

**PRECAUTIONARY SUSPENSION POLICY****Reference information**

Policy type	Lifecycle Policy
Ref	1: Precautionary Suspension
Date	12/10/12
Status	Current
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Version authorisation date	17/10/12
Review Date	10/12
Expiry Date	N/A
Key stakeholders	Agent Contract Deployment Team, Legal Services, Network Transformation Team

Approval

Role	Name(s)	Date
Business input	Agent Contract Deployment Team, Legal Services, Craig Tuthill, Angela Van Den Bogerd, John Jenkinson, Hector Campbell, Tony Newmann,	31/07/12
Assurance		
Authorised	Paul Inwood	17/10/12

Version control

Version No.	Reason for issue	Date
Version 1.0	To provide a comprehensive policy on suspensions for all Post Office branch models	17/10/12

Subject: Policy for dealing with the precautionary suspension of Operators of Post Office Branches**PART 1****1.0 Statement**

1.1 The purpose of this policy is to clearly set out how Post Office Limited (POL) will act in relation to the precautionary suspension¹ of Operators of all Post Office branches (see section 4).

2.0 Definitions

ACDM	Agent Contract Deployment Manager
Agreement	Standard contractual conditions for the operation of a Local Post Office® and Main Post Office® SPSOs, (and variations such a Community Operated), MSPOs and FPOs
Assistant	A person employed by the Operator [who is registered with Post Office Ltd] to work in the Branch
Basic Business	The type of business carried on by the Operator on its own account from the Branch Premises
Branch	The Post Office branch operated by the Operator
Branch Premises	The premises from which the Post Office Branch and the Basic Business are Operated
Legacy Agreement	Contract or Agreement for the operation of Post Office branches, signed prior to the introduction of Local and Main agreements. Legacy contracts include SPSO, MSPO, and Franchise Agreements.
Operator	Any individual, company or partnership (including Subpostmasters and Agents) responsible for the operation of any Post Office branch,
POL	Post Office Limited

3.0 Introduction and purpose***Background***

3.1 To ensure a sustainable and viable operating model, POL must protect its existing business, whilst competing in new markets. In order to achieve this, we must minimise any risk to the brand, and against potential and actual financial loss.

3.2 Whilst the vast majority of Post Office branches are well run and operate without issue, occasionally breaches or suspected breaches of contract and/or misconduct that may put POL at risk, do arise. In such cases, it is vital that POL can act quickly and decisively to ensure the situation can be

¹ Within the context of this policy, "Suspension" is precautionary in nature, whilst further investigations are made into a particular issues or until arrangements for reinstatement or termination of contract are made

investigated and resolved in the most appropriate manner. There may be occasions where an issue is deemed sufficiently serious, or risky, that POL needs to suspend an Operator's contract whilst further investigations are conducted and a decision to terminate or reinstate the contract is made. In the case of Locals and Mains contracts, POL may also, acting reasonably, require the Operator to suspend all or any of its Assistants engaged in the branch from working in the branch during an investigation period. For Legacy Contracts, it may recommend this course of action is taken,

Standard triggers for suspension

3.3 POL may consider it to be in its interest to suspend the Operator of a Post Office branch if it deems there is a risk to its brand and reputation, cash or stock or the interests of our customers. A more detailed list of triggers, which would ordinarily lead to the suspension of an operator, can be found in section 16.1 of the Post Office Local and Main contract, section 19.4 of the SPSO Agreement, 15.4 of the MSPO Agreement and section 19 of the Franchise Agreement².

3.4 These lists are not exclusive and details of individual contracts and circumstances need to be examined in each case.

Factors for consideration

3.5 If upon receipt of information, either through notification by the Operator, or otherwise, it is deemed, based on one of the reasons listed in 3.3, or for any other reason, that it may be in the interest of POL to suspend an Operator, certain factors will be taken into consideration prior to reaching a decision to suspend. These considerations include factors such as:

- Nature of civil proceedings being brought, or offence the Operator and/or any Assistant is arrested charged or investigated by the police or POL for.
- Admission or knowledge of wrongdoing in the case of misuse of funds or inflation of cash or stock at audit, incorrect accounting and unidentified losses.
- The nature of suspected misconduct or breach of Agreement
- Future risk to POL if Operator remains in post
- Whether there is another suitable and appropriate alternative, which removes the risk and avoids suspension

3.6 Discretion on whether or not to precautionary suspend an Operator will be applied by POL on a case by case basis. The ultimate decision maker will be the Agent Contract Deployment Manager (ACDM), or a member of POL appointed by them. However, if there is any doubt about discrepancies or conduct, which may detrimentally affect POL, a decision to suspend whilst further investigations are conducted will ordinarily be taken. Re-instatement of contract is an option that can be taken by POL at any time.

² In the case of Independent Franchise Post Office (IFPO) Agreements, there is no specific reference to suspensions. However, this area is covered under section 4.6.2 of the Franchise Manual. For cases relating to IFPOs the advice of Legal Services should be sought prior to taking a decision to suspend the operator.

3.7 Where POL requires the Operator to suspend or dismiss an Assistant (in the case of a Locals and Mains branches) and this is not done within a reasonable time, the Operator's contract may be subject to termination with three months notice.

Continuity of service

3.8 Where it is deemed it in the interest of POL to suspend an Operator of a Post Office, wherever possible temporary arrangements should be made in order to minimise disruption to consumers and clients, and to ensure the branch can continue to operate.

3.9 In the majority of cases where the premises continue to be suitable, made available by the Operator and can be operated without interference from the suspended Operator, POL will seek to appoint a Temporary Operator to take over the day to day operation of the Post Office branch at the existing location. The process for achieving this is set out in Part 2 of this document (see [Temporary Subpostmaster process chart](#)). Specific consideration must be given to how mails integrity will be achieved, and POL assets protected.

3.10 Where the suspended Operator is part of a company or partnership, it may be deemed appropriate for another responsible individual (or individuals) involved in that company or partnership to take over the day to day running of the branch on a temporary basis during the period of suspension. Such arrangement will be at POL's discretion and will be considered on a case by case basis.

3.11 In such cases, POL will need to be confident that the new temporary operator meets the standards required to operate a Post Office branch and that they are able to operate independently and without interference from suspended Operator.

3.12 Maintaining service will not be a consideration for not suspending an Operator, where there is a clear need as set out in 3.3 or otherwise. As such, we realise there will be cases where maintenance of service cannot be achieved and some disruption may result.

3.13 During the period of any suspension, POL will cease all payments to the suspended Operator. However, where a suspended Operator is reinstated following suspension, POL may agree to pay the Operator all or part of such sums as have been suspended. This will be considered on a case by case basis.

Information and decision making process

3.14 During the period of suspension, POL will seek to establish full facts and information regarding the particular case, prior to making a decision on whether to terminate the Operator's agreement, or to reinstate them conditionally or unconditionally

3.15 POL aim's to reach this decision within six weeks of the initial suspension. However, a period of suspension will continue as long as required for all necessary investigations to be completed.

3.16 The information gathering process leading to the decision is set out in Part 2 of this document. If upon consideration of all the facts POL is considering terminating the Operator's agreement, full details of the reason will be provided to him in writing as soon as possible and all Operators will have the opportunity to provide representation to POL in connection with their case in person or in writing.

3.17 If the Operator decides to provide representation in person, they may be entitled to be accompanied by certain individuals. Further information on this can be found in the Friends Accompanying Operators Policy and needs to be considered for each individual case.

3.18 If, having reviewed all relevant information a decision to summarily terminate the Operator's contract is taken, this decision is final in the case of Operators of Local and Main Post Offices and will be validated by the ACDM. However, in the case of Legacy contracts, a contractual right of appeal exists following the ACDM's validation.

3.19 If, having reviewed all relevant information a decision to reinstate the Operator is taken, this will also be validated by the ACDM, and certain conditions may be applied. Any conditions applied will be considered on a case by cases basis and tailored to the particular support required by each individual Operator.

3.20 Any decision to terminate or reinstate an Operator's contract is made without prejudice to any further action POL may wish to take against the Operator (including prosecution). This includes any further action POL may decide to take as a result of any information coming to its attention as a result of any additional investigations, prosecutions or cases brought by external bodies (e.g. Police, HMRC, etc).

3.21 There may be cases where, in POL's opinion, an Operator resigns in order to avoid termination of contract. Our response in such cases is set out in the Resignation to Avoid Summary Termination Policy.

4.0 Applicability

4.1 This policy applies to all contracts types and to dealings between POL and all Operators of Post Office branches, with the exception of IFPO.

5.0 Related policies

5.1 The following policies require consideration or cross referencing when dealing with precautionary suspension of an Operator:

- Managing Performance
- Resignation to avoid termination

5.2 The above list is not exclusive and consideration of other policies may be required depending on the particulars of each case.

PART 2

6.0 Implementation procedures

- Suspension of Local and Mains Post Office flow chart
- Suspension of Legacy contract (excluding franchises) flow chart
- Managing shortages at Audit
- Recruiting a temporary Subpostmaster

Standard letters and documents

- Case summary document (which includes all required letters)