



# Note

Client: Post Office Limited

Matter: Horizon IT System-Group Action

Matter no: 364065.1369

Attending:

Name: Mandy Robertson

Location: Bristol

Date: 15 January 2018

Start time:

Units:

Folder E – Lisa doing

Person speaking	
Victoria Brooks	Testing...testing. 2nd part of interview with Angela van den Bogard (Angela)
Angela – 0.6	?? we saw come in and we were so delighted that ....
Victoria	<p>That's really kind of you.</p> <p>So what we did do, during the break was, we reviewed what we had already asked you. I've looked at my questions that weren't for you and I've added something to those as well if that's alright.</p>
Angela	Of course. Yes.
Victoria	<p>We are just coming onto Horizon, and start with a question on that.</p> <p>From your point of view, what's the biggest weakness in Horizon, if anything?</p>
Angela	<p>There was weakness in it for me as it's a bit clunky. So, you know when people think of computer systems they think of, you know, your laptop and you can stick something into Google and it pops up so it has its weaknesses in terms of its clunky and it seems like accessing Horizon online. In terms of it, and sometimes re. the way that we need to go into get things done in terms of just interrogating the system to get the information it is a bit clunky as well.</p> <p>So the greatest weakness for me is it is chunky. Is it secure in terms of what it was built to do? It does exactly what we asked it to do when we built it so I have every confidence in the system. What I think the weakness there is that a number of people, lots of people actually, don't know how to use it as well as they should.</p> <p>So as long as things were all hunky dory they're fine. But when you start looking for the discrepancies, and isn't even the Horizon system per se, it's the fact of how they find a way around that. Because they wouldn't,</p>

Person speaking	
	<p>fortunately many people don't have discrepancies very often. And it is one of those things I don't have to do very often so...</p> <p>Things like, you know where the system or the screen goes down and stuff, it's those kinds of things. Its things that happen infrequently is how quickly they get themselves into that. And the way they are able to and I can't see a way you could change this actually but the way they can just hit a button and move onto the next screen without even reading it.</p>
Victoria	Mm.
Angela	Because it can just literally go "bang bang bang bang" and it's gone.
Victoria	Yes
Angela	But again that's not the system itself, it's the user.
Victoria	Yes.
Angela	Just trying to shortcut what's there.
Victoria	And we all have a tendency to just hit OK on whatever message pops up just to get onto the next one
Angela	Exactly
Victoria	And sometimes you think after you have done it, "oh that wasn't right".
Angela	Yes, exactly. And then it's too late and it's done.
Victoria	Yes.
Angela	<p>Its like MoneyGram when I told you earlier, it's gone. You know, it's in another country and they're out of the door very quickly. So that's I think for me, you know we were looking to replace with IBM a couple of years ago, we did a lot of work into that and obviously that relationship just basically dissolved. Partly because IBM didn't understand the complexity of a lot of the transactions and things really. So you know we've got what we've got and we've been trying to make it better in terms of easier but it's still an old system.</p>
Victoria	<p>Yes, ok, that's helpful.</p> <p>There have been various communications as I understand it, that have taken place with sub-postmasters and more widely about problems, bugs and errors in Horizon, and I'm not sure the extent to which you were involved with any of those if at all?</p>
Angela	Do you mean from our Post Office?
Victoria	Yes
Angela	Or what's been in the news
Victoria	Um, yes.
Angela	I have been involved in terms of what the communication is and who it's gone to. What we've done is we've communicated to those affected



Person speaking	
	branches, we've not gone widely with more broader comms and again I think that's the appropriate, you know this is about dealing with situations, if there's something that we felt was a risk then I would be the first to be there saying we need to communicate that so everybody is aware of it. So, yes I have had some involvement in those.
Victoria	Ok.
Angela	But that's a while back now. Because we quoted the two in one report we do the second sites which was, years ago now, that was three years ago
Victoria	I think it was 2014.
Angela	It all just merges now, because there was a number of documents that I was involved in. Was there a separate question to that one or not?
Victoria	Um, well...  Were there communications, who did they go to and, I know this is information we've got, but what we are trying to do is to...we are checking what has been told to us before so that we can go back into the documents...
Angela	Oh right, ok. So there'd be a communication but not a wide communication, it's not network wide, it's just to those affected branches and I forget the numbers but they were very small, almost like 20 odd I think...I think there may be a little bit more than that but against, you know a network of 11½ it was tiny. And then, when that happens, if anything happens like that, and we do do is make sure our Helpline knows about, or if you don't know a detail its, if you get a call on this there is where you need to go. You put them in contact with that person so that they can actually...because that potentially is quite, could be quite alarmist really you know, alarming for people. Particularly the communication that worries me is what's in the media.
Victoria	Yes, that ..
Angela	Because that is all a bit more speculative.  And then on the back of that we tend to then get flurries of activity into our Call Centres for questions coming in which we've dealt with.
Victoria	Were you involved in the media ones as well?
Angela	Yes.
Victoria	OK.
Angela	So at the height of the mediation I was involved in everything. It's only the last year or so when we were going into the litigation that, you know, because once we closed the mediation scheme, predominantly the work drops off and the media attention drops off. So we get the odd flurry every now and then on the back of something, but we are keeping, we are not giving a lot of it oxygen so some of the stuff that comes through on Facebook and Twitter, it's just really a street fight, we just ignore. We have agreed a strategy in terms of how we deal with communications. Because they all try and target Paula trying to, you know, bait Paula into giving a response. They're being very personal actually which is not appropriate.

Person speaking	
Victoria	No.
Angela	<p>So yes, that seems to be working well actually. But anything that comes in that's anything to do with Horizon or anything, it pings straight out to us. So Roderick is always involved in it, you know in terms of the number of us on that and then if we need to seek further then we would go further with that as well.</p> <p>We tend not to bring Andy into some of it unless we have a particular problem</p>
Victoria	<p>OK.</p> <p>We have probably got some more bog standard questions about Horizon but I think probably that's not or you, I should probably be speaking to Fujitsu and other people about that.</p>
Angela	For the technical stuff anything to do with how the system works then I would suggest you talk to Cath and Shirley.
Victoria	Cath and Shirley
Angela	I'd wrap that up into...and give you their experience of operation and how it works.
Victoria	Great
Angela 7.47	<p>But let's its [●] technical stuff...they have also been involved on, if there are some issues that come up that we don't instinctively know the answer to and I've gone to put it through, then Cath has worked with some of that detail. So I've escalated a few issues with them over the last couple of years. A guy called Pete Newscombe is the contact.</p>
Victoria	Oh yes.
Angela	And a guy called Steve somebody, I forget his surname, but Cath is close and Shirley is close to that ok so anything around that, and if you haven't spoken to them, and you haven't, you'd be amazed at how much they know.
Victoria	I've dealt with them in the context of lots of different things and they always do, but I haven't spoken to them about, I haven't basically tried to take witness evidence from them yet
Angela	Honestly, they're great.
Victoria1	A more wider question. From your point of, you'd said that you are confident in Horizon, and so the question I've got here is explain why Horizon was robust and fit for purpose. If you've got anything specific to add to that?
Angela	So explain why..
Victoria1	Why it worked.
Angela	<p>Why it worked? I think we just need to remember what you are supposed to do. So when I gave you the example earlier about the manual cash account, it is basically that. So I describe it to some people as, it's like a calculator, it's a big calculator, and it does exactly what we ask it to do. So it was built</p>

Person speaking	
	<p>knowing that some things potentially would go wrong – like we would lose connectivity that a power line would go down or the comms line would be faulty, and the recovery steps had been built into there. So everything, when you build a system in any way to do a certain job, then part of the stress test is "what if this happens, what do you do.." all of that stuff has been built in there. So in that respect it was built for purpose. The other important thing, and really important I think from my perspective, is because it records every key stroke and because we keep all information for 7 years, we can go back and have a look. Now it's not the easiest process to do that, and we never I think anticipated we would be doing something like, as large scale as this, particularly pulling all the information for the 150 cases we had in the mediation scheme, and the contract we have with Fujitsu to do that shows us that we had never expected to do that very often because we have a contract where we can have so many enquiries a month in price and then it costs a fortune after that. So that itself, you know we designed it with a bit of a fool proof mechanism but one that we never expected to use to a great extent. So in that respect I think it is fit for purpose, it does exactly what it was intended to do. It's not a piece of equipment that you'd expect to buy today. So when you go and buy a laptop you'd never expect to get that it's slow. You know it doesn't do the things you'd expect it to do, so it's not that and I think people try and compare it to that which is why we have some of the problems.</p>
Victoria1	But then I suppose it was introduced in 2000 and it has been changed since then. Was the change between those two..
Angela	So we've done some software changes. First of all we went from Horizon to Horizon Online. So prior to the online facility we used to have to poll information. So the information would be extracted from branch overnight. That's the big difference whereas now it's a live situation.
Victoria1	Ok.
Angela	So that's the difference. The hardware is exactly the same hardware today, well for part of the network, than it was when we put it in and only now we're refreshing the hardware. So the hardware itself has held up really well, given, if you think about how many transactions, billions of transactions to deal with and there's been some refinement around the screen, the usability, in terms of how the screens are, the figures and how many screens you need to go through to sell a stamp, all that kind of stuff. So we've done some nuancing around trying to make it quicker, trying to make it easier, but basically it was built on the same platform.
Victoria	Is it touch screen?
Angela	Yes.
Victoria	And has it always been touch screen.
Angela	Yes.
Victoria	I would imagine it was touch screen when it gets discussed.
Angela	It has always been touch screen, yes.
Victoria	So that must have been quite ... It was ahead of its time wasn't it?...



Person speaking	
Angela	<p>Yes it was. You could either use a keyboard or you could use the screen. Depending on what preference, and actually sometimes transactions lend themselves better to the keyboard than to the screen sometimes and obviously you need a keyboard to type in, you didn't type in words and stuff, on the screen, you did it on the keyboard.</p> <p>And there was also the mag stripe in the keyboard at one point as well.</p>
Victoria	For swiping cards?
Angela	Yes.
Victoria	OK. You were talking about the contract with Fujitsu when it meant that it was costly to get additional data. Was there any sort of process for that, that you were aware of before the mediation scheme.
Angela	<p>Oh yes of course it was always there. So typically used by our Security Team when they were doing the investigations into the potential cases but it was always there. So I forget the number and Cath and Shirley will tell you, but we had so many requests, I think it was 10 a month that we could make, that was within the agreement and anything over that, then we had to pay for. It became quite expensive and it depends on how many months' data you were pulling and stuff. And then all you got was the raw data and then you had to manipulate that yourself then. So it was quite a laborious task.</p> <p>Now going to the mediation scheme, the way we designed it and we had some of the guys who could manipulate how we pulled the data into, you know we got into quite a good way of working with it and then... Cath and Shirley know the way round it really well.</p>
Victoria	Was there any guidelines given to people about when or not, when they could request data back at that point...
Angela	When you say "they" you mean...
Victoria	People in Post Office who might need it. So given the financial constraints.
Angela	It was predominantly user safe for the Security Investigation Team. It would, I think it was only ever used for them till we started pulling the data.
Victoria	Ok, so
Angela	Contracts advisers would have requested some of the information from the investigating cases in terms of disciplinary stuff, but it would have gone to, the route through was always through a security team.
Victoria	Ok.
Angela	There is a lady called Helen Dickinson
Victoria	I am seeing Helen, I think 2 weeks' today.
Angela	<p>Helen would be good to talk to about that.</p> <p>What I have seen, you know when I've looked at some of the cases. People will say "I want the data" and I'd say we're not going to pull all 7 years' data and it might be "I made a loss of £50 I want the data", well it's going to cost us £400 to get it. So there have been cases where we've pushed back and</p>

Person speaking	
	<p>that's what I've come across but there are others when I've thought "no you should have got the data on that one". You know so we are not looking at some of the cases I've looked at would not have been perhaps as accommodating as perhaps we should have been in some cases to get to the level of information. That said the Postmaster in a number of cases say well "I just want all the data because it must be there" as a kind of a last hope as opposed to trying to hone it so it could be filtered to a certain thing. We are more accommodating now but given where we've come from with the mediation scheme and we're able to kind of go "well we can do this but we need it to look like this". The first time I got involved I was dealing with a case, I forget the name now, a few years ago, it was quite a public case actually because we audited and we found a discrepancy and we terminated, suspended I think. Because we did move towards termination they closed the Post Office, locked the mail in and they came into quite a standoff and we panicked internally and put them back in post but it was all to do with, and that's when I got involved and started looking at the data, at that point. That was the first time I really understood how I could actually tell the story from the data, which was quite a revelation actually. It was an interesting case because we had Mark Baker in the room as their Postmaster's representative, Mark Baker is quite active in, he was part of the said Exec and then breakaway he is part of the, he's trying to get Postmasters to be represented as part of the CWEU.</p>
Victoria	Ah, I've heard about them.
Angela	<p>Yes, so It's interesting so that's the first time I really met Mark and it was interesting so we sat in this room, myself and it was Kevin Gillon who was the network and sales Director at the time and my boss was on leave and I had been bought in because she was away and I worked with one other girl, Helen Rose, in the investigation team so we pulled the data and I sat with Postmistress and her husband and Mark Baker and it was all to do with, you know, she swore that they'd never logged on, never did this and, anyway, so I was able to show the data and talk them through. And when you know at some point the penny has dropped and you know when you go "oh shit, I've just been found out" because it was all to do with the Postmistress and her daughter and her daughter had been using the system under her mother's password and I said to her mother "Do you share passwords?" "No." "Did you do this transaction?" "No, I swear I never did that transaction" and then I showed her the evidence, at that point Mark Baker asked for a recess and could we have a conversation. And at that point, it was just as all this stuff started kicking off with the mediation and he said to me at the time, he said "I have been contacted by..." it was in the south-west, south-east, "I was contacted by this radio, this tv programme and I have agreed to give an interview telling, saying how bad Horizon is and why they shouldn't.." and he said "in light of this conversation, I am withdrawing, I am not going to do that interview" because he could see exactly what I was telling him and he pulled away at that point. It's interesting actually because he's been a bit of a thorn in the side but it's interesting because he is around me a couple of times and in one case in particular he's been pushing the whole status bit as well actually, on the employee bit, the Postmasters. He rang me up one day and said "Ange, we've got this situation in the branch" I forget what it was was, anyway. And he asked and I said "Mark, if I understand this right are you asking me to help you out here?" and he went "Well it's in the good of the.." I said "Are you asking me to help you out?" He went "Yes, would you mind helping me out?" I said "Of course I will help out the Postmistress" and I sorted whatever the problem was anyway. But it was interesting actually because he knows I am going to be straight down the line and he knew at the point, he knew I had him over a barrel if he wanted to know. We did</p>



Person speaking	
	actually reinstate them. He said, we kind of went "wipe the slate clean and reinstate".
Victoria	And was that because it was the daughter that was at fault?
Angela	Yes. Contractually we could have but we didn't
Victoria	And then you said the daughter can have no involvement going forward or..
Angela	<p>Yes. We did. It's interesting how you take things for granted because this chap then, was it Val, I think his name was. Very vocal chap. [GRO] family and he clearly was the master, you know as very often is the case and his wife hardly said a word in this meeting, other than confirming that she is happy for him to talk on her behalf which was a difficult one as it often is in these situations. But then I was his long lost friend, he was Linked-In, pinging me stuff...</p> <p>Anyway, sorry I digress again sorry.</p>
Victoria	<p>Ok well I think we have covered the Horizon bit but will speak to Cath and Shirley about it in more detail.</p> <p>We have covered some of the areas that I am talking about next, contractual breach and performance of issues already but hopefully will find ones that, I appreciate [00:20.33]</p> <p>The section that I am looking at is "Process for dealing with breach of agreement and if there is a misuse of cash suspected and whether or not that process has changed over time".</p>
Angela	It's been the same forever. The way we deal with the consequences of that, which I talked about earlier about the suspension bit has changed, and we have continued to review our mitigating circumstances criteria but fundamentally the process has been the same for a very long time.
Victoria	Something I want to go into detail with more is the actual investigation that's carried out by Post Office but I don't know if that's one for you or somebody...
Angela	It depends what investigation you're talking about – criminal investigation?
Victoria	No, from the civil side, just to satisfy yourself they have done whatever it is that they're accused of doing probably, false accounting, or, if it's not the kind you're going to involve the criminal ...
Angela	<p>Ok, so this has changed over the years. So the investigation we used to do formally, was always done through the Security Investigation Team and Helen Dickinson is the best person to talk to. She is in the PACE space. She's the only person I think we've got currently now because we don't do any prosecutions, as you know, so. So in terms of investigation, the process by which you investigate, if it comes up as part of an audit then obviously there's the audit, is the initial fact find. And then the way the contract adviser deals with that is that they will do some investigation to establish the facts on the back of that. That process has pretty much been the same for a long time. Although on the back of the mediation scheme what I did find out, and didn't realise, is that the skillset that I have built in my team with Shirley and Cath was far better than the contracts team and actually we were then supplementing that for them, we were doing the legwork for them. Because, whilst, the contracts advisers typically had come through the branch route</p>

Person speaking	
	and therefore they have a very good understanding of how it used to be in their day, but because if they had been in the contracts adviser role for a long time then they were less familiar with how things worked and actually in doing this work I did find that we again, Cath and Shirley and myself, were more qualified to investigate than half the Investigation Team were. In a number of cases they didn't understand and we were training them on how to work, what certain products do and didn't do. So we had built a very good level of skillset in terms of where to look and how to build that case and how to do a proper root cause analysis. So particularly Cath and Shirley and the guys in that team do that really well. So we have a much broader end to end bit now which is, so if there's an issue for instances, that comes our way, Cath and Shirley would go and do that investigation and then try and ...
Victoria	OK.
Angela	So the difference to what we do now is we try to explain what's happened as to establishing that money's gone missing. If you know what I mean. Do you understand what I'm saying, so you can actually establish if money has gone missing without trying to explain how it's gone missing.
Victoria	Yes.
Angela	What we do is explain what we can see, what we can use the data to tell us, to be able to explain and that's why we can say, well it's one of two things now. Because the process of elimination was taking everything else out of the equation. And that's the difference in terms of the depth of the information of where we can go to and actually the thought process and the understanding we can put around it. now that's really important in terms of some of those implied terms and the clauses we were talking through earlier, Victoria, some of that because we have come a long way towards a number of those things now.
Victoria	OK..
Angela	It's just whether we as an organisation agree that we should put them into the contracts or not. But in terms of, from the work that we've done with the mediation scheme, this is what I said to you earlier, you know, out of a negative can come huge positives, we have a much better way of being able to establish the reasons behind and actually explain those to the Postmaster, than we have ever been able to. Or had been inclined to even.
Victoria	So previously it would be more of along the lines of "we can see that this money..."
Angela	Yes
Victoria	"...therefore, you are responsible for it under the contract..."
Angela	Yes
Victoria	"...therefore you need to pay it". And then the consequences of that will be if you don't or if you do.
Angela	I think this is part of the problem for a number of people in there is that they don't know what happened or they don't know why and they're looking to us to explain it, and in some cases we can and in some cases we can't. but previously we never used to and I think that's you know, which is why some

Person speaking	
	of these, when I have gone into the mediation sessions I have done with Postmasters, without being a mediation, just to explain stuff, it's quite a revelation for them actually and for the first time in like 20 years it makes sense which in itself is helpful for them but if only I'd known that 20 years ago, which is usually the response I get! It's unfortunate but I can only deal with what I am faced with at the time. Ok?
Victoria	Ok that's really helpful. These are more things for John Breedon, I think and for Cath and Shirley. I've got to the section about Sub-postmasters as employees and it's exactly that thing we were talking about I think with the chap from the CWU.
Angela	Yes
Victoria	From your point of view asked "what's your view on the question about whether sub-postmasters are employees or not". I mean I know it's not what do you think is there that points towards it or what do you think there is that takes away from it
Angela	I think it's a bit of a mixed actually. My view is "are they employees" no they're not, they think they are, most of them don't think they are. Would like to be "yes" they probably would. In some cases and others absolutely not. So it's kind of a mixed bag. I always remember that case I talked to you about earlier about, it was the Griffiths' case where the chap walked in front of the bus. I sat with his daughter because she wanted to meet with me just to explain a few things, you know, so I was the punch-bag for the family at the time, which you'd expect, and I'm happy to take that, because it was a very difficult situation. So I ended up meeting with his mother, with his wife, with his daughter, which as you can imagine was very difficult conversations. But one of the things she did say to me was, she worked then, I think still does for Deloitte and, covers the tax and stuff. She said to me, "So if he was a franchisee, why did you take NI contributions from him then?" So I explained the status of the contract and stuff and how it worked and then she said "No actually my father always said he was self-employed." So even though some things don't point to a self-employed status, because do the PAYE and the NI contributions, we deduct at source, not for all of them because they can elect not to, but typically we defaulted that position. It was always the understanding that they were self-employed.
Victoria	Yes.
Angela	And there was never any doubt about that when we engaged them in a contract. Now whether they chose to try and take it differently, you know long-term, but we did have nuances in the contract that we went to earlier which, you know, things like, even allowing them to go off to do territorial army cover and things like that. Some really odd things in there. And then, this really comes out of a relationship really with the fed because we would be, in the sub postmaster contract it could be quite vague on some information then go into a huge amount of information on how much compensation they were entitled to if they lost a finger...
Victoria	Yes
Angela	It's like "what?". But that's just, it was such an old contract, which actually has served the business well for a very long time. Yes, so that I think there are some anomalies you go, if the status is franchisee and not employee then "why do you pay me for holiday and why do you pay me..". You know



Person speaking	
	we don't pay you we make a contribution towards. That's the difference.
Victoria	That sort of subtle difference can be quite important.
Angela	<p>All done?</p> <p>Background talking</p> <p>So there are those subtle differences around ... background noises – cups of tea .... So these are the important things and when I sat down with Postmasters and they've said "so am I an employee or not then" I've gone through and they go "oh yeah I get it" And I know I've got to do my tax return, and I know I've got to do this, cos they do the tax return for the retail side anyway.</p>
Victoria	<p>Yes, tax returns. Ok. Helpful.</p> <p>One of the things that is part of that point as well is the difference between Crown employees and other forms, well they're not forms of postmaster are they kind of points and Postmasters ..</p>
Angela	Yes.
Victoria	What would you say are the key differences?
Angela	Contract, obviously, which you full appreciate. But just the way of operating and the relationship with the Post Office. So a Crown employee or directly managed branch employee, of which I was one, so I can talk really at length in terms of how it works. So you are recruited to work in a particular role, so you are recruited to come in and work on accounting and these are the things that you need to do and you're trained to do that, and the training is the same training that we give to Postmasters by the way, ok, it's always been the same training.
Victoria	Yes, ok...
Angela	<p>...that we've given. When I was working in branch I was responsible for my losses, directly and indirectly in terms of how I dealt with it. so for instances, in those days, we used to balance weekly and anything, any loss up to £2.75 I think it was, I had to make good. Anything over that I had to declare and then that was part of my performance review, and if I had so many losses in so many instances, that was subject to disciplinary, and could lead to me having my contract, sorry for me being sacked.</p> <p>So there were very clear roles and responsibilities. Now, so the difference in the Postmaster and their staff? So the Postmaster had those clear responsibilities as well, so it was the same products that we did and we had the same equipment. We had all the same, our system was no different, our system's exactly the same for the whole of our network. So everything was the same, it was just around that contract in terms of how we had that relationship. Communications that came out around everything was the same. When we did Horizon training we had the same type of events. So everything was the same. Clearly in an employment status then we had different arrangements so we would get, you know, whatever our agreement is, the number of holidays we could take, in terms of the sick absence policy, all of that you would expect in there. For as long as I can ever remember, we have always recognised the trade unions, the CWU used to be called...the Communication Workers Union used to be the Union...UCW or something and Unite was the managers' one, and equally we have always</p>

Person speaking	
	recognised the Federation of Postmasters as the representative body for agents as well, the Postmasters. So there are a number of [00:33.25] the mirror thing, the real real difference was always the contract, it's how, you know we dealt with that.
Victoria	OK.
Angela	So even things like the helpline, they all went to the same channel. All the support structure was the same. Even the holiday substitution and the sick substitution was processed in the HR Service Centre where we paid, where we still pay everybody from, Payroll and stuff. So all the back office stuff... was that contract and everybody knew that difference in terms of, everybody knew their contract. Even Mark Baker even though he tries to say otherwise, he always knew.
Victoria	From what you've said about what you would say to people at least when you were taking them on, you made that very clear.
Angela	Absolutely.
Victoria	It does seem difficult to understand how people could be thinking they were employees.
Angela	I think the one bit that jars on me is the small office payment. Which is, "we top you up to minimum wage" that jars on me. Because I am quite clear on our contractual things so why the hell are we doing that?
Victoria	It's not your problem if they are not making the minimum wage because they are not your employees and they might be anyway and you wouldn't know it because of the retail side.
Angela	Yes. Exactly.
Victoria	Yes, that is strange.
Angela	It was something that was quite, when I was Head of Area for Wales, it was something that was quite high on my radar then because I had the highest pay bill on the small office payment because, and it comes very much down to the rural communities, so where you had the small ones, the footfall just wasn't there so we just automatically and at one point I was, it was a couple of million pounds, like what?!
Victoria	Really.
Angela	£1.7m sticks in my head for reason in Wales alone, that we were topping up which for me was unnecessary. We were just spending money, you know.
Victoria	Just to be nice
Angela	Yes, exactly. Now we could argue in that situation we did it to stop them closing, to stop them falling over, to make sure we kept that presence within the community. And if that's just the case then I can understand that but it wasn't documented anywhere for me to understand that properly.
Victoria	Yes, that's a good way of explaining though.



Person speaking	
Angela	<p>Yes. So we did it that way so, the other thing that's quite interesting and has always stuck with me actually, is when I was in that particular role, going round visiting branches, because with the margin and a number of these business is a struggle, alright, so there's a very fine balance. I remember I was in one branch and it was in the middle of Wales somewhere, can't remember the name, small retail in almost a stand-alone kind of building, small one storey building, talking to the sub-postmistress, only met her that day, and this chap came in and he bought 4 first class stamps and he said "that's my good deed for the day". So he went and I said what did he mean, and she said "he just thinks I'm a charity". So he thinks if he comes in and buys 4 first class stamps then he is doing his bit, his charitable bit, and therefore, and she said "it really annoys me". Because it was that, you know. So she was struggling to try and make it work and he was just thinking well I am just doing you a favour ...</p> <p>I always remember it because I actually sat on the train coming home and I pulled this presentation together around Post Offices is not a charity. If you want to process you need to use it because we just, you know. And it just literally used that throughout when I was engaged. Because people used to say to me I used to go to public meetings when I was looking, you know, Post Office closed, I was looking to reduce the opening hours, which I did, to try and reduce my small office payment, was "why have I got you on 45 hours a week when clearly you haven't got business for that. And I remember going to some public meetings and they'd be going, you know, they all turn out, 50 people in the room giving me a hard time about "why are you doing this?" and I said "because you're just not using it". So I'd be there saying, right "So how many of you actually use the Post Office?" 3 hands would go up. So I said "Why would I be putting money into this?" and what it really boiled down to, and they did say this to me, is "because without that Post Office in this community, my house is worthless"</p>
Victoria	Really?
Angela	So we were affecting the value of their, or even the saleability...
Victoria	Which is what people really do care about isn't it?
Angela	<p>So if you just think about it you could watch any of the programmes on TV now, "Escape to the Country" or whatever it might be, it's got a Post Office, it's got a pub on the list. Seriously, that's what it boils down to. Which is why everybody cares about it and it's not because they want to use it per say its because it affects the value of their property or the ability for them to sell which is..yeah.</p> <p>What else, because I am conscious I am digressing an awful lot...</p>
Victoria	<p>No but it's really useful.</p> <p>All talking</p> <p>Well for what it's worth I am a prolific user of the Post Office because I love writing cards and thank you letters and so I am there all the time. And ours was one that was going to get closed and then didn't. The next thing that we've touched on a bit already but practical arrangements, because you touched on, quite interestingly, living on the premises, a lot of other things a bit like that but if you could start with a bit more about living on the premises, how it's organised, what involvement Post Office has if any, is there a policy about who can live there? Anything to do with it because I don't know a great deal about that.</p>

Person speaking	
Angela	<p>Our interest in the premises is (1) what's their ownership on it or do they have you know the licence to trade from it. So there's obviously the permission from the licensing staff, what grade it is, but also can they show us evidence that they have a legal arrangement to operate from there. And that's all part of the recruitment process ok, and John Breedon can give you more details on that. But we have different types of Post Offices and probably more, perhaps we use less of them now because actually some postmasters got very good even if they did sell on they didn't sell on the whole thing they just started the lease, so the number of postmasters who bought the freehold lived there and when they'd made their money effectively they sold the Post Office, particularly when it was at the height of it, so the goodwill element of the Post Office used to trade about two and a half times remuneration, very very commercially sound. And then they used to sell that and then they'd hold the lease as well. So they really had it all ways.</p> <p>So living on the premises, the context I spoke about earlier was around, you know the number of things the postmaster had to consider when they were coming into the business new...</p> <p>In terms of, did we ever restrict who lives on the property, the premises, no one ever did, that was never a part of our arrangement with them so what we expect from them, you had to provide premises from which to operate a Post Office and they had to have certain conditions on terms of size and can we get a counter in and is it secure and all that, so we do all the security checks and that kind of stuff and making sure that the Post Office element itself is secure and that it's alarmed and ... yes so that was only ever involvement.</p>
Victoria	Did it need to be secure from the domestic premises? Do you see what I mean, like a proper door between the two or was that not ...
Angela	Into the Post Office itself? Oh yeah so the Post Office had to be that we had specifications on the thickness of the walls and all that kind of stuff, the quality of the door, how many mortice locks, all that kind of stuff in there right, and the security team would give you all that if you needed it.
Victoria	OK.
Angela	<p>In terms of, and this is where over the years we've kind of changed policy. So I always remember when I used to go and inspect, and at one point we were insisting, some of my colleagues over the years insisting that they put a secure door between the Post Office and the upstairs almost, yeah, so we had, one postmaster was saying to me, and "he wanted me to have an iron gate, I'm not having an iron gate".. you know ok fine but we need to make sure that from a tiger kidnap perspective, which was the notice that you clocked on the way in, how do we secure it. and we did look at the whole, we didn't put a huge amount of emphasis, other than making sure that we protected the Post Office itself. So our main focus was the protection of the postmaster and his staff whilst they were in the Post Office, rather than whilst they were sleeping at night. We did give them advice on where they kept their keys so it wasn't obvious, they didn't keep them in the kitchen drawer or something silly like that and that the spare key was kept somewhere, you know the obvious things we always offered guidance on and always offered a security manual which is part of the Horizon Online as well now which was the dos and don'ts of keeping you safe which was really important.</p>
Victoria	Ok, that's really helpful.

Person speaking	
	In this sort of conglomeration of things section, we talked about the security checks, taking on the [00:43.42] I think we probably need to speak to some other people about that. Same with mortgages and borrowing, fit out and refurbishment
Angela	What's the question now because it has changed over the years
Victoria	Well, what's the process?, how has it changed?
Angela	<p>So the way it's funded has changed particularly because we've been in programme mode. So, when I first started coming into this area then we charged an introductory fee, or licence fee or franchise fee, right? Whatever kind of reference people. So effectively if you were buying the business as a going concern which we called "commercial transfer" then we didn't charge an introductory fee typically, although there are some cases where we did and I'll come back to that in a minute. So when I came into it, if it was a Greenfield site and it was a new business and there was no commercial transfer we would then charge 1.5 times remuneration but once they paid that they sold on commercial, yeah, so they almost bought, sold that on.</p> <p>In terms of then we made part of the contract, the conditions of appointment letter, the addendum to that which are "these are the conditions on your appointment that you have to do" and some of them might be "we want you to replace the counter screen" because that's their responsibility. It's the condition that you paint inside every year or whatever it was, conditions that we used to build into that.</p> <p>Going back earlier, and this is one of the mediation cases, was we used to charge a licence fee even where we had a commercial transfer and one of the cases specifically refers to, and when they ask for the justification of that it was to things like, "cover the risk that we take with you as a new postmaster" which I found bizarre because I have never seen that anywhere and it was never policy it was somebody apparently had said that but it was something I kind of struggled with originally coming into the role is why we are we asking for a franchisee? What does a postmaster get in return for the franchise? Because when you go to some of the other franchises, you know, common ones like Subway or whoever it is today, you get marketing, you get this, you get certain expectations whereas we never did quantify what they got, and they got a lot cos they got to trade under our brand for a start. And they got the additional footfall that came in and all of that kind of stuff, but we never really explained that well enough internally or externally actually. So it was always a bit of a bone of contention for a number of people.</p> <p>Where we are today, given where we are with the number of change programmes we have done we don't charge introductory fees, or licence fees or anything at the moment, and it was always a thought when we came out of it that we would do it, but we were caught in the safe aid piece [00:46:50]. Because it was government funding, if we charged that we would have to then pay it back so we stopped doing it because it just seems pointless. It's just recycling money. The risk of course is that we have actually devalued the overall proposition now because I don't think we are ever going to be able to get back to charging introductory fees or franchise fees unless we actually completely remodel our business model.</p> <p>Did I answer the question on that one or not?</p>
Victoria	<p>Yes.</p> <p>I think a similar point, remuneration arrangements for the first year because I</p>



Person speaking	
	think sometimes it was different for the first year?
Angela	Well, that's Barry's ....
Victoria	Is that how it was...
Angela	We gave a 25% reduction didn't we...yeah that was what it was, it was [00:47:38] . So sometimes we charged the introductory which was 1.5% but then we had a 25% reduction for the first year, but that was short lived. That stopped many years ago. It was just, some of the early cases that came into the mediation scheme quoted that but we are talking, it stops I think late 80s. it was as far back as that. If not early 90s, somewhere around there. But Paul Inwood would tell you that.
Victoria	Ok, I got the ... [00:48:06]. I'll ask Paul Inwood.  A bit more about the recruitment and interview process because you said that you were involved with that and you did quite clearly tell us the things in the contract that you would call out so that was really helpful.  I've got some more general questions, they may not be you so please say if not.  So the recruitment and vacancy advertising process for appointments or replacements and how it's changed over time including the three periods that we are looking at, so pre-Horizon, Horizon and ...
Angela	It hasn't changed much at all actually. We have had a very stringent process over those years which is, we would advertise any vacancy for a period, I forget what the level of period it is that we advertise, it's a minimum period, and we invite applicants, with or without premises, but they have to provide premises at some point, like whether it was a going concern or whether we go and look and sort the premises with them, we always did that. So that process hasn't changed. John Breedon will be able to give you information on that and potentially Sarah Rimmer because she was part of the back-end of recruitment. But that's always been the same. It would go up on our website for a certain period of time. How we looked to attract, sometimes, years and years ago, we did go and be part of the franchise kind of dense. If you were looking for an opportunity we would have a roadshow and we would have a stand. We don't do that anymore. We do it through the website. But there are quite clear guidelines on how long we got things up and what we say in them and that's always been quite clear.
Victoria	Ok.
Angela	That hasn't changed other than we used the website where we didn't used to use a website because of technology advances and stuff.
Victoria	So previously it would have been on paper. Or a noticeboard or something.
Angela	Or with advertising branch. The branch that, so what we would do is we'd advertise in the branch and we'd put that vacancy in the next three branches, the neighbouring branches to advertise for the vacancy.
Victoria	These are quite specific questions, the level of response for vacancies, what information was provided to applicants. Don't know if that's something that you can cover.

Person speaking	
Angela	So that would come out of [00:50:33] so again talk to Sarah because she's been there forever. Talk to Sarah if it's not her she'll tell you who, but it's all in there.
Victoria	<p>Ok, I am seeing her in I think two weeks.</p> <p>A bit more then about your experience when you actually did do interviews with people because you said that you did didn't you, are applicants given an opportunity to ask questions?</p>
Angela	<p>Of course yes. So the way this has changed over the years. So years ago we used to, they have always had to put a business plan together. So the application process is fully....business plan [00:51:16]. And then as the person interviewing, and we always interviewed in two's, so we always had that second person there who always took notes to go with it. So the business plan would come out to us so there'd be, we'd have a business, finance deal on it so it would come back and these are the questions that we think you should look at. And it would be things around, you know, ratio and projections for income generation. And we did used to pull the resale projections in at that point. So [00:51:49] used to do that bit. So, now what does that look like, so we'd do an overall viability view. Then we'd ask them the normal stuff about why and what we're looking to do and then a good chunk of that interview, which typically lasted about two hours, a good chunk of that was going through their contractual obligations just to make sure that they fully understood what they were getting in terms of ... and as I say, as you go through it and it used to be quite hard work sometimes because it wasn't one of these nice pleasantry things, it was pleasant obviously, it was really giving them a hard time. And I used to say at the end of it, "so after all that are you still interested?". You know, because I really wanted them to be. There were a couple that actually went "mm, can I think about it?" and I'd say "yeah, absolutely, think about it".</p> <p>So yeah, we would write all the things and would say ... give an opportunity to ask questions and then they would do that. Now very often what I used to do which isn't normal practice, built whenever I had a vacancy in a branch and I had, I was in the Cardiff area at the time, at the point of which it must have been early 90s where it was quite buoyant, the whole Cardiff Bay was being built overnight so it was very vibrant. I used to typically get about three or four applicants per vacancy. So what I used to do is I used to say "right ok, do all the applications, put the business plan in" but I used to meet them on site before we would even get to an interview, and say "right now talk me through your plans". So used to go and stand across the road and look at the branch and say, "tell me what you can see, what are going to do?" and I used to have almost a pre interview on site so I could really understand what they were looking to do when, because of my experience of operating branches, you know, I could influence or give them some food for thought. So when I got to the interview, that bit was out of the way and it was really about nuts and bolts this is how you run it. It was a workout, my interviews with people.</p>
Victoria	<p>That's a really good way of doing it because then you've got the idea of which location is the best offer for you before you get to the person.</p> <p>Is the process any different for a replacement as opposed to a new appointment. So if there was a vacancy...</p>
Angela	<p>Are you talking about location wise or premise?</p> <p>The process is the same other than it's all to do with the scoping visit. This</p>



Person speaking	
	is where we go out with a tape measure to see if things fit. So if somebody is buying a Post Office as is and there's no refurbishment requirement then it's pretty straightforward. If it's something that we need to build then we're going into a building site and we haven't, you know, we'd work with them. So we'd specify and we'd give them the drawings and the requirements and this is what you'd need to build. But other than that the processes are exactly the same in terms of everything.
Victoria	Who decides that there is a role that needs to be advertised for, as in, that there's a vacancy or that you're going to continue having a Post Office in that location or whether or not there might need to be a new one somewhere?
Angela	So that's a combination and that has changed. So when I was head of Network Services that was my decision and we'd have a current network and we have a remit government shares, we have to maintain the network at the 11,500 and it was, it has always been 11,500 as far as I can remember, well, no that's not true. When we secured the first funding from government to do the network change programme which would have been around, oh gosh when was this going to be...we did...probably about 15 years ago probably. That funding, first of all the funding came with the remit that we had to maintain the network at, it couldn't drop below 11,500. We were probably running at 12,000 odd at that point so it wasn't a difficult one, you know. So what we've got is we've got, and in that came criteria of access criteria. So a percentage of the population had to live within three miles of a Post Office and within one mile of a Post Office and stuff like that. So that in itself was the starting position that drove kind of the size of the network. And then we have a modelling team that use some fancy software to say, you know, these are where we should be having, what's the opportunity for instance. So we would get approached by people to say "I'm buying a shop here I'd like a Post Office will you come and have a look at it." so there was a bit of a model that we used to say whether (1) it would be viable or whether we would be poaching business from other Post Offices or whether it was a good opportunity. But it basically came down to decision of mine, it was my decision of whether I actually went with it or not based on using all that data to input it. So there are, I'm not sure where the decision point now, so Pam Heep runs that team now. Mark Ellis is my equivalent in that team and she works for him but there is a decision matrix to support all of that stuff.
Victoria	Ok.
Angela	John Breedon will give you a view on that as well. Because when they assess against suitability, so when you get more than one applicant there's a decision matrix around, and there's certain criteria that has different weight in locations, it is quite heavy weighted one in there.
Victoria	Do you think that, you said about suitability. Do you think that it's robust about the checking that goes into people that take on branches?
Angela	Depends what level, you know, the checking. So we do the CRB tests and we do the credit worthy checking. So as much as we can we get a view on financial stability and then we, against their business plan we test the strength of that business plan around "are they being very optimistic in terms of.." because anybody can make a business plan work, it's just whether the figures you put in are credible and then we'd look at, "this is your remuneration, you've got this number of staff, what hourly rates are you paying them?" This is before minimum wage came in but I remember minimum wage wasn't in when I was doing some of the stuff and just really getting under the skin of right, so actually that means you're going to make

Person speaking	
	<p>£10 profit a year is that really what you want to do?</p> <p>So seriously this is some of the conversations and it depends whether they took themselves as, you know, some put themselves as receiving a wage, others just took themselves as receiving the profit. Because it depends on what their accountant told them to do it because it's better to take the profit than to be on the payroll. Whenever you had the interviews it very much depended upon what type of business they've had, what type of business person they were and how good their accountant was. And what we always insisted that they couldn't do is they couldn't bring their accountant to their interview. Because we wanted to make sure that they understood their business plan, rather than the person that put it together. Because sometimes we knew the person had put it together but if they couldn't, I actually rejected people on the fact that they couldn't give me confidence that they understood their business plan. And therefore I wouldn't take a risk on them.</p>
Victoria	<p>That's actually something I was going to ask you about the interviews about whether or not multiple people ever attended interviews or whether it was always just the one..</p>
Angela	<p>There was never...so there would be some post offices that would only ever attract one applicant, ok, and that very much depends on location and...because some of these are not, heavy, overnight benefit areas where you are not, with the best will in the world, you are not going to get a great retail going because people live hand to mouth and stuff. So it very much depended on it. And it very much depended on where in the country, as I said Cardiff was very buoyant in those days. And then we had the economic downturn and then we started sometimes to get one on ones, and that became difficult. And it became difficult when you refused that person and you knew the other person wanted to leave, but actually my take, my view on this, and this is what we as a business operated on, the responsibility is the person coming in not the person going out. And the reason I say that is, it's about viability of that business going forward. So interestingly so when we would have three applicants for instance and each produced a business plan and each of them might have agreed a different sale price for the business with the individual and I might have appointed the person who had negotiate the lowest price for that business, and I remember a postmaster saying to me "Can you appoint that one because he's going to pay me more" and I'm like "no, I'll do whatever is the right thing to do on the day".</p> <p>And this is sometimes, you know, we were always open to.. and the way we built out our processes was always about I think two people interviewing because we were always open to being accused of taking backhanders, you know, some people would come to me and say, I'd have my security team come into me sometimes and say if the contract's advised them to check somebody, we'd have the finger pointed and I'd have to give the ok for them to go and do, you know, look into their finances and see what we think because, you know, it's to be totally transparent. But that is how we built the processes to make sure that we covered ourselves in terms of how we appointed. Likewise I had two applicants for this one branch in Cardiff one day, one year, and I interviewed and I went with obviously one and one didn't get it and he sent a letter in challenging, he actually wrote into me saying that I was racist, because he was GRO and I didn't give him the post office and that unless I changed my decision he was going to bring a case against me. So I wrote back and said, you know, everything is based on merit and case and stuff and Mr Patel was the successful applicant, because they were both GRO and he didn't know that. So I was not being racist at all! You know because clearly, but he didn't know it, it was the best letter I</p>

Person speaking	
	have written actually! Mr Patel was the successful applicant.
Victoria	Background laughing. I like the way that you gave his name rather than saying and the applicant that was successful was also <b>GRO</b> because then that could be open to saying that that was a racism thing.
Angela	<p>It was never, for me it was never about race, it never is about race. It's about, the best person for the job. But it was just one of those, the way he comes again he isn't perfect</p> <p>Mr Patel was a fantastic postmaster by the way, he ended up having about five post offices in the end, he was great. Really good.</p>
Victoria	A good appointment
Angela	A good appointment, absolutely.
Victoria	<p>We're covering off quite a lot of these without me asking which is good.</p> <p>There is a question about considerations that are taken into account when deciding who to appoint. In particular, do they need to have worked in a post office before, and I know the answer to that is no but how important is that, or how important was that to you?</p>
Angela	<p>Whether they had worked in post office before? How important was it..um?</p> <p>It could be important but for both sides of the argument. So it very much depends, so I have actually been in situations where I have had two or three applicants and I've appointed the one that has no post office experience over ones that have had post office experience because it's not necessarily post office experience I am looking for, you can train post office, it's the business acumen and whether they are able to run a successful business. Some of our worst appointments have been postmasters have been ex-post office as in directly managed people, because they try to run an agency branch as they run a directly managed branch and it's not the same. You haven't got to pay your own bills when you are running it on behalf of Post Office, you haven't got to manage your own accounts, you haven't got to look at your profit margin, you just take home your pay at the end of the day. So it can be very different, it depends on the individual rather than it's not just one thing it's the whole piece.</p>
Victoria	In a situation where they're replacing somebody, so there's the <b>[01:05:23]</b> incumbent post master, do you take into account at all the relationship they have with that current postmaster, if they've got one? Sorry I am just thinking of a situation where father and son or...?
Angela	No. So the only, it comes down to the business case, it comes down to the application, you know, it's based on merit. The advantage of family transfers, because we've had a different process for family transfers is that for them we never advertised a vacancy.
Victoria	Ah, ok.
Angela	So there as a clause that said "if it's a family transfer and it's done for no financial gain", then, you know it was almost, providing they were suitable, it was pretty much a done deal then.
Victoria	Oh ok.



Person speaking	
Angela	And it actually was interesting because when I started in that role and interviewing myself, I did get a bit of push back because apparently I was giving the applicants a bit too much of a hard workout given that you know it was their father's business, they knew everything and I wasn't prepared to take them at face value. So I just treated everybody as individuals and went through the process.
Victoria	That seems fairer.
Angela	Yeah
Victoria	It would be quite useful, I am just looking at this bit to see which terms of the contracts were discussed. If you do still have your copy and you could tell us which clauses you definitely used to talk about that would be really helpful.
Angela	Yep.
	Pause, looking through papers, background talking
Victoria	We were just saying how interesting.
Angela	What's that?
Victoria	What you're telling us!
Angela	Oh I see, I thought ....
Victoria	And would it have looked like that when they were given it, or was that a special one for people...
Angela	No, it's the same contract. It isn't more [01:07:55] it used to be we went for the logo as a giveaway in terms of the timelines, so the oldest logo was, it had what we called tramlines so the green round there was the double yellow line.
Victoria	Ok.
Angela	Going round there and this is, I forget what the revised version of this is. And there was no green man around our logo so it depended on where it was. But obviously is quite well used and I think...I will share this because it's somebody else's writing on there as well as mine  So there were some sections which I will have to remind myself now because. So there is one around [1.08.27] Inaudible, rustling of papers.  There was the contract status, yeah, just basically..
Victoria	So section 1.1
Angela	So the contract is a contract for services and we used to run through that and this is not a contract of employment and was the first thing where we used to start. I used to have a crib sheet actually, I haven't got any longer, maintaining the premises, we used to cover that, you must provide and maintain at his own expense reasonable office accommodation we used to go through what that means and how we would verify that, you know we

Person speaking	
	<p>used to drop into practically what that would look like on a visiting schedule. Personal service is always one we always covered and that's you know you don't have to be there but that does not negate your responsibility under the terms of the contract and therefore..yep..and to make sure that they fully remembered that. With the sections, typically covers sick absence and stuff and that's to make sure they knew what they were doing and the absence stuff as well I would cover, yeah, which is a again personal service</p> <p>[flicking through pages]</p> <p>The responsibility for cash and stock so this is where we get into section 12, I would literally go through all of that. And around how we did the balance and stuff and then we'd get onto losses, ok? Responsible for all losses whether it's incurred by yourself or your staff members, we'd go through all of that and they might ask me more questions around that and I would you know delve into that and talk about gains as well. So if you have a gain so what we'll say is right so "you are, you can withdraw them but bear in mind that that could come back because if you have a gain like you have a loss then it's because you've usually made an error". So what we always used to recommend you do is put that money in an envelope and keep it in the safe and you just keep that. Because typically that would come back which is where that, you know we always went into that in quite a lot of detail. This an ongoing bit, [01:10:36]</p> <p>Post Office development fund. I have secured some money from Welsh Government to invest in post offices for them and I used to run through letting them know...</p> <p>So we used to cover, we would definitely go into the systems one which is section 15. Around you know what that looked like and what they were meant to do around the P250 and telling when they take on new people, what that looks like as well. Always went through that and particularly around the CRB checks. And the other thing I would particularly use to go into is one around the Official Secrets Act which I know sounds really archaic ok, but important, particularly because these are very often the applicant would come from within the community and therefore we needed to really instil in people the importance of, "this is data you cannot share". You see stuff that you would never see and therefore, you know, you have to keep things confidential and we would always go through that.</p>
Victoria	Was it for things like benefits and things like that that were particularly...
Angela	Yeah, so even just like the amounts of balance they've got in their accounts, in those days you used to have national savings...the balance used to be on there you could see how much they were putting in every month. Whereas now all you see is in the machine and it's gone.
Victoria	Yeah, ok
Angela	So its things, you know..and depending on, I always remember going into one political activities because there was somebody who, he was a councillor and he was trying to run for election and I had to point out under the terms of the contract that that's not, you cannot use your office to, you know propaganda and stuff, it was one of those things as well so we'd run through that. But we pretty much would walk through a number of these and then I'd walk through around the losses, how you need to make good and that you couldn't use that money for anything else other than Post Office, you know...



Person speaking	
Victoria	That's really helpful, is it in 12?
Angela	Yes, it's under there. I am trying to look and see what else they've got in here.. So this is why, you know when we... so this was something as you can see is very worn document, this is something we would take in and we used to say "this is the postmaster's contract. On appointment we will send you, there will be one of these in branch, and we will send you one. If you've got any queries just let me know and I'll get you one". Ok? So that was really important. What I didn't do is I didn't rely on them, because what should have happened is that the outgoing postmaster would make sure that the incoming postmaster knew what they were taking on. And typically that didn't always happen so what we did, and this wasn't just what I did, we all did this, it was standard practice, we all got into a way of, these are the things we would cover, ok, and we would produce these particulars that we'd go through and you'd made sure that you'd covered all of these things off with them just to make sure.
Victoria	Because that's really important because one of the things obviously they are saying is "I never saw my contract, I don't know what..."
Angela	Yeah and, whether they ever referred to it is a different matter. They all had a contract and they all had the walk through the key sections of them and when they came to take on their branch on the transfer day, they'd signed to say they had had a copy of this and that they were actually aware of these particular clauses in there so it's one of those you know. Memory is a difficult thing sometimes isn't it people remember the bits they want to remember so it's always a difficult one.
1.14.34	?? you can imagine ??
Angela	If you think about this a little document it's a very easy read.
Victoria	Yes its nicely written
Angela	I remember when I came into this role, I had just come out of branch and I had never had to do anything like this, I used to think oh god ive got in and I've got to read so I literally took this and just read it from cover to cover and I thought well I understand it so its not a problem.
Victoria	It's a lot less legalistic than the more recent contracts
Angela	Absolutely
Victoria	But they need to be because of the wiggles that people have done under that one.
Angela	Depending on as I was managing contracts with people then I would obviously when I would be writing letters I would refer to different clauses.
Victoria	So you would use that document a lot?
Angela	Oh yes. I used to precautionously suspend people myself and we would have standard templates and I would make sure that whatever I was referring to I put the right section and the right paragraph and all of that kind of stuff in there. So this is key. This is part of the interview pack, we just run though it all.

Person speaking	
Victoria	Well that has just answered a load of questions that I had written down there. I have got a section about the signing on contracts so we have just discussed that so was it physically on the morning of hand over that they would sign the contract
Angela	No they sign a branch usually unless there were some problems or they claim they never had it in advance and stuff like that because one of the other things I haven't said here is what we always tell postmasters is that they should take their own legal advice because this is a legal transaction
Victoria	Was that just you or was that everybody?
Angela	No we all did. It was one of those things that when you were trained to come in and do this you were told and we used to include it on letters as well. Post Office strongly recommends that you take on independent legal advice and all that kind of stuff it was always the caveat in all the letters and people used to come in and I would say have you, and they would say no I can't do that. I can point you to certain points in the contract but I strongly recommend you take legal advice. I couldn't force them to.
Victoria	No and also they are not employees, its business to business
Angela	Exactly, I was always very mindful of look you are an independent business person but I would strongly recommend you do this but clearly it is entirely up to you and that was always where my conversation was with people.
Victoria	That's a good way of putting it because that's a things that falls perhaps on the side of the employee side of that. Its another thing we could point to.
Angela	Yes, we are always very cautious not to step into that employee relationship. Other than the anomalies that I said are in the contract anyway.
Victoria	So you said there would be a copy of that in the branch and they would be sent one.
Angela	Yes but it was a printed version.
Victoria	A printed version, so the nice bound one like that would be in the branch but a like photocopy version would be sent to them along with the acknowledgement of appointment
Angela	Yes
Victoria	And they would be given a copy of that
Angela	If the acknowledgement hadn't gone back into the centre by the time we were transferring the contract that's when we had that onsite to do.
Victoria	Okay
Angela	So they had it in advance if they failed to return it, so what we wouldn't do we wouldn't let them take over that part if they hadn't signed the contract.
Victoria	Right and was that something everyone did.
Angela	Yes it was part of the audit, so when the audit pack went out they might have

Person speaking	
	a copy in there to make sure they have signed it before they actually started counting the cash.
Victoria	I see so people who were saying that they didn't ever have one, that probably isn't correct.
Angela	The problem we have is we can't locate some of that information that's our problem.
Victoria	What was the process of storing the contracts then
Angela	They were all stored in.. it was paper and we still have got a building in Leeds it's called the markets there is a DMB on the ground floor but we had like three floors in the basement there was about 120 filing cabinets that I did visit a number of times and it was full of dampness and rats and stuff. You can imagine I was the person they hated the most because when I took over that world and they showed me what it was and I pulled a few contracts out and the state they were in, there was not order to them at all. So I said we need to sort them all so I made them go through every single one.
Victoria	I remember talking to some of them when that was happening.
Angela	So I made them go through every single one and I pulled together a front cover, this is what needs to be in this file and then they had to go through everyone and sift it and to make sure they had the right documentation and then I had them make it electronic then so we had this transition but they hated me because it was downstairs and it wasn't pleasant actually as they had to work. So actually dodge involving agency staff. I didn't mind as long as it was done properly but it wasn't as bad as you think. I did allow them to have an hour on and then an hour off. Very reasonable but the piece of work needed to be done.
Victoria	I remember stories about a cupboard and a basement and things like that.
Angela	So when I closed the admin site and it transferred into to trust so all the files are now in Chesterfield and obviously the rest of the archived stuff is well it was with Iron Mountain who its with now, its called something else. The other company is where we store it now.
Victoria	Its not Boxset
Angela	I think it is actually
Victoria	Okay, Boxset has been talked about. How are post masters informed about changed to terms and conditions on new products.
Angela	In writing, Paul Inwood used to write them and still writes them so he will give you all the information on that.
Victoria	That's the end of that.
Angela	Sorry in writing but also usually we have had the discussion with the fed so we weren't necessarily obliged to consult with them but any changes that we made we would always do in conjunction with or at least give them a heads up or they usually try to weave it into a pay negotiation of some kind but yes it was always done through that.



Person speaking	
Victoria	Okay so this is jumping round a bit but something that we touched on before was dishonesty and false accounting and I have been asking people why in their view if they do think this is the case signing off false account is dishonest and what impact it has on Post Office.
Angela	Sorry what are you asking me?
Victoria	Why it's dishonest and what impact it has on Post Office. I know by the look on your face you are horrified im even asking you but there is some sort of suggestion..
	Talking over each other – unable to hear
Victoria	There is some sort of suggestion that there is two sort of levels to false accounting there is the sort of criminal one and there is the one where you are just doing it to kind of balance your books and its fine and its sort of that... that's the reaction I would like to get from you.
Angela	<p>Okay, so why is it dishonest. Its dishonest because it is a criminal activity first of all and it is coloured under the theft act. Unfortunately some people think that it is white collar crime and therefore it doesn't count, clearly that is not the case. At the very glass route level, signing off and saying that I declare that I have £100,000 here when I don't is clearly wrong. Especially when they're in the status of trust not just with us Post Office in terms of the trust that we put in the branch, the fact that in their community. There is a certain status that goes with being a postmaster and it is held in very high regard and we on behalf of clients trade on our image of trust and integrity and if you can trust your Post Office in the UK who in the hell can you trust so it is all that. Now when I have had conversations with postmasters sometimes they don't see it as being wrong let alone a criminal activity until I actually tell them what the consequences could be. I remember going to see a couple in London/ Wimbledon way, he came into the mediation scheme and wanted to see me. I went to see him and wife, lovely couple, he was the postmaster she had been working in the government or something. He was a good postmaster actually running a good business and then started to get some losses and in his mind they weren't genuine losses therefore he didn't feel the need or he would refuse on the back of because it weren't ?? to put the money in and we terminated his contract on the back of it, we didn't take any proceedings against him and then when I sat with him and just talked it through and explained it, because he was feeling really hard done by the fact that he can no longer work in the Post Office that he built up, his wife had given up her job to become the post mistress so that on the face of it they could still have that, they were again an [GRO] couple but in the community keep that level of respect. It destroyed him, as an individual he was totally destroyed and there was talk in the community but from his own perspective he had brought shame on himself and his family. I mean the guy was in tears this was 7 years after the event when I say with him he was in tears and his wife. What I did talk to him about the fact that it is criminal activity and actually we could have prosecuted you for it but we chose not to. He kind of got the sense of the seriousness of it at that point but he had been festering on that for 7 years. Which comes back to my point earlier about we didn't really explain some of the things at the time in detail that we could have I think you know because we weren't obliged to do so and we didn't see that as our role to do so. In fact my view was always that if we could give the explanation then why wouldn't we and if we could try and make people understand why wouldn't we and actually to a certain degree and this always gets played to me from my first working groups with the JFSA is in giving the</p>

Person speaking	
	<p>explanation and trying to do that we allow the individuals to get some kind of closure on that incident and trust me in a number of these cases it is so dramatically changed their lives. Not in the good sense at all. So I do take this very seriously and when you approach anything in this situation its difficult because I have a job to do in as much I am here to do a particular thing and if you breach the contract I need to deal with that doesn't mean I don't treat you as a human being, it doesn't mean I don't give you the respect that goes with that and it doesn't mean I need to be aggressive or anything else because I am not going to be but I am clearly going to be assertive in my position as this is what the position is. Sometimes it's the way you do it as opposed to what you do. Its really important.</p>
Victoria	<p>You mentioned that in that case he hadn't actually been prosecuted but obviously what he had done which was false accounting so are there any guidelines around that when you view that something is dishonest or when you think that it</p>
Angela – 1.27.39	<p>?? we always do that. Typically it comes from an audit, the audit is done and I described that to you earlier and then you have the contract advisors so the contract advisors decision to terminate contract sometimes it is done in parallel with criminal proceedings but it doesn't stop us doing that so we have terminated contracts even though we know as we have sufficient information to be able to terminate the contract anyway so we do that independently but we do then tell the postmaster at the time but that does not mean that we are not taking but then the decision whether we do actually take the criminal proceedings with them is subject to a separate review so checking the entering and the pace and all that kind of stuff. All that kind of stuff is all part of that process and again that decision to go down that route is not taken lightly and that would always be done in conjunction with general counsel so Jane McCloud as is today and all her predecessors would have that conversation with a security team and agree</p>
Victoria	<p>In every case?</p>
Angela	<p>Yes</p>
Victoria	<p>Really, wow</p>
Angela	<p>Whether we agree to go that way or not. So it was always at that legal level</p>
Victoria	<p>Okay so that is interesting because there used to be obviously lots of them</p>
Angela	<p>Yes, well it was never that many, when you think of it as a percentage of what we were dealing with it was never that many so I think at the height we were at 200 a year.</p>
Victoria	<p>That sounds like a lot though</p>
Angela 1.29.44	<p>But when you have got a population of over the years, when I started working in Post Office we had 22,000 Post Offices and we have a 10% ?? every year</p>
Victoria	<p>Yes</p>
Angela	<p>Most of our postmaster are very honest people and given where we are we don't have very many situations where we have to go into that level of detail but unfortunately, so our postmasters are very representative population in</p>

Person speaking	
	terms of UK make-up, in terms of all ages, nationalities everything so given that is the case you would expect to have some kind of representation of people who get themselves in to difficulty because I genuinely believe that no one comes in with a view to steal from Post Office, circumstances happen and they find themselves in a situation where you know where you have a drawer full of money and some pressures they get tempted in that way and there are some very sad situations. I mean I worked in branch and the thing I always used to say to people. I mean I worked in branch when it was millions of pounds and when you were handling cash it was oh can I have £10,000, can I have £20,000 but at the point you saw £10,000 as a car now I am starting to worry now because you are now seeing it as money as appose to a project or a commodity or something because it was just money. To us it was just £10,000, I need £20,000 but that's not a car
Victoria	No it's not your money is it?
Angela	Exactly at the point of which and this is interesting actually, I remember a case where when we used to YTS's which are probably way before your time but youth training schemes
Victoria	Not way before my time
Angela	So we used to recruit and what we used to do was put some YTS people into agency branches and basically it is free labour for them because we paid whatever it was £20 a week in those days and I remember going to one branch and postmaster turns round and says Angela can I have a chat as I think I have got a problem and she started to suffer losses that she has never before so I went and sat with her and I said why do you think it's this girl and she said because I found this and what she found was this young girl who had been working out all of that monthly outgoings and stuff and that was the level of money that she was losing. So there was a shortfall, so she had a £200 shortfall she was losing £200 a week so it was like.. so at the point you don't see money.. when you see money as money as opposed to just paper we potentially have a problem.
Victoria	That's really interesting way of looking at it actually. It is that sort of colour that makes things interesting and makes the witness statements memorable.
Angela	33 years, amazing memory
Victoria	I have got a question about whether.. im not sure if it's for you but how did Post Office detect problems in Horizon so where there are weaknesses? What methods of error detection?
Angela – 1.33.14	So I think you need to pick that up with ?? they do some technical maintenance pieces for us so I wouldn't want to cover that as im not close enough to that detail but we do have some proactive maintenance kind of sweep stuff that they do
Victoria	The final one I thought I would ask you about is temporary substitute but I don't know.. im going to speak to John Breedon about that but I don't know whether or not it something that you were involved in? so what is the process for appointing them? What qualifications do they need? What do you think about that sort of thing?
Angela	So temporary sub masters typically came up when we had an audit situation and we actually temporary suspended not always because if someone went



Person speaking	
	bankrupt so whenever we had a situation where we didn't have a postmaster in there we would look to put a temporary postmaster in. we had a particular role to do that, at the height we had a number of those, we took that role out a couple of years ago but we have put it back in actually because we are having some issues. So our loss levels are quite high at the moment which I mentioned earlier. There is a defined process, John Breedon will be able to give it to you but what we always did was applied not the same degree in terms of the financial bit because there was financial consideration as in terms of the only consideration was could they reach an agreement with the incumbent around using the premises and that's what we used to do. We have changed that slightly now in that we also pay them an amount of money. Under the mains contract where we have stepping rights we have built that in to say we will pay X amount of money to cover the use. I cant remember the terms but it's the only contract we have got stepping rights in.
Victoria	And franchise agreement
Angela	Yes, have we got any franchise agreement left?
Victoria	I have no idea but you did have them as I used to advise on them and that was an issue
Angela	We had about 20 franchise agreements at the height I think but I wasn't involved in that space. It was me that put stepping rights in to the mains contracts on the back of looking to take..
Victoria	It makes it much more of a business.
Angela	Its clean. You know everyone know exactly.. so there is a process and it was just a case of... but there is about suitability including they would have to be registered as an assistant, we also knew if they had the TLB checks and all that kind of stuff and typically they were people that we used frequently and there are a couple of companies now that have set themselves up just to do that, like Nero's and the Patels. There is a few of them. The difficult conversation was always when we suspended the postmaster and he wanted his wife or husband and that was always difficult. Now we did have at one point there was almost an unwritten rule that we wouldn't allow the husband or wife to take over and I did challenge that and I changed it so unless they were suspected to be involved in that situation then we shouldn't have not.
Victoria	When you say they unless the husband or wife was suspected as well
Angela	Whether they were proposing to become the tenant so unless we had suspicions
Victoria	About them specifically?
Angela	Yes because it could be subject to an investigation and that was always a difficult one because we didn't necessarily want to say they were part of the investigation because it was always a difficult one.
Victoria	Oh yes I do remember discussions about that.
Angela	Which is why I think people defaulted to we can't do it. I did allow in a couple of cases there has been a wife or whatever it might be did actually go in and take that on and in doing that we do tech the investment or circumstance so

Person speaking	
	it is a difficult call actually and I did probably stick my neck out a couple of times but it was fine, it all worked out it was the right decision to make in the process. I say that was the only consideration there but it is quite a straight forward process, it is quite easy, it is basically you do the transcript on site, take over responsibility of cash and stock. Make sure all the keys they have got the spare set of keys, the alarm codes are changed. You know all that kind of stuff and in some cases we even insisted that they had the locks changed, you know if we had the suspicion we would have the locks changed and even change the safe lock as well sometimes so it is all nicely defined and John will give you that.
Victoria	And we can talk to him about the contract presumably for that as well.
Angela	Basically they are the same type of contract.
Victoria	Okay
Angela	They are responsible for the losses and all that. Somebody is on the premises and things
Victoria	It's just a shorter version
Angela	So I think we have a streamlined document that we get them to sign
Victoria	Yes I have seen it. as I understand it temps are on 7 day notice
Angela	Yes
Victoria	Why is that necessary? From your point of view why was it necessary that they be on 7 day notice?
Angela	As oppose to what less or more?
Victoria	More, less everything.
Angela	Well we didn't want to put them on more because we didn't want to tie ourselves unnecessary into paying more but clearly we did need to have warning if they wanted to leave or we wanted to get rid of them which is about being reasonable. A week is long enough for us to get arrangements into place and do an audit and do that kind of stuff. Normally they would give us longer notice and we would give them longer notice where we could but that was the minimum amount of time we needed to put into the contract.
Victoria	Okay and presumably also because the sub postmaster might be reinstated?
Angela	Yes that's what I mean about incurring additional cost
Victoria	Oh because you would have to pay them for the notice period even though the sub postmaster was reinstated.
Angela 1.39.39	Yes so it would give us the flexibility to do that because in the course of suspension that's a very fluid process so whilst we have given deadlines in terms of ?? guidance in terms of we would expect it to be no longer than this length of time. It very much depends on what the level of the investigation is, how cooperative the post master is because they can be very difficult and in some cases they think if I don't attend the interview then they can't terminate my contract. Which is not the case because we have other ways of doing

Person speaking	
	that. It's a bizarre in some cases as why would you behave that way because all the time this is you are suspended without pay and actually you could be running down your business. In some cases where they don't allow us to put a temp in, its closed in some cases, it's difficult to get into their heads. I don't ever try actually because sometimes I don't want to be in someone else's head but it's a difficult one to just rationalise sometimes
Victoria	So we have got a question here about obviously there isn't a rigorous recruitment process for temps in the same way as there might be for a permanent appointment.
Angela	It is rigorous
Victoria	It is rigorous because they have gone through the same vetting
Angela	Yes but It is rigorous in terms of the conditions that they have to be held accountable for. What's not as rigorous is the financial consideration as there isn't one so the rigger around the recruitment for permanent appointment is that it is very much about making sure that financially it's a sound business but isn't that consideration for the temp post master so if it's a temp post master that we havent used before we would have an interview with them, if it is someone that we have used routinely then we would just agree terms with them and we still on the temp sub post masters make sure that they are up to speed on training, they have to do all the same training, compliance checking all that because if they don't do that we cant use them. So sorry there is that level of rigger, that's just me not explaining it properly but it is just the financial bit.
Victoria	And that's because they are effectively carrying on in the same premises and the same sort of business
Angela	So what they have is an agreement with the existing that they will pay out X amount of rent and they get total use of that so that is the agreement so that the only bit, that one agreement we have got in place with the incumbent. Okay now we are happy. We make sure that they have got sufficient notice period in that as well so that you know they aren't being kicked out overnight. So there is a rigger around it in there that gives us confidence that we have got that sufficiently well documented and considered to give us the flexibility to be able to operate and maintain that service without tying ourselves up in notes in terms of having a 6 month notice period or something. Well even though this is only 3 months anyway, that's why we do it, to have that flexibility because it is meant to be temporary
Mandy	I was going to say in terms of that temporary part of it how long would the temps in plan stay in place and at what point would it go from being a temporary situation to a long term commitment.
Angela	So temps, the longest servicing temp I came across is 12 years. Which was silly so at what point do they become a permanent. So it very much depends on the situation there are some that are temps and like to be temps and there are some that go into temps and stay there, sometimes we forget about that half the time and typically we pay them more that the going rate which is why they are keen to stay.
Victoria	Is that like a substitute teacher type scenario as you just come in.
Angela	Well we agree with them. So say remuneration for a branch would be



Person speaking	
	£20,000 and I am thinking about the smaller branches so they might say well I will do it for £25,000 we don't banter because its short term and that is with no investment from them so it's a good deal. So when I came into the network role I started scrubbing up a lot of things and that's one of that. Sorry my understanding of temporary is not 12 years.
Victoria	Laughter
Angela	I then worked really hard to get that down so in some cases I went to some and say I am going to advertise this now and then someone interested will come through the proper recruitment process so where did that temp situation go back it either went back to the incumbent or if we terminated the contract then clearly we would go back into advertising that. The temp might apply the temp might not apply but they would be in with the rest of the population in terms of.. and we would have some temp agents that when they have come into the application process for a particular branch and they have not got through the process because their business case didn't stack up and now as an individual competence wise they are good but it wasn't just financially sound and we refuse then
Victoria	That ties nicely in with your example about £20,000 and £25,000 because they wouldn't have to consider that. They would just retrospectively being paid. I think that might be my last question. It is my last question unless there is anything else you would like to tell us that we haven't already covered.
Angela	No I could tell you loads more but im not going to. I will save that for another day, no that's fine as long as you have got the information that need from me because obviously I have got loads of information in my head but it's really what you want for that and then obviously there will be separate iterations around and I expecting to see all the witness statements at some point
Victoria	Yes and I think what is quite useful is because you know so much about it for such a long period of time it's quite good that you have been able to emphasise which people we should be seeing because some of them we haven't arranged to see yet so we will do.
Angela	Unfortunately some of the ones I would have, have left of late
Victoria	I know, it does because one of the things that we are going to be thinking about obviously is whether or not we need to contact certain people so we will make sure to discuss that with you because if you have got information like you were saying about Lyn Norbury that's a careful approach that would be required so we need help from you with that.
Angela	Yes I would need to reach out to her first actually. Clearly we had a list of people through mediation the go to people and what I did put on Andy's radar is you know when people weren't going into consultation at this redundancy that we got as much information from them as we could. As ever until you get in the depths of it, you don't know exactly what you need to know
Victoria	And also what is happening now is we are not trying to get information from you about all of the case its just specific issues that we are going to be dealing with at this trial in November so if it got to a situation where we were dealing with more than that obviously there is a lot more we could ask about that. So there are large bits we haven't asked you about.

Person speaking	
Angela	That's okay because im part of the litigation steering group anyway.
Victoria	I did know that.
Angela	Im pretty much in the space so that's good.