



Note

Client: Royal Mail Group PLC Sub Postmaster Litigation

Matter: Mr Lee Castleton

Matter no: 348035.134

Attending: Interview with Kenneth Alan Crawley, Post Officer, Chesterfield

Name: Stephen Dilley

Location: N/A

Date: 29 August 2006

Start time:

Units:

Note of Interview with Ken Alan Crawley, Post Officer, Chesterfield.

Kenneth has worked as a Post Officer in the Pensions and Accounts Team for three years. He has worked overall for the Post Office for thirty five years. Kenneth explained as follows :-

1. He works on the Agent Debt team and has been on the team for approaching three years. The job includes dealing with cases remaining from the Pensions and Allowances work carried out for the (now) Department For Work and Pensions. The Agent Debt Team issue invoices to Postmasters for debt and finish off P & A cases. They check work for DWP.

They look after P & A error notices and when other people issue other error notices, in other departments, they monitor and control them to progress payments.

The actual Pension and Allowance counterfoils are submitted by the Post Office branches on a weekly basis through the Paid Order Unit at Lisahally, Northern Ireland. The Paid Order Unit is responsible for conducting checks of the Paid counterfoils received. When somebody goes to collect their pension payment from the Post Office, the branch will stamp their book and also stamp the counterfoil that is produced. They will pay the money out in cash to the person. The branch name and date is shown on an indicator mark, indicating which counter clerk saw the customer, and this is contained on the stamp. (There is no indicator mark for the Moon Drive Branch). The Sub-Postmaster completes a daily summary of these counterfoils which is Form P2311MA and these together with the foils are sent to Ireland. In addition a further copy of Form P2311MA is sent to what was then "transaction processing".

What may not be known amongst the other branches is that the Paid Order Unit does not conduct every foil received. The Form P2311MA is generated by Horizon system but the Postmaster must check that against the counterfoils. Generally, the Paid Order Unit receives thousands of foils each day and could not possibly check them all, therefore they do samples. They manually check 4-500 a week on a rota basis. There were at its peak, 18,000 Sub-Post Office branches and therefore each branch usually gets checked once every two years. Kenneth was able to connect the old system for me and confirmed that during the material period, the Moon Drive Branch was checked on rota in Week 44.

If the checks reveal any discrepancies, the Paid Order Unit would notify the Transaction Processing Team. They would do this by entering details into the Pacsys Computer System. Once a week Transaction Processing downloading that information from Pacsys. Once Transaction Processing received the paperwork relating to the discrepancy, the information from Pacsys will be automatically inputted into the Counter Business Database. (This is not Horizon). Any supporting documentation, such as P2311MA summary sheet would be

amended. Transaction Processing would then arrange for the issue of an error notice. The error notice would say why it has been issued.

1 new system is called SAP. The old system was abbreviated to CBBB. Because there is a system now for looking back over old information, he cannot now tell us why error notices may have been issued, but can say the check errors related to 12 November 2003 for £56.94 and 25 February 2004 for £862.42.

The error notice is formal notification to the Branch advising of a mistake made and giving instructions on how to rectify the situation on their account. It is sent to the Branch in question and the Post Master is required to bring the error notice to account before the end of the next cash account period. Once it has been brought to account, the error notice should be signed by the Post Master and returned to Transaction Processing together with cash account. Transaction Processing no longer exists as such, as it is now called Product and Branch Accounting. However, there are certain occasions when discrepancies are found by the Paid Order Unit and not dealt with this way. For example if they are for over £80.00, and the discrepancy is believed not to have been caused by general mistakes, relevant documentation is forwarded to the Post Office Ltd Investigation Section. An error notice would not then be issued until the completion of any investigation and the Paid Order Unit will manually check each of the counterfoils and summary sheets received for the following four weeks.

The Pacsys information will contain the office code, the week number, the week ending, details of the error including the value and the group it falls into (for example sickness benefit, income support, family credit etc). Pacsys stands for Pension and Allowances Checking System.

Kenneth is willing to give evidence in this case, but informed me that he has put in for voluntary redundancy which may occur in September, but he was happy to be a witness even if he was made redundant. However, one of his colleagues could give similar evidence. She is called Anne Farndon.

Explaining to Kenneth that I will type up a written statement based upon what we have discussed and then Counsel will decide whether or not to use it. Explaining to him the procedure and that his evidence is really for giving the Court information about how the procedure works, as he was not involved at the material time directly with the Moon Drive Branch.