose and I was immediately suspended.
16. I was taken through the Court process and was initially charged with theft and numerous charges of false accounting. Eventually these were dropped and replaced by charges for false accounting. I was advised by my barrister that I could fight the charges, but that I was likely to be convicted anyway. At this time as well my wife had just  and her father had been   As a result I felt I had no alternative than to plead guilty and hope for a light sentence.
17. I received a 200 hour community service sentence and also had to make up the shortfall that existed at my termination and pay Court costs of £3,500.

18. As I could no longer work for the post office I started to look for a buyer and quickly found one that had worked all over the West Midlands region. The Post Office refused his application. Whilst I did eventually sell the post office to a local trader, I only realised a much lower amount as I was being put under pressure by Post Office Limited to dispose of the site and settle my outstanding balance to them.
19. I also incurred legal costs, firstly in connection with an attendance at my interview with the Post Office fraud investigation team, and also in respect of a dispute I had with my landlord. This dispute arose as I could not continue to pay rent on the shop. Eventually the legal costs to resolve this dispute were paid by my brother - I have not yet been able to repay him.

### 3. The ten questions

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1. My specific response to the ten questions set out in the Case Questionnaire and Guidance Notes is as follows:

*What is the main issue or issues you wish us to consider that relate to Horizon or its associated processes?*

2. I have four key issues as follows:

- I am convinced that the Horizon system was not processing transactions correctly but cannot specify how this might have occurred.
- The training that I was given was minimal and not adequate to operate such a complex and evolving system.
- When losses arose my managers were unable to give me reasons why this might occur and I was told not to worry as the system would sort itself out.
- I contacted the Help Desk on many occasions initially but found them difficult to get hold of and of little assistance when I could speak to them.

*When did the incidents relating to the main issue or issues occur?*

3. Incidents started immediately I took over, but got worse in 2008. Indeed I discovered that my predecessor had opened an Alliance and Leicester account and deposited surpluses there to be drawn and used to cover shortages.

*What prior contact have you had with the Post Office in regard to the incidents/issues that you are now reporting?*

4. I contacted the Helpline on numerous occasions to no avail
5. I asked both my line manager and the business development manager about losses but they were unable/unwilling to help.
6. I also asked who had access to the system and was told that only myself and the Post Office had access. I believe that this cannot be the case as on several occasions cash position shown by the cash declaration at the close of business on Saturday was different to that showing when I opened up on Monday, even though no transactions had been processed.

*How was the issue or issues resolved at the time they occurred?*

7. Despite repeated requests no investigation was carried out into the losses that arose.
8. My own view is that Post Office Limited had no incentive in spending cost or effort on investigating the differences as I was liable in any event to settle them even if they were wrong.

***What is the monetary value of the issue or issues you are now reporting?***

9. Schedules 1 and 2, which are attached, set out my monetary losses. These include:
  - The cost of the lost cheque for £500 referred to above in paragraph 2.10, together with the cost of the out of date scratch cards (£250) Green Giro cheque (£350) and duplicated US Traveller Cheque transaction (approximately £1,000) that were charged to me. These arose because of the poor training I received, but I had to bear the cost.
  - Amounts that I had to pay in to settle the total differences at termination of £27,911.98 together with £3,500 of Court costs.
  - A loss of £29,500 arising from the sale of the post office under duress for £65,000. I had previously agreed to sell the post office to Mr Mistry and would have realised £95,000 but he was turned down.
  - My loss of past and future income from the Post Office. This covers the period to February 2019 when I will reach 70 as this is the date that I had always planned to retire. I have been unable to work since 2009 as a result of my criminal record.
  - My legal costs covering legal attendance at my interview with the Post Office investigation team and my subsequent dispute with my landlord.
  - Costs incurred with putting a second charge on my house in respect of a loan that I could not repay given that I no longer received any income.
  - Mileage costs that have directly arisen from my being charged with a criminal offence.
  - Interest on losses, which I have initially calculated at 4%.
10. The losses set out on Schedules 1 and 2 do not include any amount to compensate me for the hurt and suffering caused by the inadequacies of the operation of the Horizon system. I do wish to be compensated for this as well.

***Were you the subject of either civil recovery action or criminal prosecution regarding the main issue or issues you are now reporting?***

11. Yes I was convicted and received a sentence of 200 hours community service. I also had to repay the cumulative difference at the date of my termination and Court costs of £3,500.

***How were these actions against you (if any) resolved?***

12. They have not been resolved.

***What is your explanation for the events forming the main issue or issues you are now reporting?***

13. As I have noted above the cash declaration moved several times between close of business on a Saturday and the start of business on a Monday.
14. Differences arose that I could not explain and could not resolve as the Post Office relied on the fact that it could merely require me to make up any shortfall.

***Did you request assistance from the Post Office regarding the issue or issues you are now reporting?***

15. I both rang and wrote several letters to the contract manager and the Federation about my treatment, but none of the points were dealt with adequately.

*What assistance, if any was provided?*

16. No assistance whatsoever was provided.

**GRO**

Julian Wilson

20 November 2013

**JULIAN WILSON**  
**SUMMARY SCHEDULE OF LOSS TO NOVEMBER 2013**

**Schedule 1**

	£
Repayment at termination	27,911.98
Court costs	3,500.00
Impact of sale at undervalue arising due to Post Office refusal to sell to Mr Mistry	29,500.00
Loss of Post Office income - September 2008 to October 2013	178,712.65
Legal costs - attendance at interview with Post Office investigation team under caution	1,000.00
Lloyds interest (3.5% over base - say 4.5% on £51,000)	8,160.00
Losses charged but arising from poor training (Co-op business cash cheque £500, Scratchcard £250 Traveller's cheque £350 and approx £1,000 re US Traveller Cheques)	2,100.00
Lloyds fees	976.25
Mileage and parking court attendances (3 visits to Worcester Crown Court, 1 visit to Hereford Crown Court and 1 visit to Birmingham Court Service) 236 miles at 45p plus parking (say £3.50 each visit)	123.70
Legal costs incurred re litigation with landlord	960.00
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Subtotal	252,944.58
Interest to 31 October 2013 (see schedule 2)	32,019.96
Losses to 31 October 2013	<hr/> <u>284,964.54</u>
Future losses:	
Post Office income to February 2019 (Multiplier of 5 at £35,157 per year) [Source Ogden Tables 7th edition at 2.5% discount]	175,785.00
	<hr/> <u>175,785.00</u>

**JULIAN WILSON**  
**SUMMARY SCHEDULE OF LOSS TO NOVEMBER 2013**

**Schedule 2**

Interest rate used 4.00%

	Amount £	Number of years	Interest factor	Interest £
Repayment at termination	27,911.98	5	0.2	5,582.40
Court costs	3,500.00	5	0.2	700.00
Impact of sale at undervalue arising due to Post Office refusal to sell to Mr Mistry	29,500.00	4	0.16	4,720.00
Loss of Post Office income - September 2008 to October 2013	178,712.65	2.5	0.1	17,871.27
Lloyds interest (3.5% over base - say 4.5% on £51,000)	8,160.00	2.5	0.1	816.00
Costs charged to me but arising from poor training	2,100.00	5	0.2	420.00
Legal costs - attendance at interview with Post Office investigation team under caution	1,000.00	5	0.2	200.00
Lloyds fees	976.25	5	0.2	195.25
Mileage and parking court attendances (3 visits to Worcester Crown Court, 1 visit to Hereford Crown Court and 1 visit to Birmingham Court Service) 236 miles at 45p plus parking (say £3.50 each visit)	123.70	5	0.2	24.74
Legal costs incurred re litigation with landlord	960.00	1.16	0.0464	44.54
Interest impact of costs relating to sale of shop:				
Estate Agents fees	6000	4	0.16	960.00
Solicitors	3036	4	0.16	485.76
				<u>32,019.96</u>

**JULIAN WILSON**  
**SUMMARY SCHEDULE OF LOSS TO NOVEMBER 2013**

**Schedule 3**

	<b>Gross income</b>	<b>Tax on income</b>
	<b>£</b>	<b>£</b>
Starting rate	2,230.00	223
Basic rate (£2,231 to £34,600)	32,370.00	7121.4
Higher rate (£34,600 to £53,365.59)	18,766.00	7506.4
Employee's NIC (per P60)	<u>53,366.00</u>	<u>3358.61</u>
	<u>53,366.00</u>	<u>18209.41</u>
Net income	<u>35,156.59</u>	