

POLB(12)96

MAY 2012

**POST OFFICE LIMITED MATTERS – DISPUTE RESOLUTION
PRIVILEGED AND CONFIDENTIAL – CLAIMS OVER £500K OR THOSE OF A SENSITIVE NATURE**

FILE NAME	CASE HOLDER	BUSINESS UNIT & CONTACT	DESCRIPTION	STATUS	XSP
Horizon claims	POL/HF/CD	Rod Ismay of POL	<p>POL has received notification of a total of five (5) claims from former subpostmasters (SPMs). Each has alleged wrongful termination of contract (based on (1) alleged defects in POL's internal processes and (2) alleged defects with the Horizon system). Each is seeking damages in the sum of c.£150,000.</p> <p>Despite reports in the media that Shoosmiths have consulted on a further 85 cases, POL has not been notified of any additional claims.</p> <p>A third party fraud investigator is to be appointed (following consultation with various MPs) to review up to 10 cases where Horizon is alleged to have caused the losses. It is anticipated that no further court action will</p>	<p>In respect of four of the five claims, Shoosmiths have not taken any further action to date to progress the claim. There is no litigation in progress.</p> <p>POL has been successful in having the fifth claim struck out and is currently seeking costs from the former postmaster concerned.</p>	Bond Pearce

			be taken pending the outcome of that investigation.		
Disability and Age Discrimination Claim	POL/HF/CD	Angela Van-Den-Bogerd	<p>An individual has made claims under the Equity Act and under the Human Rights Act alleging disability and age discrimination against Shieldex Limited (the franchisee of the branch) and POL. Damages are claimed, but the amount is not specified. The estimated potential exposure (if the claim succeeds) is likely to be in the region of £6,000 to £18,000 plus costs.</p> <p>If POL is found to be a service provider under the Equality Act and, therefore, liable to make reasonable adjustments, this is likely to have implications across the Network.</p>	<p>A defence to the claim has been filed on behalf of POL. The franchisee (who is the First Defendant) has also now filed a defence.</p> <p>POL has made a "Part 20 claim" in the proceedings against the First Defendant under the contractual indemnity set out in the franchise agreement governing the operation of the branch. This gives POL the option of recovering from the First Defendant any damages which POL is ultimately ordered by the Court to pay to the claimant as a result of the First Defendant's actions.</p> <p>A strategy to achieve early settlement is currently being put together with Bond Pearce. This may potentially involve a site visit at the branch premises and/or mediation. An early settlement would be advantageous for the business as it will reduce costs and remove the litigation risk posed by</p>	Bond Pearce

				this matter.	
--	--	--	--	--------------	--