



# Personal attendance

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Client: Post Office Limited

Matter: Horizon IT System-Group Action

Matter no: 364065.1369

Attending: VMB1, LRB2, John Breeden

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Name: Lucy Bremner

Location: London

Date: 19 January 2018

Start time:

Units:

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VB: I am Victoria Brooks I am a Managing Associate at WBD. I will give you a card because I happen to have one to hand. I have been with the firm for about 15 years and I have been doing Post Office work on and off for most of that period and I have been working on the group action and the mediation scheme that came before it as well.

LB: I am Lucy Bremner I am a solicitor at WBD and I am assisting Victoria.

JB: I am John Breeden. I am the head of agency contracts deployment at Post Office Limited a role I have been doing since 1 April last year having previously been involved in different and various roles in the contracts team for probably the last 10 years or so. I have worked for Post Office Limited for just over 21 years.

VB: If I just explain a bit more about the purpose of the meeting. Do you want to have a minute to set yourself up?

JB: I have only got that out because I have got a statement on there that I have used before so there might be some stuff in there that is of use.

VB: You are the most organised person we have met because so far we will support and humour them so that is quite good to see that you have so sorry I did not give you a minute to sort yourself out but we have got wifi and everything that you can connect to if you want. So as you know the meeting is being recorded. The purpose of the meeting is to obtain a proof of evidence from you. That is really just a document that records what you say to us today. We want to know all of the good and all of the bad because we want to know about any weaknesses in Post Office's case as well as any good points so that we can advise them properly on what their position is. So I will be asking you what you think the weakness was in this if any that sort of question.

JB: And can that come back and haunt me at a later date?

VB: It is only an internal document so that is the difference between a proof of evidence and a witness statement. It is just for us to use internally. So what we will do is what you say if it does not come out in a logical way then we may reorganise it so it is all done by topic but we will not be changing it or removing anything. With a witness statement we might remove things that we did not want to say or polish it or you know probe a bit further and that is a document that would be shared with the other side so because this one is just internal it should not come back to haunt you.

JB: No because very much I would think it will be more of a personal view because naturally the business perhaps did something else that's all.

VB: And it is good for us to have the views of people who have been in Post Office for a long time and hearing things because you know you have got the experience and that is one of the things that has been most useful about these meetings that we have had so far. You probably will feel like you have answered these questions some of them before and provided a lot of information before so apologies for that but it is useful for us to have it done in this way because then we can check what we have been told before and we also have this document that we can then work from to do a witness statement. When I am speaking to you the time periods I am interesting in are going to be pre-Horizon, on the introduction of Horizon so from 2000 onwards and on the introduction of MT contracts. Now it will probably come out as we are discussing whether or not the extent to which those things made any difference to what you do but those are the sort of time periods that we will be looking at so we will be able to get to that. The evidence needs to come from you. People tend to be really helpful and try and give us evidence about things that are not really things that are directly within their own knowledge so if I am asking you something and I am sure I will be asking you a lot of things that are more someone else's area than yours because your name has been put down for a lot of things so please do say and if you have got any ideas of people that we should speak to or if there are any documents that back up anything that you are telling us that you think we should have can you tell us about those as well because one of the other things we are doing on the case is disclosure so we need to make sure we have got everything and also in a witness statement it would have documents appended to it that were relevant to what you were saying. Once we have done the proof of evidence we will send it to you. You will get to see whether or not we have put any clangers in there and change them. If we have got any questions we will ask you. So once you are happy you can sign it off and then the purpose of that document as I have said is to be used towards doing a witness statement at the appropriate time. We are not sure yet who is going to need to be a witness but since you have been with the Post Office a long time I think probably you are going to be one of the people who we are going to need.

JB: This day is going off isn't. It's going downhill already.

VB: Have you given witness evidence before?

JB: No I have prepared a witness statement before but it never went into .... and of course because a lot of the stuff we do is civil anyway we don't need to. There has been a number of times where you could have been but it has never happened.

VB: To sort of set your mind at rest on that a little bit we will be providing training to the witnesses. Obviously it will not be training to do with this specific case but there is a company called Bond Solon whom I imagine is the company that we will be using. They get people in a room. They have a sort of a made up case and people get to play a part in that so just to familiarise themselves who they should be talking to when they are in court, what sorts of experience it will be like so that is what we are going to be doing. I have actually had that training and it is quite good fun so that is something to look forward to perhaps. So as I said do stop me if you need a break and if you are happy we will go into the questions.

JB: We might as well get started.

VB: So I did not actually get written down what you said your title was at the moment. Your job title.

JB: Head of agency contracts deployment.

VB: And you said that you have done a number of other roles. What is quite helpful is if you can go through those roles either starting now and going backwards or starting at the beginning and going forwards and tell us a bit more about what they were and the time periods if you can remember and if you have got a CV or another document.

JB: I think I sent something to Elisa. That role started on 1 April. Prior to that I was.

VB: If there is an easier way to talk about it what we could do is we could start by talking about what you do now and then it will probably come out in the other questions. You have already done a witness statement before you said but what we would tend to have at the start of one is I am this person, this is my role and what I have done. So if you do have a previous one that would be quite useful for us to see. If it is written down I suppose we could get a copy printed and then we could look at it while we are going through.

JB: It's two years old but the trouble is I am not very good with job titles to be honest with you.

VB: No and they do change a bit without necessarily.

JB: And look at that title it is not exactly snappy is it? It is not the thing that just runs off the top of your tongue let's just see what happens. I know it's on here because I looked it out the other day.

VB: I think we have met before at that contracts breach thing there was sort of a big meeting.

JB: In the Midlands?

VB: No in London about five years ago.

JB: Right I know we have met before.

VB: Paul Inwood was there and we saw Paul yesterday and I think that must have been when I met you. I definitely have met you.

JB: Yes. I know because I have met so many people from Bond Dickinson or what you were prior to Bond Dickinson and what you are now.

VB: Actually it was the day we changed from Bond Pearce to Bond Dickinson that is why I can remember when it was.

JB: I know we have spent since then an amount of time in a hotel in London in a room with no windows.

VB: Yeah that was it.

JB: The content does not stick but the room does.

VB: I am also going to be asking you about what you did before you started the Post Office.

JB: I could probably do that easier. Do you want to start with that first?

VB: If you could talk and look at that that is good multitasking.

JB: Yeah okay how far do you want to go back?

VB: Well it depends whether or not the experience that you have is relevant so I think if you tell us and then we may or may not include it if it goes into a witness statement because when we have gone back to you know people leaving school or leaving university or A levels that is sort of essentially where it all starts.

JB: I will go backwards and then you stop me when you get bored. I started the Post Office Limited on 6 January 1997. Prior to that I worked for Nationwide Building Society. I left them around about the June of 2016.

VB: 1996?

JB: 96 sorry yes. So I was made redundant from that or the job disappeared. I worked for them for probably about 17 years I think. There I did a number of different sort of roles. I started off in the branch network as a trainee and worked my way up to assistant branch manager. That was working around the Manchester area, Greater Manchester area, sort of Wigan and Chorley and those sort of places in Manchester, Stockport. I am looking at the picture for inspiration it is quite therapeutic actually. Then I moved into their training function and did training full time. Then I moved on to doing sort of project work and leading projects and the last project that I delivered with them was to get their banking directorate to ISO9000.

VB: You said you started with them as a trainee so did you do that from school?

JB: No when I left school I did A levels and then went to polytechnic. Dropped out of polytechnic after about nine months. Had a number of sort of different jobs for a short period of time and then got on a retail management scheme with WH Smith. I spent probably I think it was about three years with them before moving to Nationwide. With WH Smith I worked in their stores in different parts of the country. Part of their deal was that as a trainee you would never work in a store that was near home so you were constantly living in digs or rented accommodation and my mother was seriously ill at the time and I just could not get home enough so I give up the job instead. Whilst I gave up I was looking for another job so I could just be closer to home because I think the last place I was working was Whitehaven in Cumbria.

VB: You have done some really interesting things then.

JB: Yeah I can say I have had silly little jobs like shelf filling in Quicksave and all of those things.

VB: I do not think we particularly need to go into those in too much detail but short term jobs we can just say that the actual roles that you did before the Nationwide role gives us a good flavour of what your experience is so that is great.

JB: So I started with this company in 1997. I must say I was hoping you would say you look remarkably well for 41 years. At the time they recruited for the role was the head of management process that I applied for and they were looking for a number of people both internally and externally. I cannot remember how many they actually took on it was probably about a dozen and I think from memory the role was very much around sort of planning and process management and linking in with some of the total quality stuff they had already done. The planning was that this was pre-Horizon being introduced so I think it was trying to understand the sort of business planning and the project planning around some of that.

VB: So did they know that Horizon was coming?

JB: I think they did. We were in the foothills of sort of change happening at that point and the business was very very different. So the job I was appointed to was in Scotland so covering the Scotland and Northern Ireland region and I really do have a bad thing with dates. Basically the Horizon project then started to come alongside and was run alongside them predominantly by (recording 1 : 15:45) who did all the planning and stuff like that. So you did not get a massive amount of planning activity to do with Horizon. So it was just happening nicely when I started about 1999 if my memory serves me right. From that job, because at that time Post Office Limited had seven regions now it has got none. So that gives you a rough idea and they were seven regions that basically well they were mirror images of themselves so there were seven. So they decided to restructure it and it went down to three. I think I kept a similar sort of role for a while then the role disappeared. I ended up then working as the operations manager with the national multiples team. So there was a team set up to manage a number of national multiples across the country and I was the operations manager on that and basically dealt with sort of sales and service type issues that were arising. Most of the partners that we dealt with are still partners that the business deals with now. Then, I imagine it is probably about 11 years ago I ended up with the role of area service manager for the central area which was effectively the role which dealt with contractual issues, intervention type activities that is about it really. Then sort of morphed itself as the structure has changed into those two people then looking at the contractual side so it was agents contract deployment manager north that is what I was prior to this job and there was a sales equivalent we had a number of contract advisors that worked for us dealing with contractual issues as they arose and that has been in sort of different guises what I have been doing really for the last 10 or 11 years. You know there are bits that have been added on at times and then taken off like I had responsibility for the application process and now I have got that back and also a lot of the stuff around producing agreements for the NT programme.

VB: Sounds like things I want to ask you about. When you said that Post Office had seven regions and then it went down to three and you said you had a similar role at both those times but what were you actually doing I didn't catch it.

JB: In the seven regions it was the head of management process and in the three regions I think it was a very similar role I might even have had the same role.



VB: Fine so it was still the management process type of stuff from 11 years ago?

JB: And it was sort of business planning and stuff like that and I would say I remember vividly part of doing that was just restructuring the region and stuff like that, going through preference exercises and all those sort of wonderful things.

VB: What made you join Post Office in the first place because it just felt like a good fit and your mortgage role or?

JB: Well it was an advertised job. I was out of work at the time so I was actively looking for work but you are in one of those sort of situations I guess where you are out of work with a young family and needed to find some sort of means of earning money it was not a case of sort of rushing in and thinking that anything will do. When I tell you when I applied for that job I lived in Northampton so taking the job was quite significant because I moved from Northampton to Glasgow and took the family with us. It clearly appealed to me because I think part of it was the fact of the work that Post Office Limited have done or Post Office Counters Limited as it was known then on the total quality side because the work I had done predominantly with Nationwide in the last three years of my work with them around the aspect of (recording 1 : 20:24) and ISO900 total quality management. I had also done a degree course at uni whilst I was working in that discipline as well so it was an area that I was pretty keen to get back into. The business planning element of it did not worry me in the slightest but it was the fact that they had just rolled a fairly significant programme out in respect of total quality management.

VB: How come you are still with them? What is it that keeps you working for them and why do you hopefully like it?

JB: Firstly I am probably not terribly attractive to many employees of my age that is one reason. I am not putting these in order. But that is certainly one reason and I do not want to give up work at the moment but we are in that sort of twilight area where I could. I actually quite liked the business am I liking it as much today as I did five years ago I am not overly sure. It has changed significantly but it still gives me a buzz. There are a lot of things that really frustrate the hell out of me and I am sure there will be a number of people that would think oh I wish that old bugger would just go and we could get some new blood in. People probably are not so challenging on critical law and you know I am perhaps a bit of a dinosaur with stuff like that with some of the technological things they want to do but I think the bits that sort of perhaps I find hardest. I thought this business always had very good values and morals and stuff like that. I think at the moment some of those are sometimes just tested a little bit further than probably I feel a 100% comfortable with. I think there is a point where you know if my personal values and stuff like that did not particularly weigh then I could not work in a place that you know it does not matter how much money they are paying me but where their actions are very diverse to what I believe is the right thing do that is when I would sort of struggle.

VB: Where are you based now?

JB: I am not. I do not have a fixed location so I live about 30-35 miles east of Leeds hence the Leeds office that you have would have been brilliant for this meeting but do bear that in mind next time and I know where it is.

VB: Yes we will definitely bear that in mind.

JB: And I could have had a lie in. Basically when I am not out I am at home. You know you work from home.

VB: So is that field based is that what they call it?

JB: I think we are classed as no permanent work place.

VB: Okay because I think you are sort of.... Because this has been quite confusing for us in organising some meetings so I think your email signature might say Chesterfield and that is presumably where post for you goes?

JB: That is my personal address yes because there is no way I would have my home address on the bottom of anything. Facebook I do not do anything because my name is, well if I was John Smith I would probably feel a bit more comfortable but I will not with my name.

VB: No I do not think I have ever come across another surname Breeden.

JB: Yeah we have had problems in the past with other people who have been stalked and stuff like that so you just do not want to invite any more trouble than you really need and I can get myself into enough trouble without looking for it.

VB: Who do you work with in your role that you do at the moment?

JB: I work for Mark Ellis. I have four direct reports. That is Keith Bridges. He is the deployment manager for the south, the job Lynne Mowbray used to do which I am sure is a name you will have come across somewhere.

VB: Yeah I have met Lynne.

JB: So Keith manages a number of contract advisors. He also has responsibility for the agents application process team or the agents services team as they are now known in Bolton. They process the applications that come through. I have Paul Williams who deals with restrictions.

VB: Okay what is that?

JB: You know how if you have a Post Office but you are not meant to have a competing mails problem and I have a lady called Shirley Heystones.

VB: Yeah I know Shirley.

JB: Who is the support services resolution team. There are three of them. My structure is quite strange in that I also have six contract advisors who report to me. So I have got almost two levels in my team if you understand which I will be quite honest with you does not work very well and means that I think the sort of leadership element of the role is harder to find time to do because you are constantly firefighting operational issues.

VB: So the contract advisors are sort of below Paul, Shirley and Keith?

JB: They are direct reports to me but I structure it like that is almost by lead team but I also have another team that I deal with on an operational issue. Really I need a stand brick between me and those six guys because that is what the call is about I have got an audit problem.

VB: Yeah I can imagine. So can you tell us a bit more about what you do?

JB: I guess the job is split into sort of a number of quite distinct areas. There is the contractual element whereby the contract advisors will deal with any contractual issues that arise. That may be through some sort of I do not know audit activity and there is a loss at audit. It may be you know somebody is breaching their contract because they have not got a valid property interest or there is some other breach of contract that we have to deal with and we will deal with that either through the contractual breaches policy and how that is meant to be done. Then we deal with the aftermath of incidents so robberies, burglaries. A decision is usually made by the security team whereby they will make a, the best to describe it a black or white classification of whether an innocent postmaster his actions or her actions have contributed to the loss and if they are deemed as having (recording 1 : 28:20) with the loss then we would take it forward and make a decision on whether they are deemed culpable for the loss. So debt recovery work and dealing with operational issues that I think they should be of a contractual nature which can be wide and varied. Things like restrictions, things like opening hours which is the biggest bugbear of my life at the moment, you know, all of those and a lot of the stuff we do, all of that, you can't it's very difficult to understand how much work is going to come over your desk on any one day. The other thing that we do is application interviews. So the CAs are the people who are able to make appointments. So for vacancies. So that's one element. Then I have got a group of people involved who deal with the processing of all applications for vacancies in the network irrespective of how

they arise. So whether it's through one of the transformation programmes or if it's just normal commercial transfers or if it's, you know, we have a site closed down and we are looking to reopen so there's a number of different (recording 2 : 1:16) but effectively what you are doing is making processing pieces of paper to support that application.

VB – Who does that?

JB – That is the person who leads that team is John Jenkinson, John reports to Keith Bridges, Keith Bridges reports to me.

VB – He's been mentioned a few times. I wonder if we need to see him.

JB – Ok well John's work for me in previous lives with the application because I've had it before, lost it and got it back. Clearly did something wrong. What else have we got in there? We've got the restrictions work so Paul is responsible for setting the policy on restrictions or is the guardian of the policy and then he will deal with any breaches and try to resolve. There comes a point when we don't get to resolution and it's passed over to the conflicts team. That sounds quite narrow but it's quite difficult to deal with.

VB – I can imagine that it is a lot wider from my experience it's not a narrow area.

JB – The numbers are not massive when we look at the size of our network but actually detecting and then getting people to withdraw from a contract and stuff like that because you have to be careful you are not (recording 2 : 2:43) them to withdraw and all this carry on is a bit of a problem. So that's the work that Paul primarily does there and then there's Shirley's team. She has the business, usual part of the team that investigates any sort of issues on accounts so post master's accounts, that's the easiest way because part of the team which is under the GLO works (recording 2 : 3:09) so there's only three of them in business as usual.

VB – Ok. And when you were saying about the amount of work that's involved, how many branches is it? Is it all of the branches that aren't directly managed that you deal with?

JB – Like WH Smith. So we do not deal with the crown offices and I don't deal with WH Smith.

VB – So everything but.

JB – Everything else.

VB – How many branches is that then approximately?

JB – It's over 11,000.

VB – Ok so it's most of them.

JB – Yes.

VB – Because figures like that will help to give a scale of (recording 2 : 3:51) and you can see it's a lot. Ok.

JB – Volume is impossible to predict because everything we do is almost we react to something. So, you know, well like that phone call that I got before was an audit that's going wrong or if it has identified a loss. Now we could do, I don't know, 20 audits in a week. 20 might go swimmingly well. 20 might not.

VB – Yes. I guess January's a bad month as well for audits.

JB – There isn't a good one.

VB – Ok.

JB – Well I would say the problem is, you know, there will be a target and these are the sort of frustrations, so you are going to get some of the frustrations coming out now but there will be a target to do 70 audits, they will schedule the audits but have no consideration for the consequences of the audit going wrong. All right. So in the first week of January we had somewhere in the region of, I think it was about 45 audits scheduled. Now don't forget the first week of January is only a four day working week in three quarters of the country and a quarter of the country it is only a three day working week because in Scotland they have two days off to do 42. I was off as well. I came back on the Thursday and Friday and basically a waste of time. I did nothing more apart from dealing with the audit issues. All right. That doesn't mean to say we have suspended everybody but if there is a loss over a certain threshold we have to do something.

VB - And what is your involvement in that?

JB – If an audit goes in ok, if there is a loss of £1,000 or more that has to be reported in to one of the contract advisers. The contract adviser gets the details, finds out, so well perhaps what will happen first is, you know, we have found a loss of, well let's talk about the case at Woodley. Will this appear in the notes?

VB – It will do but it won't go in the witness statement because it's not relevant to the case unless it does become relevant if they are one of the claimants but I don't suppose they will be.

JB – Well we have got a loss, auditors have gone in and there is a loss over £50,000. So that's gone to the CA. The CA has said right just do a tier 2 which is count everything the last penny and everything like that, let me have the audit results. Gets the audit result and it's so where has it gone, you know you try to understand what's gone on, what's happened there. They then, the CA has to come to, in the North myself or in the South Keith, to get authorisation of what we do with that case. Now nine times out of ten they will make a recommendation to me and say John I think we suspend or I don't think we suspend, you know, depending on the circumstances of the case and I have to agree that.

VB – And do you have to agree that on every case or just where, so every case

JB – Everything over £1,000.

VB - £1,000. Ok.

JB – We can go down one of two routes. We can either do a formal suspension whereby we pull the sub post master out and stop him operating the post office or we can go down the non-suspension route which basically means we'll assess the risk as well as we possibly can on the day and determine that that individual is ok to stay in the branch and continue to trade but perhaps we'll have either a discussion over the phone with him or face to face. Usually, though, if it goes down the latter route there is a very good commitment to pay back whatever is missing. If somebody turns round and says I just can't afford it that is a risk that is sort of a red light.

VB – Well I wasn't going to ask you about suspension at that point in the meeting but since we're on it I will just skip to my questions on that because it makes sense to discuss it or we could skip back one stage. I do you have questions to ask about the audit team. Now probably some of this may not be you directly because of what you have said that isn't what is your area to the extent that you deal with the consequences of it. So I have got a whole load of questions about who made up the audit team and who they are but I think that's probably someone else. Who would you suggest we speak to about that?

JB – Well the current leader of the audit team is Pappy but she has only had that team since 1 April last year.

VB – And who was it before that do you know?

JB – I think it was Drew McBrian.

VB – Oh and he's gone hasn't he?

JB – He's gone.



VB – Ok.

JB – I think it was.

VB – Yes. Ok.

JB – There's always sort of like been a bit of a firewall between the people who do the audits and the people who make the decisions on the outcomes of the audits. Where are we going to go and similarly there is always a firewall between, you know, what we decide to do with a sub post master if they go down some sort of contractual route so that you don't get oh he terminated him because we wanted x to apply for the branch and all that sort of carry on so you don't you try and keep some sort of distance between all of those decisions.

VB – That makes sense so each decision can be made almost independently.

JB – Let's do suspensions if you want. We might .... One of my better subjects. It worries me how many questions you have got there. Crikey.

VB – Well we're quite detailed on some of it but some of it does go through quite quickly so don't worry.

JB – I'll take your word for that.

VB – So if we go with suspension so the sorts of questions I've got to start with is when this is done, how the decision is made, how it's communicated and reviewed but what we're interested in ... so you've been involved with this for 11 years. Is that right?

JB – Yes 10 or 11 years.

VB – So I am also interested in how, if at all, it has changed over that period. So 11 years ago was 2006/2007. So how it has changed since then. So when would a sub post master be suspended we have gone into that a little bit but that is the current process.

JB – Yes I guess when I started in all of this, it was far stricter I think perhaps is the best way to describe it or the sums involved that you could get precautionary suspended for were far lesser. Perhaps that's a more subtle way of putting it inasmuch as, you know, I look back and being conscious of some of the names on the list of claimants particularly the six that have been picked by POL and the six that have been picked by Freeths you know you look back at sort of Cotton and Crossflats I think it was and the amount of money that they had lost was really pretty low in comparison to what we are dealing with today and I think that's part of the C change that has gone on there is as a consequence of the second site work ok where, you know, this is me paraphrasing I think we were sort of painted as sort of quite bullying type of individuals that only had one, the ability to make one decision, we didn't think of the facts, you know, they were guilty before proven innocent and all that sort of carry on which you probably expect me to say is absolute rubbish but I think it was probably a little bit unfairly painted but, you know, I've got records that show the, you know, people with far, very small shortages would be suspended and terminated, you know, some of the numbers that we are seeing today you would not have got away with.

VB – Why was that? What happened back then do you think? Why did you suspend for smaller amounts?

JB – Well I think the contract or the use of the contract and the contract whether it be on the traditional world or even under NT, the wording is very similar but I think we have been perhaps been asked or told to be a little bit more perhaps not as black and white in our thinking so, you know, if you had borrowed POL funds or you had a loss that you couldn't pay and stuff like that, yes I guess the route you were going down was precautionary suspension or termination. You know, using our funds, whether it be £1 or £1,000,000 the actual concept between doing that is the same isn't it? You know you are quite willing to borrow something that is not yours so I think from that point of view that is what was going on at that time and that was almost sort of like I would say customer practice and at that time you know the contracts advisor was very much more able to make the decisions on precautionary suspension and to make the decisions on termination and I guess we had the I suppose our safety net was everybody could go to appeal. Unless you resigned to avoid termination every subpostmaster had the ability to appeal

the decision. You would still get the same accusations when you went to appeal. You are marking your own homework anyhow aren't you and as an appeals manager of which I have been an appeals manager you did get frowned upon if you overturned the decision I will be honest with you because I do not think well I am not saying that was not meant to happen but clearly it meant that something had gone wrong in the way the case had been assessed. So you take that as having gone on. You get to the sort of second sight stuff and as a consequence of that and taking some of the feedback because you know clearly there were clumps of feedback that came back from second sight. The training was not brilliant and perhaps the helpline could be better and you know perhaps we need to think about what we do from how we deal with people who have got financial losses. As a consequence of that that is where the advent of the non-suspension came about. I can still recall a saying Angela Van-Den Bogerd used an example of somebody borrowing £500 to pay the window cleaner. Old world that would be suspension, new world if they can pay it back straightaway keep them in. Have a discussion with them and tell them they are wrong. You might warn them and all of those things and then lets monitor that but the other step changes that came with that is that initially all of those decisions will only be made by four managers at Angela's level.

VB: So the decision to suspend?

JB: Suspend or not and I think the four managers at the time were Kevin Gilliland, Angela Van-Den Bogerd, Michael Larkin and Mike Viel. Now that became practically impossible to do because that was like looking for a needle in a haystack trying to find one of those because you have got to move quickly. You know when the audit result is out you have got some people then that are stood on site waiting for a decision so that is why it is important you move quickly. So anyhow they allowed that to be rained back and as a consequence it ended up being the team leader of the north and the south team i.e. myself and Lynne Norbury that had to be contacted and made the decision on every case.

VB: When did the four managers come in. Was that as a result of that meeting we had in 2013 where I met you before do you think where we talked about the contract breaches policy do you remember when that ..

JB: It could be about the same time because it is certainly not in contractual breaches and this is where I think the C change that they were trying to bring about with the second sight stuff is the fact that is there something we can do to help them rather than suspending them. So if there is some sort of intervention activity perhaps, you know all right they have got a loss they are willing to make it good. Is there a gap in the training that we could do something about on the day of the audit or you know get somebody back at a later stage. So it will be a fore runner it will be around that time I cannot remember exactly when. As a consequence of the contractual breaches policy perhaps then that would work when the work went to me and Lynne to authorise non-suspensions and suspensions, all non-suspension cases come with a rationale, all suspension cases come with a rationale. A rationale is a word document I have got loads of them if you want to see one. But it is basically where is it, what has happened, what sort of breaches are we seeing, why has it happened and the reason on this case why we left them in or not.

VB: In that document does the contract advisor do that before they speak to you or do they just talk about the reasons and then it is recorded later?

JB: I would say the practicalities are that the conversation will be had and the decision made today. The form might appear tonight or this afternoon or it might be Monday or Tuesday. We try to get them in within two days especially the non-suspension ones. The precautionary where we do suspend what we do there as well as doing the form and we do not put as much detail on the form when we suspend because there is no sort of remedy or training or anything like that that will go on to identify what we want to do. What you do there also is send an email to any number of key stakeholders in the business saying we have just precautionary suspended. That will also be the trigger for possibly appointing a temporary subpostmaster. So you have got two streams of work. All of that has to be signed off by me. It is just physically impossible to do that all the time or be at the end of the phone all the time. So like today there are two guys in my team that I have told to take the calls.

VB: Okay yeah because otherwise you could never go on holiday or do anything.

JB: You would never go anywhere yeah and you would just be in and out. So that call that I got just before we started that would be routed now to obviously one of the guys that would normally make a

decision on my behalf and (recording 2 : 20:45) and that decision will be made. That one won't be a difficult decision I would say. So I can show you forms for all of that. I can show you what I log and how we do it but in making the decision on suspend and not suspend some of the key questions I am thinking about are are we going to get it back, the debt and I do not mind whether that comes back, I would like it to come back in one lump sum but it could be on a repayment plan. Why has the debt arisen. What is going on? Is there anything untoward going on. Is there any sort of training issues, you know capability type issues that we can be doing something about and that we could do something about once we have got the auditor on site, yes or no or do we need to arrange additional training separate and then you know how do you want to take it forward because these people I think need to understand. Where we are going here so you know there will be a performance discussion by phone. The tenor of that discussion will depend on what has gone on or it could be face to face and then you could end up with a (recording 2 : 22:10) letter or warning letter being issued. All of those cases are then monitored by the fraud analysis team, a team run by Kim Abbots and periodically they will report back to the CA whose case it is to say do you want us to keep monitoring, this is the state of play at the moment or do you want something else to happen and that monitoring process goes on for over a year and I think it is about four times I think they are looked at for just over a 12 month period.

VB: Sorry is that when they have been reinstated?

JB: No that is when they have not been suspended.

VB: Do you monitor people in that way who have been reinstated?

JB: That is a bloody good question I knew that was coming I do not know what gave that one away. They should go through the fraud analysis process yes they should be on that we should monitor because they may be reinstated with conditions. One of them will definitely be to repay debt however I have just been reading a case this morning coming down here and clearly there was no monitoring of the reinstatement because one of the things that was identified at a previous non-suspension audit was not rectified or no it was a suspension only but it was not rectified to (recording 2 : 23:35) standard so it was still there when we suspended them the second time.

VB: When the decision is made to suspend how does the subpostmaster get told about that?

JB: CA tells them. The contract advisor.

VB: Okay on the phone?

JB: Yes.

VB: And has that changed over the period you have been doing it?

JB: No only the CA's should suspend somebody unless we give somebody – ask them to do it for us but the only people that should be suspending is the CA.

VB: So the CA makes the decision and normally communicates that by phone?

JB: Yes I make the decision and they make a recommendation. It's only a play on words.

VB: Yeah and then that is communicated by phone but they could ask someone to do it for them if they could not for some reason. So could they ask the auditor on site to tell them?

JB: They could do.

VB: Well it's your decision. Okay.

JB: And I would be careful of which auditor you ask to do. I think some are more experienced probably than others or something like that and it is a more interesting conversation to have face to face than over the phone. But by that time the CA might have spoken to them already or they know that the auditor is talking to them somehow.

VB: And does that get followed up with a letter?

JB: Yes the letter should go out within 24 hours. It is telling them they have been precautionary suspended. It is one of your letters anyway is it?

VB: Did I draft those I think I did.

[Coffee break]

JB: I think the problem we have got is the volume of work is so great at the moment I sit on the train now and sit and watch people looking at their iPad and all of that sort of carry on, watching films and you know we are knocking the hell out of these things which just perhaps shows how sad life has really got. We are getting closer you'll be pleased to know, I just can't remember where I've saved it all but I've found it. Well I found a lot of it. Keep talking; we're getting closer so that's a positive.

VB – Ok. When somebody has been suspended, during a period of suspension is their decision reviewed at all?

JB – Well I guess during the period of suspension, what you're trying to do is gather the information to find out what's happened. So I suppose the ultimate is the decision on what we do at the end of it. If something comes to light that says you've missed something or it's a bit of a no brainer, then that is a point where you probably look to have we made the right decision. So when we do non-suspension, let's go back there a little bit, part of my thinking when talking to a CO would be, where are we going to go with this one. If we bring them out where's it going to end up? If you're going to bring them out and then you are going to put them back in, what's the point of bringing them out? Clearly, you don't think the risk is that great? If you're going to bring them out because we've got to stop them operating until we train them better because all you're going to do is create a problem well you could end up with a reinstatement there. So you're trying to think in making the decision of suspend or not suspend where you're going to end up with that case. Because I don't see a point in just putting a load of cost in the system, messing somebody's business about for a period of however many weeks it takes us to do. Having we'll just put them back in the status quo.

VB – And that must be the current policy because previously you wouldn't necessarily have had those considerations.

JB – Well you would have done non-suspension.

VB – Oh, I see.

JB – In pre-Second Sight, you wouldn't have had a non-suspension situation. It was either suspension or not.

VB – It was suspension or everything was fine?

JB – Yeah.

VB – Ok.

JB – So, you know, you didn't have the non-suspension element to do.

VB – I see, that makes sense. So, in terms of when they are suspended it's almost as if as soon as any information comes to light that changes the position that will be considered and if it means that something needs to happen...

JB – If it means we've got it wrong then we've just got to hold our hands up and do something fairly quickly. Touch wood we've not had many of those.

VB – Ok, Yeah, I wouldn't have thought so.



JB – I'm sure there will have been one or two where we had pulled them out and then something has come back on the accounts. It might have happened which actually backs the story up. You know you're making a decision with pretty limited facts. You know?

VB – Yeah.

JB – At the speed you're trying to do something. Yeah, the same day, as soon as possible, because if you don't suspended, fine the auditor should have finished the job off but of course you've got the branch closed at the time. If you're going to suspend you've got to start then thinking well are you going to appoint temps in here or how/where is it going to go but ultimately those people don't want to be on site all day or night and stuff like that, you know you've got to ensure the auditors get off there.

VB – How long after the auditors get there do you normally, or does the contract advisors normally hear about the loss and get the chance to start thinking about it, how long does it take?

JB – Well that one there was about 10 o'clock that call, so that was in the first hour. You can walk into some and they'll say can I just take you to one side; they'll take the auditor to one side and say a number of pounds are missing.

VB – So then they can make that call immediately.

JB – So they can then make the call and I will then get the call that says, John, we've got one that's going the wrong way here. If somebody tells you it's forty short, it isn't going to get any better.

VB – No, it's unlikely.

JB – If they tell you at the outset that it's forty short, it isn't going to get any better, it can only go one way. So really, you know, but those aren't difficult cases. The harder ones to do, believe it or not, are the ones probably around £10,000-£12,000 where you think which way can I go. There's a lot of new operators in the network at the moment. A lot of fees are not that great any more so £12,000 on a local, £1,000 a month is quite good for a local, but you sort of say well alright they've lost a year's fees and you're going to ask them to pay that back?

VB – But then that would be a reason to suspend them I suppose because they aren't going to have the funds.

JB – Well it depends on findings, some do it over a repayment plan, I've no doubt some put it in and take it out the next day but you don't know. You know, I can't say hand on heart and say yeah the money hasn't gone missing the next day.

VB – Ok. Can you tell us a little bit more about the investigation that is undertaken once somebody is suspended or maybe once they're not suspended but you know once you've got that decision either to suspend or not suspend if that happens.

JB – Ok so the fact is that we will look at things like the audit report, what's reported in there, any other bits and pieces that we can pick up, stuff like NBSC call logs, training records, registered assistants details, if security are going to do an investigation and anything that comes from them and it's really looking at all of the different sources where data would be, FSC, all these different places and try to bring it all together.

VB – and who does that?

JB – CA, the contractor would have to bring all of that together.

VB – OK.

JB – Alright. Then there is, we don't have to do it, but you can invite the people in for a meeting.

VB – Yeah and this is in the new world, under NT.

JB – This is in the new world, this is current policy as it stands today with NT cases or NT contracts a meeting is not a mandatory requirement or you shouldn't offer a meeting like you do with the traditional contracts because the traditional contracts you basically invited them for a reasons to urge a meeting, which they would come along to and hopefully tell you what's gone on or give you some mitigation with the aim to...

VB – And after you, they were always invited to that weren't they, there wasn't any discretion, it was...

JB – That was open to them and they could either do face to face or in writing. Ok.

VB – Right.

JB – Whereas there is discretion and it's at our discretion whether we decide to invite somebody in to a meeting under the NT contract so it's entirely up to us and the idea of those meetings is very much, what do you want to tell me, what have you done? It's not meant to be a probing, it's meant to be a listening meeting so it's not meant to be I go in with a list of questions, it's really very much you come and tell me what you want to tell me.

VB – And is it to sort of gauge whether or not you think that they might be suitable to go back in or to see if they've got a proper excuse. I think it's more to see what the mitigation is that might add to the information that we've already got.

VB – So you would only do that in certain circumstances. How would you decide whether or not you wanted a meeting?

JB – It's on a case by case basis I think. If somebody turned round to me and said, I've used £50,000 of your money to prop my business up, I don't see any point in brining those people in at all. What more are they going to tell you, but if you've got a loss of X and you are not sure where it's gone, the unexplained losses are always the harder ones and that's why the work that the CA does beforehand and having the accounts analysed by someone like Shirley's team is so important so we can try and understand better what's gone on. I think the problem is they think we know everything that's going on in the office whereas in fact we don't, you only know what is being depressed on Horizon, you can see what is going on there, but it if somebody is picking money out of the till and putting it in their back pocket, that can't be seen.

JB – When did Shirley's team get established? Was it around the same time as all of this or was it later?

VB – No I think it came about later because it used to be Cath and Shirley and then under the last rationalisation that was trod down but because of the Freeth stuff they didn't, I think a lot of people have got side agreements to go but they had been put on hold whilst this is going one.

VB – We still deal with both of them obviously and I know they are helping us a lot but that's more like a special project I suppose, what they do when this isn't happening...

JB – Sort of in the normal world, I'm not sure we're allowed to have a normal world but because we've gone from Second Sight this has morphed into Freeth (recording 3 : 11:15) but yeah in a normal world if we have an issue with some accounts or someone doesn't understand where something has gone missing that is what they will look through, they are sort of the specialist of reviewing the Horizon data but there is a lot of postmasters out there who can see everything, you can't see the people who take stuff out of the till or don't put it back in the safe, that is just not visible.

VB – Would the contract adviser go to Shirley's team?

JB – Yes. As part of that whole investigation – you go wherever you need to go for the case that's involved – but certainly they would be on a more regular basis like call logs and all that training and stuff like that.

VB – Ok. What communications, if any, are made with sub-postmasters while they're suspended and the investigation is taking place? Are they kept updated?

JB – Well, again it really varies because I will allocate a case to a contract adviser, that contract adviser will let the postmaster know that he is dealing with the case and he will be in touch. From there on how that relationship works, some are on a we will speak to you more regularly but if they want to do a meeting they will explain that and the way it is working is that the CA gets the job then they say get in touch, I'm dealing with it and this is the steps that we're going to take you though. So they know where we're going. If, at that point, it will be I will have to look at it and see whether we need to meet or not, there may be some conversations that are done over the phone, all of those should be noted down as well.

VB – Ok. Has that process, that bit of it, changed at all?

JB – Not really, in so much as yes it has but it shouldn't have done. I think what we are probably better at is actually the records that we've got. So pre-Second Sight the contract adviser was able to make the decision. Now they are only able to make a recommendation and I make the decision. Ok, but what we do now on all of the cases, I don't know whether you've seen any of these are documented in a case summary rational, we have an excel file that basically has all of the case in. Ok. So going from the initial precautionary suspension letter, that follows the audit through to whatever investigations have been done, the outcomes and all that and then the CA when they get to the point of right we are at the decision point they then write the decision rational. The decision rational then goes to either Keith or myself, North me, South Keith, and we sign that decision off. So they make the recommendation and I then countersign that recommendation.

VB – Ok, and that's the final decision recommendation, go back in and terminate.

JB – Absolutely.

VB – Ok.

JB – That's the reason why I am not on Facebook.

VB – I don't blame you.

JB – Well one of the reasons. So that on its head is the decision rationale document – there's one of Kate's...

VB – Yes, I have seen one of those...

JB - ...so it's got pen picture of the branch at the front, background to what's happened, what breaches have we identified, what investigations have we done – so this one you can see there that we've done something with finding out about assistance, FSC chesterfield, security, this is not the best example but there are a lot of people because this guy was arrested, details about what enquiries have been made about the shortage, enquiries made of the support resolution team. There's nothing in there on trading on this one but it goes back quite a while, you can see he was on a traditional contract.

VB – That's really detailed.

JB – Findings against each breach, so you know, whatever it is why we're doing it. Criteria of consideration which is part of the actual template itself for both non-suspensions and suspension cases, so you can put all that in and at the end you have got decision rational and the rational to support the decision and then I sign that off.

VB - I think it might be useful for the purposes of our document report to have a blank one.

JB – The reality is that document doesn't come to me without having a discussion with the contract adviser, like I say that's not a brilliant case because it was massively delayed because it went through the judicial process as well but when they're getting close to the point there will be a conversation had that sort of says well I think I'm going this way, I think I'm going that way, we'll do some testing, it will come in, I'll read it and if there is anything that I don't like it will come out, or we will have a feedback process for want of a better word and then if there's bits in there that aren't in there that should be in there I'll ask about those, have we got them and stuff like that.

VB – Ok.

JB – So it's not just here's the decision document please sign it off. I do go through it and make sure it's reviewed.

VB - Yeah, it's a proper interrogation.

JB – I'm sure my guys absolutely hate me for it but on the basis that it's my signature on the bottom line I am going to have to be happy with what we've put in there. Even to the point of have we really got enough evidence against that clause to say they're in breach, because you know some like to throw the kitchen sink in as well and others will just stick to the big ones? Personally I'd rather go for the big ones.

VB – And that document has only been used since the contract breaches policy ....

JB – Yeah, this is all a consequence of – in fact I'm not sure what's in contract breaches which is a bit embarrassing in respect of that document.

VB – I didn't mean that personally.

JB – It's certainly a document that I ask to be set up within my team and I know Keith is using it in the South team, because I think the trouble is you just can't remember these cases so to be fair to the individuals, and we have probably contract advisers that are probably better at keeping the information, some are better than others.

VB – Do you think that we should be speaking to any of the contract advisers and if so which one would you recommend?

JB – It depends on what you want to ask them.

VB – Just more detail about this sort of process.

JB – Say if you wanted somebody to take you through doing a conduct case I would pick any of the ones that have been around for a while.

VB – So which ones?

JB – Well, Andy Carpenter did the Gosforth case with me because he was the CA that did that case so he's been through this sort of process but to be honest it shouldn't matter and we've only got one reasonably new contract adviser who has been with us six months. So all of the rest.

VB – Which one is that?

JB – That's Karen Arnold.

VB – Ok.

JB – But she was a contract adviser in a previous life.

VB – Yeah, I recognise that name but not from recently.

JB – Yeah, she left the business when we downsized the team and then came back into NT and then applied for a vacancy in my team. But any of the other ones, I guess I'm scared to put a name forward because you should get the same response. If you were to pick anybody at random you should get the same response. (recording 3 : 20:12) in Leeds, he would meet you.

VB – Yeah, I think we have taken that point on board.

JB – Well, he lives that way as well, well he lives Scunthorpe way so that's better for him.



VB – Ok, well we will think about that whether we need to meet with him but I think also there might be a stage of this where we want to speak to people about specific cases obviously which is not quite what we're doing at the moment.

JB – No, I realise that and Andy has got one of the cases in the 12, in fact no, he has two.

VB – Well probably someone who has several of the cases would be a good person as well, but ok. Once you've made your decision what does the sub-postmaster get?

JB – He will get a decision letter and then basically what you're looking for – if it's reinstatement, you know whatever the conditions are with the reinstatement, one of them will definitely be pay back debt or agree to pay back debt. You arrange for the reinstatement date, you arrange any additional training required and they go back in effectively.

VB – Ok.

JB – Alright, there will be a follow up audit, I don't think the fraud analysis team do a lot of these but we certainly do a follow up audit.

VB – And when does that start?

JB – In 3-6 months.

VB – Ok and they don't know when that will be.

JB – No. They don't know they're going to get it either. But if they were bright you would think they would think like that.

VB – So is that a point that we need to be careful about mentioning publically?

JB – What?

VB – Well if you do a witness statement for this should we be careful about mentioning that point?

JB – Well nobody knows where an audit's going so you know it's not until today that I will find out where the audit team are going next week. So we don't tell anybody. The only audits people will now about that are going on at the moment are the ones looped with the branch tech programme where they are changing the technology and they won't know which site is being audited but they will generally communicate I think the wording was something along we will check the cash in a number of sites, it just doesn't say which one. But nobody should know where the audit team is going.

VB – No, ok. Now this is a bit of a silly question but is the sub-postmaster required to do anything for Post Office during the period of suspension?

JB – Well, at the point of suspension one of the questions they get asked is can we use the premises for a temporary sub-postmaster. That will be a yes or a no. Under the terms of the mains agreement they really shouldn't be saying no because there is a clause in there that says you have to allow it to happen and there is an 80/20 rule of how you will get 20% of the fees and the temp will get 80% of the fees, that does not work that clause, and to actual deploy that clause is really hard work.

VB – Is that the one with the really complicated calculation?

JB – Yeah, 15 something and whatever it is.

VB – Yeah, I tried to do that once, it was very complicated.

JB – It is, but not only that most temps can't survive on 80% anyhow, it's just not viable. So it is difficult to deploy that it is equally difficult to administer the backend of it around splitting the fees so that 80% go one way and 20% go another way, particularly when the fees vary each month because they are related to the transactions carried on some X number of weeks earlier. That was one of those idealistic

pieces of phrasing I call it. The scripting in the document, it just didn't work or hasn't worked. Putting them into locals, so in a main they have a dedicated counter, you might lose use of the combi-counter if there was one, it depends, but clearly the sub-postmaster who has been suspended will still continue to run the retail, they cannot use the combi-counter, they can't touch anything Post Office. So to get them into mains locals is a bit of a harder task because of the way the branch is formatted, ie the counter is adjacent to the retail counter and the biggest problem I think we have in putting temps in, apart from the model being really difficult to deal with temporary, is the mails integrity side because this is where we probably get, me and the business get into a bit of a sort of problem because obviously the business runs on numbers, you've got to have a network of at least, irrespective, and if you, we've had quite a few suspensions in locals which usually we lose the service on because it's not the cash, I'm not worried about the cash being nicked quite simply, it's the actual mail's integrity issue and the problems that will create should anything happen.

VB – So tell me a bit more about what that means and why it's a problem.

JB – Ok. Effectively those two are likely to sit together there, you know you're retailing counter and your Post Office till is working hand in hand. Firstly if you go really back to the sub-contract, a customer coming in who wants to buy a loaf of bread and a stamp should not be served by a different person; so we shouldn't start Lucy serves us with the bread and passes over to the other side it should be done as one transactions. That makes it difficult if you have the suspended sub-postmaster actually doing the retail side which invariably he will be doing. Behind the actual Post Office bit there will be bags for the mail which are meant to be monitored at all times so you don't have people putting stuff in or taking stuff out of the mail. Once it's in the pipeline it's in the pipeline. So if you've got a temp working in there who is a third party, not related to the retail owner, you can lock a draw with money in – I can understand that, but what will they do with the bags of mail if they want to go have a break? Of course a breach of mail's integrity is quite a significant issue. It's more of an upstream problem because if Royal Mail find out we've (recording 3 : 27:52) . So that to me is quite significant because we talk about people making sure they segregate the mail and actually keep the mail under control and safe.

VB – And that's because contractually with Royal Mail, that's what you're supposed to do and presumably legally under various acts as well.

JB – Once we take it off you, if you ever work in a branch and someone says "oh, I've given you that, can I just have it back", well no it's in the post now it's gone. Once it's in, it's in. That might sound quite strange but you can't interfere with the mail.

VB – I'm just thinking of those situations where you see people trying to get something back from the post box.

JB – Yeah and the postman shouldn't do it. Once it's in it's in, once it's gone it's gone. It's as easy as that. There are operational issues around getting temps in locals alright and a lot just turn round and say no. Well there are lots of comments made about locals but ....

VB – So what does that mean in terms of if they say no to a temp in a local that means they can continue to run the retail side but there's no post office service in that branch.

JB – There is no post office service at all, correct. There's still a counter there, there is still equipment there but there's nothing else. Now some might say you might as well get the equipment out now even before we've done the case. Normally if they say you can't have a temp, I would get that refunded straight away so you've got no financial assets in there but you've always got equipment in there

VB – And when you say refunded does that include removing the stock as well as the cash? Why would you remove the equipment at that point?

JB – Only if they told me to get it out.

VB – Is there any risk to them having the equipment there, can they do anything with it?

JB – No, well they shouldn't be able to, and if I take it out there and then it might be viewed as I had made a decision so I would leave the equipment normally until the end of the conduct case unless somebody specifically said get rid of it.

VB – And when you say somebody would that be the sub postmaster?

JB – Yes but normally it's left.

VB – That makes more sense because as you say otherwise it's look like you are .....

JB – It looks like we are pre-judging.

VB – I am going to ask you specifically about temps a bit more in a minute but I will just see whether I've asked you everything on suspension. Can you tell me a bit more about remuneration during suspension, back in the past, so today it's 80-20.

JB – That's what it says in the contract

VB – Right so what actually happens?

JB – If you book at temp in what we will do is the temp will be told the fees of the last X months. In appointing temps we ask if the premises are available, if it is what we do is then go and get in touch with a number of temps, not just one so that there's at least three people usually, get in touch with the postmaster and say you know I can do this sort of deal, how much you're going to charge for use of the premises and what are the costs involved basically because at the end of the day the temp is only using a small area of the space but you know it's quite normal to attribute sort of part of the utility costs and of course your big question in there is what you're going to do with staff. So if somebody arranges that deal between the two of them Post Office Limited do not get involved in that deal or arrangement and they make it work between them. Now in some instances temps will come back and say 'it's not commercially viable' – a lot of locals are like that anyhow because the fees are so low. The fees are a real problem in locals. So we get a temp in there, the temp then starts earning the fees. What they pay to the suspended postmaster is a deal between those two. Nothing to do with us. So what we do have to make a decision on though is if you reinstate a sub-postmaster, was the cautionary suspension the right thing to do. Yes or no. If it's no should we have been paying fees for the duration they were out. Because whilst you're not postmaster you're not getting any fees. So there is a requirement, we can pay fees throughout the period of precautionary suspension, it happens very very infrequently.

VB – So in a normal situation they'd be getting nothing aside from if they had got something from the temp

JB – From the temp yep

VB – And then....

JB – If there's no temp they get nothing, they lose the lot. No fees at all.

VB – And then if at the end you think oh actually we've got that totally wrong, then even though there's been a temp in place you might pay the fees to the postmaster as well.

JB – I think the requirement is you pay it net so you work out what they've got. So let's say it was £1,000 a month they normally earn and if you've paid 80% - if the temp said well I want 80% of that, so you only get 20% they'd only get the 80%. It's only what they've lost. They shouldn't be making money out of being precautionary suspended is the best way of summing it up. Otherwise it's a sort of strange incentive.

VB – They'll all put their hands up to be suspended, but that means Post Office is obviously paying twice or not quite twice but ...

JB – No well it's nearly twice.

VB – Ok, but I don't suppose that happens terribly often.

JB – Who makes mistakes like that?

VB – I'm gonna know the answer to this but is legal advice taken in relation to the suspension by Post Office, probably not.

JB – In relation to suspension no. We might take legal advice as part of the work we do on the case and as part of the pro forma one of the requirements is legal advice. Was any sought so if they put none I would say this is when we would probably talk to one of you guys because it's a free (recording 4 : 6:51). But more if you want to read it you can read it if not I've signed it off and he ain't coming back because he's got, he's been .....

VB – Done by the police?

JB – Well he's been to court and he's been found guilty of flogging counterfeit stamps.

VB – Oh. That's a new one I've not heard of that before.

JB – Yeah, perhaps I'll tell you that story over lunch.

VB – So you might take legal advice during the investigation but not in relation to the suspension which is obvious given the fact that it has happened quite quickly. Can we talk a bit more about why Post Office needs to suspend postmasters so we've covered it in terms of how the decision has changed from how it was. So we talked about why specifically you sort of don't do it but what are the risks to Post Office, a bit more about that.

JB – Well I guess perhaps the most obvious one is financial risk. So if there is a gap in the accounts or there are irregularities in the way they are dealing with the running of the business I think at some point you've got to stop that going on forever and I think in some instances you've got to do it to be kind. Out of the number of postmasters we've got I am sure there are one or two that sail close to the wind and the line between right and wrong is entirely (recording 4 : 8:38). There's people like that. You know there are another group of people that I think genuinely get themselves in a bit of a mess and sometimes it's worthwhile bringing them out and this is one where you might say well put them back in, but we've got to just stop them at the moment because you know what's £5k today might be £10k tomorrow or what's £50k today might be £70k tomorrow and you think, you've got to stop the blood coming out of the body you've just got to stop it for them but that's a hard decision to make because on the day nobody seems to be doing anybody any sort of favours. But when you've got somebody who can't explain a big loss and they can't pay it back well why would you want to lose somebody in there so there's so many irregularities or peculiarities. I think the other thing is when you've got people that have either been arrested, you know and you start then, hitting the sort of brand and reputational and also not only Post Office Limited but the partners that, or the clients that it works for and arguably that's the hardest one because money is just money isn't it. You can get money back eventually. Reputation is sort of damaged quite quickly but takes a lot of time to re-heal.

VB – What other reasons might people be suspended that would be sort of reputational is it just (recording 4 : 9:08) arrested or would they be suspended for some of the other things they're not supposed to do like I don't know political.

JB – Well it could be actively supporting a political party because we're meant to be a-political. It could be doing silly things on social media because, you know the whole country has got really brave hasn't it now, because it does it by this as opposed to some (recording 4 : 10:32) for some unknown reason. The confrontation is taken out of it and what's more the hot headedness of it doesn't go so you react. Put something on there it's too late because you know it's gone whereas if you were going to have a bit of a barney with somebody you'd probably think about the tactics you're gonna do. You know so, it's things like that which are very new, obviously being arrested, whatever that is for.

VB – And would they ever get suspended for things like selling things that they shouldn't sell so restrictions I suppose.



JB – Well some things yes, not necessarily restricted items but you know things like drugs.

VB – So immoral or illegal things.

JB – Illegal highs or legal highs as they were called back in the day. We had a lovely case in Newcastle with legal highs which are now illegal aren't they.

VB – Some of them I think are (recording 4 : 11:46)

JB – There was quite a scene change though, because a lot of some weird things were happening with the legal highs but in those sort of instances where again everything is dealt with rather than a sort of you know 'oh he's selling illegal highs' that doesn't mean to say you're gonna shut them down. What you might do is have a conversation with them and say 'look we've had it reported to us' that you've been doing this, stop it, if you come back the second time, that's when you've got a problem because you're obviously not willing to help yourself. You know whether it's selling to underage, selling something illegal. Stuff with restrictions again we try and give them as many opportunities to get rid of the problem.

VB – So with restrictions it would be Paul who would be having that conversation with them would it or would it be the contract adviser?

JB – He would do stage one of the enforcement saying 'you have got to get rid of it and stuff like that' – if he doesn't succeed it comes over to the contract advisor. Basically you know if the engagement or the work's done right at the front end, that's always a bit of a question I suppose, but you know, when these people visit sites that say MyHermes or whatever it says, you know it should be identified at that point that you cannot have a competing mails provider out of the same location. You can't tell them to get rid of them and stuff like that, but the choice will be you either have the Post Office or you have the third party. You can't have both. And the other things that we would do - if somebody loses their valid property interest so they lose the lease we get them out for that. Or if we're just told, get it audited and immediately just terminate the agreement. Don't get no basic business, lose control of the basic business that's something else we'd look out for as well. So these are all key elements of the sort of contract.

VB – I think with that we have sort of touched upon another area so this is why it's not as bad as it looks because quite often the questions are covered already.

JB – I'm glad you think that. You must have a different view on that.

VB – So if we talk a bit more about temps I'm just going to check whether there's anything that ... so you said that from your point of view it's for the temp to agree with, from what you do it's for the temp to agree with the operator what they get paid and so on. But do you get involved with ... what's your involvement with contacting temps to see if they want to go because as I understand it there's some companies you use but also it might be somebody known to the branch so can you tell me a bit more about that.

JB – So we have got a guy that's based in Bolton that does all our sort of temp appointments for want of a better word, issues the contracts and stuff like this.

VB – And who's that?

JB – That's a guy called Michael Shiels and Michael works for John Jenkinson who works for Keith.

VB – I might need to see him – Bolton?

JB – Yeah Bolton and John Jenkinson is based in Bolton so if you wanted there's a couple of them you know you could do a couple of people in one hit if you wanted to.

VB – We've made a couple of them come to see us in Chesterfield.

JB – John wouldn't mind Chesterfield, I don't know where Michael lives I believe it's around Manchester somewhere.

VB – We've got a gap on Tuesday in Chesterfield maybe John's the man.

JB – Well he's been dealing with temps or had somebody in his team dealing with temps for quite a few years now but what happens is a call goes into Michael, we want a temp for ok. He will get in touch, because we've got a number of people that are on the temp list. I think, the last time I asked I think he's actually got probably a list of about 400 people that have shown an interest in being a temp. Not all of those are active. We've got around about 250-300 temps in the network at the moment but a lot of those probably over a third are covered by three bigger providers in the service but what you can get is somebody can put forward somebody, we don't like appointing a family member for obvious reasons.

VB – And what are the obvious reasons (recording 4 : 16:22) to ask but just for the tape.

JB – Well I think it's more a case of how you ensure that that person is independent from a person who had been or maintains their independence from the person that you've precautionary suspended so we avoid that however there are exceptions that we will do that in and that exception would have to be agreed by either myself or Keith Bridges.

VB – So is that a guideline that you've got or is that just that you don't allow family members or is it just prudent the person has to be independent so (recording 4 : 17:05).

JB – I am not sure whether it's written down anywhere.

VB – It's just one of the considerations.

JB – Yeah more of a sensible thing to do because ultimately you're not protecting the risk in any way shape or form, you know if you have just suspended somebody for a loss of money and then you are going to allow their partner to continue or a family member it just doesn't feel right.

VB – Bit strange yeah.

JB – Sometimes our arm is pulled back and the only way you'd get a temp in here John is by appointing a family member and you get pressure from the field team, we really need to keep it all stakeholders and stuff like that. So it's a fine line like everything we do, everybody wants a say in it. Whether it's the great and good opinion formers or oh crikey John it's another number that we've lost and all that sort of carry on.

VB – So once Michael's had the call.

JB – So he puts them in touch with his postmaster. Have a chat with him, see if you can agree a deal and then the postmaster will notify us who they want to appoint.

VB – So you don't have any involvement beyond that.

JB – I don't get involved in that conversation at all.

VB – Has that changed?

JB – Not between the conversation between the ...

VB – I just wondered, but it might just be my impression that in the past it felt like the Post Office organised it and then the temp agreed but that might just be a misunderstanding.

JB – I think when you were perhaps putting one person forward but we avoid putting one person forward, we put three forward so the person who's going to allow them to use their premises can see, can test the market more than anything else.

VB – And how long has that been the process that three people get put forward.

JB – Five years? John would tell you better than this because I guess he sees it more day to day but I think it's three to five years.

VB – And before that Post Office would just put forward one?

JB – Yeah it was very much more on a sort of PR - you talk to this person sort of thing and then if that did not work talk to somebody else. I would say even now I think, you know there's certain cases where Michael can get up to referring them sort of 10 people and there comes a point where you think we're just not going to get anybody here, either the postmaster is being unrealistic in what he wants or there's just not enough (recording 4 : 19:39) people to make it work.

VB – So do you look at all, this might not be you that wants to talk to us but into qualifications for temps? Would that be Michael?

JB – Yeah, Michael will tell you that there is a sort of telephone interview process that they go through so if let's say we suspend somebody today and they put forward perhaps a member of staff. That person would go through some sort of telephone interview with Michael, and we would expect that person to take some independent advice as well because of .... Check this all out with Michael because he does this on a daily basis .... the fact that they are moving from a position of an employed individual status position to a position of self- employed and the ramifications that go with that.

VB – When the temp goes in is there a handover?

JB – There would be a transfer audit it will be these are the assets you better check they are all here so there is a transfer audit and that's why it's great if you can do it on the same day so you do not have to go back to site so you do not have to refund the site and get it refunded because that takes time.

VB – Can you tell me anything about the terms of the contracts of the temps or is that not you?

JB – Very similar. I should remember this shouldn't I. Very similar to what's in the standard contract in respect of registration of staff ...

VB - So key terms are similar.

JB – Yeah, I think that even though restrictions are in there it's very difficult for a temp to do anything about restricting practices because they don't control the retail and they can't control the retail so stuff like that. I think, the thing that I found slightly inequitable there is they have to give us 28 days' notice if they want to go we can give them seven days' notice. So it's the notice period that I felt was a bit inappropriate.

VB – And I think according to my notes there is immediately termination provisions in a temp contract and if that's right can you give me a view on why you need that.

JB – Because we do have temps that put their hands in the till.

VB – Oh I see and is there any sort of ..... no that answers that I do not need to ask that.

JB – I would just say we do have temps that take money from us.

VB – And presumably you do checks on them if they're not registered assistants already so the normal vetting process.

JB – Should do yes. Michael will tell you that. They should go through a normal vetting process though yeah. Michael will tell you the nitty gritty of how it happens.

VB – Then if we can move on to look at termination a bit more, which we have touched on quite a lot but there are some more questions about that. So do you only deal with .....

JB – Do I only terminate people, no!

VB - No that wasn't what I was going to ask. I've got some questions to do with what would happen following termination. Do you get involved with compensation for the fact that there's no compensation for loss of office. Is that anything that you can speak to us about ... no let's skip over all that then.

JB – Once we've terminated, once the letter goes, the next real question is 'are the premises going to be made available'. So are you going to market the premises or not, because the key then is to get the thing advertised. In a traditional world it used to be nice and clean in so much as we had a letter, what I call the premises letter whereby if you did terminate somebody you said to them are you making it available yes or not. If they said yes, you would advertise (recording 4 : 24:59), if they said no you just advertise near. It's not quite as clean as that but to be honest once ... we will have been speaking to ... or the field team will be aware when we have terminated a contract because we tell the same stakeholders we tell when we precautionary suspend somebody we tell when we finish the case off. So because that is their trigger to do whatever they need to do. Because once the termination letter has gone, let's assume they are not going to be happy with the decision but let's assume they accept the decision. Then it's really down to if the premises are not going to be available then the field team have got to get rid of, bring the kit out and all of those and start looking for a new service provision in the area. The only other thing that's on the NT contracts depending on when you do terminate is you might have clawback.

VB – Ok, and do you get involved with that?

JB – We tell them how much it is yeah but we don't do the recovery. I don't think we recover very much clawback

VB – And what is clawback?

JB – It's for the investment that POL, the government has made in the you know, in the site. So I think, I don't know what the numbers are quite honestly but if you say it cost £12K to put a local in and you terminate that site within the first 18 months and do not continue to operate the post office from then you can clawback on a pro rata basis it's one of those equations you divide it by x and times it by y you get z.

VB – Ok, and that's something that then FSC would try to get back from the operator.

JB – It will end up sitting with the other debt that they owe us. If they owe us £50k another £2k on top, is going to go a long way isn't it?

VB – Yeah it's not going to make much difference to how it goes is it. So we have talked a bit about the sort of the rationale decision and you've shown us through one that goes into termination but in what circumstances would termination be appropriate, you know if you could give us some examples.

JB – We will talk about this man because he's now got a criminal record that is not acceptable to POL from a vetting point of view but in respect of the contract that just reflects dishonesty. He's also got debt on there. So what are the most regular reasons for termination will be debt not being repaid, using POL's funds, assisted registration however it is very rare that I would just terminate somebody on non-registration in fact I don't think I've ever done it, and the reason I haven't ever done it is because I don't think POL's records are that robust.

VB – Right. So that would be with another reason as well.

JB – Yeah, it would be with another reason so in here, he hasn't registered his staff, if that was the only thing he hadn't done I would not have terminated him and it seems what I could never understand with POL we put a load of new operators out there – we've transferred branches to new operators – why the bloody hell we didn't do at the same time all the registration of the staff whilst we had people on site and all this sort of carry on, I don't know. Every operator will tell you, oh I thought I'd done it or I had done it but we've got no record of it and you just, so I'm never sure whether the front end did it and it got lost at the back end and I am sure there are some of those examples but you just don't know, so that's why I would never, you know solely if it was just a non reg there's loads out there. It's as easy as that, that's why I've chose that which is a risk. So registration of staff, valid property interest, dishonest act.

VB – And what normally happens with a valid property interest – is it that they did have an interest and they lose the interest or that they never had it or...



JB – Both. Now if you go back to the contract when you're offered it tells you that you've got to have a valid property interest of course when they're going through the application process they don't always have a lease in place, they have a heads of terms of some sort of agreement, because nobody will enter into a lease until they know they're going to be successful with the appointment, so it's a bit of a chicken and egg thing. Within four weeks of the branch transferring according to the contract they're meant to have shown as a VPI. Alright – there I think it's safe for me to say that there has been never a checking process put in place and that's whether they, and that equally applies to converters and a decision was made because it was going to take resource. It should be done I think. No I don't think I know it should have been done. The trouble is, you guys will know better than I leases are written in all weird and wonderful ways you know and depending on the age of the property it could be written in sort of Shakespearian English if you're not .... so you know to check a VPI you've got to have a degree of knowledge about what you're looking for.

VB – Yeah you do.

JB – So just expecting to recruit somebody who deals with the process of applications to do that.

VB – Yeah you need someone with knowledge.

JB – You need somebody with knowledge that can look for the key things who is the VPI in. Is it the name of the legal entity and all of those sort of things has it got the right notice – never done – it was never done for converters either. So I don't know how many VPIs we've got out there that are in the right name, have got the right notice periods, or even if we've got them. So these usually come to light when something goes wrong.

VB – Ok, that makes sense.

JB – So you know, you might have transferred the branch and everything was cushy between you and the landlord but you never signed the lease and then something goes wrong in that relationship.

VB – I see

JB – Or you stop paying or something like that arises. So it's more as a consequence of anything else. Other things is bankruptcy, administration, liquidation, all of those weird and wonderful things and we get lots of companies just putting themselves into liquidation that happens, serious illness, incapacity can be a reason for terminating somebody or pulling somebody out.

VB – And is that only we can believe that's only where the contract is in the individual's name.

JB – Or a single director company. If it's a partnership it doesn't apply and then you've got any contractual issue that you didn't resolve under the remedy process – we very rarely do that. The key ones if I was summing it up you know 80/20 well most of them are down to money not being there, using our funds, bankruptcy and VPI type issues.

VB – Ok, that's a really helpful flavour actually. Has this changed if we look at the period say there's the NT contract but the period before NT contracts, has that changed at all?

JB – What the type of people that ...

VB – Yeah

JB – Probably not.

VB – No, ok and suspension, would they always be suspended before they were terminated or .....

JB – No

VB – So you have situations where it goes ....

JB – To immediate termination.

VB – Straight to termination.

JB – If we're told the company's gone into liquidation there is no point in precautionary suspending somebody you might as well just get an audit team out there and stop the operation immediately because we should not be paying them or anything like that. The other area we do on immediate termination is abandonment of service, where people go have the keys back. No point. Again it's a bit of a judgment call on each case but if you – what's the point of precautionary suspending somebody who says 'I ain't gonna open anymore'. You might as well just terminate straight away because you take them through a precautionary suspension process and again there's a brief pro-forma that I sign off to just countersign the (recording 5 : 6:13) but that's used in I can give you some examples off this year, but abandonment of service, where the business has gone pop, those are the two that I would use.

VB – And do you have situations where they're given warnings that then lead to termination but without it being suspension?

JB – We could have but because of the volumes we're dealing with at the moment, we do still monitor them, so you could get a remedy letter issued. Let me wind back one stage. Some of the things they do in the contract are deemed material breaches that cannot be remedied. So dishonesty, no VPI, don't register staff. There's a number, there's probably about six or seven things and I just can't remember what the six or seven things are but those are the more popular ones obviously. Now ask me that question again, remedies yeah. So if somebody is.... let's talk about registration. If technically that's a material breach that can't be remedied but because of our concerns with the not knowing where it might have gone wrong you might give somebody (recording 5 : 7:35). The problem you've got is how many of those remedies are actually followed up, because they're meant to remedy the situation within 14 days. I don't – not everyone is followed up and if they don't remedy in 14 days they can be given a second remedy to do it in 14 days and that's when you should terminate, but we do not have either the – we have the desire or the want to try and do it like that but the volume is just too great for all of the issues you are looking at.

VB – And that's because there's only is it six of them or four of them – contract advisors?

JB – Oh no there's 14 contract advisors.

VB – So there's 14. Six report directly to you?

JB – Yeah and the rest report to Keith.

VB – So how many is Keith sorry?

JB – 4, no sorry 8.

VB – I couldn't do the maths either.

JB – I thought that was a trick question.

VB – No I've got a lovely diagram here that's quite helpful.

JB – In Keith's 8 there are three that deal with national multiples. So you have then 11 that are dealing with anything other than national multiples accepting we don't deal with crowns and WH Smith. Does that help?

VB – Yes, it does actually, so presumably the 11 are more likely to be dealing with issues like this and the three are more likely to be dealing with more sort of like BAU type things.

JB – Well the partners present slightly different challenges. But it's a different way of you know we very rarely don't think I ever remember apart from being precautionary suspended. It does not happen.

VB – No because, yeah for obvious reasons.

JB – Well you know they're meant to have the financial way with all otherwise they wouldn't be a partner. Don't ask for my views on strategic (recording 5 : 9:52) we could be here for days. And what you've got is each contract advisor is the first point of contact for a number of either postcode areas when they're dealing with non-partners and when it's partners they've got a list of partners they are the first point of contact for and those who deal with partners can equally pick up independent conduct cases and stuff like that so you know if we get busy ....

VB – Too busy yeah, ok, that makes sense in connection with you saying you allocate the work.

JB – Yes and I think Keith works in the same way. The problem is not only can't you predict the volume, you can't predict where it's going to happen either. Newcastle's dreadful.

LB – Take that back

JB – I knew that was not going to go down very well.

VB – To give you a bit of hope I think they bring in lunch around 1pm.

JB – Well it's alright because I can't see a clock from where I am sat. I can see your watch on your arm but I can't tell what time it is. So you're doing really well, I haven't got a clue what time it is at all. Everything on this side of the room is dead, including me. So I'm gonna look now, right ok.

VB – So we did speak a bit about reasons to urge and I think we probably covered that off.

JB – Is this traditional world?

VB – That's traditional and there's no such right in the new world, but then we come on to appeal can we talk a bit about appeal both in old and new world

JB – Yep dead easy this in old you had the right to appeal in new you don't. Right it helps me just tighten the loose ends together for you here. So, in old world you would have the case decision made, re-instate no problem. If it was summary termination the sub-postmaster had the right to appeal and had to lodge that right within 10 working days. If they lodge their right, the appeal then would be dealt with from a processing point of view by John Jenkins and he would allocate the case to an appeals panel or a member of the appeals panel. The appeals panel were people who'd been trained in how to handle appeals and would have some knowledge of, contractual knowledge and stuff like that. Usually I think there's grade 3A and above so it is a grade thing and at one stage we probably had two dozen people on the panel. We're now down to I think it's about six people.

VB – And are you still one? Did you say you are an appeals manager? No.

JB – I'm retired. Well because I've had perhaps had a conflict of interest.

VB – Of course.

JB – So if when I was.

VB – Yes you would. So you ...

JB – I think it's probably about three years that they decided it was wrong for me to be an appeals manager and similarly with Lynne because when we were appeals managers – it's alright it all comes flooding back. Obviously when I'm going up the road on the train there's loads of things I'm gonna say I should have bloody told you about, but when I was an appeals manager I would never and doing a similar role to the one I've got today had contract advisors reporting to me – I would never have done an appeal for a case that one of our team had dealt with. So we'd always try and put some clear water between us. I think that we deem was probably a little bit too close because you know they are part of the same population just because they report to Lynne or me is almost irrelevant – you're part of the contract team so why would you it's sort of a south person's decision and stuff like that so and that's when .....

VB – And that was about three years ago?

JB – Yeah I can't remember the last appeal I did to be honest

VB – So do you, because we have spoken to somebody else who said that they were dropped as an appeals manager for the same reason but they weren't told until quite recently.

JB – Was that Paul Inwood that said that?

VB – I hope I'm not getting anyone into trouble, just because I wonder whether or not you might not have actually done one for a long time but you may have actually not been on the panel because that decision had been made or were you involved in making that decision.

JB – No that decision was made when Craig Tutall was about to shrink the panel down and I, that's why I'm struggling to tell you who's on the panel I can think of some names at the moment.

VB – That's fine don't worry.

JB – But there are other reasons why people were taken off the panel which might be more applicable to the person who made the comment. So there are a small number of appeals managers now. In new world, NT world they have no right to appeal so that is another reason for this two stage process of recommendation by CA and somebody formally signing it off. So that we can see that more than one set of eyes has looked over this, because in old world CA made decision sub-postmaster appeals it goes to a second set of offers. That's the best we can get with this new arrangement. So if you were an NT person, you're next, if you want to take issue with it, you can write to POL hopefully we'd be supportive it just depends what sort of case you've put in but technically really the route you should be going is down the judicial review route.

VB – Somebody I spoke to did say that there was something to do with a meeting of senior managers and that's what appeals managers were doing largely now to an extent that there weren't too many people left on the sub-postmaster contract but that almost never happens I don't know if it's true you don't look like you've heard of that, so ...

JB – A meeting of senior managers?

VB – Yeah I don't know I've got the contract and I could look for it but ...

JB – Don't know anything about it.

VB – Ok that just gives an idea to us if that was something that was happening all the time you'd definitely know about it so that will just be as ...

JB – What to discuss cases?

VB – I think so but I think from your expression I need to probe that a bit further with the person who told me about that.

JB – Yeah and tell me what I'm missing out on because if they're talking about cases that we're dealing with you would have thought they might have invited us.

VB – Then it must be for some other reasons then.

JB – Yeah. I would say ...

VB – It must be other reasons in that it isn't equivalent to appeals manager but appeals managers are doing that where that's needed that's probably ... that would be consistent with what we've been told, ok

JB – I'd be intrigued to know what it is though. The only thing that I know is going on at the moment is a steering group for the GLO work, litigation work other than that I'm not sure what people are looking at.



VB – I may have got the wrong end of the stick with that from what you're saying so I will speak to that person again, because it was a quick time with them.

JB – So the people that – you've probably seen some of our appeals managers anyway haven't you? Gail is an appeals manager.

VB – I think it was Gail that mentioned it so I must have misunderstood what she was saying – and it was you know, over a week ago so, I've seen a lot of people since then.

JB – Yeah I'm not aware of that I'll be quite honest with you, I don't know what ...

VB – I think she said, she had done one ever.

JB – Ever? No that's wrong.

VB – So it must be ...

JB – She's done one recently. She did one on a case in Hull.

VB – No not appeals where she'd done this sort of senior manager thing.

JB – Ah, I know what you're talking about, you're talking about where we give under the traditional world if you gave somebody notice. Right I'm with you now. If you let's say you precautionary suspended somebody. I am not saying this happened but let me, just live with me for a moment. If you cautionary suspend somebody you know in my view they have done something that is inappropriate so you are looking to work out what it is, the reasons for that and your options are broadly, reinstate and there's a couple of options on how you re-instate or terminate. If you terminate you've got the right to appeal. Now, there is another option that you can give the sub-postmaster notice, give them three months' notice or give them notice in lieu of pay and pay them three months under the terms of the old contract. If you gave somebody notice, they have a right to an audience with the general manager, which is what is in the traditional contract. Because there's no general managers now as defined under the contract they have an audience with a senior manager and it is very much a case of 'it is not a decision making' ....

VB – Yeah, she made that very clear.

JB – meeting or anything like that, alright, talk to me and it's more a listening shop and stuff like that, now one of the things that I think people would be suspicious of is if you precautionary suspended somebody and gave them three months' notice to avoid because that avoids the option to appeal, you can't change the decision. So I sort of had this idea in my head that if you have got a capability issue three months' notice is more appropriate. If you're corrupt, in some way or have done something dishonest, that's where you go down the (recording 5 : 20:53).

VB – Ok, that's really helpful actually because that gives ... I understand what was said there and that does tie in with what she said so that must be it.

JB – Yeah the number of those that go on, in the last three years, I bet it's not 5.

VB – Well she said she'd only ever done one so that must be what that was.

JB – I can see that might have been done. Under the new contract that right is not there so the number of ...

VB – Is that an old world thing?

JB – Yeah. As traditional contracts die down you are not going to see that but you have got to be careful they do not use that as a way of getting around a decision that is ropery that you could lose at appeal.

VB: Can you tell me a bit more about when you were an appeals manager what you did so end of old world presumably,

JB: Yeah this is totally old world. Basically an appeals manager is independent of the case totally. So you would not have had any knowledge or involvement in the case and it is a full review of that case. The decision of the appeals manager is final so there is no appealing and then an appeal if you know what I mean and how you get to your decision basically is down to you but usually it would involve going through all of the old case papers that the contracts advisor had put together to get to their decision and then understanding what. The person raising the appeal in my view should have grounds for why they want to appeal but all too often because they have a right to appeal in the contract they just said I want to appeal so you would try to establish why they are appealing.

VB: So would you ask them that in the appeal meeting?

JB: I would go to an appeals meeting yeah I would invite them in and go through that so I would have the case in my head and then I would have a little bit like you have got a series of areas that I want to probe around in a little bit further and I would also be asking why they felt the decision that had been made by whoever was wrong. Once you have done all of your investigation into the case then it is down to you to throw your decision rationale together and make the decision on the case.

VB: And were you given any?

JB: Yes, formal training yes.

VB: What did that consist of if you can remember. Don't worry if you cannot remember.

JB: I cannot remember whether it was three days or five days but it certainly was at least three days of going through how to process an appeal or how to deal with an appeal and actually giving you a chance to I do not think they did it as a you know had somebody physically come in but there was paperwork to review and stuff like that and having an opportunity to write up you know an appeal sort of document and stuff like that.

VB: So sort of like a .....

JB: It was a simulation. I do not think we did it with a live person but before that I had gone through an assessor course which was how to it was assessing, interviewing people basically you know for jobs and stuff like that which was five days and that was intense and that was proper you know you were interviewing real people. Yeah they brought actors in and stuff like that and it was all videoed and everything you were monitored on it was a pass or fail and I think that added to the appeals training it really sort of helped me out.

VB: And were there any written guidelines other than that you obviously had the training but did you get given like a pack of documents?

JB: I think there was an appeals manual.

VB: Okay I do not know if I have seen that.

JB: Well I am going back several years here. There was definitely an appeals manual. Yeah there was. You know when you doubt what your memory is I have got to that stage now I do not know who I am anymore.

VB: Sorry. Have we covered the communications to postmaster when they are terminated it is a letter isn't it?

JB: It is a letter yeah.

VB: Okay I think we have covered that.

JB: I am sure that some conversations might go around it as well though I am sure there is an occasion where the CA ... but yes a letter is the way that the communication is made.

VB: Okay can we talk a bit more about termination on notice? You said that you would do that for a capability issue. Is that both under old world and new world?

JB: Yes it's three months' notice in old world, six or twelve months' notice in new world. I think the thing that sort of does. I have not given anybody six months' notice or twelve months' notice because if somebody was rubbish at the job do you really want to keep them there for twelve months? But I do not really want to pay them off for twelve months either.

VB: So what do you do? Keep them in and hope that they don't nick some money.

JB: No that is not really ... We did have a case around York actually that I do remember she got pulled. It was a capability issue but we precautionary suspended her and then we went back probably about 12 months later and nothing had changed. Despite the training she was still causing the same problems the way she ran the accounts and stuff like that we just precautionary suspended her. We might have even put that one back in on something like suspended termination. No I would not have done suspended termination for that but she. They all melt into one after a while but yeah I think most of them. We have got so much work to do with just precautionary suspensions.

VB: So the capability issues probably do not .....

JB: And you look to train that out of them because I think to be honest it would be frowned upon at the moment if I was terminating people just for capability issues.

VB – Ok. And that's in the new world?

JB – Yeah, I know my boss John you have suspended someone for £10,000.00. Why it was capability, it was an issue but they were just in a mess and I said well, to be honest, I think we've probably done them a favour by just stopping and letting them get off for a moment. I said "we might end up reinstating this, well we've lost service. I said I know we've lost service. If we could have just put somebody in to train them straight away would you have done a different decision. I said possibly. I said but they might have to have been on site for five/seven days and we see how it is. But they couldn't continue unaided is what I think I'm saying. But this is where our job gets so difficult because, you know, you've got Mark who I work for and he's got how he works. She's worried about network numbers, you know, so me suspending people and stuff like that doesn't go down a ball.

VB – So do the contract advisors get involved where back in the old world, and I suppose and in the new world, if it's the actual Sub-Post Master or the operator who gives three months' notice rather than the Post Office, are you involved with that at all?

JB – Yes, so it's three, six or 12. So old world three unless it's a very old franchise agreement which usually were (recording 6 : 1:43) but let's not go down that route at the moment in time and I don't think there's any of those on the list. So if somebody has done their first 12 months and they want to give in their notice, not a problem. They just send it into John Jenkinson. If they, on that notice, usually they would indicate if they have somebody interested or if they're going to walk away at the end of it or withdraw the premises because clearly if they're going to give us notice and there's somebody interested we can get that application started. If they're going to withdraw the premises for use as a Post Office then we have got to look for somewhere else to go and well, one of the reasons that the notice period was extended from three to six and 12 months was to allow time for either an application to be processed or an alternative provider and application to be processed because to do it in 90 days is practically impossible. To go from resignation to transfer ...

VB – Yeah – it's just too difficult. You would not get the legal work done in that time I would not have thought. We've started a lot of the questions I've got here. Back in the old world, resignation...

JB – Yeah resignation in the old world, notice of termination in the new world.

VB – Ok, and would it have been John Jenkinson that would have dealt with it in the old world as well.

JB – Yes.

VB – I don't need to ask anything more about that. That's the end of that bit. Is there any bit I need to go back to I'll just check that we have...

JB – Just as a sort of add on to that...

VB – Yeah, if you do have any more to add at any point do add...

JB – There is not a theme, you know, sometimes they fill a notice in and say, you know, say like today I am not giving you six months' notice, I'm giving you two months' notice because that has then started the (recording 6 : 4.11) so they are going to end up back in service so that should then be notified to the CA because that's where they're breaching their contractual requirements of giving us six months' notice. Now we can agree under the terms of the contract to change that to six months, I probably would do that if there was somebody seriously ill or something like that involved.

VB – I am going to just step out for a moment, so I'll be back in a minute. Talk amongst yourselves.

JB – Yes, I wouldn't mind doing the same actually.

VB – Shall I pause the recording.

JB – Just an opportunity.

VB – Yeah.

JB – I've been sat in this chair for ages.

VB – It's 12.45 and I'm stopping the recording. There we go we're recording again now.

JB – Ok, so just to take some information from a statement that was prepared dated 1 February 2013 in relationship to another case, background for myself. At that date I had been employed by POL for 16 years commencing my employment in January '97. I've been in my current role as agent's contract manager north since 25 September 2006. For the avoidance of confusion, my job title within this role was national contracts manager north from 25 September 2006 to 6 January 2011 and then agents contract manager north beyond that date. In my role, I'm responsible for managing CEDR POL employees who deal with contracts for services and appointment of agents within Post Office Limited, Post Masters along with the (recording 6 : 6.03) and a number of store franchisees who are also referred to as agents. My team is responsible for dealing with agents from the time of contact. From the time contracts for services in POL are entered into to the time those contracts for services are brought to an end and anything else in between, ok. My team also deals with Post Masters, so life hasn't changed phenomenally.

VB – No that's really useful.

JB – I don't remember some of job titles to be honest I just think it is sort of irrelevant. Then it goes on to tell you a little bit more about the network, the numbers will have moved without a doubt. There is a bit in there about qualifying criteria as well in order for a person to be offered a contract for services as Post Master there needs to be a vacancy in the network, blah, blah, blah. Which is... So there might be some quite interesting stuff that you could pick from that or verify which they have and you told us this, four years ago you said that.

VB – It's worth checking because if its four years closer to what the events where then it's more likely to be accurate isn't it.

JB – My memory is likely to be better if that's ... and like I say, even though it's in my name, because Andy Carpenter did the original conduct case for this gentlemen, we both met people from Beachcrofts to do that. So Andy was quite involved in pulling that together even though it's in my name.

VB – Great.



JB – But I will share that with you.

VB – It will be helpful, yeah.

JB – I don't think his name appears anywhere other than on the front page so you know, I would just take the name off for the avoidance of doubt.

VB – Perfect. That's going to be really helpful. Thank you.

VB – So we're resuming the meeting at half past one. So we talked a bit before the break about suspension and termination but I wanted to talk a bit more about some of the things that go into that if these are things that you can talk through. So we've talked a bit already about dishonesty and false accounting but from your point of view and your involvement with this area, has there been any change with false accounting over the period that you dealt with the contracts team. So the last 11 years. Has false accounting always been the same?

JB – False, yes. Let me say perhaps the way we might be manipulating the accounts is different but yeah, I don't think there's any subtle change in that as with dishonesty. You know, I think there is one or two sort of perhaps more creative, an example being, you know, we've gone into somewhere and there's been a loss and the reason given for the loss is "oh, I have a banking customer we've allowed to deposit the cash" without depositing the cash. You know, that's the question. It begs the question well what did they deposit. But, you know, I mean, you are seeing sort of interesting reasons for things at the moment. Now whether you seen the same six or 10 years ago, I really don't know but under the heading of, there is false accounting going on and there are different excuses coming up, you know. I had one the other day that the money had been put in the bin and before they had realised the bags had gone. You know...

VB – That one's not new, I've heard that one before.

JB – No that isn't new. The trouble is that individual, I think told us that on Monday or Tuesday and that happened, allegedly, on Friday of last week. The reason for the audit is we were seeing some inconsistencies in the cash being declared other than the single amount but somehow it had gone in the bin.

VB – so do they only tell you when they came out to audit.

JB – Yes.

VB – Funny that.

JB – Well, how many people are telling you, you know, so, she felt, you get a lot of time people say, I just don't feel comfortable in ringing the helpline because you'll just come out and audit. Yeah, we probably will, actually. You know, you're right or they're scared of telling us and stuff like this but I think there's some people perhaps trying to cover dishonesty with interesting excuses.

VB – And, from your point of view, is signing off false accounts dishonest? That's a strange question, I know, but...

JB – No, I don't think it is. It depends what you mean, you know, if somebody has got themselves into a bit of pickle, unexplained loss, and stuff like this, I think there's almost a scale between naivety and dishonesty somewhere. If somebody turns round and says, you know, I'll tell you, it's £40k short, I've been propping my business up for the last 12 months since Tesco opened over the road and as a consequence of that I have been falsifying the accounts, inflating the cash declaration, that to me is dishonesty. Because that is a pre-meditated act, they've told you exactly what they've done. If you've got somebody that has got an unexplained loss, their cash accounts are all over the place and what they've put in doesn't bear any resemblance but it's not sort of trying to cover, one trying to cover the other... I think there you've got somebody that is just getting themselves into a real mess. Their accounts are not a true reflection of reality so they are false but I don't think it's the same dishonest intent as somebody who was covering their tracks and I'm only really considering this civilly of course. You know, not beyond all reasonable doubt...

VB – We are speaking to other people about that, so...

JB – Yeah, that was the shortest conversation ever.

VB – You know you were saying earlier about how there's this £1,000.00 threshold so were you saying that the COs don't get involved before if it's lower than £1,000.00 because I'm just thinking what if it was somebody who'd done £900.00 and they say, I've taken £900.00 and I've changed the accounts so that it balances, would ...

JB – They should get a call but if somebody has turned around and said well I am down £500 I paid the window cleaner last night. That should be a call. Because that is, they know and I think like with a lot of the things it will depend on the quality of the people who are receiving that information.

VB – So the audit team.

JB – Yeah, because unfortunately I think I can sit here hand on heart and say not every £1,000.00 loss are to get a call. It's over 95% probably higher – 98s, 99s but not everyone's going to get a call. You know, and, personally, in my view, nobody else is, I think when there's a big surplus you should get a call as well, but I have got enough work without, well, you know, I was always told in the two different companies that I worked for, yeah having a loss can indicate perhaps somebody is doing something but equally having a surplus can because they're collecting it up and finding the times to move it out. So they're keying in £20.00 instead of £200.00 so there's a surplus of £180.00 if you check it there and then but if they get the chance to lift that out, it's balanced. You know? There's a bottom line to all of this trust me I know I have been there and everything.

VB – So does your team ever terminate for dishonesty, yes they do from what you were saying earlier.

JB – Yeah, because dishonesty is part of the contract and (recording 6 : 14:56). I think where I've got to be careful more than anything else is when I see a decision rationale that says they have been dishonest. Have they, is it dishonesty per se, exactly what we've just spoken about there or is a contract advisor perhaps saying I think it's dishonesty, because dishonesty's non-remedied. You can't remedy dishonesty according to the contract. So, it's quite a good clause if you're wanting to use it, it's quite a good clause to do. Our friend I showed you the example of before who has been convicted in a criminal court, he naturally has got the dishonesty thing in there and I feel very comfortable signing that off.

VB – So you said obviously it's in the contract, are there any other written guidelines or anything around dishonesty. I don't think there are?

JB – I don't think so.

VB – When it comes to investigating, where someone has been suspended and false accounting is suspected, what do the contract advisors do there if anything if it is them that's doing it and what are the weaknesses in that process? If any.

JB – Crikey, well, I think we touched on quite a bit of this before, they will draw data down from a number of places, the support services resolution team is, the contract advisor is not, in my view, their role is not to be able to manipulate Horizon Data... That's why you have the support services resolution. The contract advisors role is to be able to sort of take the information from somebody who can interpret the data and say, well, right ok, so they have been false accounting. They've not been declaring they've been doing whatever they've been doing. Yeah?

VB – So they draw conclusions.

JB – ...and drawing conclusions from the data. So, there are a number of different strands there of information that I would be expecting to see and hopefully this will be consistent with what I said an hour ago but it will be around Callbox to NBSC to see what has been reported there. Training, registration, anything the security team's done as an investigation, audit reports, SSRT reports and anything else that we've got on that case because there might be information that's saved against the branch records for something like this.

VB – So any questions I have got around weaknesses in Horizon for that process would be better addressed to people who are manipulating that data, not the people who are analysing, or do you have anything you'd like to say about that?

JB – What, weaknesses in the Horizon system?

VB – Yeah.

JB – I have got two things I probably would say about that from a personal perspective. Firstly, I don't think the training that we provide, have been providing of late is adequate.

VB – Ok, so from when do you think? Approximately.

JB – Well...

VB – Has it ever been adequate?

JB – Well I think it went through, the problem is, and I don't know when it changed, and that's not me avoiding the bullet, but I don't know when it changed, but it seemed to go down to a couple of days which was predominantly sales focussed. I'm very much of the view that the selling element of a Sub-Post Master role or the promoting of products old world is you've got to learn how to do the job before you do the icing on the cake which is promoting the problem. So, you know, its, sort of, you know, if you're learning to drive, you know, I think you've got to get, once you've passed your test you've got to get into driving haven't you, you don't sort of think I'll do the 24 hour Le Mans race, or something, I know that's a silly example but let's walk before we can run. I think also we don't perhaps give these people enough indication of how, what to look for because a lot of our Sub-Post Masters, the ones that I hear about which are obviously not in the greatest place, are always, don't believe anybody will steal. So every assistant is honest. We know that's not the case. It's even worse when it's a family affair and we know there's issues, but I don't think we give them enough tools to be able to do some sort of dead straightforward checks that might say, well, watch out for this, watch out for that, interrogate this by doing this and stuff like that.

VB – You think they should be given tips on functionality that does exist?

JB – Tips on what to check for because you don't have to give service as a Post Master but you've got to have some elements of control and I don't know whether we give enough on how to, what to look for. You know.

VB – Ok. So, do you think that they are provided with enough information by Horizon to do that investigation if they needed to and they knew how to do it, or do you think that something else should be provided?

JB – I probably don't know Horizon well enough.

VB – That's fine.

JB – But I don't think we perhaps give them enough small screwdrivers and spanners in their training pack to sort of say, you know, the checks that I would suggest you do is, you can't make 'em do it, you know, otherwise were going to start blurring the lines between employed and employees and you say, every month you must do this, because that's why the contract is so high level I guess, to maintain control. But what I think it would be good to do is give people a pointer of the things that are there to do, so you know perhaps do count the cash every so often, you know or check this or check that.

VB – And do you think that those weaknesses that you've identified really in the training. You said there were two, you told us about the training is there another one?

JB – Yeah, the other thing that sort of spooks me and I don't know how they do this and it only relates to something that happened, well, there was occurrences of last year but the people were able, staff were able to put bogus transactions through for the want of a better word, and then cream money off. There was some incidents with parcel force products and we are talking about not a couple of quid here, these

are thousands of pounds people have been able to manipulate the system to do. So it's almost like, it's almost like if you are a computer guy/guyess, present company accepted, there is a danger that if you're pretty good with a laptop or a computer I don't know how much you can look at and what you can do with Horizon and that, I don't know how well it's bolted down to be honest and that's just observations that, you know, how can you put a bogus transaction through, it just doesn't make sense to me that. The system shouldn't allow that to happen so that they can draw money out.

VB – Ok. That's helpful.

JB – It's not if it goes to Court.

VB – No, what I mean it's helpful to know that's what you think because it's something that we can look at.

JB – Yeah, one of the branches that was involved is, I think it's called Kidworth Beauchamp, B-e-a-u-c-h-a-m-p, it's in Leicester somewhere, and a couple of staff took the Post Master there for about £35,000.00 on these Parcel Force transactions. There's another two branches in Keith's area where the sum of money is far greater, Helen Dickinson from the security team was the person who was looking into that.

VB – I'm seeing Helen next week, I will ask her!

JB – But you know, what I can't understand is how you can do that, you know, I can understand if I was working in a shop, you know, I've got to scan stuff, but I wouldn't have thought but actually I can make scans up. I can false account in some way. It just seemed a bit too... it seems, unless I'm missing something very fundamental.

VB – It might be that there's more to it, but, ok, that's an interesting thing that we can speak to Helen about anyway.

JB – Something I can't understand either is how you can put a cash declaration in falsely. Because if the system's intelligent and let's say on day one you start off with £10,000.00 you know, somebody pays in £2,000.00, somebody withdraws £4,000.00 to me there's £8,000.00 left in that. So how is it you can manipulate a cash declaration why doesn't it just balance off.

VB – Yeah, I see what you mean. So, I suppose it's because it's recognising the fact that you may have given out money that you shouldn't have done, in error, and that's why you can have a different number than what the system thinks but my understanding of it is that the system will tell you what it should be...

JB – It'll tell you if there's a gap.

VB – ...and you can change it.

JB – But there's clearly a way of falsifying the numbers because otherwise we would not have people telling me that there's £40,000.00 missing, I've falsified the cash declarations.

VB – Maybe there is something there that there could be a warning that would automatically go through because I know there isn't but maybe that would be something they'd have and those problems that you see with both the training and the not bolted down aspect, has that changed over time or do you think that's always been the case?

JB – I think the training, I think the bolted down, there used to be a guidance document that if you rang, Helen will know about this, I'm sure I've got a copy but I haven't got a clue what it was called, there used to be sort of a guidance document where if you thought something was going on, the NBSC would send you a guidance document to look at. I think there was an intention to review that document some, that's post second site and I think a gentleman called Jim Coney was doing that work but Helen will know about that. I think the training has, the training delivery and the training content I think has changed over time and I think there has been a greater emphasis put on the sales side of it linked with the need, desire to, I think, reduce the costs involved in delivering training so rather than having a lot of face to



face training, we'll reduce that, put more in to workbooks and stuff like this. Which, I understand, will work in certain instances but as I've said, we're just assuming everybody learns in the same way.

VB – Ok, yeah. That's a good point.

JB – And I think the other thing is how you access that material as well. So, are people accessing it because they can't be using it in the Post Office if they've got to do some workbooks. You know, so they've got, they've got to have some sort of piece of kit to be able to do it because we don't provide any kit to do it so do we just send it so that they can load it on to their laptops, or Ipads, or, I don't know.

VB – No, because there aren't traditionally computers in branch other than the Horizon system which isn't a traditional computer obviously it's an EPOC system.

JB – Correct, but it has got a help functionality on it and they can push training down it. So when they do the compliance training, and this is what makes the local, a farce, [whispers: I said farce] it's almost like a little friend, isn't it now? It's capturing everything you say. But. I would say, in the interests of saving money, I'll give you one example. The security manual which is over 100 pages long is now on Horizon help or it is on the Horizon system somewhere. A Postmaster and his team are meant to read that every 12 months okay. Now ignoring the fact that the manual is not terribly well structured so it doesn't sort of say if you are in a local branch read pages 1-10 if you are in a main branch read pages this and everybody needs to read page this because it is on mails integrity it is all over the place it really is not a very friendly document. But if you are in a local with only one terminal and there is a book that is 110 pages long on an exceptionally dry subject like security, how safes work, time overlocks and all of those sort of things. In reality who the hell is going to read it.

VB – and is that because they don't want to pay for printing.

JB – Yeah and it, you know, the problem is and if he was around Craig Tutall will tell you I just totally disagree with this and it will save money but I am not sure whether it is actually saved, you know if you have a look at the sort of losses we have had is that because either the training we did first is not very good or they are just not reading this book.

VB – Yeah okay.

JB – So that is sort of.

VB – You are not the first person to say that either so don't worry.

JB – The trouble is in a local you know, you are looking at, and a main you are looking at something which is a fairly low cost model you know there is not meant to be dedicated staff in a local so you are using people who are shop, retail people in the Post Office that is the concept it is built on but you expect them to read 110 pages. You can't do it during opening hours because the Post Office is meant to be open and you know, most people do not want to stay on and I just think it is not very well thought through from that angle.

VB – No I had not appreciated that.

JB – Ignoring the whole complexity of some of our transactions just throw that it for something to say you know.

VB – some of them are very complex.

JB – but that is the other problem with the operating model because you know if you are running a convenience store from 6 in the morning till 10 at night you have got to have at least two sets of staff to operate over that hour duration and we know full well that, you know, there will be people that perhaps in the evening are looking just for some money to supplement, I don't know it could be students. But you know do they really want the hassle of learning how to use all the Post Office stuff or does the Postmaster even want the hassle of training them.

VB – yeah that's true.

JB – you know and some sort of spotty little oink like me coming in working four hours a night and he knows it is just sort of to keep the grant going and stuff like that but he could lose me money that I am liable for. There are a lot of tensions in my head you know.

VB – yeah there is that is really interesting actually.

JB – I wouldn't do it. Having said I will say I wouldn't sell one of our contracts because I think there is too much weighted against you. You are on the hook to do everything. But that doesn't absolve people from you know, staying there and say the contract is unfair. You should have read it before you signed it you know. I think I would be very cautious about it.

VB – I would

JB – Good.

VB – I don't think the reward is for me personally sufficient to take the risk.

JB – not when you consider the amount of money that potentially people can get their hands on  
(recording 7 of 10 : 04:16)

VB – Yeah you have to really trust your staff. Okay that is really helpful actually. More, and interesting. A bit more about contractual breach and performance issues I am just going to check whether there is anything on that section that we haven't already covered. So I think we have probably covered all of it let me just check. In the old world, I think it was the old world there was somebody called Andy Wynn did you have anything to do with him?

JB – Andy Wynn was part of the Financial Service Centre or P&BA as they used to be known Products & Branch Accounts. Andy Wynn ran the dispute process. So if a Sub-postmaster received a transaction correction and they didn't believe it was correct Andy Wynn would be the person who would investigate that.

VB – Oh I see

JB – and he would then, his investigation would be yes it stands no it doesn't stand.

VB – that doesn't really fall within performance issues.

JB – You will need to talk probably to Alison Bolsover about them.

VB – Yeah okay. I have actually already spoken to Alison so she did tell me that I just wondered whether or not what he did would overlap with what you did but it sounds like not. So that is fine.

JB – He used, most of the work he would do would be around existing Postmasters. So if there was a dispute. If we were asked to help recover some debt from an existing Postmaster and they said I want to dispute it, it would go into Andy Wynn but when you come to people that have been precautionary suspended or something like that Andy Wynn is not involved in that

VB – that is not on his. Okay that is fine

JB – You get into the realms of Michelle Stevens team then.

VB – Yeah I have spoken to Michelle as well. There is a clause in the contract about giving written notice regarding the standards is that one we have already talked about 16.22. I will see if I can find it. Is that the aspect of things that you don't really do because it's not .....

JB – We don't really do (recording 7 of 10 : 06:35)

VB – Well it be interesting to know that it just won't be in there.

JB – Ah yes okay it will be very short then won't it. Where are you going then 16 where?

VB – 16.22

JB – you are in new world.

VB – In new world. What have we got here.

JB – So you are under the section about termination. 16.22 *"fails to provide products and services to the standard required by ..... and fails to remedy it"*.

VB – Oh yeah we have talked about that then.

JB – Yeah I will say.

VB – I don't know if you have anything to add on that. You found it much quicker than me I am still looking.

JB – Its (recording 7 of 10 : 07:12) but it links into, I think that links into section 314 isn't it *"accept full responsibility for the property owned and the delivery and provision of services and products"*. That is one that I ... so Parcelforce man might be (recording 7 of 10 : 07:32). Accepting that it was a couple of staff that did it while he was absent but there is a great example. Parcelforce man. How would he know what to look for. That he is on the hook for.

VB – Yeah because he is being scammed really by the sounds of it. Okay so I think we have probably covered all of the contractually breach type stuff. Then I want to ask you more about the beginning of a life cycle of a top Postmaster and the recruitment and the interview process.

JB – Right well I am just running down all of the termination options that I have got. So we have, alright 16.22 is the Products and Services one which pretty (recording 7 of 10 : 08:18). It might be an add on but it won't primary thing. Ceases to operate the basic business. Yes we have covered that one. Prior to entering into the Agreement provided false, misleading information or omits. We have had one or two of those but 9 times out of 10 they haven't actually got the branch. So they have applied, something has then happened they have been caught thieving or something like that, picked up a criminal record and just never told us and we have found out. But usually they, the last one I did with that the contract had not been countersigned. So they had signed it so it was binding on them but not on us. But in the end she shouldn't have stuck her hands in the till should so. Operator because insolvent, liquidation – we have talked about that. Single director dies, reason of illness – we have talked about that. Bankrupt individual – yeah. Partnership is dissolved – we haven't talked, I have not had one of those knowingly. Because what I don't know about is a problem and I don't mean that disrespectfully.

VB – Well then you wouldn't necessarily know that with a partnership what would happen because

JB – Unless they tell you, you don't know.

VB – yeah there is no way of finding out.

JB – and it is the same with Limited Companies which is a weakness which we can come back to if you want.

VB – Yeah tell me about that now.

JB – Limited Companies and Directors – fails to acquire a BPI. Okay we talked about that losing the BPI, lots about BPIs. Charged with a criminal offence – talked about that. I don't think I have missed that many there is a couple there about fails to account for the money properly but just you have got the evidence of that or fails to repay they are almost nice throws in easy to deal with those. So I think we have probably touched on most of the things for that. Where I am going now?

VB – What problems do you have with Limited Companies and Directors that you were going to say about and these must just be new world mainly as they are franchise agreements I would have thought.

JB – Correct. Okay because old world you could only contract in an individual with us with the exception of franchise were you could do it as Limited Company. The problem that we have, I think, it is difficult. It is difficult to quantify something you don't know. This is sort of a gut feeling but we have had incidences where. Yeah we have had allegations that people are avoiding the application process because what they are doing is they are selling the business on, retaining the company name and just changing the Directors.

VB – Right

JB – Okay which on Companies House you can do and stuff like this. So in that instance what you are getting, if that is happening, is that you are getting a situation where you have got running a company now although the entity hasn't changed from what was on the Agreement but you have got no knowledge of the two, three or however many people are running the company. You have not vetted those people and you know nothing of the financial strength of that company. Alright and then you can think about that in light of the contracts we have with clients, most of those will have something in there along the lines of, you do appropriate checks on people who run Post Offices or serving them.

VB – and that is an issue because what people, what they are doing is they are, instead of trying to give notice and then say they want to sell the retail side they are just selling the company.

JB – Yeah they are moving the company on and stuff like this and you know they either, well only the other day where he actually sold on the premises, the business everything. So he hasn't got a BPI, he is in control of the basic business, the Post Office is still running. We are still paying him of course because we have not turned it off and the bank account would be. So if it was John Breeden Limited the company, the bank account should be the same name as the company we engage with or the entity that we have contracted with. So the money is still going into that guy's account and you think that he must be passing it on to whoever he sold to and then by some fluke this guy has turned round and said when will I start getting paid direct. He rung us up. So he has obviously got a really good member of staff that is running the place like clockwork because there are no issues apart from the fact who we thought we were dealing with isn't who we are dealing with.

VB – Now is that

JB – Scary yeah

VB – It is scary. Is that because they just aren't complying with the terms of the contract that relate to that or is because there aren't any terms of contract that relate to that. I am much more familiar with the franchise and I am pretty sure there wasn't in the franchise.

JB – Yeah well if they haven't got a valid property, interest that's..

VB – Yeah that's what I am saying.

JB – Basic business that's a breach but its says if you have got no right of assignment anything anyhow. Read the bloody contract. They never had the right of assignment it is just easier now because you haven't got a named individual

VB – I see

JB - to actually move it because the people that sit behind that name could be anybody.

VB – So it is all locked down in the contract but there is no way of you knowing that that has happened unless you have some sort of monitoring on Companies House or somebody tells us

JB – Absolutely you know there is something, I am sure your company has spoken to us about, you know whenever there is a change now. For example today there might be Director being debarred for doing something inappropriate but if he doesn't tell us we won't know.

VB – There is a service you can sign up to where it tells you all of that but I think that is a service we might even provide.



JB – No you did I am sure when you Bond before Bond Dickinson that previous, Bond Pearce, somebody came to Old Street and presented to a number of us including Jessica Manderin and the biggest issue we had at the time was there is no point in buying the system if you haven't got any staff to deal with the App what it is telling you and that is why it never got brought in.

VB – Right I see. I mean there are other ways of doing it but then you would still need staff

JB – You still have to do something

VB - or you would have to pay somebody externally to deal with it

JB – Absolutely

VB – Yeah okay. You are not company that I have heard say that's an issue.

JB – Yeah so, you know so when we know about it we can do something about it. The only that we don't get notified of all the time is things like liquidation. So when they liquated the company, the bank account that they pay the fees into should be in the same name as the entity we have contracted with and that will not happen every time I can assure you of that and John Jenkinson will hopefully, if you ask him the question, he will tell you the same. Now because of this new financial piece of legislation that is coming in, Criminal whatever it is Act, Finance Criminal I don't know,

VB – I don't know sorry. I don't know either.

JB – It is something about tighter controls and we have got to ensure that who we are paying is the person who we have got the contract with. So you know.

VB – That makes sense.

JB – Yes it does make sense.

VB – Okay

JB – So if you dissolve the company, so what we are finding now is people realise this, so if they have got the company Breeden & Co and they want to dissolve that they don't want the fees paying into the same thing because there might be somebody, you know a man without a wife or whatever whose signatory is on that, so they tell us they want to change the bank account. We say you can't why do you want to change it, well I have dissolved the company. So you might have been paying a dissolved company for a period of time.

VB – Crikey. Well I guess it is just those problems of managing such a huge network but it is eye opening isn't.

JB – But I think the trouble is they put the idea of, the idea of having a Limited Company as the legal entity. When it was in franchise we never had more than 300 or 400 franchise bonds anyhow or franchisees there is clearly positives on the financial side. This is where this business goes all the time if they see a nice financial reward over here because we want to understand the problems it will create over here and put some sort of structure around resolving problems. So you moved into network transformation we have probably got about 3000 company relationships now if you are ignoring the multiples and you think well we have never had that before. Never had it at all so that is a whole new ball game, things we weren't used to and stuff like that as well.

VB – You need the process around it.

JB – Absolutely but everything has been on the hoof. I'm moaning now aren't I.

VB – Well it is interesting though because that sort of thing does potentially help with some of the company Claimants that we have got, although there aren't a huge number of company Claimants and that but.

JB – it is the same, you know you go from this what you have done since Adam was a lad and you are now doing this, this and this there are two bits, you know companies are really complicated things to deal with anyhow and what you can and can't do. Nightmare. Never mind.

VB – If we go back to the very start of it all and the recruitment and interview process.

JB – Well I thought you were going to say when I joined the business then.

VB – Can you tell me your involvement with this. So you did tell me this morning what your involvement with that was in brief but if you could just sort of expand a bit more on that. Alright

JB – Yeah okay so from 1 April this year the process moved into my area of responsibility along with the staff that comes with it. Originally Mark Ellis would have been the process owner but I think he has delegated that to me now okay.

VB – Right

JB - So he has given me the responsibilities for this process.

VB – So that is recent. Did you have..

JB – Yes I have had it in a previous life, not process ownership of but I have responsibility for the application process. I think it was somewhere, it ceased around about November 15 and then came back in April 18 and I probably had it for about 3 years prior to that.

VB – so you had it from about 2012 to 2015.

JB – When NT was going through and stuff like that. I am struggling to remember where it came from to me. It doesn't matter but yeah it is certainly a good few years.

VB – So can you, and this might not be you so please tell me if it is not, but we have got questions like why is a role advertised, how is it advertised sort of some process things. Are you the best person to speak to about that or

JB – If you want an overview comment I can give you that, John Jenkinson will give you the nitty gritty.

VB – Okay we will ask him about that then.

I would say simplistically I think for NT opportunities we had to, under Procurement Law, advertise them for 28 days. Commercial transfers I don't .... My understanding is we don't have to advertise those. So if you were selling and I sort of, through an Estate Agent, said I was interested, you would refer sending your notice and termination namely as a party that was interested in doing it. Alright that sort of excused the you have got no right of assignment it doesn't. Because it is saying you have got, which isn't, you are not assigning it but you are putting forward somebody to assign it to and also seems that the Post Office in the right place as well if we can although it is difficult.

VB – Okay. We have been told to speak to Cecil about ...

JB – Yeah yeah Shefal Patal. He runs the network. He decides when white spaces or Greenfield sites are where they are going to go. Absolutely. Nothing to do with us that.

VB – Good

JB – that would be a thing that would create a sort of greyness because somebody might say hang one you are terminating there so you can next. Don't what to get involved in anything like that.

VB – Okay. Did you have any input into the paperwork that gets sent out to Applicants or what they send in or again is that somebody else I should be speaking too.

JB – Yes I suppose we do. I guess the application form has been the application form for ages. He format that it is shown in has evolved. So at the moment, you know if you went back 10 years ago the application form I think was on system called Iris, there was a standalone excel document which was the business plan and an applicant had to fill in the application form, fill in the business plan and send in the appropriate supporting materials. It is all done now through an electronic business plan but the questions or the information we are gathering is all very similar. John will take you through any of that. In addition to that I think the supporting documentation hopefully has got a little bit better so we have got, you know the vetting requirements, things around guarantors and BPI's when they are needed and stuff like that and all of that at the moment is being reviewed again. But all it is really trying to explain is how you apply, what is required and stuff like this.

VB – Okay so did you do any interviewing of sub-postmasters at any point?

JB – No but my team do.

VB – Your team do.

JB – Right so the way it chunks up is Applicant applies, you know somebody registers and interest, we send them a link to apply. They come back with a full application, CRB check they provide, we do some vets and checks, they fill in the business plan, send us in whatever the supporting documentation recently that is required around, you know funding, bank account statements and all of those sort of things.

VB – Bolton deals with all of that stuff.

JB – Bolton deals with all of that stuff. So you know John would be able to show you and take you through in far more detail than I ever want to understand it. Then once you have got the business plan completed it goes off to Finance. Finance analysis the plan.

VB – And is it Finance in Chesterfield.

JB – Finance in Chesterfield yeah. A small team led by Rachel Chari?

VB – So she leads the Finance team that assess

JB – Business plans

VB – Okay

JB – So they assess it or do whatever they do to it. I don't know what the parameters are I don't get involved so that is entirely up to them I have my views at what comes out but that its, you know is for a different conversation. Once it has got through there it then goes to interview assuming it was successful. It then goes to interview, contract adviser interviews them, there is a pen pitcher that we have been using which was agreed at the start of the NT programme with, I think it was Kate Steel who was probably involved in that.

VB – Probably

JB – I am sure somebody else, I can't remember their names.

VB – Sarah Rouse maybe

JB – Yeah it could have been and there was another lady as well.

VB – Paula Bartlett.

JB – Yeah she was involved in there as well. So you know there is a, the interview is to assess the individual's ability to run to be a Postmaster so there is a number of criteria that they are assessed against. If they achieve the pass mark, which is 60, they are then offered the appointment. Once they get to that stage they are then issued with a copy of the contract they then have to sign that, the contract

is issued again in John Jenkinson's domain. That team issue it. It comes back signed, correctly and hopefully all the supporting docs come back signed properly because that is where guarantor docs would go, the bank account form that sort of carry on and then we would countersign and it goes in to be transferred or bills and transferred its when you sign.

VB – So your team does the interviewing. What is your role, if any, in that. Do they ever discuss it with you or is it just no involvement or ....

JB – Light touch in so much as when time allows I sometimes read some of the assessments, you know because they are meant to put the rationale in there and I know certainly when Lynn Norbury was about we used to sort to spend one day a month perhaps just picking some sound rationales at random just to see what there are supporting or the reasons for. Usually you don't get any grief. You never get grief from the failed ones but sometimes they will ask me questions and say John I have got this sort of case what to do you think. We probably get under a bit of pressure to do lots of appointments because of numbers. chasing numbers, different programmes. I think an old programme, never mind the quality feel the width or something. I don't know there used to be a television programme.

VB – What was it called?

JB – Never mind the quality feel the width. I think it is sort of a, it was perhaps my poor way of saying we perhaps focused too much on numbers rather than quality of.

VB – and why are you looking at the rationales what is it you are trying to do by doing

JB – well I am really just trying to see that you know if we were passing people, if time allowed and it doesn't I can see suspensions going that way.

VB: So that is going up.

JB: What would be great to do is to start routing around and saying right what sort of password are you (recording 8 : 00:19) what sort of write up was on there. What could they do with the business plan. Time just does not allow you to do that.

VB: So it would be great to do an analysis looking at the people who have failed, seeing what they were like when they came in to see whether or not there was any correlation that would be indicative that you should not employ such people going forward. Okay.

JB: You know is there anything we can learn because all it feels like at the moment it feels like we are on a massive hamster wheel insomuch as we have got programmes out there that have got targets to do something. All they want to do is push as many people through as long as they are alive they are happy.

VB: You are not the first person to say that either.

JB: But the problem is they do not have to deal with the consequences of the rubbish at the other end. So you know my simplistic view on life is if this business was working as it should be and this applies to any business I would not be here because you would not need a contract team you would just need a group of people that would do a number of interviews each month to appoint people because everybody would conform, everybody would do it right. You would not have people putting their hands in the till, you would not have losses so all they would do is then decide well it's time for me to move on. You know I have got to that age or I just want a something so you look for a new one and people like me just disappear don't need me anymore. We are never going to get that way. We are never going to be there in a million years because all we want to do is chase numbers and sod the consequences of chasing them, ticking the box I have got a new branch and I do not know whether Paul said yesterday but I know he was saying to me the other day I do not know why we bother interviewing people anymore. I do not even know why they submit a business plan. You would not if you were going through paypoint plus. They would not. The difference between us and paypoint plus is apart from its just you know very simple but they do not put a wad of money in the office as well. There is nothing there. It's a piece of kit that is probably worth 2 in 6 and they can turn it off as soon as they can turn it on and they have got a sign outside it's as easy as that. Not £100,000 sat in a bloody safe that you are that close to and I am



50 miles remote off or even more and that is where there is something not quite right. They keep operator cash so you wouldn't get the losses but you would not get the people playing either. So that is the problem we have got at the moment

VB: So you are sort of looking for themes and where to learn?

JB: Yes but it just does not happen. I have not read an interview rationale for ages and it is also just having a look and seeing because some write war and peace. Some write the preface to war and peace.

VB: So you are also sort of managing your team as well to make sure they are doing?

JB: Don't overegg that one because it is very much a part time occupation of mine. I have not done it for 12 months.

VB: That's fine. So is it the contract advisor that makes the decision about appointing.

JB: Yes.

VB: But they might ask you if they were unsure or wanted to run something passed you.

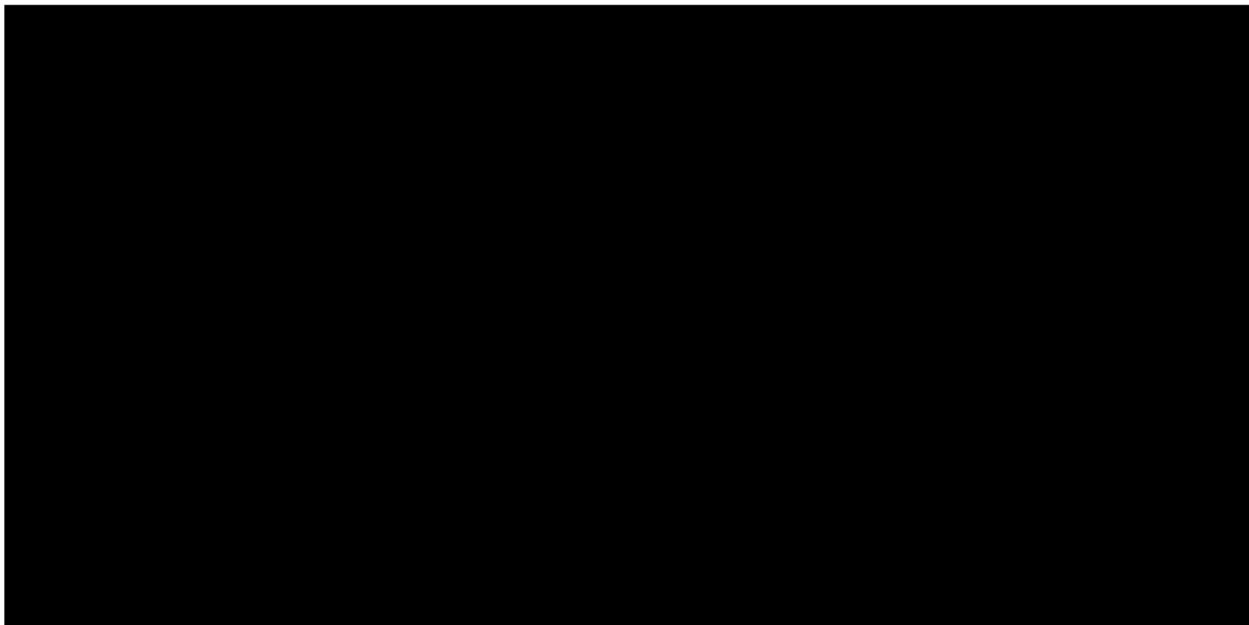
JB: Yes if they wanted to run something passed me that's fine. I mean so we are fairly fortunate in so much as we have got quite an experienced group that have done a lot of interviews and we have got some with quite interesting backgrounds, retail background and stuff like that so invariably there is not that many problems what of course you do not know and what people always do is perhaps at interview tell you what you want to hear. It is what happens on the ground and that is not always the fault of the interview but it is their decision yes.

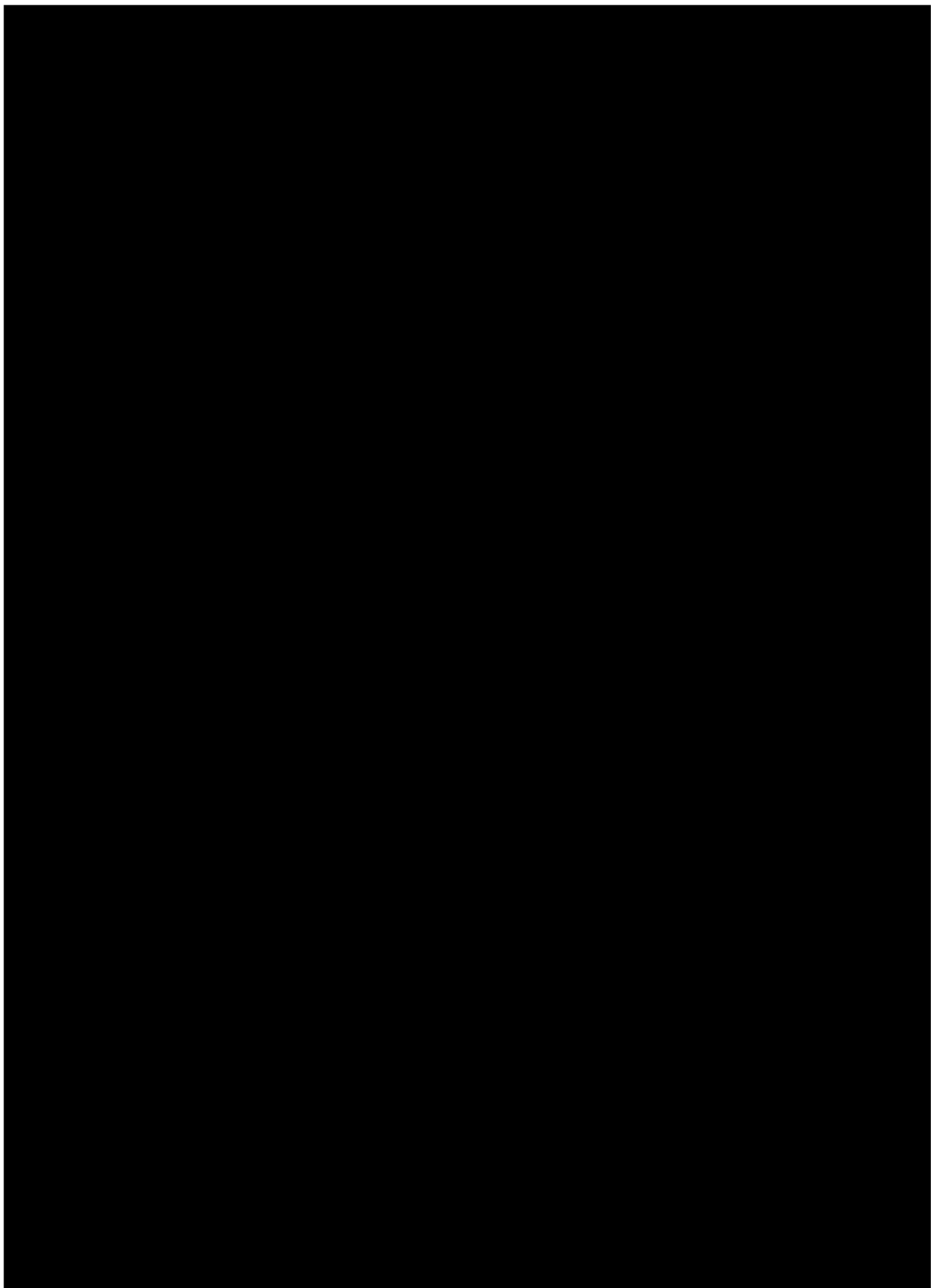
VB: It is good to know your role in that actually. I do think we need to speak to a contract advisor though to speak about that a bit more so we will do that.

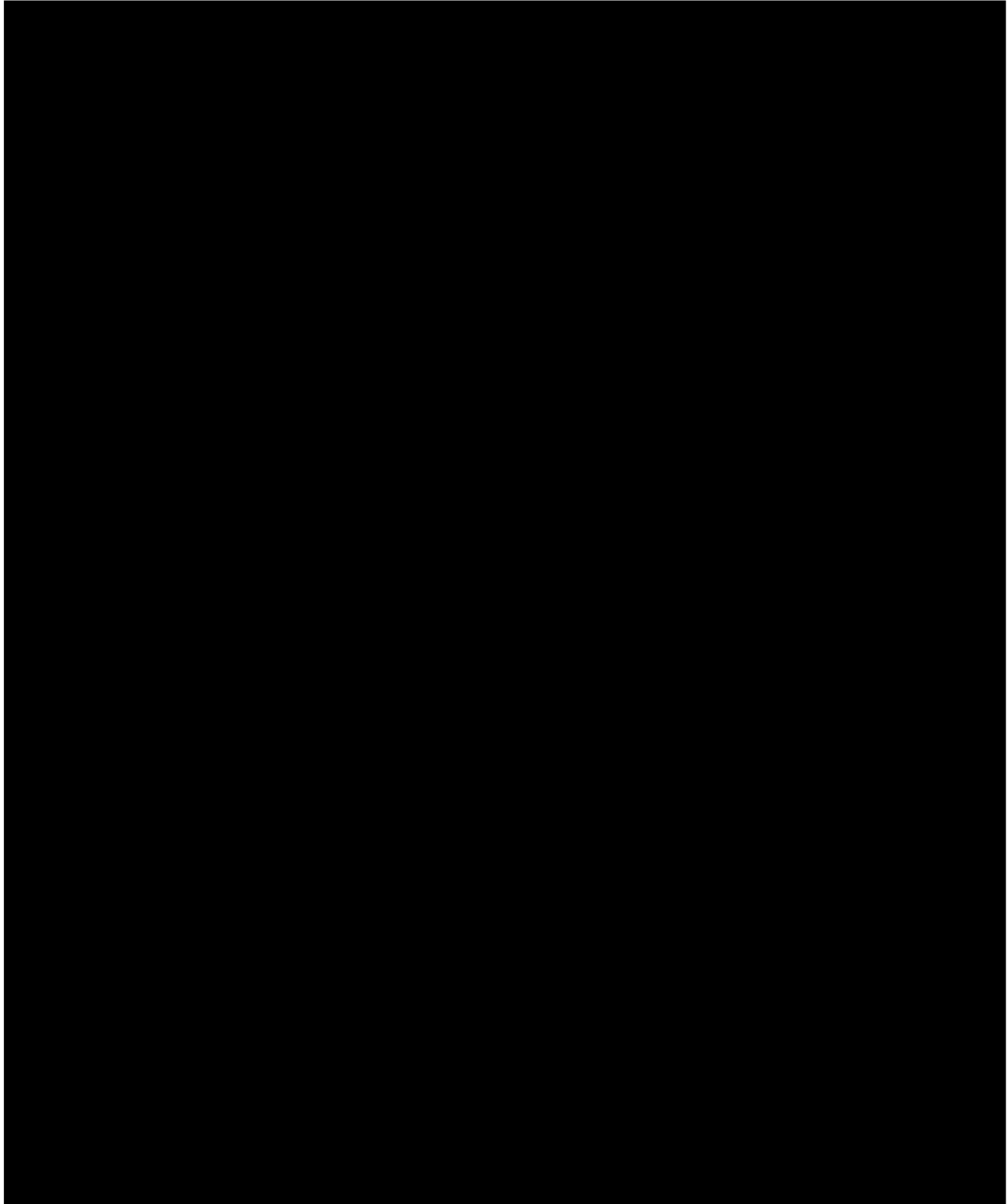
JB: Yes because they will give you probably more warts than I.

VB: Yeah because they have done it more on the ground.

JB: I will talk more generally. They will tell you that they are sick of seeing perhaps high risk business cases being passed or business cases that are not making any profit and stuff like that and why are we bothering.







JB: Provided on line down the Horizon system.

VB: Via Horizon.

JB: It almost goes back to sort of the comments .....

VB: What we were talking about before?

JB: Yes.

VB: And then I can see that if they have got new people in there they are supposed to bring that training and they have only got one termination that goes back to a comment .... Okay this is definitely not a question for you it is asking how many people have worked in branch over time. Definitely not you I do not think you will have that. Let's talk about false accounting. So what did we skip from before. I think we skipped from oh yeah the signing of contracts. Does your team get involved in that? You have got too much responsibility.

JB: You tell Mark Ellis that please. Hence the reason why I just don't get anything done you know. John Jenkinson's team issues the contract and that is both new and old world. That will come back signed from the applicant and there are a limited number and I am not one of them of designated signatories that can countersign on behalf of POL. With for example NT cases NT will trigger that point when it is ready to be countersigned.

VB: I don't understand.

JB: Well I think to make sure everything is in place to the point where we want to go to countersign is my understanding. But the number of people that can sign those I think that it is less than probably five.

VB: Okay.

JB: And we should not go live of course without a signed contract from the applicant or it being countersigned. All of the contracts should be kept electronically as well as we should have hard copies of them.

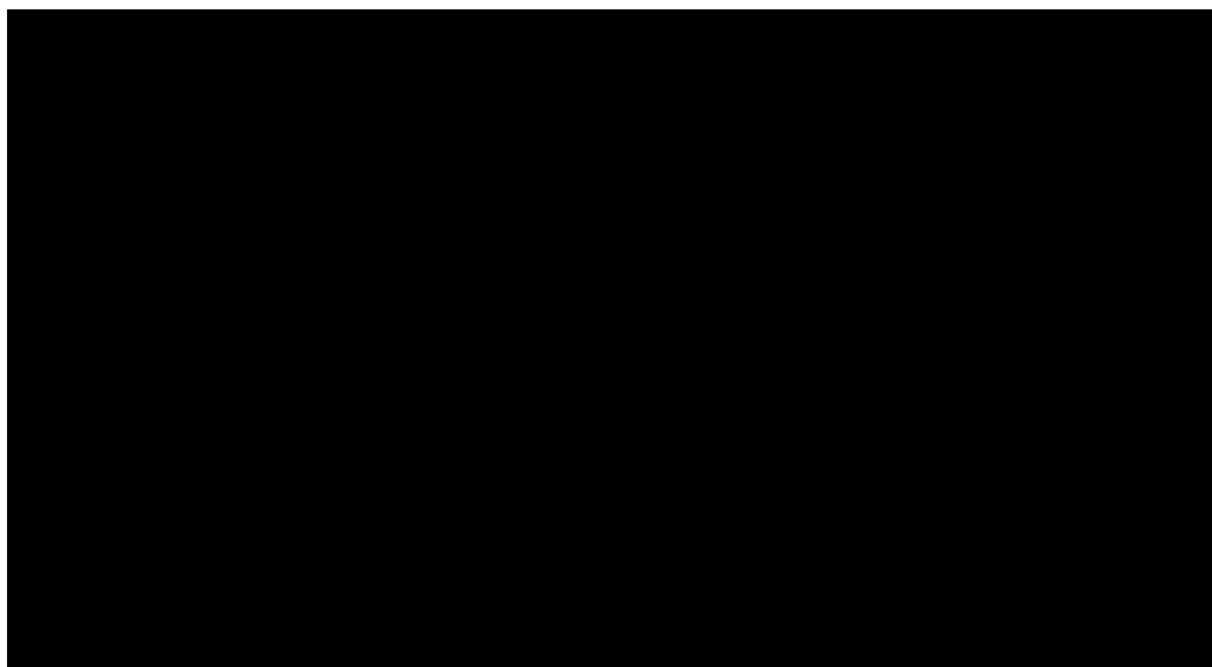
VB: And how has that changed from the old world if that is something you can speak about?

JB: In the old world you never actually signed the contract.

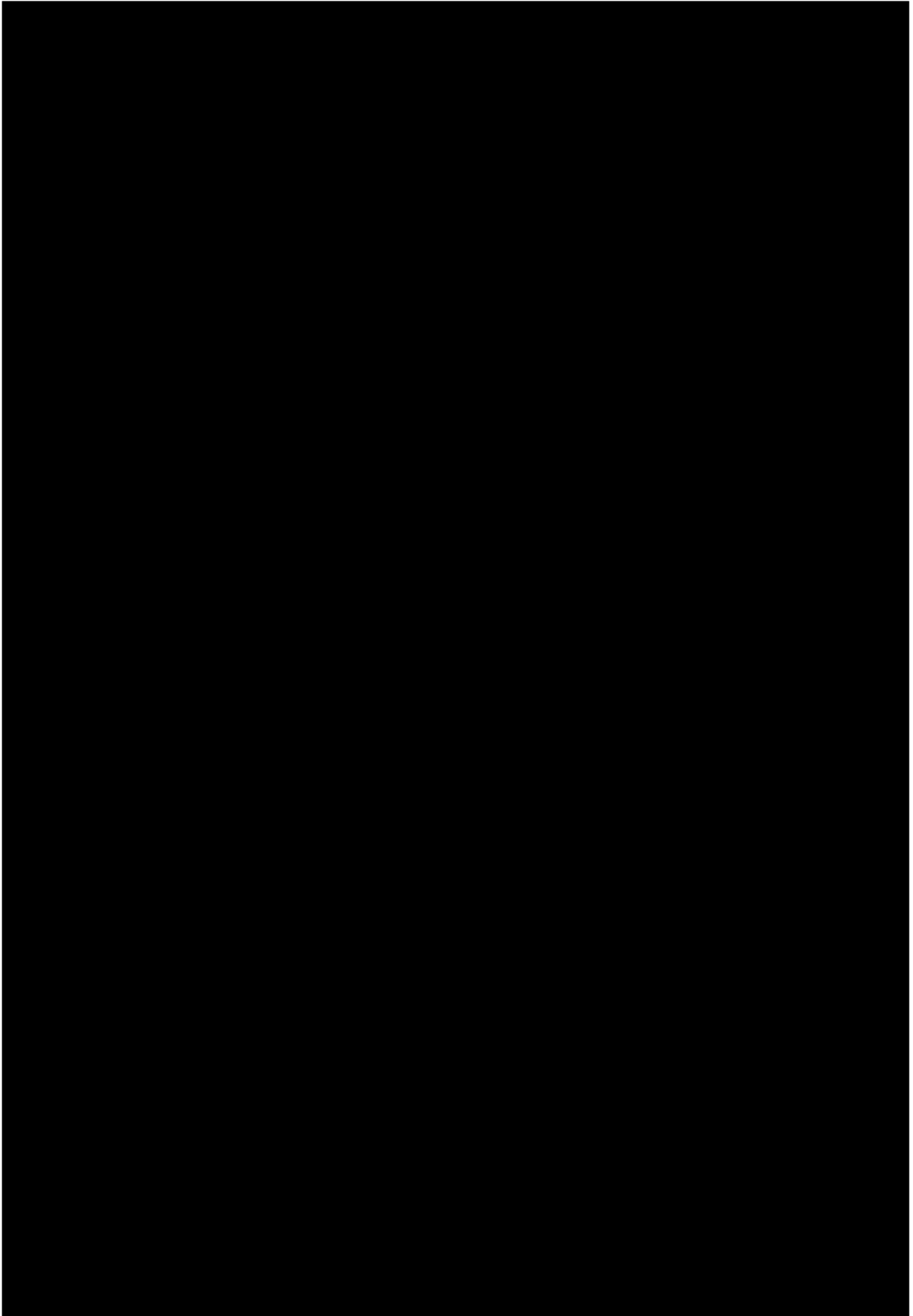
VB: Oh is this just from the last 11 years that you can speak to this or from before that.

JB: Right when you were in traditional world you know this is how sad I am I brought it with me just in case you used to get this.

VB: Ah lovely I have seen one because Angela had a different one.







JB: Well yes and no inasmuch as the theory is the appointment is done the branch goes live. So the contracts advisor will have seen whoever they have interviewed and if we made a blank statement that said everybody is interviewed they have touched a contracts advisor somewhere along the line. When that branch goes live if there are any issues those subpostmasters should go in through the NBSC and that should really be dealt with there. Anything that comes back out to us should be of a contractual nature. That is where it goes wrong because we do not have the teams. There is two things we do not have. I am not convinced the knowledge on the NBSC is good enough to deal with everything that crops up or it might not be in their knowledgebase. Gail will probably disagree with me on that. Secondly most other teams that you would think should be the first point to deal with some sort of intervention activity do not want to talk to subpostmasters so they make it a contractual issue by referring it to us. A great case recently we were trying to change some alarms in offices and the property team say they have not got the right asbestos report or something can you deal with it. So what if you don't. Nothing actually oh right so you are not spoken to. No. Well why not because otherwise everything is a contractual issue. What is the reasons for this. Try and understand what is going on.

VB: So why do you think that is it is because ...

JB: Because it is so bloody difficult to talk to subpostmasters.

VB: Is that because ... there used to be roles like BDM and RNM and RLM. Would they have traditionally dealt with that sort of thing?

JB: RNM and RLM more so than BDM because I think this is really not from a ... I have never line managed them or anything this is like my interpretation but those two were more you know they would deal with issues at an office whether it be performance management and they talk about performance they talk about contractual issues and if there was a problem because a piece of kit did not work they would explain what to do so they were quite knowledgeable. They were almost like little NBSCs and I have no doubt varying in quality and ability so when you take that out you lose a massive level of knowledge and I think there is a desire not to want to contact offices because if you think about every NT office that was converted must have had the appropriate asbestos report in place for them to do the work so why is it an issue now. But nobody wants to deal with non-conformance or the difficult stuff that is the problem and that is the reason why we get so slumped.

VB: And there is no money in it I suppose as well.

JB: It's just hard work and people might kick off at you or you might get on the end of well you have just reduced my bloody fee so why should I bother. You can just pick up the tail end of other ... it has gone through. It's a great place to work.

VB: It sounds really interesting.

JB: It is interesting but it is really frustrating as well and it is getting more frustrating.

VB: Sounds like it I can see the point you are saying.

JB: It is just hard and the volume and the hard, nobody wants to take, really take it. So with the volume and that your constantly sort of, you end up just doing it yourself and then you just end up working all the guys goodness knows many hours they are working and stuff like that. Very frustrating but I suppose you don't get into profit by having lots of staff.

VB – No. It's going to be on the recording and we'll be sending you the proof of evidence and nobody else so if there's anything that comes out on there that you don't want to be on there, you just delete it and you can say you didn't say it. That's fine. But you're probably the better judge than we are, which things, you're ok with being said and which things you're not ok with being said so please use the opportunity to remove...

JB – I'll let my (recording 8 : 01:01)

VB – So from your point of view the contact that was, it was on a sort of contractual basis and that's how it should have been but you do end up dealing with other stuff as well. And has that always been the case looking at old and new world or has it changed around the time of NT.

JB – No, I think there's been a swing over years because, you know, they've taken, they took the RML role out, the RNM Role, then the BDM, the BDM was more sales orientated. Now it's an ASM I think and that's just really sales orientated but a smaller number of offices so you've got more offices out there that are, the only support they've got is on the end of a phone line. So, you take, because you've reduced the number of people that are available. You actually end up with, the calls have got to go somewhere.

VB – Yeah that's quite interesting, because I cannot remember who I was speaking to now, because my impression is that the contract advisors deal with a lot of different stuff from what I do, that's my impression. So I was asking something of somebody along those lines who had been one or worked with them or something a very, very long time ago and they were saying no, no, that isn't what it is. Your current impression...

JB – I don't, naturally I don't know who you've been speaking to but...

VB – And I can't remember who that was.

JB – Yeah, I am trying to think of who has been one and if they are still about. There's very few people... Paul Inwood worked in the contractual area many, many years ago but I think it's, at the moment, you know, some of the stuff that we get which manifested itself from network transformation like opening hours issues, you know, our business isn't viable. What am I meant to do with that? You know? It's not making as much money as I thought it was going to do.

VB – Yeah, so it's sort of like an operational, dealing with operational issues level of support and contact has been stripped out.

JB – Yeah. There is nobody that does what I call proper Tier 1, almost or Tier 2 intervention activity.

VB – So they can go to the NBSC, but they have got what they've got on their knowledge basis, which may or may not deal with it.

JB – Some of it might be referred to.

VB – And then they get referred on.

JB – Yeah. But not everything we deal with is a contractual issue.

VB – No.

JB – And if you said, well hang on there, they are a contracts advisor, so vis a vie should only be dealing with contractual issues. So a business that's not viable or I'm not making as much money as I thought I was going to do, is not contractual yet. If you're telling me you're going to go "pop" tomorrow, or go into liquidation, or we're going to go ... or if you're tell me you're going to throw the keys at me and without giving notice, alright we're going to have a different conversation but there's a tipping point in there and in addition to that, if you tell me you have, something's not happening, and I ring the Post Master and say, right, we then start to make it a contractual issue, if you follow the letter of the contract properly, like what you were talking about before, say, right, you've got 14 days to fix that, they don't you've got another 14, they don't you should chuck them out but then everybody kicks against that so you're almost, it's almost like you sort of, just in a massive wheel and you think where have I got? And I haven't got very far. You know but you've done another X number of hours work that probably hasn't got you where .... it'd be interested to see what Andy if you pick up Andy, well, pick up one of the CAs and see what they say.

VB – Yes I think we should,. Are they all based wherever they happen to be or are they...

JB – Yes so they are all over the country so, you know, Chesterfield, well you've got somebody in Scotland, they've got them in the South West, South Wales, so I think whilst I have no problem with which one you wanted to pick, some are probably slightly more convenient.

VB – Who's the most convenient for me?

JB – Well from a travelling point of view, well, quite a few come into London. You know, so, people like Anita Pafarta, Carol Ballam, they come into London quite regularly. Andy Carpenter will go into Chesterfield as will David Southall, you know, you could quite easily get hold of Glen Chester and Paul Williams in Bolton or Glen and Paul will go across to Chesterfield. You now, they're not a million miles from any of those places. The only ones I would, if you're picking one, you want to pick one that is more on the independent side than the multiple side so avoid the three on the multiple side is Paul Southern, Alan Usher and Robert Finlay.

VB – I've dealt with a few of these people before...

JB – Yeah, I was going to say ....

VB – I hadn't appreciated that those three names come up last that you've just given me Alan and Robert and Paul and that's probably why because they're not doing anything that I will be hearing, so...

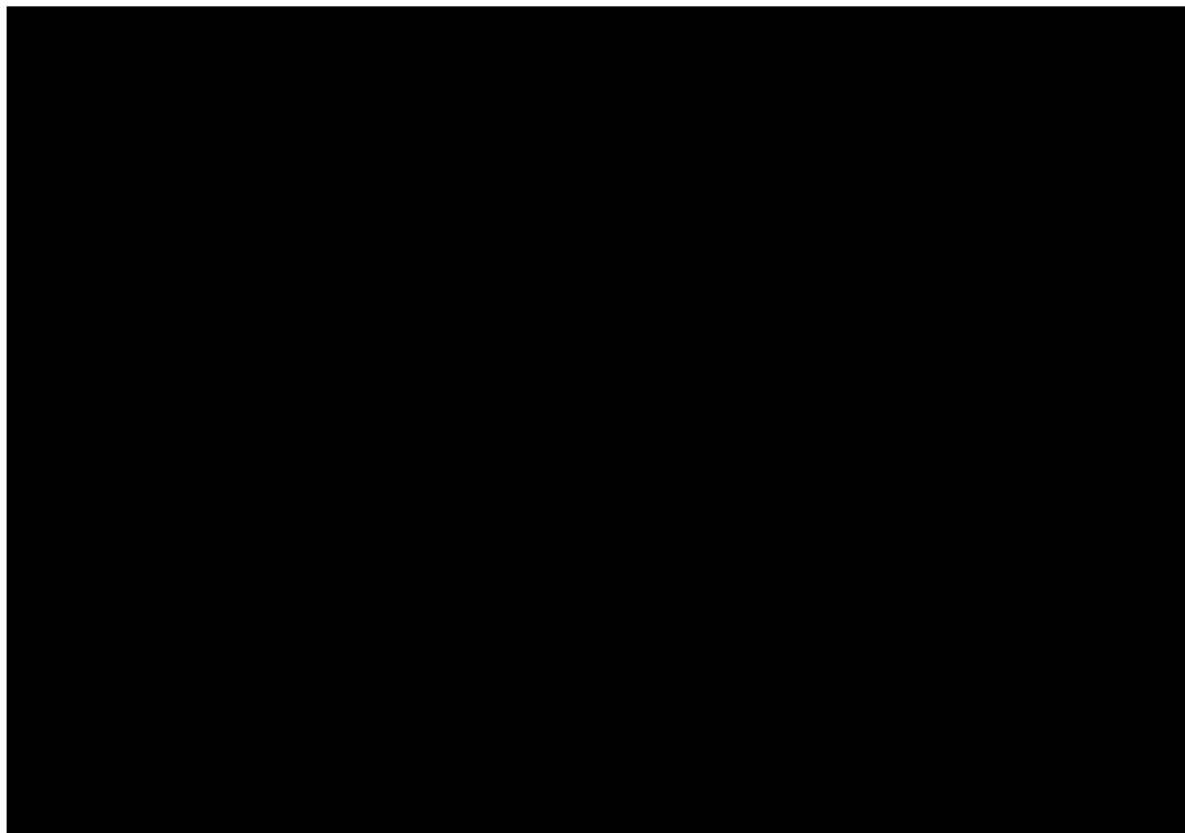
JB – Because they are more on the multiple side.

VB – I don't think there's any more to ask you about this part. This is all stuff we have covered. Training we have covered. I think the only bit that I've got left with you.

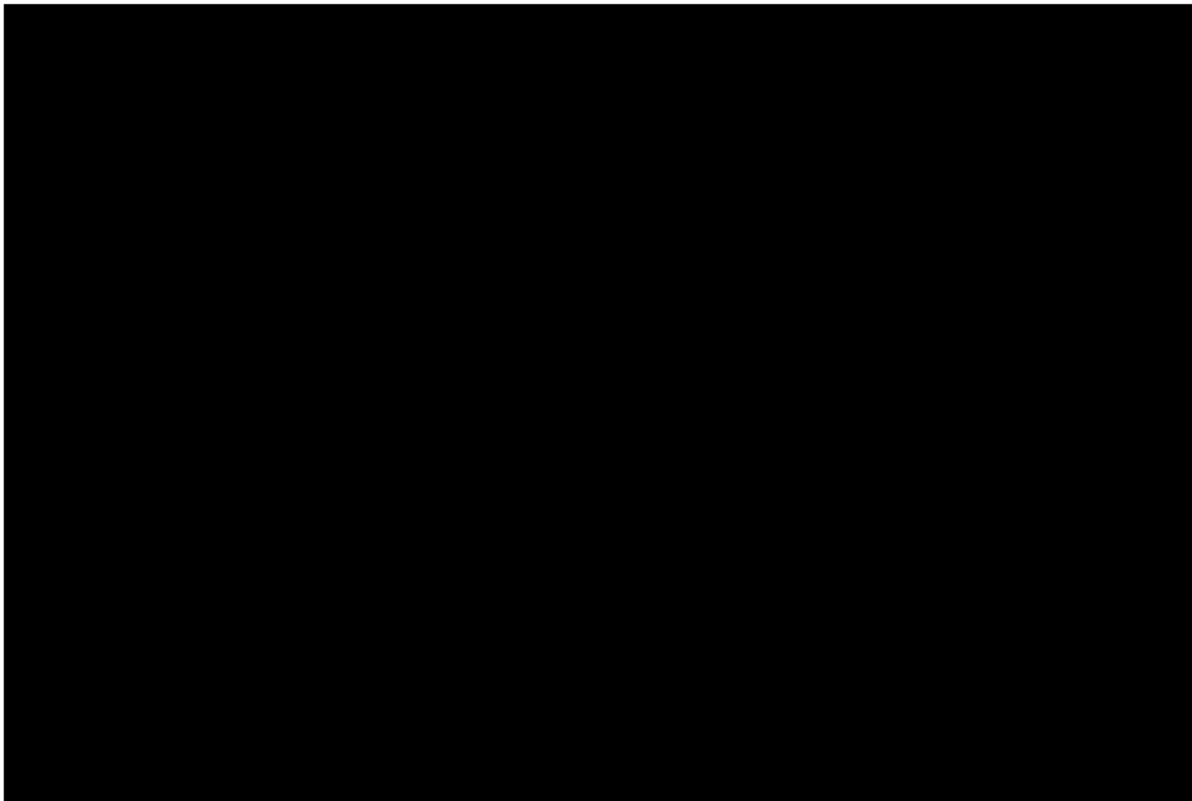
JB – Do you mind if I have a biscuit whilst you're, ...

VB – Yeah, of course. That's why I put all the food in front of us ...

JB – Yeah, I know, I was contemplating healthy. But I only contemplated it. As you can see.







VB – They haven't shut mine down.

JB – Do you go there regularly? Do you?

VB – I'd say at least every couple of weeks.

JB – Really?

VB – That's quite regular isn't it?

JB – I would say that's tremendous to be honest...

VB – I write a lot of letters and I work part time. Sorry, I mean, I write, you know, I write lots of cards and thank you cards and Birthday cards and I have to go and buy stamps and I post a lot of parcels.

JB – I'm trying not to look dumfounded but...

VB – I only ever go on a Monday and a Thursday though.

JB – Not because you write a lot of letters but just because I thought letter writing was a bit of a dead art.

VB – It is – I'm the only one that does it.

JB – Yeah, I was going to say you're not unique but letter writing .... I would think you're more, unless the parcels are related to a business and stuff like that, I would think you were somewhat in a minority.

VB – I am. I send gifts.

JB – Because if I asked Lucy how many times you go in a Post Office a week or a month or can you remember the last time you went in a Post Office and don't massage the number to make me feel good.

LB – I would say Christmas time, but then other than that I don't know.

VB – I do sometimes send my mum for me, and that counts for me right?

LB – That's true, yeah, I've done that a few times when I am returning things.

VB – Returns yeah that might count as another visit.

JB – But a lot of the people that you probably can buy stuff from, I have got sort of three kids, 25 and a bit down, most of the people that they get stuff delivered from, yes they do use mother to return. A lot of them have couriers that pick it up as well.

VB - And a lot of them it's not Post Office it goes back to I guess collecting glass and things like that.

JB – But that's the other thing that worries me, what we're doing to attract people of a younger age group. Or even an older, I couldn't tell you the last time I went into a Post Office.

VB – Really? Ours is nice though and it's got a nice chap in it and, they sell nice cards and, you know, I usually .....

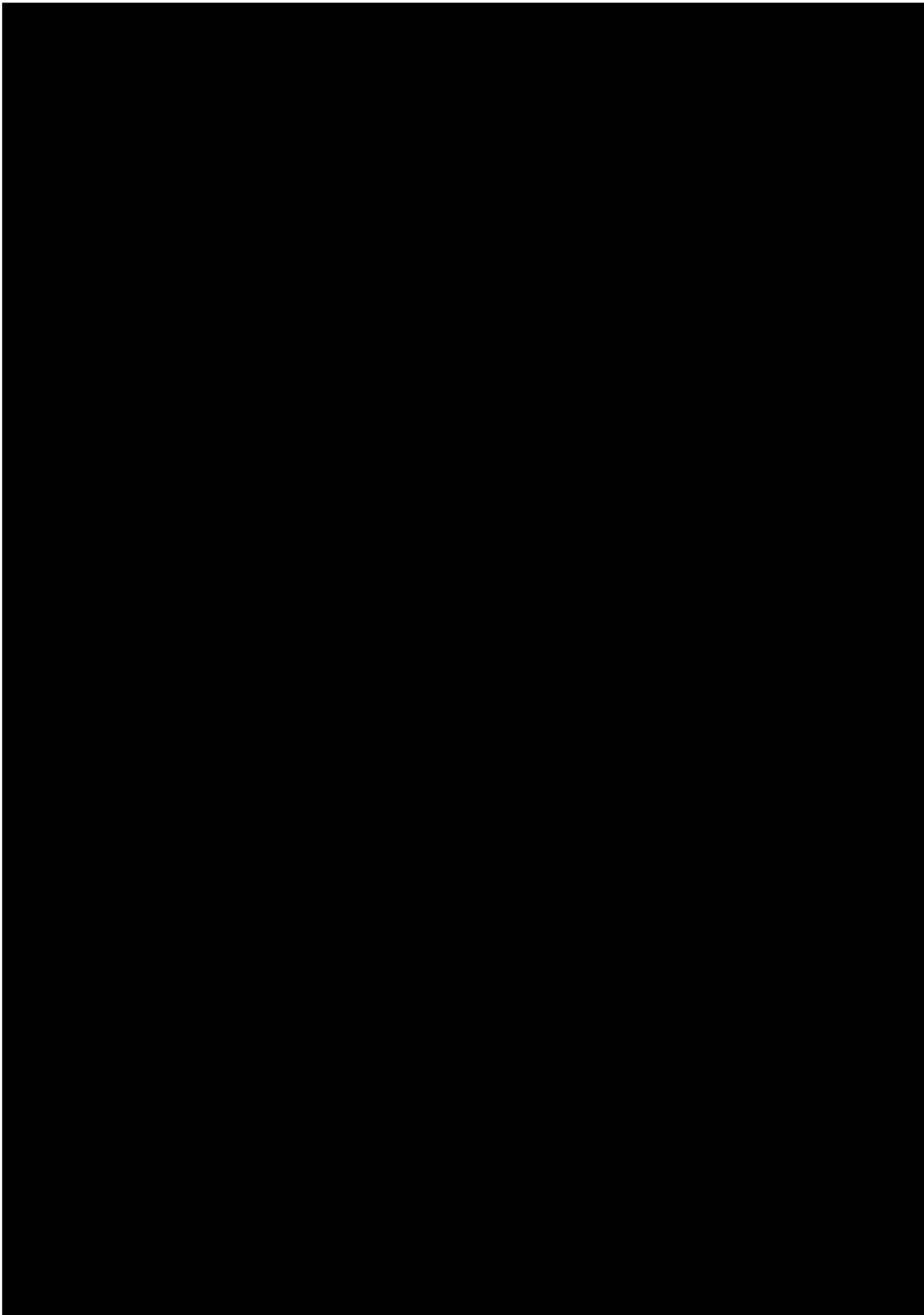
JB – Yeah, I don't use it very often. My kids don't use it I don't think because they get their mum to do it of course.

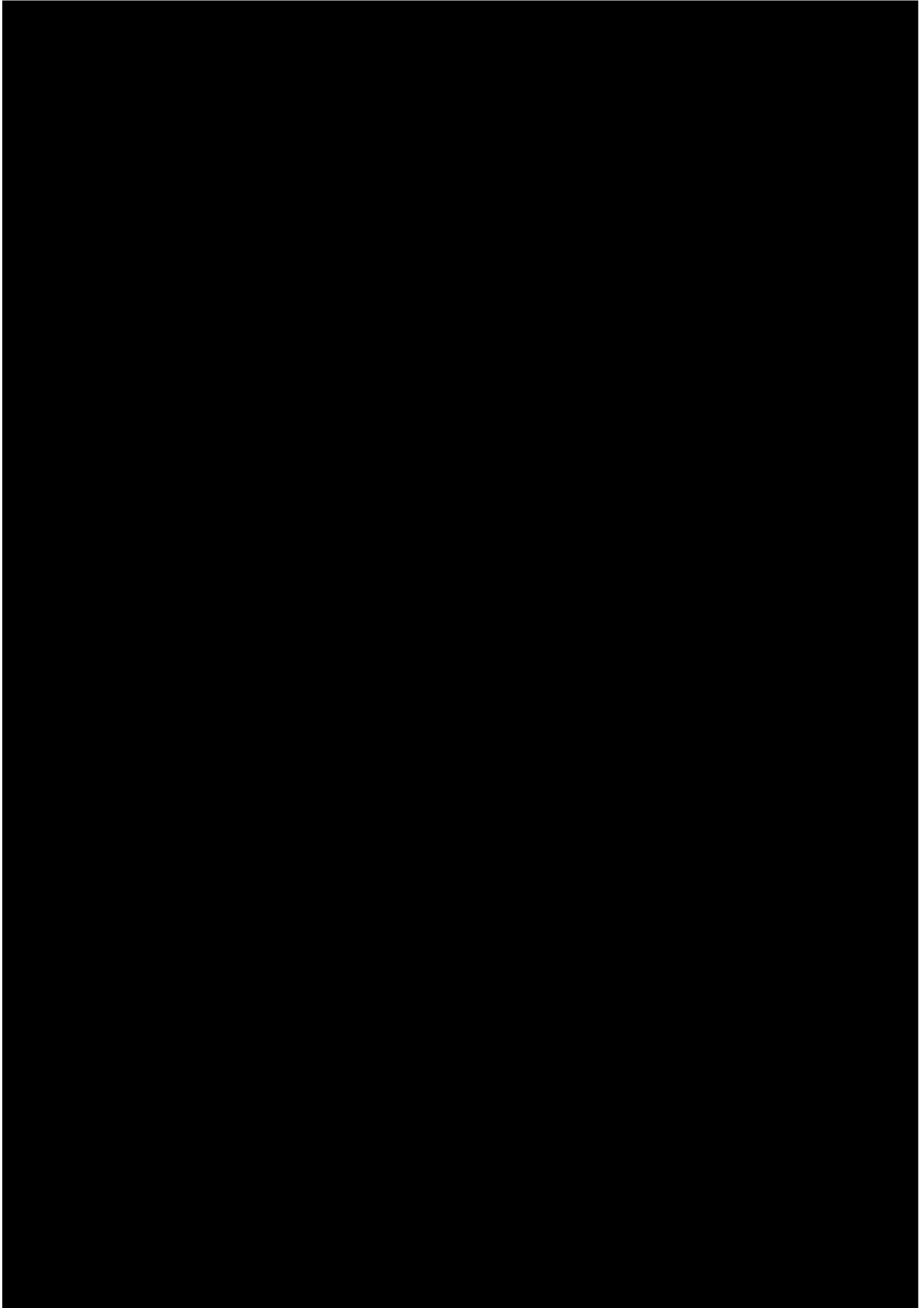
VB – We've got a local one that's quite local, quite convenient. If it was in town I'd probably would never go, ever. Interesting isn't it?

JB – It is interesting, it is interesting.

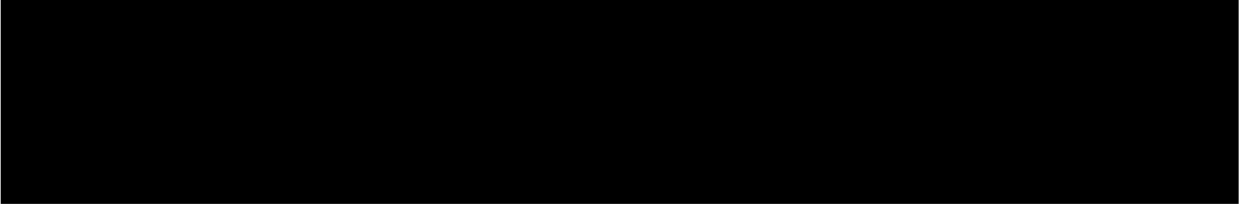
VB – Going back to the slightly more mundane.

JB – You said it, not me.









JB: Well I guess the group action on the back of second sight this action is really in my view is just second sight part two just a different horse that is running as Freeths this time as opposed to somebody else but I do not think second sight put it to bed.

VB: No they did not.

JB: So as a consequence of that you have got an open and seeping wound out there and a lot of postmasters who have seen or heard that some people have gone through a mediation. Some have got something out of it but nobody has made a fortune out of this and a lot have not got anything out of it and I will be quite honest with the mediation case I was involved in was an absolute nightmare.

VB: Which one was that?

JB: Joy Taylor and I cannot remember it was Andy Parsons and I cannot remember the lady's name but we got nowhere.

VB: Another Bond Dickinson colleague?

LB: Was it Amy that was the other person I was thinking of.

VB: Dark haired lady in Leeds.

VB: Was it Lex Ward it would have been.

JB: That's it Lex. I do now know whether I didn't handle it very well but I just thought what a complete utter waste of a day.

VB: Did people get selected to go to those mediations because you had had an involvement in the case before or because you had not had an involvement in the case I cannot remember.

JB: I did not have any involvement in that case. There were a number of people that were picked. I would imagine probably most of the people were ex appeals managers or something like that. But she had brought along some guy that was really you know I was expecting loads of questions around Horizon that was the last thing he wanted to know things like the training history of the security manager and all this sort of carry on and you are thinking I do not know where this is all going. It was weird it really was weird so I do not know whether I had a good or a bad experience on mediation I will be quite honest with you.

VB: I am glad I did not go to any either.

JB: I think because we did not kill it there and then and it should have been killed there and then we are now in part two and if this does not kill it we will end up with part three. You know you guys have got a job for life if this does not get killed off I will be quite honest with you.

VB: I mean if second sight had have done that which in my opinion they should have done then things would be very different but they enjoyed digging around in areas that they did not really know anything about and also the thing that has always struck me as strange is that they did not really ever interrogate Horizon they just said what they thought based on paperwork and that would have been the way to really end this.

JB: I am not sure what we are actually dealing with anymore. Is it Horizon that is the be all and end all or is it something else.

VB: Well it is Horizon but what lawyers like to do is if there is a case they like to throw in everything and because at the time they put together the particulars of claim for this they did not even necessarily have all of the subpostmasters well other forms of postmaster who could be the claimants. They have had to put generic things that happened so its training, its support, its Horizon you know things like that that perhaps you know they were obviously relevant in second sight part 1 as you refer to it but they have turned them into claims where they are attacking the contracts and saying that there should have been implied terms. Some of which they were happy with I think and some of which they were not so they are just trying to get something somewhere. You can see why they would do that so it is about more than just Horizon now but I think Horizon is the lynchpin.

JB: I thought Horizon probably had taken a bigger back seat but from a PR perspective you are better off saying it is the system rather than saying some of the terms in the contract are a bit iffy. Not very headline grabbing that is it whereas you know computer system has wobbly on a daily basis.

VB: Exactly I think if they did not have Horizon as something that they would be complaining about I do not think they would have bothered with the rest of it.

VB: Do you agree?

LB: Yeah I think so.

VB: Because like you said saying that you know perhaps the training was not always brilliant or you know this term of the contract could perhaps have been in there it is not very interesting.

JB: It does not grab the hearts and minds of people. Mostly people walking down the street does it.

VB: It is really interesting your views on that.

JB: And like I say I would not sign a contract.

VB: Well I think in the old days it was quite a good but now like you say you do not have the money coming in from benefits and pensions and things like that it is more like you say running a retail business with the Post Office and that is not as appealing I think because I personally would not want to be a retailer but I could have seen that I might have wanted to be a postmaster. I am not planning on leaving in case anyone asks.

JB: They would never pay the same either. A solicitor and a subpostmaster should never get paid the same.

VB: These days but I think back in the old days I think you probably will have done pretty well.

JB: Oh you would have done yeah. I think they have got to work quite hard for it nowadays. I think the other thing you need to just add into all of that is the complexity and I think when we explain to a new subpostmaster during the NT sort of stuff none of them knew what they were getting involved in from a complexity point of view. You know if they had had the experience of paypoint and you know they can keep paypoint that is not the issue it is what they use it for of course but when they are used to going bleep. I am being careful how I position this but when you have got people that are being paid sort of perhaps minimum wage and perhaps are coming out to just sort of supplement an income that their partner is gaining they do not want grief and certainly operators do not want that grief they want stuff that is easy.

VB: And it's not the same as a career as it used to be that you would go into.

JB: No because you cannot put your eggs in this one basket you have got to have something else in the basket. It is purely an egg in the basket. You have got to have lots of other eggs whereas back in the day when I can remember there were standalone post offices well I can remember standalone post offices like Crowns and we cannot make a bloody penny out of the Crown. You cannot make any money out of the Crown hence the reason why it is reducing in size and even the sort of flagship ones if you take somewhere like Trafalgar Square if you were to look at the maths on it I would imagine to get the premises is a fortune and the actual lot around it and that is why when you know we talk about the

business going into profit it is not because sales are going up so you think that line is not going up which line is or which line is changing materially. So you just try and centralise everything and stuff like that. But yeah it is quite interesting. Would I miss it. I probably would if I did not do it but.

VB: I am sure you would.

JB: But it is exceptionally frustrating at the moment massively frustrating and I would think I do not even know how many people know this is going on because we only tell good news. We do not tell bad news that is the impression we get.

VB: But then I suppose partly that is going to be because if somebody within the Post Office sent an email to everyone telling them that this is going on or something like that that would be a document that would be discloseable in the proceedings so you would have to be very careful about what that would say and it just probably would make it look more important than the powers in charge of it would want it to look.

JB: Possibly but I think there is a point where you cannot just keep giving people the good news stories there are things that do not go as well. This has the potential for going I do not know where. If this all goes wrong I do not know what happens I really don't. It just does not bear thinking about.

VB: No it doesn't. That is why the Horizon part is important because if it was just that somebody has not been trained very well maybe even quite a few people have not been trained very well okay its embarrassing but it is not as bad.

JB: It's easier to sort out.

VB: Yeah if it is literally you cannot trust the computer system because it will make up losses that will be awful but the very fact that it has affected so few people. It does not happen in Crowns who use the same system and you know a lot of the people who were saying this has happened to them have been well some have been convicted of criminal offences and some say this and then they change their story later suggests to me anyway that there is nothing in it.

JB: Well I think the group of people that should be questioned it's great talking to me and talking to one of my CAs or the other people that you are going to talk to. I think you should talk to some temporary subpostmasters because temporary postmasters go in after the storm so they are going in I would not sign a subpostmaster contract I would never even consider being a temporary postmaster especially if I am not on site because if there is money gone missing in a location you are going in to offer service. 9 times out of 10 you are picking up the service staff and nobody knows where it's gone perhaps. So you think bloody hell and at arm's reach don't fancy that one for some unknown reason. You know that does not sort of rock my boat at all but people are willing to take a risk on stuff like that and maybe have their own controls in. But if you talk to some of these people that go into offices where there have been big losses why are they not getting the same losses if it is the system.

VB: And why do they keep doing it for years and years.

JB: Absolutely they are not doing it to lose money are they.

VB: Who would you if you have a name or names would you suggest?

JB: Well the three biggest and I think what you should do is perhaps talk to a couple of the big ones and perhaps even an independent or something like that so you are not accused of not looking across the spectrum but Potent Solutions and if you want to get in there I can talk to Zeus for you that is not a problem.

VB: So is that Zeus' company?

JB: That is Zeus Patel yeah. Now Zeus Patel has helped out I am not sure who with Broughton? Which was a case that.

VB: Was that something to do with CCRC?

JB: Yes that is the review commission isn't it the criminal. Yeah Broughtons have a branch in Preston where she ended up being convicted and he went in as the temp after that one and one of your guys.

VB: Paul Loraine?

JB: That is him. This is pretty good this it is starting to work quite well.

VB: He was on paternity leave in my calendar which is why that rings a bell.

JB: Well I am 100% sure that Zues has spoken to somebody about this because I know Roderick Williams asked me to make sure the door was open and he was alright to do that. So you have got that company there is a company called Interim Enterprises. Personally I would perhaps give them a swerve at the moment because the two partners do not get on and there is another company called New Rose that offers temp services as well. They have scaled down their operation. Michael will be able to tell you of others that he uses perhaps more localised geographically or something like that.

VB: You are not the first person to suggest that. I am definitely going to speak to subpostmasters who are not part of the litigation and Zeus has been suggested for that.

JB : Well Zeus has got as well as Potent Solutions so offices in his own right. He has also got a company called ZCo Limited where he has got branches.

VB: Sub-branches?

JB: Yes that is right. Interim Enterprise similarly have got temp and you know but it depends which partner you speak to there and there like I say they are having a little difference of opinion at the moment.

VB: Okay that is really helpful though to get your views on that.

JB: I would go there every time because I know Zues has been taken for a ride in a few places. You know there has been a couple of quid gone missing.

VB: And he has been able to identify which member of staff presumably?

JB: He knows there are people manipulating stuff it's not the accounts. Do not press him too hard on how he gets his money back because I never like to ask those questions.

VB: Okay that is really helpful.

JB: I know he gets very disillusioned because he has just had a case in Stratford upon Avon where I don't know £80,000 to £85,000 has gone missing.

VB: One he is running?

JB: It's his own branch. This one is quite substantive and the alarm went off at about 11.30 one Saturday night and it was immediately turned off and the premises were entered at around that time. No signs of a break in or anything that like and as I say it has got staged robbery all over it. Someone has got in using the keys and stuff like this and he is most disappointed in the police because he has got a knack of finding the right people.

VB: Well he must be good at what he does if he has got so many branches and he is the subpostmaster and he is not ..

JB: I think it depends what good is. He runs them on a tight line let's put it that way. In the period I have been doing this job that guy started up from basically nothing to where he is now and he has got another company that deals with debt. Some sort of advice line he runs if you ever go to his premises you will see it but he is a bit like marmite. I like the bloke do I know him no but do I know anybody, no. I struggle with that question with my wife. Do I know what she is doing at the moment I have not got a



bloody clue. Well its true isn't you know I know him really well what do you mean I know him really well you have met him a couple of times in a year. You do not know anybody really well.

VB: Yeah you know the impression you get when you meet them but ...

JB: Yeah you build up a mental image of them and you decide whether you like them or dislike them or whether you know there is some sort of against your own values whether they are in the same sort of ballpark but I think Zues is not stupid. I think he would push the boundaries if he needed to push them in the most appropriate place but he has chased down people to Asia and everything.

VB: Has he?

JB: Oh yes.

VB: Good for him I am glad someone is able to. We hear stories about people who have gone home and wherever it is they have gone home to I do not know but all over Europe and Asia and like they do a flit.

JB : He has been picked up a couple of times for big money really big money I bet he has lost I can think of probably six cases where he has lost £400,000 to £500,000.

VB: Okay. So he is not pointing his figure and saying it's Horizon?

JB: No, nowhere near that at all. Absolutely nowhere near. He knows there is people fiddling but he is chasing how he does it I do not know and I do not really care but he is annoyed that Stratford has been given some (recording 10 : 17:38) because he knows they will do nothing unless it is on a plate for them and it is so bloody obvious that you know oh it was definitely him with the keys and stuff like that. He knows it will take him ages. One of them got through border control I think and got out when the police (recording 10 : 17:56) so things like that do not help him you know. But yeah he is worth talking to because you will get it straight and I like the guy. I have got a lot of time for him and he will tell me to get lost when I ask him something inappropriate but generally he is quite helpful but I think he is getting disillusioned with the Post Office.

VB: I will see where we are with deciding who we should speak to but I will see where we have got to because I know his name has been put forward and I will speak to Paul as well, Lorraine to see what he thinks from him speaking to Zeus.

JB: Yes it was that CR.

VB: I only know that because Broughtons was definitely one of the things I was supposed to be covering for him on the CCSC last year and I cannot remember anything about what I did. I did do something.

JB: Well there was about £100,000 went missing there and this was many years ago so £100,000 was a real novelty.

VB: The case I first worked with you on was Mehat. Do you remember Mehat.

JB: Gosh yeah that was the biggest loss we ever had up until about nine months ago.

VB: When you said about £100,000 that was what made me think of it because at the time it was huge.

JB: Mehat was just over £400,000. He had five offices, Droysdon, Denton, Sale, Manor Park there was another one somewhere.

VB: They were all sort of managed .....

JB: No it was a one near me. Thorn. Long term memory brilliant full term memory I have not got a clue.

VB: I am afraid I cannot remember much more about that case other than that.

JB: That was manipulating the accounts though. He was doing something with giro deposits with his brother or his brother took the rap for it in Droydsdon. Yeah because they had a really big house in Sheffield and this guy would come to a meeting and I remember once he brought his mum with him and he was about 40 or something you know he brought his bloody mum with him by the best of it was he had a lamborghini at the time so you know he draws into the car park. We had some premises at Barnsley. He draws in late in this lamborghini and everyone is sort of you know and he walks in, suit just come out of somewhere in Saville Row, shoes something like a crocodile skin or something you know this guy looked a million dollars and you are thinking I wonder whose million dollars it was.

VB: It was yours obviously.

JB: Because he was a ropey operator and I do not know how he ended up. He used to live in Sheffield but sort of like Sale, Denton and Droydsdon are all Manchester, Greater Manchester. Manor Park is Sheffield and Thorn is well not far from us. They are Selby and Goul. So it was a weird sort of set of offices to get but he just did nothing. He was not interested in really complying or anything like that but yeah when that lot went missing (recording 10 : 21:20).

VB: Well I think that was 2009.

JB: I could tell you because I could go and find the files.

VB: I could as well actually.

JB: And of course at the time I think it was this one. I think our legal services people were saying well hang on you know are you really wanting to take him out of the other offices because all of the loss was in two offices because the contracts are all standalone aren't they?

VB: Yeah because I think you took him out of I think there were three that were franchised.

JB: Yeah Sale, Droydsdon and Denton were franchises.

VB: And then there were two subpostmaster and I not sure he got taken out of the subpostmaster ones as least not to start with.

JB: No he did because I know our legal services people said because the contracts were all individual contracts there is no co link between them but custom and practice was oh we should bring them out of the lot. So we brought him out but when we did the termination well hang on you cannot terminate him there. I said you think I will terminate where the £400,000 has gone missing and not terminate him somewhere else you are joking I am not going to risk that and so we just terminated the lot. You have gone pale look. No retribution it is early nine years ago.

VB: It was nine years ago yeah.

JB: But yeah we took him out of the lot.

VB: Because there was another one around the same time Counter Operations Limited or something Counter Management Limited but I think that was on Lynne's patch but that was a liquidation and I think there was a question there about whether or not we could take them out. (recording 10 : 23:07) liquidated. There was some question there anyway similar to the contract thing.

JB: Yes because I think the problem was the argument they kept given us that there was no link between these contracts apart from the same operator but there is nothing in that says if the first domino falls the others go with it irrespective of what is going on but custom and practice have always been you can take them out. I think it does not help because some of them were franchises and some of them were STSA's as well.

VB: Yeah I cannot remember whether it was us advising on that or not. I think we got involved after he was terminated.

JB: Yeah I think it was Mandy somebody in legal services.

VB: Mandy Calvert?

JB: That is it you have got a brilliant memory for names. And that was before it was split wasn't it. This was well before Colin (recording 10 : 23:54).

VB: Yes it was because I think she went to Royal Mail but I think now in these days really you would rely on the dishonesty aspect under any of the contracts you would say if you have been dishonest under one then that shows you are dishonest so you are dishonest. That is what I would do anyway.

JB: I think we have taken advice on this I cannot remember who from.

VB: Well don't send an email.

JB: It wasn't you because we have had one of these lately and I cannot remember. Yeah I think it was 3.1.2 act honestly at all times in the operation of the branch because we had a branch there were two in Yorkshire, one was run by company A and the other one was run by company B but the directors were exactly the same. Branch A £154,000 walked out. Branch B no problems so we pulled them out of both because there was a rat in it somewhere no no no I don't know where it has gone. £154,000 bloody hell you would trip over it wouldn't you if it was sat in front of you you would think oh my god look at it. Anyhow we had this debate I cannot remember who said but it was somebody in your firm I do not know it was not Kate Steel unless it was Alesha that said if you can demonstrate that and that is why we have linked it together and I will use that again in future.

VB: And I think the other one I would use is the one where it says about owing money. I think you can probably because you know you have to make it good immediately to Post Office.

JB: 16 our right to terminate. Do you mean that 16.2.15 or 16.2.16.

VB: I am not sure. I am not as familiar with these mains and locals as I was with the franchise agreements but the one where it says that if you owe money to Post Office you have to make it good immediately but if you owe money under a different contract you still owe them money but that is not quite the same because that is two different entities you are talking about that's another one that is quite good for pulling out of a number of them at the same time.

JB: Yeah that was the problem there. So the £154,000 we cannot find it right. You would think it is not small is it? So probably about four or five weeks later we get a call and the security team go down and one of my guys goes down and in the basement in a mail bag there is £150,000 and they reckon it was there all the time. I have never seen a cleaner basement in all of my life. If you did not see that when you went down there on the first day it definitely was not there. There was nothing in it.

VB: So someone has sort of broken in and put in back?

JB: Either that or it has been out on tour and it has come back.

VB: On tour I like that.

JB: We have got a lot of money (recording 10 : 27:06). Depending on what sort of tour you set up and how quickly it can come back so if you are a really good tour operator you can get it back on the same day as the audit but if you are not a good tour operator you are out down the road.

VB: That's a really good way of putting it I like that, that is brilliant.

JB: So we can use that then if I end up as a witness we just use that.

VB: Yeah we might use that bit money out on tour. I really like that.

JB: Well some of the money that is missing at the moment you know it's like the lady who put £41,000 in the bin. Come on.

VB: I do that every day.

JB: No but you know even if it was in £50 notes it is a couple of £50 notes isn't it and they will not have that much in fifties in an office so you would think. You just one day perhaps I just need to write a book of excuses given of why money was missing.

VB: That would be quite funny. I am going to stop the recording. It is 3.45pm.