

ICL Pathway	Release 1C Change Request	Ref:	CS/CCN/xxxx
		Version:	1.0
	Lost Transactions & Duplicate Payments	Date:	21 Jan 1998

Document Title: Release 1C Change Request - Lost Transactions & Duplicate Payments

Abstract: This document is submitted in support of CCNxxxx / CP1004 and presents ICL Pathway's proposal to modify the system processes and counter procedures which, in their current state, have resulted in many incidents of benefit encashment transactions being lost and in some cases resulted in duplicate payments being made.

Distribution: PDA :
Colin Oudot
Stewart Riley
Gareth Lewis
Tom Patterson

ICL Pathway :
Tony Oppenheim
Terry Austin
John Dicks
Mike Coombs
Martyn Bennett
Liam Foley
Stephen Muchow

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Document Predecessor: None

Author: Stephen Muchow

Approval Authority: Stephen Muchow
Customer Service Director
ICL Pathway

Signature/Date: _____

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1. Introduction

Since implementing Release 1C in November 1997, there have been 39 cases where a benefit encashment transaction has been performed but no record of that transaction was secured in the Horizon system. In 36 of these cases, the problem was identified speedily enough to avoid the consequential potential problem of a duplicate payment. In the remaining 3 cases duplicate payment was not avoided. The liability for the value of the duplicate payments rests with ICL Pathway.

This document is submitted in support of CCNxxxx and presents the underlying root cause and impact of the problem and several mitigating actions which have been considered in the process of compiling ICL Pathway's proposed solution, for which the approval of the sponsors is sought.

2. Root Cause and Impact of the Problem

Although this problem was predicted to be likely to occur before Release 1C was authorised for implementation it was not anticipated that it would occur so frequently as has been experienced.

The problem arises because the counter procedures for benefit encashment are not being executed fully to completion by some counter staff. After the payment receipt has been signed and checked, the counter clerk should pay the beneficiary and 'commit' (press the finish button) the transaction whereupon it is securely written away to the system's message store. If the counter clerk fails to perform the 'commit', the transaction is not written away and if subsequently the terminal times-out, the transaction is lost and the payment is not marked as having been paid. When left in this state, the payment is available on the system to be paid - again - a duplicate payment !
[DN: What happens if a transaction is not committed and the next action is to swipe another card?]

The 39 incidents discovered to date have been associated with only 23 of the 205 offices in operation at Release 1C. [This could still relate to the number of cards in circulation in the 'new' offices, therefore it could increase significantly]

Incidents per Post Office	Number of Post Offices	Total Incidents
0	182	0
1	16	16
2	3	6
3	2	6
5	1	5
6	1	6
TOTAL	182 + 23 = 205	39

The total value of duplicate payments that were not avoided and for which ICL Pathway owns liability is £86.20 whereas the total value of potential duplicate

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payments, i.e. those that were successfully avoided, is £1227.00. This represents only a very small proportion of the number and value of benefit payments made correctly.

[Suggest deleting - it creates the wrong impression!] It is of prime importance that BES provides for the payment of the right benefit to the right customer - once. If allowed to continue uncorrected, the credibility and acceptability of the solution would be put at risk. A growing awareness, in certain quarters, of this potential weakness in the system might be construed as an encouragement to attempt to obtain benefits fraudulently, or worse.

3. Mitigation Actions

Several mitigating actions have been considered :

	Option	For	Against
1	Reinforce procedures: <ul style="list-style-type: none"> visit offending offices issue general reminder. [to all offices?] 	Tackles the problem directly.	Not clear how successful this may be over time
2	Review training and the implementation program (delay before practice)	Needs to be fed into planning for the next roll-out.	Will not help in Release 1C
3	Monitor enforced log-outs and check with post offices the next day.	Feasible and would enable checks against retained receipts.	Checks would be for all enforced log-outs, not just where transactions are lost. Recovery, if needed, is not always possible next day and gets the wrong date, time & transaction id.
4	Extend the enforced log-out period: <ul style="list-style-type: none"> now 15 + 14 minutes should be 15 + 59=74 could increase further 	74 minutes should cut incidence significantly, in particular where post offices shut for lunch.	Too long leads to exposure not only to duplicates (at another outlet) but also in general security terms, e.g. in unattended post office at end of day.
5	Bleep and flash to attract attention shortly before an enforced log-out.	Would attract attention if the post office is attended.	Flash may be ruled out on health and safety grounds (e.g. epilepsy). Would not work if post office unattended or sub-postmaster deaf, so only partial solution.
6	Commit transactions on the stack at enforced log-out.	Most likely action to capture data of true encashments. Most timely in terms of system data reflecting transaction time.	Very small risk of repudiation if transaction would have been made void. This is unlikely but need process to minimise the potential impact.

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[If a telephone survey is being undertaken with all offices, is there an opportunity to re-inforce the message?]

4. Recommendations

ICL Pathway recommends that all of the following options are implemented as part of the overall attack on the problem:

- option 1 is already in train with POCL regional management
- option 2 will be fed into New Release 2 planning by Stephen Muchow
- option 4 with software fix to time-out period (74 minutes)
- option 6 with associated process and procedural initiatives to minimise any adverse impact from potential repudiation

Option 6 will be supported further by the following Pathway initiatives :

- develop a daily MIS report to list encashments that were forcibly committed
- check any repudiations against the list, and pay by Cashcheque immediately if matched and follow up with detailed investigation
- work with BA to develop enhancements to BA office procedures to recognise the (very small) potential for repudiation actions and initiate the checks needed
- develop and agree the associated changes to Payment Card Help Line procedures and Counters Operation Manual (minor change).

Since the vast majority of encashments performed are genuine and legitimate and only an extremely small number of encashments are voided at the counter, the chances of a void transaction being falsely committed are extremely small indeed.

[DN: Not sure this gains any brownie points - better suggest a plan for implementation]
It is believed that the probability of instances occurring where a transaction is forcibly committed when it was intended by the counter clerk to be voided is so small that it will be insignificant during the life of Release 1C. ICL Pathway will commit resources to continue the analysis of this problem with the objective of improving our proposed solution design for New Release 2.

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