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Our Ref: AF/LS/106

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From the office of Andy Furey Assistant Secretary

Email: afurey@GRO Direct line:

John Whitefoot
Employee Relations & Policy Director
Post Office Limited
Finsbury Dials
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Dear John

Collective Agreement for Losses and Gains – Emergency Motion Carried

Further to my letter of 16th April regarding the Losses and Gains Procedure. I am writing to advise the Post Office that Emergency Motion E1 was carried unanimously at our annual conference on Tuesday 24th April.

As a consequence, I would invite the Post Office to fully embrace our Conference policy by formally:

- Confirming that the Post Office commits to, and will abide by the Nationally Agreed procedures integral to the Losses and Gains Procedure until such time as it is renegotiated and any replacement or amended version is agreed.
- Confirming that the £30 trigger contained in the Losses and Gains Procedure be updated to take into account inflation since the level was set in 2001 – thus raising the trigger to £50.
- Confirm there will be an amnesty for any disciplinary penalties that members have already received through this abuse of the Conduct Code, so they are expunged from their records.

It should be noted that conference called for us to support our members in any cases which lead to dismissal via the Conduct Code in an Employment Tribunal, which I confirmed principled support for without reservation in my reply to the motion.

In addition to the above, following the meeting which took place on 18th April, I am given to understand a number of key actions were agreed as follows:

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- Martin Rouse agreed and indeed committed to ensuring that all managers use the collectively agreed Losses and Gains Procedure as *"their first port of call"*. As this is central to this issue may I enquire as to how and crucially when this key message will be delivered to the line management of Crowns? Basically for this to happen in a meaningful way somebody in authority such as Roger Gale needs to communicate this revised directive to Branch Managers, BDMs and Area Managers.
- Steve Blampied, with the support of the training team, agreed to initiate a TeamTalk with a view to closing the gaps in terms of knowledge. We fully support this initiative which is required to arrest this situation; however we would want to understand when this training is planned to be delivered. Obviously from our perspective, this has to be an absolute priority as more discipline cases involving losses are being reported to us almost on a daily basis.
- The CWU believes the current Losses and Gains Procedure is fit for purpose and the problems lie in it not being implemented properly. However the Post Office seemingly feels it can be improved and made simpler. Steve Blampied agreed to send a formal written explanation as to why the Post Office considers the agreement needs to be improved. I would hasten to point out that over 2 weeks have elapsed since the meeting, yet the Post Office has failed to provide a response which makes its case in this regard. This doesn't instil confidence that there is a joint approach. I will elaborate further on this position in my final bullet point below.
- The CWU raised our concern in respect of the ongoing issue of the 'cash icon' in the bureau de change process and the fact it has been cited as the cause of many large losses. We reminded the managers present that we had raised this as an issue as far back as 2016 and that we had sight of correspondence from Martin Rouse confirming he had *"started the process to sort this out"*. Can you please update us on this matter by confirming exactly when the Post Office will be making the necessary adjustment to the system bearing in mind over 2 years have elapsed since this anomaly was first identified as leading to losses.
- Concerns were also raised by both unions with regards the escalation trigger point in the L&G Procedure being changed without agreement from £250 to £100. This is clearly unacceptable and all managers in the room said they were unaware of this. This is yet more evidence of the lack of a joined up approach. Please can you confirm this issue has been addressed and the trigger points returned to that in the formal agreement?

I also think it is fair to say that I am somewhat perturbed by the content of the two emails subsequently forwarded by Pauline Adebajo, Unite Representative. Firstly, I would have thought that something of this nature would have been automatically shared with the Union. Consequently, it is easy to interpret this as a deliberate act of concealment. Secondly, it is astonishing that these revised directives were not known to the senior operation managers. It simply beggars belief that the right hand doesn't know what the left hand is doing! Perhaps this demonstrates a strong case of negligence?

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Since the meeting another very serious issue has arisen where members are stating that the new horizon system is causing some problems in branch and could be responsible or potentially responsible for losses. Members are reporting that they have to sometimes swipe the banking card several times before it works, scanning is not working consistently and charging bizarre prices for retail i.e. £13.90 for a jiffy bag, whilst others have reported that wrong screens are coming up after scanning i.e. swipe the bank card and the dangerous goods screen comes up. I would naturally be interested to learn if the Post Office is taking any measures to improve this situation.

Despite what I understand was a candid meeting, two weeks have now passed and it is disappointing to report I am being informed by our Representatives that nothing has changed and the Conduct Code is still being widely used. Even when Reps made managers aware that there have been joint discussions around the Losses & Gains Procedure being the appropriate agreement to be used, BDMs etc are still pursuing losses under the Conduct Code ignoring the Reps' request they contact Martin Rouse to confirm that the Losses & Gains Procedure is "*their first port of call*".

I have serious concerns with the extreme numbers of our members who have been subjected to the early stages of the Conduct Code. This is clearly a mechanistic approach and is irrefutably the result of an instruction from higher up the chain as these managers wouldn't have all acted as one in ignoring the Losses & Gains Procedure. Our members are now fully aware that the Losses & Gains Procedure has been broadly ignored and this is resulting in wide-scale resentment toward the Post Office. Indeed many experienced members know only too well that losses have never before been the subject of the Conduct Code.

As a consequence of no material progress over the course of the last two weeks since our meeting, coupled with the fact that discipline cases remain prevalent, we have decided to provide our Representatives with 5 model letters to use in communication with 1st and 2nd line managers (who are simply following orders from above). These letters are designed to formally record our opposition to the use of the Conduct Code for losses that should be proper to the Losses & Gains Procedure.

Obviously had we seen a marked reduction in the number of discipline cases since the last meeting then the use of these letters wouldn't be required. Unfortunately the opposite appears to be the case. To obviate the need for the Reps to issue the model letters, I would like to formally propose a moratorium on any case against our members for counter losses whilst discussions continue. Essentially this means no new discipline cases and all those which are already part way through the process should be held in abeyance pending an agreed outcome to the issue. This would allow for a "breathing space" to enable both parties to arrive at an agreed position.

Clearly it is now necessary to schedule a further meeting at the earliest possible opportunity to discuss the content of the Emergency motion. In order that we can sort this issue out, it is imperative that Roger Gale, as Network & Sales Director, is in attendance at our next meeting, so that decisions can be made by a higher authority in the Post Office which is especially necessary now due to our Conference policy.

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I look forward to receiving a comprehensive response to all of the points raised within my letter in advance of our next meeting, including confirmation that the Post Office will introduce a moratorium, so that we can resolve this issue once and for all. This would negate the need for our Reps to utilise the 5 model letters.

Yours sincerely

GRO

Andy Furey
Assistant Secretary

c.c. Roger Gale - Sales and Trade Marketing Director
 John Dutton - Regional Manager East DMB/WHS
 Lee Kelly - Senior Employee Relations Manager
 Martin Rouse - Payments Director
 Steve Blampied - Operations Manager Directly Managed & WH Smith Networks
 Andy Kingham - Regional Manager West
 Brian Scott - Unite Officer
 Pauline Adebajo - Unite Representative