



Debt Recovery Processes under Branch Trading

Produced by:

Product and Branch Accounting

GRO

October 2005

Debt Recovery Processes under Branch Trading

With the introduction of Branch Trading the error notice is replaced by the Transaction Correction (TC), which is sent to your Horizon system.

On receipt of a TC you will have 3 options:

- Accept and make good – cash (or remove cash)
- Accept and make good – cheque
- Accept and Settle Centrally

N.B. For some TCs you may have the option to seek more evidence

This leaflet explains more about the process.

Accept and make good (cash or cheque)

You accept the TC and choose to make good by either cash or cheque. Your cash or cheque figure will automatically be adjusted. All amounts up to and including £150 must be dealt with in this way.

Accept and Settle Centrally

Remember: This option will only be available for amounts over £150.

By choosing the option to *Accept and Settle Centrally* you are moving the shortage or surplus to a central account held in your name.

You will then receive a request for payment from Product and Branch Accounting. The request for payment will usually be issued on a monthly basis.

If you do not respond to this request within 10 days you will be either sent a reminder or will receive a phone call requesting payment. If you still fail to respond or settle the account within 7 days, as a last resort, deductions will start from your remuneration.

What if I want to challenge a TC?

Prior to the issue of a TC you may receive a phone call from Product and Branch Accounting to either clarify a transaction under investigation, or discuss what appears to be a discrepancy to ensure that you understand the TC when it arrives.

This is aimed at preventing disputes.

However, if you do receive a TC which you do not understand or wish to challenge you should do so **immediately** using the telephone number given on the TC.

If the issue can be resolved at the time then you will either:

Process the TC and follow the options available.

or

If you provide additional information, and Product and Branch Accounting agree, a second TC will be issued to offset the original TC. Both TC's must be processed to ensure no effect on the branch accounts

or

You will be asked to *Accept and Settle Centrally* and you will be given a reference number to acknowledge that further investigation is due. Product and Branch Accounting will then hold the amount on your central account and will block recovery of that amount until the investigation is complete. Once complete you will be informed either that the TC has been cancelled and removed from your central account or that the amount will be added to your next request for payment for the outstanding amount. See Appendix A for an example of a **Request For Payment**.

What are my options at the end of the Branch Trading Period if a discrepancy is identified and committed to local suspense?

Branch Trading does not change the requirement to make good losses nor does it replace the liability for losses policy agreed with the National Federation of Subpostmasters.

If you have a discrepancy for less than £150 you will always be required to make it good by cash or cheque.

If you have a discrepancy for over £150 and you can provide evidence that you should receive a TC for the error, you will need to contact the NBSC helpline. They will assess your request and allocate a priority rating dependent upon when you are due to roll into the next Trading Period. NBSC will then advise Product and Branch Accounting to contact you. If Product and Branch Accounting agree you will be asked to *Settle Centrally* and be given a reference number. The amount will then be held in your central account whilst the issue of the TC is pursued. If a TC is issued you will be given only 1 option — to *Accept and Settle Centrally*. This option cancels the value held on your central account.

If after investigation, Product and Branch Accounting find no discrepancy to compensate for the amount held, you will be informed that the item will be unblocked from your central account and recovery sought via your next request for payment. If you do not have evidence to support your claim you will remain liable for the shortage.

Product & Branch Accounting

October 2005

Appendix A

Example of Request For Payment

N.B. Please see explanatory notes in magenta

The Sub Postmaster
Xxxxx Post Office
10, Other Rd
Anytown
Z40 1AZ

Request For Payment

Statement Date
12.04.2005
Our Accounting Clerk
Client Account Clerk 3
Telephone
GRO
Your Account with us
2000035
Amount Outstanding
£ 2780

Account statement at 12.04.2004

Doc.	Doc.	Trans	Due Date	Amnt	TC Number
Clearing Number	Date	actn			
Outstanding Debt at 12.04.2004					
POL use only	TC accepted	Key	TC accepted (same date)	amount	TC no. Horizon
1800000000	6.04.2005	TX	06.04.2005	2,000.00	TC098765
1800000004	11.04.2005	TX	11.04.2005	270.00	TC098123
1800000110	11.04.2005	TX	11.04.2005	250.00	TC098124
1800000113	11.04.2005	TX	11.04.2005	260.00	TC098125

Key date balance 12.04.2005 £2,780.00
Statement date

Key: TX = Transaction Correction, DR = Invoice Debt, RM = Remuneration, DZ = Payment,
BD = Branch Discrepancy

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Date
12.04.2005
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Clearing transactions from 31.03.2005 to 12.04.2005

0100000203	11.04.2005	SA	11.04.2005	230.00-
1800000111	11.04.2005	DR	11.04.2005	110.00
1800000112	11.04.2005	DR	11.04.2005	120.00
POL use only				cleared amounts from previous period

Cleared Total For Branch 2000035 12.04.2005 £0.00

Key: TX = Transaction Correction, DR = Invoice Debt, RM = Remuneration, DZ = Payment,
BD = Branch Discrepancy SA = General Ledger account

Please settle this account by 22.04.2005 (this date will always be 10 days after the statement date) in one of the following ways; -

- Posting a cheque to this department in the enclosed prepaid envelope.

OR

- If you wish to pay by debit/credit card, ring this department on the number shown in the box headed Request For Payment