

Witness name: Melanie Park

Statement No: WITN11600100

Dated: 22 August 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MELANIE PARK

**ON BEHALF OF POST OFFICE LIMITED IN THE POST OFFICE
HORIZON IT INQUIRY**

I, Melanie Park, of 100 Wood Street, London, EC2V 7ER, will say as follows:

INTRODUCTION

- 1 I am the Central Operations Director within Post Office Limited ("**Post Office**"). I report into the Interim Chief Operating Officer, Neil Brocklehurst and am a member of the Post Office Leadership Team. My areas of responsibility cover the Branch Support Centre, the Network Monitoring and Reconciliation Team, the Network Support and Resolution Team, the Branch Planning, Operations & Communications Team. All of these exist to provide operational support to branches.
- 2 This witness statement has been prepared to assist the Post Office Horizon IT Inquiry (the "**Inquiry**") with matters set out in two requests made by the Inquiry under Rule 9 of the Inquiry Rules 2006:
 - (a) Rule 9 Request 57 dated 12 June 2024 ("**R9(57)**"); and

(b) Rule 9 Request 58 dated 2 July 2024 (“**R9(58)**”)

(together, the “**Rule 9 Requests**”).

3 The Rule 9 Requests sought witness statements from individuals presently involved in the matters underlying questions set out in their respective Annexes.

4 This statement addresses the questions from the Rule 9 Requests set out in the table below:

Rule 9 Requests	Questions	Section of this statement which addresses them	Paragraph references
R9(57)	Question 4	Civil recovery	Paragraphs 24 to 28
R9(57)	Questions 13 to 16	Branch assurance visits (“audits”)	Paragraphs 56 to 70
R9(57)	Questions 21 to 24	Civil recovery	Paragraphs 29 to 37
R9(58)	Section D, Questions 26 to 34	Investigating and resolving discrepancies	Paragraphs 99 to 184
R9(58)	Section E, Question 35	Reduction and identification of potential discrepancies	Paragraph 98

R9(58)	Section E, Questions 36 to 40	Investigating and resolving discrepancies	Paragraphs 185 to 207
R9(58)	Section F, Questions 41 to 42	Transaction corrections	Paragraphs 208 to 217
R9(58)	Section F, Question 46	Postmaster complaints policy	Paragraphs 218 to 239

5 I understand from Burges Salmon LLP and Fieldfisher LLP (together “**BSFf**”), who are assisting Post Office in relation to the Inquiry, that other Post Office individuals will address the other questions set out in the Rule 9 Requests.

6 This statement is split into the following further sections:

- (a) Definitions
- (b) Key documents and policies
- (c) Civil recovery
- (d) Branch assurance visits
- (e) Reduction and identification of potential discrepancies
- (f) Investigating and resolving discrepancies
- (g) Transaction corrections
- (h) Postmaster complaints policy

- 7 To make clear which questions I am answering in each part of this witness statement, I have copied or paraphrased (where clearer in the context to do so) the relevant questions into the sub-headings of the sections of this witness statement that answer each question.
- 8 The facts and matters set out in this witness statement are complete and accurate to the best of my knowledge and belief.
- 9 Where my knowledge and belief has been materially informed by another person or by documents that I have reviewed, I acknowledge that person or those documents.
- 10 Throughout this statement I refer to the use of Horizon data. Many Post Office processes utilise Horizon data as it is a major data source within the organisation. Other Post Office staff would be better placed than I am to provide evidence in relation to the technical aspects of the reliability of the Horizon system.
- 11 BSFf have assisted me in the preparation of this witness statement.

DEFINITIONS

- 12 I use the following defined terms in this witness statement (some other terms are defined in context within the body of this witness statement):
- (a) “**ARC**” means Post Office’s Audit, Risk and Compliance Committee.
 - (b) Discrepancy is used in the same way as in the Postmaster Accounting Dispute Resolution Policy and the Postmaster Account Support Policy **[POL00448229]** **[POL00448000]**, namely: “any

difference between (i) the actual cash and stock position of a branch and (ii) the cash and stock position shown on Horizon as derived from transactions input by branch staff into the branch's terminals" which may be negative or positive.

- (c) "**CIJ**" means Judgment (No.3) "Common Issues" in *Bates and others v Post Office Limited* [2019] EWHC 606 (QB).
- (d) I use "**Postmaster**" and "**Postmasters**" to refer to independent Postmaster businesses operating under a Post Office franchise contract. Post Office, as a corporate body, operates a network of over 11,600 branches, the majority of which, save for 114 Directly Managed Branches, are operated by self-employed, independent businesspeople and companies¹.
- (e) "**NFSP**" means the National Federation of Sub-Postmasters.
- (f) "**NSRT**" means the Network Support and Resolution Team, which includes the Postmaster Account Support Team ("**PAST**"). NSRT and PAST are described in further detail below in the context of my response to Rule 9(58) question 26.
- (g) "**RCC**" means the Risk and Compliance Committee.
- (h) "**Rule 9 Start Date**" means 8 July 2013 (I understand from BSFf that my colleague, John Bartlett, explains the basis for Post Office using this date at paragraph 83 of his second witness statement).

¹ Sub-Postmasters and Sub-Postmistresses are both types of "Postmaster", but a Postmaster can be a limited company, partnership, or limited liability partnership, as well as an individual that contracts with Post Office as a postmaster in the Network.

- (i) Shortfall is used to refer to a negative discrepancy (i.e., where the actual cash and stock position of a branch is less than the cash and stock position shown on Horizon as derived from transactions input by branch staff into the branch's terminals).
- (j) Transaction corrections is used in the same way as in the Network Transactions Corrections Policy **[POL00460566]**, namely: *"corrections to errors made in branches, or by other Post Office areas, that have been (i) identified in the reconciliation between files received from third parties (clients or suppliers), or cash and stock centres, and the data recorded by the branch in Horizon, or (ii) caused by mis-keys notified by the branch or a third party/client, or (iii) to provide funds to the postmaster in some cases where repayment is required"*.

KEY DOCUMENTS AND POLICIES

- 13 I have been asked by BSFf to state that I am not authorised by Post Office to waive any legal professional privilege that belongs to Post Office.
- 14 I understand that the Inquiry wishes only relevant and key documents to be produced as exhibits to this witness statement. I have sought to take a common-sense approach to what would objectively be considered key by reference to the potential for the document to inform the Inquiry or assist its understanding of my narrative evidence.
- 15 At this stage of my evidence, I consider it would assist the Inquiry to explain that Post Office has a suite of Postmaster Policies, each setting out

guidelines on how Post Office should support Postmasters (and their assistants) across a number of key areas. Each policy captures minimum operating standards that Post Office should adhere to, ensuring that it meets its business objectives and responsibilities to Postmasters within a clearly defined risk and governance framework:

- (a) Postmaster Onboarding
- (b) Postmaster Training
- (c) Postmaster Complaint Handling
- (d) Network Monitoring and Branch Assurance Support
- (e) Network Cash and Stock Management
- (f) Network Transaction Corrections
- (g) Postmaster Account Support
- (h) Postmaster Accounting Dispute Resolution
- (i) Postmaster Contract Performance
- (j) Postmaster Contract Suspension
- (k) Postmaster Contract Termination
- (l) Postmaster Contract Termination Decision Review

16 Each of these policies has been produced to the Inquiry **[POL00448294]; [POL00448207]; [POL00447972]; [POL00448252]; [POL00448331]; [POL00460566]; [POL00448000]; [POL00448229]; [POL00448204]; [POL00448254]; [POL00448206]; and [POL00448205].**

- 17 Each of the twelve postmaster policies are updated by the business on an annual basis and formally approved for use by the Audit and Risk Committee (ARC). Prior to submission to ARC, each policy is reviewed and agreed with the National Federation of Postmasters (NFSP), with feedback also obtained from the Postmaster Experience Director, a serving Postmaster working within Post Office. One of Post Office's Postmaster Non-Executive Directors will also approve the new policies as a core member of ARC.
- 18 The policies themselves are currently Post Office's internal documents but a summary of each of the policies is available in the Postmaster Guide to Policies section of the Postmaster Support Guide **[POL00448077]**. This is available to view on an information platform known as Branch Hub, accessible to all Postmasters.
- 19 For completeness I note I am aware of the Common Issues Judgment Assurance Review dated 31 July 2023 completed by colleagues from Group Assurance. This identified a number of recommendations. I understand from my colleague Tracy Marshall that the Retail Team have provided regular updates to ARC on the improvements implemented to date, including at the most recent ARC meeting which took place on 1 July 2024.

CIVIL RECOVERY

- 20 Rule 9(57) questions 21 to 24 concern "*civil enforcement action*". I understand civil enforcement action to mean the use by Post Office of the

Courts to require Postmasters to pay sums to Post Office pursuant to a court order (by consent or otherwise).

- 21 At the outset of this section, and before addressing individual questions, I consider it is important for the Inquiry to be aware that Post Office does not currently have a team (or any individuals) taking civil enforcement action against Postmasters to recover Shortfalls shown by Horizon and, for the avoidance of doubt, at present no civil enforcement action relating to any shortfalls is being carried out against Postmasters.
- 22 While I appreciate that Rule 9(57) question 4 seeks historical data (and I have addressed that question accordingly), I also understand that, in relation to Rule 9(57) questions 21 to 24, the Inquiry is interested in the current position on civil enforcement action. This witness statement is drafted on that basis. If the Inquiry is interested in the historical position, I would defer to others who have provided evidence on it during previous phases of the Inquiry, including current and former Post Office staff such as Alison Bolsover, Michelle Stevens, Mandy Talbot, Andrew Winn and Rodric Williams. They might be able to provide some evidence from direct knowledge (albeit possibly limited due to the elapse of time), whereas I only joined Post Office in October 2022.
- 23 However, I have been told by colleagues from Post Office's Remediation Unit there are some extant charges and some repayments being made relating to legacy civil enforcement activity. I am not able to provide further detail about that and I am not the person currently involved in any work within Post Office relating to those facts/matters.

Rule 9(57) question 4: The number of civil claims pursued by POL based on Horizon data since the Rule 9 start date, the quantum and the outcome of those claims including payments of legal costs by parties.

- 24 I am informed by colleagues from Post Office's Remediation Unit that Post Office has some legacy data reflecting Post Office civil enforcement activity from around and after the Rule 9 Start Date. However, I understand owing to the incompleteness of records, changes over the years to relevant team(s) involved in civil enforcement activity and the fact that many of those individuals no longer work at Post Office, those informing me have been unable to establish and assure the source(s), completeness and accuracy of this data.
- 25 The data that has been identified indicates that Post Office was successful in obtaining civil remedies (i.e., County Court Judgments and interim Charging Orders in Post Office's favour) against Postmasters in fewer than 100 instances since the Rule 9 Start Date.
- 26 However, the Post Office data does not indicate which (if any) of these claims were based on Horizon data. Additionally, the data does not record additional claims that were advanced (and potentially issued) in which Post Office was unsuccessful or obtained remedies without a Court order since the Rule 9 Start Date.
- 27 Accordingly, I cannot affirm that the above information is comprehensive or wholly accurate. It is the best answer I can provide based on Post Office's data that has been identified and the information provided by the Remediation Team.

28 For that reason, Post Office has reached out to those of Post Office's former external advisors that I understand from others were instructed on this type of activity to ask them to review their records. At the time of finalising this witness statement, Post Office has not received all the information it has sought. I will update the Inquiry once I am able to do so, particularly if it appears to contradict the response I have provided above.

Rule 9(57) question 21: Key guidance, training or instruction (applicable in any of the four countries of the United Kingdom) given to those responsible for taking civil enforcement action to recover shortfalls shown by Horizon.

29 On the basis that there is nobody within Post Office currently taking such civil enforcement action and there has not been since I joined Post Office, I confirm that there is no such guidance, training or instruction to identify.

Rule 9(57) question 22: The experience, expertise and qualifications of those responsible for taking civil enforcement action to recover shortfalls shown by Horizon (or, any minimum level that is required, if any).

30 As Post Office does not currently have any team or individuals taking civil enforcement action to recover shortfalls shown by Horizon, there are no relevant requirements of experience, expertise or qualifications to identify.

Rule 9(57) question 23: Which department(s) hold responsibility for making determinations in relation to the bringing of civil enforcement action against subpostmasters to recover shortfalls shown by Horizon, and who is responsible for the management and oversight of that department?

31 There is no such current department or team and no such department or team has been involved in that sort of activity since I joined Post Office.

Rule 9(57) question 24: Key reports, reviews, formal legal advice or investigations (produced by POL or by an external firm on POL's behalf) which address the fairness and / or appropriateness of taking civil enforcement action against subpostmasters to recover shortfalls shown by Horizon.

32 I cannot give any evidence from direct knowledge in relation to historical civil enforcement practices at the Post Office as I only joined Post Office in October 2022. However, I understand from discussion I have had with colleagues and documents I have seen since I joined Post Office that by 2019 Post Office stopped taking civil enforcement steps to recover losses from Postmasters. As discussed below in my response to Rule 9(58) question 26, there are cases where a Postmaster agrees to repay shortfalls voluntarily and proceeds to do so.

33 In January 2021, Post Office commissioned Deloitte to review the extent to which the Post Office had moved towards its goal of "*putting Postmasters at the heart of the business*". Deloitte's resulting Postmaster Journeys Report (March 2021) set out a finding at [POL00448058] that:

"Where a branch loss is established, POL processes are not in place to reclaim such losses. For example, if there is an instance where a PM intentionally misappropriates POL funds and admits to doing so, clear and consistent POL processes are not in place to reclaim the balances accordingly. This creates a risk that PMs are not treated

consistently and / or fairly by POL, with some PMs choosing to make payments for established losses, whereas others do not."

- 34 Deloitte recommended that Post Office should *"agree a set of processes for recovering established losses, as per POL's vision and risk tolerance"*.
- 35 Post Office has also engaged with other professional advisers in relation to its conformance with the CIJ's key legal findings. I understand from BSFf that Post Office has not waived any relevant legal professional privilege in relation to that engagement.
- 36 Post Office has been reviewing its model for recovering shortfalls, giving a lot of thought to the unintended possibility of unfairness between Postmasters (arising from the practice of recovering where a Postmaster agrees to make repayments but not taking civil enforcement action against a Postmaster who does not agree to or actually make repayments and/or from not making that approach fully clear to Postmasters) and ways to mitigate any such adverse impacts on Postmasters.
- 37 The latest status of that work is reflected in a presentation by the Interim Chief Operating Officer, Neil Brocklehurst to Post Office's Strategic Executive Group ("**SEG**") on 17 July 2024 (for which I exhibit the slide deck at [**POL00448362**]). This presentation:
- (a) outlined the current model under which shortfalls are recovered with a Postmaster's voluntary agreement;
 - (b) identified possible risks associated with the current model, including that Post Office considers that this model may gave rise to the risk

of an unfair and inconsistent experience between Postmasters and is presently reviewing different options to mitigate this risk; and

- (c) set out proposed next steps to explore options to mitigate these risks with a view to making a recommendation to the Board.
- (d) As recorded in the meeting notes **[POL00448520]**, these options (and others) were considered. SEG agreed the recommended option set out in the slide deck “was the right direction of travel”. Further work and analysis are required before a final decision on the model can be made.

BRANCH ASSURANCE VISITS (“AUDITS”)

- 38 The Inquiry has used the term “*audits*” in relation to Rule 9(57) questions 13-16. Post Office does not carry out audits on branches. The Branch Assurance Team attend a branch to count the physical cash and stock and establish whether that agrees with what is recorded on Horizon.
- 39 This was previously referred to as an audit by Post Office and subsequently has been referred to as a Branch Assurance Visit. In late July 2024, the name of these visits was changed (by Post Office’s Head of Operational Excellence) to “*Stock Checks*” (see **[POL00448356]**). However, for the avoidance of doubt, the scope of these visits has not been narrowed: the visits encompass more than a simple “stock take” (in the sense of how the term is usually understood) as they also involve providing support to the Postmaster. These changes simply reflect changes in Post Office’s

terminology. Please see paragraphs 43 - 56 below for more detail about the nature of these visits.

- 40 I understand from Post Office's Head of Operational Excellence this is part of a broader rebranding of the Branch Assurance Team to the Operations Support Team, intended (among other things) to emphasise the Postmaster support role which the team members already provide (for example, as described in paragraphs 45 - 53 below) and training rolled out in recent years to emphasise the behavioural standards expected of Post Office staff (for example, as described in paragraph 65 below). I am further informed by the Head of Operational Excellence that the documentation used by the team is undergoing review (expected to complete around end-September 2024) to reflect this. For ease of reference and consistency with the currently used documentation, which I exhibit, I will continue to use the term "*Branch Assurance*" in my witness statement.

The Branch Assurance Team

- 41 The Branch Assurance Team holds the responsibility for conducting cash and stock checks (Branch Assurance Visits) and this team is headed by the Head of Operational Excellence. The Head of Operational Excellence reports into the Director of Retail Operations, Pete Marsh who reports to the Interim Chief Operating Officer, Neil Brocklehurst. Any changes to Branch Assurance processes and procedures are approved at the Retail Committee and any significant changes to the policy are approved by RCC and ARC.

- 42 There are currently 18 Branch Assurance Advisors who cover all 4 countries of the United Kingdom (see **[POL00448224]**). The Branch Assurance Advisors work in pairs to undertake the Branch Assurance Visits (with 1 person being assigned the role of Lead Branch Assurance Advisor). The Branch Assurance Advisors report into 2 Team Leaders, who cover half of the country each, and whose main role is to observe and coach the Advisors to deliver quality and consistency across all visits. The Team Leaders report into the Branch Assurance Manager. In addition to this, there are 3 colleagues whose role is to schedule the visits with the Postmasters. They are called the Operational Support Administration Team.

The Branch Assurance Visit

- 43 A Branch Assurance Visit is performed by the Branch Assurance Team where:
- (a) Network Monitoring activity has identified stock or cash may be at risk;
 - (b) A Postmaster's contract is terminated (by either party);
 - (c) Following a security incident where the loss is suspected to be greater than £5,000, such as a robbery or burglary, at a branch; or
 - (d) A Post Office colleague has flagged to the Network Monitoring team a concern e.g. lack of engagement with the cash management team or a growing amount of excess cash.

- 44 In general, for a business-as-usual risk-based visit, the visit will occur within 5 to 7 weeks. However, dependent on the specific circumstances, we might choose to expedite the visit. For example, in the case of a security incident where losses are suspected to be over £5,000, we will aim to complete a visit within 48 hours so the branch can recommence trading.
- 45 The Operational Support Administration Team will attempt to book the visit and contact the branch in advance to agree a suitable date. The current position is that, if a Postmaster does not engage with the request for Post Office to complete a Branch Assurance Visit, the Operational Support Administration Team will continue to attempt to contact the Postmaster to agree a convenient time for a visit. If a Postmaster has failed to engage or cancelled the visit on a number of occasions, Post Office may choose to notify a branch of a visit date without the requirement to gain agreement from the Postmaster.
- 46 In the past year there have been two unannounced visits which took place in exceptional circumstances with sign off from the Chief Executive Officer, Nick Read. These were due to suspected extreme breaches of contract.
- 47 Post Office is currently reviewing the circumstances where an announced visit may not be the most appropriate cause of action. The intention is for there to be a three-tier process: (i) announced visits (as is current practice); (ii) notified visits, whereby Postmasters are informed that a visit will be taking place on a specified date; and (iii) unannounced visits, with a clear governance protocol as to how and when these may be required. Both

Retail Committee and the NFSP have approved the proposal, and a paper will be taken for SEG approval in September 2024.

- 48 A rationale document (**[POL00448357]** is a pro forma version) is produced by the Network Monitoring Team on the reason a visit has been requested. This is provided to the Postmaster or their representative both before and at the outset of the visit. The Branch Assurance Advisors engage with the Postmaster or their representative throughout the visit and, as a minimum, will talk through the rationale document. There is a script to ensure the Branch Assurance Advisors cover certain key points, for example the purpose of the visit and the support available, although this is still an open conversation between the Advisor and the Postmaster. A copy of the Script can be found in Chapter 2 of the Branch Assurance 'Chapters' at section 7 **[POL00448200]**. More information on the importance of the Chapters is set out below (the Chapters are presently undergoing review by the Head of Operational Excellence as part of the renaming of Branch Assurance to Operational Support and to reflect the behavioural expectations communicated to the team in recent years). Throughout the visit, the Branch Assurance Advisors will provide regular updates to the Postmaster.
- 49 Branch Assurance Visits are solely focussed on performing a full cash and cash equivalent stock count, comparing those totals with the balance recorded on the Horizon system for that branch, and providing support to the Postmasters. This will identify if there is a discrepancy. However, no attempt is made during the branch assurance visit to engage with the

Postmaster around the reasons why that discrepancy may have occurred.

- 50 I am informed by Post Office's Head of Operational Excellence of the following practice. No Postmaster's documents are removed from their branch as part of a Branch Assurance Visit. The Branch Assurance Advisors, however, print off reports from Horizon (a branch snapshot) and use "working papers" to record counted cash and stock. This assists the Branch Assurance Advisors to compare the counted cash and stock to the branch snapshot. The working papers and Horizon print outs are then included in the case file. Post Office is currently digitising this process, so paper documents can be scanned and uploaded to the case file in Microsoft Dynamics, before being safely destroyed, to mitigate the risks of holding paper copies. A copy of a Branch Assurance Visit findings letter (for which I describe the content in paragraph 53 below) will be left with the Postmaster on the day of the Branch Assurance Visit. The Branch Assurance Advisor will aim to send the full visit report by email to the Postmaster within 48 hours of a Branch Assurance Visit.
- 51 In addition to a Branch Assurance Visit, the Branch Assurance Advisor might also support a branch to improve operational processes via a face-to-face visit or telephone call.
- 52 If a discrepancy is identified by a Branch Assurance visit, the Branch Assurance Advisor will log on to the branch Horizon system using their own Horizon ID to update the cash and stock holdings on the branch Horizon system. As such, the discrepancy is declared and the surplus or shortfall is

then settled to the final account. This follows a similar process to the review or dispute (“**RorD**”) function (discussed below in the Investigating and Resolving Discrepancies section of my witness statement), moving that discrepancy onto the branch account following which the business-as-usual process in the Network Support and Resolution team is started. The process of reviewing a branch discrepancy by the Network Support and Resolution team is considered in more detail in response to Rule 9(58), question 26. If a Postmaster does not agree with the discrepancy described in the Branch Assurance Visit findings letter, they can dispute the finding with the NSRT (following the NSRT process described in response to Rule 9(58) question 26).

- 53 During a visit, the Lead Assurance Advisor will give the Postmaster a Branch Assurance Visit findings letter [**POL00448253**] explaining the variance between the total of physical cash and stock found and that recorded on Horizon i.e. the discrepancy, the support available, the complaints process and appropriate next steps. The form also gives Postmasters an opportunity to give feedback on the Branch Assurance Visit and their experience with the team [**POL00448253**]. In July 2024, 34 Branch Assurance Visits were completed, and 14 responses were received to the feedback request. Of these 14 responses, 12 visits were ranked as ‘excellent’, one was ranked as ‘very good’, and one was ranked as ‘good’.
- 54 Whilst the terminology has changed (from “*Audit*” to “*Branch Assurance*” and now to “*Operations Support*” visit) the activities of counting the physical cash and stock in a branch and comparing it to that recorded on the Horizon system is fundamentally the same. Rather, it is the implications of a

discrepancy being identified and the guidance as to how Post Office staff must engage with Postmasters which have changed. As I mentioned above, if a discrepancy is identified (surplus or shortfall) the balance is updated on the branch Horizon system by the branch assurance advisor, which will move the discrepancy onto the branch account and ensure Horizon, and the physical cash and stock in branch, balance. The discrepancy will then follow the same review process in the NSRT as when a Postmaster uses the Review or Dispute function to declare a discrepancy at trading period end (detailed in response to Rule 9(58) question 26).

- 55 It is not the responsibility of the Branch Assurance Advisor to ascertain from the Postmaster any details of how the discrepancy might have arisen as this will be done during the Network Support and Resolution review. I would also like to make clear that no member of any team that might ultimately investigate a discrepancy arising from a Branch Assurance Visit will be present during the Branch Assurance Visit.
- 56 As illustrated in paragraph 65, Branch Assurance Advisor training is focussed as much on how they should conduct themselves during a visit, as the practical steps to carrying out the count. Feedback is requested on all visits via the Branch Assurance Visit form (see paragraph 53 for recent examples of such feedback) and action is taken when this feedback suggests that the conduct of the Branch Assurance Advisor was not in line with Post Office's expectations. In addition, Post Office no longer assumes any shortfall identified is the fault of the Postmaster and/or their assistants and therefore that they have a liability to repay. Where the Postmaster is

willing, the discrepancy review process is conducted with input and collaboration from them, and findings are shared at the end of the review.

57 I trust that the context in this substantive introduction will assist the Inquiry's understanding of my answers to Rule 9(57) questions 13-16, which are set out below.

Rule 9(57) Question 13: Key guidance, training or instruction (applicable in any of the four countries of the United Kingdom) given to those responsible for conducting audits of branch accounts currently in force.

Induction

58 When a new person joins the Branch Assurance team, they follow a documented induction training programme **[POL00448256]**, in addition to their Post Office-wide training. All of the current Branch Assurance Advisors have had prior knowledge of Post Office operations and completed the Post Office-wide training. For the avoidance of doubt, the whole Branch Assurance Team will have completed these training modules.

59 Upon joining the team, the new joiner is assigned a buddy who is a more experienced member of the Branch Assurance Team. The more experienced Branch Assurance Advisor manages face-to-face interaction and assurance visits in the first few weeks, with the new joiner observing.

60 The Branch Assurance Advisor Induction and Training plan **[POL00448256]** sets out the training for a new starter. There have been

no new starters in the team since this was last updated (January 2023) and it will be updated when next required.

- 61 Following the completion of the induction training, the new starter is assessed (on an informal basis) by their Team Leader, until they reach a stage when the Team Leader agrees they are able to take lead of a Branch Assurance visit.

Training or instruction

- 62 The Network Monitoring and Branch Assurance Support Policy **[POL00448252]** contains the principles, risks, controls and procedures relating to Branch Assurance activity. The process for carrying out a Branch Assurance Visit is detailed in the Chapters (for example, Branch Assurance Chapter 2 at **[POL00448200]**; Branch Assurance Chapter 5 at **[POL00448201]**; and Branch Assurance Chapter 6 **[POL00448202]**), which are an operating guide for all Branch Assurance work, although the majority of the training is practical and involves shadowing a Lead Assurance Advisor and receiving feedback from the Team Leaders. Post Office's Retail Engagement Director, Tracy Marshall is the Policy Owner responsible for making sure that the content is up to date and capable of being executed. Post Office's Central Operations Director (currently me) and the Retail Operations Director, Pete Marsh have joint accountability to the Board of Directors for the design and implementation of controls and to manage risk, assure levels of cash and stock and reduce discrepancies and losses in the network. After each review, the Branch Assurance

Advisors are informed of the key changes and receive annual training on the Network Monitoring and Branch Assurance Policy.

- 63 The Team Leaders provide ongoing support and feedback to the Branch Assurance team. Feedback and improvement actions are given to individuals based on the findings. Individuals requiring further development following a quality assurance review will receive bespoke training.
- 64 There is a weekly call to provide team training and updates to the Branch Assurance Team. This is recorded to ensure anyone absent receives the same training.
- 65 Reflective of the cultural shift within Post Office as to how staff are trained to engage with Postmasters:
- (a) In July 2023, Post Office provided training to members of the Branch Assurance Team and Contracts Team to reemphasise the supportive behaviours to be provided to Postmasters and lessons learned from the evidence provided in the Inquiry's hearings [POL00448047].
 - (b) In May 2024, Post Office launched a charter for the Branch Assurance Team, which expressly sets out the behaviours the team is expected to demonstrate in its interactions with Postmasters [POL00448199].

Rule 9(57) question 14: The experience, expertise and qualifications of those currently responsible for conducting audits of subpostmasters' branch accounts (or, any minimum level that is required, if any).

66 Whilst the current Branch Assurance Advisors all have experience at Post Office, this is not a role that requires any professional qualifications and expertise. As part of the recent rebranding, an updated job description was circulated to Branch Assurance Advisors [POL00448356]. This requires the Branch Assurance Advisors to be “*Highly skilled in Horizon day-to-day operations and back-office accounting*” as well as have “*proficiency in Microsoft office applications*”. The job description also sets out the soft skills required for this role.

Rule 9(57) question 15: Which department(s) hold responsibility for conducting audits of subpostmasters’ branch accounts and who holds responsibility for the oversight and management of that department?”

67 Please see paragraphs 41 - 42 in the introduction to this section, which answer this question in context.

R9(57) question 16: Key reports, reviews and file reviews, formal legal advice or investigations (produced by POL or by an external firm on POL’s behalf) which address the quality of the audits conducted in respect of subpostmasters’ branch accounts.

68 A Branch Assurance Visit Alignment Meeting takes place every week between the Heads of and/or Senior Managers from Operational Excellence (representing Branch Assurance), Network Monitoring, Network Resolution, Contracts, Training, Assurance & Complex Investigations and Financial Crime. The terms of reference for this meeting can be found at [POL00448255]. This forum offers the opportunity to discuss Branch Assurance Visit findings, and the specific circumstances of

future Branch Assurance Visits to agree the visit approach. This meeting enables coordinated support for Postmasters across multiple teams and introduces an element of case management by bringing together key stakeholders.

69 Quality Assurance is conducted by Team Managers on all Branch Assurance Advisors. Feedback and improvement actions are given to individuals based on the findings [POL00448203].

70 The Deloitte Postmaster Journeys Report [POL00448058] also considered Branch Assurance Visits. Post Office Group Assurance carried out a review of CIJ actions which took into account that external advice, amongst other things.

REDUCTION AND IDENTIFICATION OF POTENTIAL DISCREPANCIES

71 In this section, I have set out a detailed introduction. The context in that introduction means that I have been able to address the Inquiry's request in Rule 9(58) question 35 briefly and should assist the Inquiry's understanding of the subsequent section (Investigating and Resolving Discrepancies), in which I address the Inquiry's requests in Rule 9(58) questions 26 to 34 and 36 to 40. I hope that this approach assists the Inquiry.

Introduction

72 Since the CIJ Post Office has introduced and improved processes (many of which are set out in Postmaster Support Policies) to provide Postmasters with operational support and as such try to reduce the likelihood of potential

discrepancies occurring (or reducing their severity) in the ways set out in the next sub-sections.

Risk modelling process conducted by Post Office's Network Monitoring Team

73 Post Office describes the purpose of the Network Monitoring activity as helping to ensure branches follow the correct operational processes and as such reduce the likelihood of cash and stock discrepancies occurring, as well as identifying discrepancies as soon as possible. Network Monitoring is in place to identify branches where the integrity and accuracy of cash and stock, in that branch, could be at risk due to a lack of compliance with the required operational processes. This monitoring activity can lead to a number of interventions (including Branch Assurance support)² which are designed to help the branch improve compliance and, where necessary, resolve any associated issues identified during the intervention.

74 The Network Monitoring Team is part of Central Operations and led by the Head of Network Monitoring and Reconciliation. On a day-to-day basis, the Operations Manager – Network Monitoring and Support is responsible for assuring the effectiveness of the processes, tools and activities of the Network Monitoring team (a Team Leader and nine Advisors). The Network Monitoring Advisors, supported by the Team Leader, will carry out desk-based reviews into branch accounts using branch data to identify potential accounting and compliance issues. They will work with Branch Assurance Advisors, the Postmaster and other internal and external teams to review

² A list of possible interventions is set out below at paragraph 77.

any identified issues, explain potential areas of concern, and agree with the Postmaster solutions to any issues found in order to remedy the situation **[POL00448252]**.

- 75 The desk-based reviews are initiated by the Network Observation Monitoring Analysis Dashboard (NOMAD) an internally created application built on SQL Server Reporting Services (SSRS) which assesses compliance to a number of branch operational processes and ranks branches most at risk from failure to comply with each process **[POL00448252]**.³ The NOMAD data is refreshed each week and as such the metric rankings are re-calculated on a weekly basis. The high ranking branches for each metric are assigned to an advisor to complete the full desk top review (a case is created for each in Dynamics) in which the advisor will review trends and patterns for that specific input measure and consider all of the other metrics in NOMAD in order to understand the full operational health of that branch and make informed recommendations to address issues or concerns identified with the Postmaster. All data and actions taken in relation to that case, including phone calls made to the Postmaster and the record and results of any visits made, are recorded against the case in Dynamics.
- 76 The Network Operational Risk Model (NORM) is an Excel based model that monitors metrics focussed on the branch operational processes designed to help branches identify potential discrepancies in a timely

³ Metrics included in NOMAD data are reversals volume and value; spoilt postage labels; rejected postage labels; cash bagged up and prepared to be dispatched to the cash centre; cheque adjustments; cheque totals not yet received for processing; failed cash declarations; differences between declared cash totals and the system generated figure; value of £100 notes declared on Horizon (should be returned to the cash centre); value of unusable notes declared on Horizon (should be returned to the cash centre); value of £50 notes declared on Horizon (should be returned to the cash centre); excess cash; stamp adjustments; and trends in discrepancies.

manner and, as such, be able to either resolve themselves, in branch, or seek support from Post Office teams on a timely basis.⁴ The model calculates a rolled-up score based on overall branch performance against each metric allowing for easier comparison with other branches or to track performance over time. The data in NORM is reviewed as part of the business-as-usual case review outlined in paragraph 74 above and is also used to select branches for trials/pilots and to focus the monthly Area Manager Operational Excellence visits (see paragraphs 82(c) to 82(g)).

77 Following the desk top review the advisor could make one of a number of recommendations including (see **[POL00448252]** page 17 and a letter template giving advice to a Postmaster following a Branch Assurance Visit: **[POL00448253]**):

- (a) Calling the branch to discuss a particular issue;
- (b) Directing the Postmaster to an online training module specific to the issue or more general back-office processes;
- (c) Requesting a Field Trainer visits the branch and delivers a face-to-face training update;
- (d) Scheduling a Support Call or Support Visit from a Branch Assurance Advisor;

⁴ Metrics included in NORM data are frequency of trading period balance completion; frequency of cash declaration completion; excess cash value; excess cash frequency; volume of transaction corrections; value of transaction corrections; volume of transaction corrections by product; Review or Dispute trading period discrepancy volume; Review or Dispute trading period discrepancy value; in branch trading period discrepancy volume; in branch trading period discrepancy value; account balance; and, open trading.

- (e) Ensuring the Area Manager/Business Support Manager are aware of the potential issues;
- (f) Requesting a Branch Assurance Visit to assure the value of physical cash and stock in branch (this process requires the advisor to complete a rationale document to detail why this course of action is deemed appropriate); and
- (g) Referral to a Contract Advisor for a follow up conversation about their contractual obligations.

78 The Network Monitoring Team Managers perform monthly monitoring of phone call activity between Postmasters and the Network Monitoring team. The Network Monitoring team, made up of nine advisors, makes on average 250 telephone calls to Postmasters each period. Team Manager's monitor four calls for each advisor each period and therefore, on average 14%, of the calls made by advisors to Postmasters are monitored by Network Monitoring Team Managers. The calls are selected at random and are assessed against nine specific competencies with a score recorded for each competency and an overall competency level for the call.⁵ Post office also monitors the Network Monitoring Team's output in relation to the number of branches monitored within a period and the number of branches contacted by telephone. First line monitoring of calls is performed by a Network Monitoring Team Manager and second line quality checks are

⁵ Network Monitoring Team Managers retain a coaching call log tracker in which are recorded observations by the Team Manager in relation to the competencies of the advisor and the coaching instructions and actions of the Team Manager. The nine competencies against which calls are assessed are knowledgeable, issue diagnostics, issue resolution, clear communication, active listening, confidence, positive language, advocacy and case review. There are five overall competency levels used: minimum standard, developing, competent, advanced, and aspirational. Call feedback is provided to the advisor at their bi-monthly meeting with their Team Manager.

performed by the A&CI (Assurance and Complex Investigations) Team. The A&CI Team conducts monitoring on 5 randomly selected cases for which the focus is on the way in which the Network Monitoring Advisors perform their role⁶. In addition to this, a sample of Dynamics cases are quality checked by the Team Managers each period. The Dynamics cases reviewed are chosen to include Branch Assurance Visit rationale documents and, of the approximately 175 cases per period, 4 cases per advisor per period are reviewed giving a review pool of approximately 20% of the total cases.

Branch Assurance Visits

79 A Branch Assurance Visit might be conducted by the Branch Assurance Team if certain events are triggered. A Branch Assurance Visit enables Post Office to assure the value of cash and stock in a branch, identify any potential discrepancy and support Postmasters with an appropriate intervention as described in paragraphs 38 to 57 above. I have set out more information on this team and Branch Assurance Visits in the relevant section above.

Operational Excellence Programme

80 Post Office's Operational Excellence Programme commenced in June 2023 with its objective being to review and improve the operational support provided to Postmasters during each stage of their journey with Post Office (i.e., Onboarding, Contracts, training, operating their branch (during the

⁶ The A&CI team assesses and scores the Network Monitoring team advisors performance against a set criteria relating to initiating the investigation, conducting the investigation, interaction with Postmaster (to include fact finding calls conducted with Postmasters), and case closure. An overall score and additional comments are also noted by the A&CI team.

first 6 months and after), managing discrepancies and data led interventions), and to improve the reporting and insight available to Post Offices about discrepancies. To start the programme, the processes involved in each stage of the journey were reviewed and those requiring improvement documented. This resulted in 2 outcomes both aimed at improving the operational health of branches and reducing the volume and value of discrepancies **[POL00448231]**:

- (a) Identification of significant system and process changes requiring additional funding and separate project status which are monitored, although not delivered, via the Operational Excellence Programme, including:

- (i) Note counter trial and roll out (see paragraphs 81(a) to 81(b) below);
 - (ii) Auto Stock Rem in (see paragraph 81(c) below); and
 - (iii) Operational Excellence Incentive (see paragraph 81(d) below).

and

- (b) Overseeing delivery of the functional business as usual improvement activity delivered within existing resource and budget, including, amongst others:

- (i) Review and relaunch of Operations Manual (see paragraph 82(a) below);

- (ii) Branch on a Page (branch level field management information) (see paragraph 82(b) below);
- (iii) Operational Excellence visits (see paragraph 82(c) to 82(g) below); and,
- (iv) End-to-end reporting of discrepancies (see paragraph 82(h) to 82(j) below).

81 As to those projects supporting operational excellence and requiring additional budget to deliver (see paragraph 80(a) above), the Operational Excellence Programme has monitoring, but not delivery, responsibilities for these. Such projects, that support Post Office's objective to improve the effectiveness of back-office processes and as such reduce discrepancies, are set out below:

(i) Note counter trial

- (a) Cash has historically been a significant cause of discrepancies. Put simply, a discrepancy can arise from the inaccurate processing of customer deposits and withdrawals and from inaccurate back-office processes when cash is passing between a branch and Post Office's cash centres. Historically, branches transacted a higher value of customer cash withdrawals than deposits (for example, paying out benefits and pensions) and as such more cash flowed from the Post Office cash centres to the branches. However, this trend has now reversed; exacerbated by the closure of high street bank branches, cash deposits now outweigh withdrawals. This

means branches are more at risk from fraudulent activity (i.e., counterfeit notes) and from mistakes when counting and returning these high volumes of cash to the cash centre, both of which could result in a discrepancy.

- (b) To try and mitigate this risk, Post Office is providing note counters to Postmasters to support them with more accurately transacting cash, both in and out of the branch, and also identifying counterfeit notes. Following an increase in the volume of counterfeits being passed through Post Office branches last year, the Counterfeit Banknote Taskforce was created, one of the outputs of which was to commence a 40 branch note counter trial **[POL00448231]**. This activity was also supported by feedback from Postmasters who *“consistently raised the importance of note counters to enable them to accurately and efficiently process growing cash volumes”* **[POL00448190]**. Following early success and feedback from Postmasters about the importance of note counters, in March 2024 Post Office made a £3.5m investment to roll out a further 2,782 high-grade note counters for its branches most at risk from cash discrepancies. Branches have now been selected and contacted to confirm whether they wish to receive a note counter. Delivery of note counters is expected to be between August and October 2024. Post Office estimates the note counter initiative is expected to reduce current annual losses for recipient branches by 50% (£1.23M/year) from reductions in branch discrepancies, cash pouch errors and counterfeit notes. In addition, note counters are expected

to bring about a time saving benefit to branches with an estimated value of £2.67M each year [POL00448358]; and [POL00448328].

(ii) Auto Stock Rem-In

- (c) The vast majority of Post Office's stock is postage stamps. Post Office is developing end-to-end tracking of stamps from Post Office's warehouse to branches at an item code level. Auto Stock Rem-In will enable a Postmaster to simply scan the barcode on a pouch of stamps to input the number and value of the stamps onto Horizon. Presently, Postmasters are required to physically count and input the number and value of stamps received from Post Office onto the Horizon system. The new process will do away with the need for manual entry of stamps saving significant time for Postmasters and also reducing the risk of manual error. Post Office assesses that in the financial year 2023/24 there were 5,287 transaction corrections in relation to stock, of which 1,586 (30%) related to remitting-in stock [POL00448235]. Post Office has scheduled a pilot of the new process to commence in September 2024 with roll out to 7 pilot branches completed by October 2024. A full roll out plan will be developed following completion of the trial and is likely to be across 2025/26 [POL00448230].

(iii) Operational Excellence Incentive

- (d) Post Office is launching an Operational Excellence Incentive to encourage accurate completion of key back-office processes. The proposal is for Post Office to pay up to 5% of a Postmasters total

variable remuneration each month based on the Postmaster meeting set requirements for daily cash declarations, cash pouch remittances and cash holdings together with a qualifying requirement that the branch completes its monthly trading period accounting within a 1-week window of it falling due **[POL00448234]**. A sliding scale of increased remuneration is proposed measured against existing operational requirements for the three metrics and is hoped by Post Office to promote early identification of discrepancies, reduce the number and value of discrepancies and to reduce risk (to Postmaster and Post Office) of error from branches holding high volumes of cash. The Operational Excellence Incentive is scheduled to commence in September 2024 with the first month's incentive being based on August trading period data **[POL00448234]**; and **[POL00448192]**.

- 82 As to those projects supporting operational excellence but not requiring additional budget to deliver (see paragraph 80(b) above), the Operational Excellence Programme has oversight of various functional business as usual process improvement activities identified at the outset of the programme. These activities, outlined below, are owned within the Retail function of Post Office, and, as such, will be delivered without the need for additional funding, and will support Post Office's ambition to reduce the volume and value of discrepancies in the branch network:

(i) Review and relaunch of Operations Manual

- (a) The review and relaunch of the operations manual will, I understand, be described in the First Witness Statement of Tracy Marshall and I will not repeat evidence that she will provide to the Inquiry. Post Office is hopeful that the new version of the Operations Manual will further support Postmasters in the operation of their branch and, in the process, help to reduce the number of discrepancies.

(ii) Branch on a Page

- (b) Branch on a Page is an application built using PowerBI and designed to consolidate a number of key branch level performance metrics (operational and commercial) in a simple, easy to navigate dashboard for Post Office employees. Branch on a Page was introduced in July 2024 and its main purpose is to enable retail field teams (mainly Area Managers) to have informed conversations (face to face and by phone) with Postmasters (and their staff) on their performance - highlighting both good performance and opportunities for improvement. The application is available via laptop or mobile and reduces the need for an Area Manager to use multiple reports/dashboards to gain a holistic view of branch performance as had historically been the case [POL00448193]. Having only recently introduced Branch on a Page, Post Office is not at present able to evidence tangible improvements from the initiative. However, early feedback from field teams, obtained during team meetings, is that the report is enabling field teams to have more informed conversations with branches and saves them

time now that the data is in one place and accessible on their devices.

(iii) Operational Excellence Visits

- (c) In July 2023, Post Office introduced Operational Excellence visits which are performed by Area Managers as part of their core role **[POL00448245]**. The aim of these visits is to improve branch compliance to key operational processes thereby reducing the risk of a discrepancy occurring. Visits are carried out during a planned week in each period and cover the same subject area. Note this is different to the Commercial Excellence visits conducted by Area Managers during the remainder of the month which focus on driving product sales and as such improving Postmaster remuneration **[POL00448188]**.
- (d) The NORM (described in paragraph 76 above) is a key source of data to focus the Operational Excellence visits on those branches most at risk from a potential discrepancy due to failure to comply with operational processes and also to provide the Area Managers with the data to facilitate a supportive discussion during the visit. At certain points in the year the visit may be focussed on a specific business priority (for example, Lottery exit scratch card balance, excess cash volumes, obsolete stock) and, as such, data specific to that business priority will be used to select the branches to visit and provide Area Managers with the backing data to drive the right conversation.

- (e) Operational Excellence visits are a subset of Area Manager visits. There is a current population of 94 Area Managers in role⁷, reporting into 11 Regional Managers to ensure every Post Office is supported by an Area Manager. Area Managers will conduct face-to-face visits with postmasters, as well as regular telephone conversations. For context, the number of Area Manager visits over recent years is as follows⁸:
- (i) 2019/2020: 25,481 visits;
 - (ii) 2020/2021: 13,223 visits (impacted by Covid-19 lockdown, so 84,071 telephone calls were made);
 - (iii) 2021/2022: 30,368 visits;
 - (iv) 2022/2023: 39,791 visits; and
 - (v) 2023/2024: 44,528 visits.
- (f) Between July 2023 (when visits commenced) and the end of the financial year (March 2024), Area Managers performed 10,305 Operational Excellence visits across 5,613 branches.⁹

⁷ The Area Manager role is focussed on providing support for Postmasters and their teams. Area Managers seek to build effective commercial relationships with Postmasters, developing a culture of support and community. They also support Postmasters to grow and enhance their businesses, assisting with driving sales initiatives and continuous improvement, with a real focus on branches achieving excellent service to customers.

⁸ Every time an Area Manager completes a branch visit they complete a branch visit report which is held centrally and managed within the Retail Operations Team. This means that Post Office has an ongoing view of the number of branches that have been visited. By reference to Branch Visit report data, which is collated centrally, it is possible to view the number of Area Manager visits across different years. Pivot tables were used to extract the number and types of attendance for the relevant years.

⁹ Raw data for Operational Excellence visits is maintained by the Head of Network Planning and Performance. The data is drawn from the visit logs completed by Post Office's Retail field team and captured via a PowerApps form, with data stored on SharePoint, at which point it is maintained by the Central Data team. To provide the information in relation to the visits performed, the raw data has been exported into Excel from SharePoint and filtered by the number of Operational Excellence visit forms were completed in the financial year 2023/24.

- (g) An Operational Excellence Visit review in November 2023 noted that, when reviewing data for branches which received an Operational Excellence visit, in the subsequent 30 days the percentage of cash declarations had increased by 3.8%; and, in the 2 subsequent periods the volume of discrepancies raised via RorD had reduced 24% and the absolute value had reduced by 24% **[POL00448188]**.¹⁰

(iv) End-to-end reporting of discrepancies

- (h) In January 2024, Post Office developed end-to-end discrepancy tracking in Dynamics for all discrepancies created when a branch uses the RorD function on Horizon **[POL00448231]**. Prior to implementing this Dynamics work flow, there was a potential delay to a discrepancy case commencing as case creation was dependant on whether a Postmaster contacted the BSC or if the Postmaster could be contacted by the PAST (see paragraph 123 below). Previously, there was also a risk that duplicate cases could be set up as multiple teams may be working on the same case and attempting to support the Postmaster.
- (i) The end-to-end discrepancy process creates a discrepancy case in Dynamics via a daily data upload from Post Office's Core Finance System ("**CFS**") on the day following a Postmaster using the RorD function on Horizon. The case is then updated as it moves through the investigation process (described in paragraphs 122 to 149

¹⁰ Absolute value refers to the gross value of surpluses and shortfalls (not net).

below), giving Post Office greater visibility of the overall time taken to resolve the discrepancy and a breakdown of where outstanding cases are in the investigation process. In developing this new process, Post Office has taken the opportunity to add greater detail to the potential case outcomes and therefore, once this process is fully embedded in the operating model, Post Office hopes to have greater visibility on the cause and outcome of all discrepancy cases and plans to use the improved insight to deliver further network wide initiatives to reduce the occurrence of discrepancies.

- (j) The data relating to this new workflow process will be surfaced through a new reporting dashboard which Post Office is still in the process of developing. As such, it is too soon for Post Office to be able to assess the effectiveness of the process on improving the identification, review and resolution of discrepancies.

Identification of potential discrepancies

83 There are several ways in which a branch discrepancy might be identified for current Postmasters:

- (a) As a result of work undertaken by Post Office (e.g., following a Branch Assurance Visit or a transfer of a branch)¹¹.
- (b) In between trading periods through the Postmaster performing routine back-office processes (e.g., end-of-day activities and weekly

¹¹ Post Office counts cash and stock held at a branch as part of the transfer of undertaking for a branch (i.e., prior to a branch changing hands).

accounting exercises or identifying transaction errors made in branch (e.g., banking mis-keys) (see paragraph 86 to 90 below).

- (c) As part of trading period end activity as a result of the Postmaster identifying the issue and reporting it to Post Office in line with trading period end process (see paragraphs 91 to 97 below).

84 I have set out further detail on each of these below.

(a) Identification of branch discrepancies by Post Office

85 Post Office might identify branch discrepancies by performing Branch Assurance Visits (see paragraphs 38 to 57 and 79 above) and following the process carried out after the transfer of a branch to another Postmaster. The effect of each process is broadly the same and is focused on performing a full cash and stock count and comparing these totals with the totals expected by the Horizon system.

(b) Identifying discrepancies between trading periods

86 Post Office has in place an Operational Training Guide which is referenced in the Operations Manual. The Operations Manual forms part of the contractual agreement between the Postmaster and Post Office (I understand from BSFf that this is also discussed in the First Witness Statement of Tracy Marshall). The Operational Training Guide is signposted as part of the Postmaster's classroom training during their induction phase in relation to the Postmaster's training obligations section of the Operations Manual [POL00448361]. Postmasters also receive classroom training in relation to the relevant back-office processes as part

of the Postmasters classroom training sessions (I understand from BSFf that this is also discussed in the First Witness Statement of Tracy Marshall).

87 The Operational Training Guide sets out, amongst other things, the activities that should be performed by a Postmaster at the end of each trading day, including preparing pouches and bags for mail despatch and daily accounting reports. The daily accounting reports are to be produced for every stock unit that has been active and identify all product and service transactions completed. In completing end of day accounting procedures, cheques accepted in payment for goods and services are to be remitted out, put in a pouch and despatched via a Royal Mail postal service to Post Office's third-party cheque processing company and cash on hand is to be declared on the Horizon system. Declaration of cash on hand requires an accurate cash declaration for every counter position transacted on during the day **[POL00448268]**.¹²

88 The Operational Training Guide recommends that Postmasters complete a cash declaration at the start and end of their working day. The Training Guide explains that accurate daily cash declarations are important because if one counter position is not declared on time, the system shows that the whole branch declaration is incomplete and the branch figures cannot be taken from Horizon into the cash management system **[POL00448272]**.¹³

¹² Postmasters are informed to complete daily cash declarations as close to, but not after, 7pm. Further guidance is provided to assist Postmasters whose branches are open after 7pm

¹³ Note also, if a Postmaster identifies a discrepancy during a cash declaration, the Postmaster should perform a Trial Balance before contacting the BSC (the process of contacting the BSC in relation to discrepancies is considered at paragraphs 107 to 121): Operational Training Guide, Section 10, End of Day Activities (v4.0) (page 4)[POL00448268].

- 89 The Operational Training Guide also sets out the weekly accounting processes to be performed by the Postmaster which include the daily accounting activities (as detailed in paragraphs 87 to 88 above) except that the cash declaration will be completed as the last step in the weekly balancing activity before the Postmaster rolls over each stock unit into the subsequent week. The Postmaster is required to check the physical stock held in branch against the stock in branch as recorded on the Horizon system and, if necessary, adjust the record on the Horizon system. The Postmaster is also required to count and declare the value and volume of stamps, foreign currency and cash in branch. The Postmaster may then rollover to a new Balance Period¹⁴ (or Trading Period) and should print, sign and date stamp their final balance report and retain in branch for two years with the declarations attached **[POL00448269]**.
- 90 While performing the end of day and weekly accounting activities set out above, a Postmaster might identify a discrepancy. If a discrepancy is identified, the Postmaster should follow the process discussed in paragraphs 107 to 121 below.

(c) Identifying discrepancies at trading period end

- 91 Branch trading periods are either 4 or 5 weeks in length, with 2 4-week trading periods followed by a 5-week trading period. Post Office's Postmaster Operational Training Guide sets out that, throughout the

¹⁴ Balance Period is the name given to the weekly balancing within the four week / five week accounting process known as the Trading Period.

trading period, branches should perform cash declarations daily, weekly, and at the end of the trading period.

- 92 To move the branch into the following trading period, Postmasters are required to balance and roll over each stock unit by counting stock and cash in branch and inputting these figures into Horizon. If the physical cash and stock counted does not equal the Horizon derived figure on any counter the Postmaster is asked to either cancel the stock unit roll over or continue and transfer any discrepancy to the local suspense account (see **[POL00448048]** page 3).
- 93 Once all the stock units have been rolled over, the branch will see a message if there is a balance in the local suspense account and ask if they would like to settle the local suspense or cancel the roll over (see **[POL00448048]** page 4).
- 94 If settle local suspense is selected the Postmaster will be presented with the options to settle in branch (either by cash or cheque) or RorD (described in paragraphs 115 to 121 below, see **[POL00448048]** page 5).
- 95 Once one of these options has been selected a message will display indicating roll over into the next period has been successful (see **[POL00448048]** page 6) and the branch should then print and retain a copy of the Suspense Account report and the Monthly Trading Statement (see **[POL00448048]** pages 7 and 8 and **[POL00448270]**).
- 96 If a Postmaster does not complete the trading period accounting process, they are not prevented from continuing to trade and may continue to do so

without moving into the new trading period on Horizon. One of the Network Monitoring metrics described at paragraph 76 above includes the identification of branches that have not completed a trading period end in the last 60 days.

- 97 However, a branch is prevented from completing the trading period end process and moving into the subsequent trading period if it has not actioned all transaction corrections (by either accepting them or using the RorD function in Horizon) and/or has a balance remaining in the local suspense account.

Rule 9(58) question 35: What is the current process for SPMs, managers and assistants to complete Branch Trading Statements?

- 98 This question is answered in context in paragraphs 91 to 97 above.

INVESTIGATING AND RESOLVING DISCREPANCIES

Rule 9(58) question 26: Please describe the process by which SPMs, managers or assistants can raise a dispute against an alleged loss, discrepancy, shortfall or transaction correction ('TC'). In your response, please confirm whether it is still the process that one must 'accept' a shortfall on the Horizon counter before being able to lodge a dispute?

- 99 Given the length of my answer to this question, to assist the Inquiry, I have provided:

- (a) an overview of the Network Support and Resolution Team ("**NSRT**") and the Postmaster Account Support Team ("**PAST**");

- (b) a brief overview of the Review or Dispute ("**RorD**") function;
- (c) an overview of the key, relevant documents;
- (d) an overview of the dispute process;
- (e) a detailed explanation of the end-to-end dispute process; and
- (f) a short, direct response to the Inquiry's request for confirmation as to whether a Postmaster must accept a shortfall before being able to lodge a dispute.

Overview of the NSRT and the PAST

100 The NSRT is the team responsible for the investigation anytime a Postmaster disputes a branch discrepancy or a transaction correction beyond a Tier 1 level. The NSRT organisational chart [**POL00448219**] outlines the structure of the NSRT and shows the tiers of escalation for handling Postmaster concerns once a dispute is escalated from the Branch Support Centre ("**BSC**") to the NSRT. The NSRT comprises:

- (a) The Head of Network Support and Resolution who leads the NSRT.
- (b) The Operations Manager who is responsible for overseeing the day-to-day operation of the Dispute Resolution Team within NSRT through 3 Team Managers and 6 Tier 3 Case Investigation and Resolution Analysts. The Team Managers are responsible for approximately 35 Tier 2 Support Advisors.
- (c) Tier 2 Resolution Support Advisors who are responsible for, amongst other things, investigating balancing queries and

transaction correction disputes **[POL00039629]**. Disputes are typically escalated to Tier 2 from the BSC (Tier 1), or the Branch Reconciliation Team. NSRT Tier 2 has triage and investigation functions as set out below from paragraph 125.

- (d) Tier 3 Case Investigation Resolution Analysts who are responsible for investigating complex branch discrepancies escalated from Tier 2 and supporting Tier 2 in their decision-making processes by conducting quality assurance of Tier 2 investigations **[POL00448081]**.
- (e) The PAST, which is responsible for initiating contact with Postmasters who have escalated disputes using the RorD function but have not contacted the BSC and, following investigation by the BSC and/or NSRT, for arranging repayment plans and write-offs where appropriate with Postmasters. There are 5 Postmaster Account Support Advisors and a Postmaster Account Support Team Manager. The Postmaster Account Support Advisor role is described in **[POL00039629]** as a Tier 2 role.

101 The BSC (I understand BSC functions are also discussed in Tracy Marshall's statement) provides the Tier 1 function for investigating discrepancies or disputed transaction corrections in the first instance. The BSC is the team responsible for first-line telephone assistance to Postmasters, using Knowledge Articles (which cover many issues, including known Branch Impacting Problems within Horizon), should they require support or assistance in relation to Horizon (amongst other things).

In the context of investigating discrepancies or transaction corrections, the BSC is responsible for conducting initial checks with the Postmaster to attempt to resolve discrepancies. If necessary, the BSC will escalate a case to the NSRT.

Overview of the Review or Dispute (i.e., the RorD) function

- 102 Post Office previously had a settle centrally function (see my response to Rule 9(58) question 36 below). However, as of 13 May 2021, the settle centrally function was renamed “Review Dispute” on Horizon and this is now the function a Postmaster can use to contact Post Office to seek support to investigate and resolve an unknown discrepancy or to dispute a transaction correction that has been issued. In February 2023, the onscreen display of “*Review Dispute*” was changed to “*Review Dispute CALL BSC*” on Horizon to emphasise the importance of the Postmaster contacting the BSC in relation to the discrepancy (see [POL00448048] page 5) once they have used RorD.

Overview of the key policies and other key documents

- 103 Post Office has a Postmaster Account Support Policy [POL00448000] and a Postmaster Accounting Dispute Resolution Policy [POL00448229]. These policies outline the process for Postmasters and Post Office to work together to investigate branch discrepancies or disputed transaction corrections. The NSRT operates subject to both policies.
- 104 The Retail Engagement Director, Tracy Marshall, is the policy owner (responsible for ensuring that the content is up to date and is capable of

being executed). As Central Operations Director, I have overall accountability for implementing the policies applicable to NSRT, however, the Head of Network Support and Resolution is the primary policy implementer on a day-to-day basis. The Head of Network Support and Resolution and the Retail Engagement Director, Tracy Marshall are responsible for providing appropriate and timely reporting to RCC and ARC as required.

- 105 To assist the Inquiry, I have exhibited Post Office internal process maps reflecting investigation processes **[POL00448070] [POL00448072] [POL00448069] [POL00447943] [POL00448068]**. However, I would like to make clear that some of these are being updated following improvements to the way cases are created and moved through the workflow process in Dynamics (Post Office's case management system) after a Postmaster uses the RorD function in Horizon. Further, as with many process maps, these are indicative of the relevant processes (and only intended to be so) and, in particular, do not reflect the continual operational improvements that are implemented on an ongoing basis and the need for appropriate flexibility from time to time.
- 106 I would also like to note that Post Office is reviewing the communications that are sent to Postmasters at the various stages of the disputes and investigation process and anticipates being able to implement the outputs of that review shortly.

Overview of the dispute process

- 107 At any point during daily, weekly or trading period end account balancing a Postmaster (or manager or assistant) can contact the BSC to seek support. Postmasters are provided with guidance on how to contact the BSC to dispute branch discrepancies or transaction corrections see: **[POL00448191]**; **[POL00448270]**; **[POL00448187]**; from page 6 of **[POL00448073]**; and **[POL00448077]**.
- 108 For transaction corrections, initial support will typically be sought from the issuer of the transaction correction whose details will be on the narrative. That might be the BSC or the Branch Reconciliation Team.
- 109 If a Postmaster contacts the BSC about a branch discrepancy, the BSC (also referred to as Tier 1) will support the Postmaster to attempt to resolve the issue (page 14 of **[POL00448229]**). A BSC Support Advisor will work through the Tier 1 checklist, which is contained in the section of the BSC Discrepancies Knowledge Article (see from page 7 of **[POL00448257]**).
- 110 If the BSC Support Advisor completes the checklist with the Postmaster without resolving the discrepancy, they will ask the Postmaster to review the discrepancy again at trading period end and formally declare (using the RorD function within Horizon) if it still exists at that point. The RorD functionality will become available during the trading period end process.
- 111 If a Postmaster does not want to wait for trading period end, the BSC can escalate the issue to the NSRT Tier 2 triage prior to trading period end. The BSC is currently trialling a new account balancing support process (which began 20 May 2024) whereby if a discrepancy is reported by the Postmaster as part of the weekly balancing period and it cannot be

resolved using the basic checklist, a more skilled advisor will carry out additional checks to try and resolve the discrepancy. If they are unable to do so at this point, they will proactively contact the Postmaster every weekly balance until trading period end and advise the Postmaster if the discrepancy still exists at trading period end to use the RorD function. To support this new process, the BSC is also developing a Branch Hub form that Postmasters can use to report a discrepancy to the BSC without needing to call, highlight the checks they have already taken and ask for a review and call back from the Account Balancing Support Advisors.

- 112 A Postmaster wishing to dispute a transaction correction may use the RorD function at any time if they do not resolve the issue with the first point of contact (e.g., the issuer of the transaction correction or the BSC) and remain unhappy with the reason(s) the transaction correction has been issued, and this would be escalated into the NSRT (specifically the transaction correction disputes team) who may then escalate for a full Tier 2 investigation if they are unable to resolve the dispute.
- 113 A Postmaster wishing to dispute a branch discrepancy must await trading period end to use the RorD function but can seek BSC support earlier than that.
- 114 A case should be created in Dynamics whenever a dispute is raised. A case is created automatically when a dispute is raised via RorD within Horizon¹⁵ in relation to a branch discrepancy. A case is created manually when a dispute is raised via the BSC (or the Branch Reconciliation Team

¹⁵ All such cases are flagged to NSRT Tier 2 triage although they might still be dealt with by BSC Tier 1 in the first instance.

or Cash Centre) without the Postmaster using the RorD function or where the case relates to a transaction correction. If a dispute is raised both via the Postmaster initiating contact with the BSC prior to using the RorD function and via use of the RorD function within Horizon, the Dynamics cases will be linked manually. The case is then used to manage all communications and actions relating to the dispute.

- 115 At trading period end, if a Postmaster still has a branch discrepancy they have the following options:
- (a) Settle to cash.
 - (b) Settle to cheque.
 - (c) Use the RorD function on Horizon.
- 116 If a branch settles to cash this means the Postmaster is agreeing to either put in or take out the cash value of the discrepancy. If a branch settles to cheque this means that the branch is agreeing to put in the value of a shortfall by cheque (from page 9 of **[POL00448257]**).
- 117 If the discrepancy is a shortfall, the Postmaster is agreeing to put the amount in from their own money. If the discrepancy is a surplus the Postmaster is agreeing to take the amount out of the counter till. The guidance note for BSC on this states that most branches that have surpluses keep the amount to one side to wait and see if it is as a result of an error that might be corrected in a subsequent period. This is not enforced but it is generally advisable. It is also advisable that branches keep a record of any shortfalls or surpluses which can be looked over at

each trading period to identify any patterns. A branch may contact BSC advising they have rolled over trading period end and have settled to cash but in hindsight would like the discrepancy reviewed. In this case they would be advised to remove the cash at the next trading period end and settle the resulting discrepancy to RorD.

- 118 If a Postmaster does not elect to settle to cash or cheque and wants Post Office to investigate the discrepancy, they need to use the RorD function on Horizon (see page 3 of **[POL00448048]** and page 11 of **[POL00448257]**). The effect is to post the discrepancy to the branch account, enabling the branch to roll over into the new trading period (described in paragraphs 91 to 97 above). I also discuss the RorD function in my answer to Rule 9(58) question 36 (in paragraphs 185 to 189 below).
- 119 Once a Postmaster has used the RorD function in relation to a branch discrepancy or transaction correction, Post Office does not consider the shortfall to be a debt of the Postmaster. The intention at this stage is to create a joined-up investigation between the Postmaster and Post Office to determine the cause of the issue and ultimately agree a resolution. This is a means by which both the Postmaster and Post Office can discharge their responsibilities to co-operate.
- 120 Before Post Office will treat the shortfall as a debt of the Postmaster it must have identified that the cause of the loss was a result of the Postmaster's (or the Postmaster's assistant's) negligence, carelessness or error (as set out in the Contract Restatement Guide referred to in Tracy Marshall's

statement at paragraph 26 [POL00037518]). This will be investigated through a tiered process as set out in detail in the next section.

- 121 During preparations for Phase 7 of the Inquiry, Post Office identified that before a Postmaster elects to settle to cash or cheque there is currently no reminder in Horizon that the Postmaster should only use this function if certain that the issue has been caused by the Postmaster's (or the Postmaster's assistant's) negligence, carelessness or error. Post Office is investigating if such a reminder could be implemented in the Horizon system before completing the settle to cash/cheque process. Post Office will also review all BSC knowledge articles to ensure when advisors are talking to Postmasters about settle to cash/cheque they remind Postmasters that this should only be done if they are certain that the discrepancy has been caused by an error in branch and if not, they should advise the postmaster to use the RorD function. Knowledge Articles will also be updated and BSC advisors will be trained to notify postmasters when using the RorD function that Post Office does not consider a shortfall to be a debt owed by unless the outcome of the discrepancy review has established the cause of the discrepancy to be the Postmaster's (or the Postmaster's assistant's) negligence, carelessness or error. Post Office proposes to frame this information clearly, in lay terms and in a manner intended to not cause undue concern to Postmasters. As such, payment by the Postmaster is only to be discussed if those conditions are met. Once amended, this will be trained out to the BSC advisors.

End-to-end overview of the RorD process

122 The following initial steps occur after a Postmaster uses the RorD function:

- (a) The discrepancy is moved off the Postmaster's Horizon system and onto the Postmaster's branch account in CFS.¹⁶ This aligns, for the purposes of double-entry book-keeping, the branch's physical cash and cash equivalent stock balances against the Horizon system and then assigns the balance (debit or credit) to the branch account in CFS.
- (b) A case is automatically created on Dynamics (if a case was already created (e.g., by the BSC because the Postmaster contacted the BSC) it will be manually linked to the case created by Dynamics).
- (c) The Postmaster should contact the BSC (but does not always do so).
- (d) If the Postmaster contacts the BSC after pressing RorD, the BSC Support Advisor will attempt to resolve the discrepancy with the Postmaster using Knowledge Articles and by working through the Tier 1 checklist.
- (e) If the dispute cannot be resolved at Tier 1, the BSC will update the case details on Dynamics and will transfer the case to the NSRT (specifically the Tier 2 triage team initially).

123 If the Postmaster does not contact the BSC after using the RorD function, the PAST will seek to contact the Postmaster to gather further details as

¹⁶ For completeness, I note that in some documents the branch account is erroneously referred to as a central holding account.

follows (disputes relating to branch discrepancies under £1,000 or over £10,000 will be immediately escalated to NSRT Tier 2 triage):

- (a) The PAST will make an outbound call to the Postmaster and send them a letter and a statement of their account. The call script is **[POL00448295]**, and examples of the letter and statement are **[POL00448197]** and **[POL00448186]**. The first letter is known as Discrepancy Letter 1.
- (b) If the postmaster does not respond to the first letter or the phone call, the PAST will send them a further letter the following week **[POL00448246]**. The second letter is known as Discrepancy Letter 2.
- (c) The PAST will call out to the Postmaster 3 times during the 42-day period. If the Postmaster engages with the PAST within the 42 days and they require support the case is escalated to NSRT Tier 2 Triage. If the Postmaster does not engage within the 42 days, the case will be escalated to NSRT Tier 2 triage at that point.
- (d) NSRT Tier 2 triage will then support the Postmaster if they have made contact or continue to try and make contact if they have not engaged.
- (e) If necessary, the PAST or NSRT Tier 2 triage will also contact the Area Manager and ask that they assist with contacting the Postmaster or understand any circumstances why the Postmaster

is uncontactable (the underlying circumstances are not discussed with the Area Manager).

- 124 At any point at which the Postmaster makes contact with Post Office following use of RorD the NSRT will note against the amount on the branch account that the Postmaster has contacted the BSC which should prevent the PAST sending the above letters and statements to the Postmaster regarding the amount (this is because Post Office knows that the BSC and/or NSRT has made contact and is working with the Postmaster to resolve the investigation). For an example of communications at this point see **[POL00448082]**. If a Postmaster has contact the BSC and the dispute is not resolved at BSC Tier 1, it will be passed to NSRT Tier 2 triage. Once a case is transferred from the BSC to the NSRT the Tier 2 triage team will seek to contact the Postmaster. If the case relates to a transaction correction, the NSRT will also liaise with the Branch Reconciliation Team and other Post Office units and departments as appropriate.
- 125 The triage process is outlined from page 15 of **[POL00448229]**, in the process map **[POL00448070]** and there is also an example of the Tier 2 triage checklist **[POL00448223]**. The Tier 2 triage team will initially undertake a basic investigation to check that the BSC checklist was completed correctly and will apply a de minimis write off amount to certain cases (e.g., cases below a certain value or where no previous issues have been identified), although Post Office reserves the right not to apply a de minimis write off if there have been more than 2 write offs in the preceding 12 months. Post Office's fully updated write-off policy has just passed through internal governance process **[POL00448365]**.

- 126 If there is no de minimis write off, the case will usually be moved into Tier 2 investigation status **[POL00448072]**. The Postmaster will be contacted by phone and email to advise them that their case has been assigned for Tier 2 investigation (see the email template **[POL00448059]**).
- 127 If a case is high risk, it can be escalated from Tier 2 triage directly to Tier 3. Tier 2 triage will discuss any cases that might need assigning directly to Tier 3 with the NSRT's Operations Manager. Tier 2 triage can also refer cases to the weekly review panel if they believe it should skip Tier 2 review but is not urgent enough to require immediate escalation to Tier 3 (see the process map **[POL00448072]**).
- 128 The Tier 2 investigation is a fully documented process to ensure the consistency of delivery and a fair and transparent outcome (see **[POL00448229]** at page 15 and in particular page 27 to 29 for the Tier 2 Checklist). The Tier 2 Support Advisor will complete the Tier 2 checklist.
- 129 One of the process steps in the investigation is for the advisor to *"Check the latest Branch Impacting Problem tracker (BIP) to ensure the discrepancy is not related and add a copy of the BIP tracker to the dynamics case"* (see page 27 of **[POL00448229]**). To do this the Tier 2 Support Adviser will review the possible cause of the discrepancy and whether it is consistent with any of the known Branch Impacting Problems within Horizon. The list of Branch Impacting Problems is managed by the IT Team, which is responsible for updating the list with any changes. The list is shared with NSRT from IT on a monthly basis. If the discrepancy is not caused by one of the listed Branch Impacting Problems, then the Tier

2 Support Adviser will conduct checks against the session data and reported events in HORice and will also contact the IT team to check if the branch has reported any issues or if any other branches have reported similar issues. If there are no suspected issues, the investigation will continue and that might lead to a conclusion that Horizon was not a contributory factor in the discrepancy. However, if the data suggests that there could be an issue, the IT Team would do further analysis.

- 130 The Tier 2 Support Advisor will conduct the process steps as outlined in the checklist and complete a case investigation report (including a case summary; case overview; case outcome and recommendations and an action log). The case investigation report is page 25 – 29 of **[POL00448229]**. When the Tier 2 Support Advisor contacts the Postmaster with the outcome of the investigation they offer them a copy of the report. If the report is sent to the Postmaster, Post Office removes the internal facing elements of the document (the checklist, managers comments and the internal decision and action log) before sending.
- 131 Tier 2 support advisors can escalate cases to their Tier 2 team manager for assistance or for review at the twice Weekly Case Review meeting, who in turn, can escalate unresolved cases to Tier 3 or the Dispute Resolution Committee **[POL00448072]**. The Weekly Case review is a twice weekly internal team meeting of lead representatives from NSRT (see page 17 of **[POL00448229]**).

132 At that point there are several potential outcomes depending on whether the cause of discrepancy has been established (see paragraphs (a) to (d) below) or not (see paragraph (e) below):

- (a) Discrepancy established and written off (if Post Office determines that this is appropriate given all the circumstances).
- (b) Discrepancy established and Postmaster agrees to pay (the Postmaster is asked to contact PAST to arrange payment).
- (c) Discrepancy established and Postmaster disagrees with the outcome (the Postmaster can ask that the case is referred to a Tier 3 review or contact Tier 3 directly (the email address is provided with the communications to the Postmaster). See the Weekly Case Review process map [POL00448069]).
- (d) The cause of the discrepancy is identified, and a transaction correction is issued to correct the position in branch Horizon system.
- (e) Discrepancy is not established and is written off (the PAST is also responsible for writing off amounts on the Postmasters branch account when it is appropriate to do so).

133 The NSRT aims to complete Tier 2 investigation within 20 working days. However, some investigations will take longer to arrive at a fair and reasonable outcome due to the circumstances and complexities of the case and therefore the NSRT is managed to a service level of completing at least 70% of cases within the 20-day timeframe. See the Central

Operations Dashboard **[POL00448196]** and Retail Performance Dashboard **[POL00448230]** which monitor this.

- 134 All Tier 2 support advisor reviews will receive Quality Assurance (see the Quality Assurance Checklist **[POL00448218]**). That quality assurance exercise is either undertaken by a Tier 3 reviewer (if it involves an accounting discrepancy of over £5,000 or it is under £5,000 but complex) or a Tier 2 advisor's team manager (under £5,000 and not complex). This is to ensure that the correct process has been followed by the Tier 2 Support Advisor and a fair and reasonable outcome has been reached (see page 19 of **[POL00448229]**). The relevant Team Manager or Tier 3 Case Investigation Analyst will complete the management comments section in the case management report. This is not included when the report is provided to the postmaster.
- 135 As set out above, a case could come to NSRT Tier 3 review directly through escalation from triage or Tier 2 due to sensitivities or risks or via the Weekly Case Review.
- 136 The NSRT Tier 3 team is responsible for carrying out a further investigation see page 16 of **[POL00448229]** for details of what that investigation entails.
- 137 A case will be allocated to a Tier 3 Case Investigation Resolution Analyst (having checked that the Tier 3 analyst has not previously reviewed the case as part of the quality assurance exercise of Tier 2 Support Advisor reviews to avoid any perceived conflicts of interest). The Tier 3 Case Investigation and Review Analyst will complete an investigation following

the Tier 3 checklist and produce a case investigation report. See page 30 – 34 of **[POL00448229]** for the checklist and report.

- 138 Tier 3 Reports are quality assured by the Operations Manager and Head of Network Support and Resolution.
- 139 The Postmaster will be advised of the outcome of the Tier 3 review and offered a copy of the Case Investigation Report. The action log, managers comments and checklist will not be provided to the Postmaster with the report. See page 18 of **[POL00448229]** for an outline of the communication between Post Office and Postmaster during investigations.
- 140 If a Postmaster disagrees with the outcome of the Tier 3 review, then the postmaster can challenge the decision by email or phone call to their Tier 3 Case Investigation Resolution Analyst, who will present the case to the Dispute Resolution Committee for review (see the escalation process **[POL00448072]** and **[POL00448229]** at page 17 and the Dispute Resolution Review Committee's Terms of Reference are **[POL00448043]**). The Dispute Resolution Review Committee's remit is to review whether the correct process has been followed. The Dispute Resolution Committee can also comment on a Tier 3 review and indicate a need for further investigation.
- 141 If a Postmaster disagrees with the outcome of the Dispute Resolution Committee, there is currently no further or independent review forum (Post Office is currently considering the use of an independent panel as part of reviewing its model for recovering shortfalls outlined in paragraphs 35 and

36 above). At that point (and at all stages of the investigation process) Post Office signposts Postmasters to the NFSP.

- 142 If a loss is established and the Postmaster disagrees with the outcome Post Office does not take any civil enforcement action against the Postmaster. My responses to Rule 9(57) questions 21-24 (above) set out Post Office's current position in relation to civil enforcement in more detail.
- 143 The amount will remain on the branch account. However, no proactive statements or communications are issued other than if a statement is triggered (e.g., if a Postmaster reports a new accounting discrepancy or an invoice is issued for branch property works or a TC is disputed), in which case the previous unresolved accounting discrepancy will show on the Postmaster's branch statement of account as "disputed".
- 144 If Tier 1, Triage, Tier 2 and/or Tier 3 investigations (as applicable) conclude that a loss is established the case will be forwarded to the PAST and the process as set out in the Postmaster Account Support Policy will be followed (see page 18 of **[POL00448229]** and from page 18 of **[POL00448000]** and for examples of communications sent to Postmasters if investigation at Tier 2 or Tier 3 finds a loss has been established see **[POL00448083]**).
- 145 If a loss is established and the Postmaster agrees with the outcome, PAST will work with the Postmaster to discuss payment. A Postmaster agreement to pay is either recorded in writing or on a recorded telephone call.

- 146 If a loss is established but the Postmaster does not agree with this outcome the amount will remain on the branch account, but Post Office does not currently take any civil enforcement action against the Postmaster.
- 147 If the Tier 1, Triage, Tier 2 and/or Tier 3 investigations (as applicable) do not conclude that a loss is established, a write-off will be applied. Once written off, the discrepancy will no longer appear on the Postmaster's branch account statement. A Postmaster would be informed by phone and email or letter (see the email template **[POL00448071]**). All decisions to write off are quality assessed.
- 148 There are limited exceptions to the above process:
- (a) If at any point, there is evidence of potential criminal activity or a Speak Up issue has been raised, the dispute will be immediately escalated to the A&CI team. The NSRT has a process of how they will escalate this to the A&CI team see **[POL00447943]**. In summary any cases considered for referral to A&CI are discussed at the manager weekly review. If the decision is to refer then the automated triage form in Dynamics is completed by the advisor and emailed to the A&CI Triage team. A&CI triage email the form back to the case on Dynamics with the decision to adopt, reject or partial accept. A tracker is maintained in Excel by the Operations Manager and progress against those cases adopted/partially adopted will be discussed at quarterly review committee.
 - (b) Where a discrepancy investigation identifies significant breaches of contract, this will be escalated to the Contract Team for them to take

the necessary action alongside the necessary discrepancy investigation in the NSRT [POL00448068].

- (c) If a postmaster has exercised the RorD function to dispute a transaction correction or the Branch Reconciliation Team has escalated a transaction correction dispute to the NSRT then the same process as outlined above will be followed. However, the NSRT has designated Tier 2 support advisors who will review a transaction correction case.

149 For completeness I note that in terms of who can raise an accounting dispute (either via BSC or by using the RorD function) the Inquiry will be aware that some Postmasters operate more than 1 branch, in which case the Postmaster might not be operating the counter at the branch that presents a potential discrepancy. Along with a Postmaster, anyone to whom the Postmaster has assigned back-office rights on Horizon/given authority to act on their behalf (typically the officer in charge) can also contact the BSC or utilise the RorD function to report an alleged discrepancy or dispute a transaction correction. Postmasters are asked to maintain a record of officers in charge for their branches on Branch Hub. When an individual contacts the BSC they will be asked to provide the branch FAD code to ensure the advisor has the correct branch details.

A Postmaster does not have to accept a shortfall to lodge a dispute

150 Postmasters do not have to “accept” a shortfall on the Horizon counter before using the RorD function.

151 However, in order for Post Office to track the amount that the Postmaster is disputing, the review of dispute function, in accounting terms, moves the balance off the branch Horizon system and transfer it to the Postmaster's branch account (as a debit in the case of a shortfall or a credit in the case of surplus). The amount will remain logged on the Postmaster's branch account until the dispute is resolved and, if the loss is to be repaid, for as long as it remains unpaid.

Rule 9(58) question 27: Once a dispute has been raised, please describe the policies, guidelines and procedures now in place for POL to:

- (a) **Investigate and respond to concerns or complaints about discrepancies and shortfalls which were reported to the Helpline;**
- (b) **investigate discrepancies or shortfalls which could not be resolved by the Helpline;**
- (c) **undertake enquiries into disputed error notices or transactions corrections.**

152 The relevant policies and processes in accordance with which Post Office will conduct investigations are outlined above in context in my response to Rule 9 (58) question 26.

Rule 9(58) question 28: When a dispute is raised, is the debt collection process is automatically suspended at this stage? If the debt collection process is not automatic, and a positive step is still required by POL to remove a dispute amount from recovery, please explain why.

- 153 Post Office does not currently operate any debt collection process for cases where the Postmaster disputes the debt. As set out above, disputed sums (e.g., arising from a branch discrepancy, transaction correction or unpaid invoice) will appear on the branch's statement of account until the point in time when it has been reviewed, and an outcome reached. That outcome might be establishing the loss (in which case it will stay on the statement), writing it off, or issuing a compensating transaction correction to remove the balance on the statement
- 154 If a Postmaster does not contact the BSC they will be sent a letter and a branch statement, and the PAST will attempt to phone the Postmaster (see above at paragraph 122). This is not to seek payment of the discrepancy but to seek engagement with the Postmaster to investigate it.
- 155 As set out above at paragraphs 144, if the loss is established and the Postmaster agrees with this outcome, the case will be passed to the PAST and the process will commence between the PAST and the Postmaster to arrange payment. However, if a Postmaster does not accept or does not pay the established loss, beyond the PAST attempting to make contact to ask the Postmaster how they would like to repay, Post Office does not currently operate a civil enforcement recovery function to recover the amount (as outlined in the civil recovery section above).

Rule 9(58) question 29: Please provide details of the experience, expertise and qualifications of those who deal with disputes raised by SPMs, managers and assistants (or, any minimum level that is required, if any) [to the extent this has not already been covered by Q.18 above].

156 As outlined above, the NSRT (including the PAST) is made up of Tier 2 Support Advisors and Tier 3 Case Investigation Resolution experts. See the NSRT organisation chart [POL00448219]. The experience, expertise and qualifications required for PAST Support Advisors, Tier 2 Support Advisors and Tier 3 Case Investigation Resolution Analysts are outlined in the job descriptions for each of the roles. Please see:

- (a) PAST and Tier 2 job descriptions [POL00039629].
- (b) Tier 3 job descriptions [POL00448081].
- (c) Tier 2 and Tier Manager job descriptions [POL00039599].

Rule 9(58) question 30: Please provide details of any key policies, guidance, training or instructions they have been given. This request includes (but is not limited to) any policies, guidance, training or instruction concerning:

- (a) the length and scope of the investigations or enquiries which ought to be undertaken;
- (b) the circumstances in which an ARQ request for audit data ought to be made;
- (c) the circumstances in which a disputed shortfall or discrepancy ought to be placed into the central suspense account pending investigation.

157 I have set out a response to each of the Inquiry's sub-questions under corresponding sub-headings.

a. The length and scope of the investigations or enquiries which ought to be undertaken

158 The key guidance and training regarding investigations or enquiries which ought to be undertaken are:

- (a) The Discrepancy Investigation Guidance Note, which is intended to assist the Tier 2 and Tier 3 teams in investigating branch discrepancies or transaction correction disputes **[POL00448290]**.
- (b) The team training that is provided to the NSRT is described in **[POL00448289]** and the Tier 2 Report writing training which is provided to the Tier 2 Support Advisors to assist with drafting case investigation reports is described in **[POL00448220]**. The training is provided on induction and there is an annual refresher training on policy, legal and report writing.

159 As outlined above in my response to Rule 9(58) question 26, Post Office has policies, process maps and checklists which outline the length and scope of investigations and enquiries which ought to be undertaken. See above at paragraphs 103 and 105.

b. The circumstances in which an ARQ request for audit data ought to be made

160 There is no set policy or process document for this, but I have spoken to the Head of Network Support and Resolution who has informed me that this is an infrequent request.

161 Post Office has access to 12 months of data through HORice and Credence. For data outside of that, Post Office would need to submit an

ARQ request to Fujitsu from whom the data is sourced. If an ARQ request is required, it will be discussed at the Weekly Case Review meeting.

162 An ARQ request will be made if the additional data is likely to help identify the cause of the discrepancy and, as such, support resolution. In the event an ARQ data request may have evidential value but is not considered a proportionate step due to the cost of obtaining it, the discrepancy will be written off with no detriment to the PM. The cost of a given ARQ request corresponds with the length of period being requested, for example ARQ data for a 6-month period will cost more than a request for a 3-month period. Since I joined POL, our department has never had a budget allocated for ARQ requests, nor has it had a set number of ARQ requests allocated to it and nor has its cost centre had a sum deducted for the cost of an ARQ request. In the few times that an ARQ request has been made by our department to the security team, we have never been declined. I understand that Post Office will be writing to the Inquiry separately regarding the present process of making an ARQ request to Fujitsu.

163 Practically, ARQ requests are commenced by filling in a form for the security team to review. During a NSRT Tier 2 review, the Tier 2 individual can make a request for the case to go to Weekly Case Review to determine if an ARQ request should be made. The form that is required to be completed for an ARQ request is **[POL00448281]** and that form must be completed by a Tier 3 Case Investigation Resolution Analyst who refers it to the appropriate team.

c. The circumstances in which a disputed shortfall or discrepancy ought to be placed into the central suspense account pending investigation.

164 There are no such policies, procedures or instructions because Post Office does not place discrepancies into a central suspense account. As set out at paragraph 122, when a Postmaster uses the RorD function it will clear the amount from the branch Horizon system and, in accounting terms, move the disputed balance onto the branch account in the CFS. There is, however, no assumption that the discrepancy is a liability of the Postmaster. The burden of proof is on Post Office to establish the loss to have been caused by the Postmaster's (or the Postmaster's assistant's) negligence, carelessness or error.

Rule 9(58) question 31: Please confirm whether POL maintains a central record of all disputes raised SPMs, managers or accounts? If it does, please confirm which department(s) hold responsibility for this record and who holds responsibility for the management and oversight of that department.

165 The central records of all disputes are held on CFS and Dynamics.

166 Post Office tracks disputes on the retail performance dashboard [POL00448230] which shows volumes and values (i.e., the number of discrepancies and transaction corrections monthly, the number and age of outstanding cases weekly and monthly) and outlines the key drivers of discrepancies. This report is being amended to provide an additional layer of detail so that thematic issues across disputes can be identified and addressed. The Retail Performance Dashboard is shared monthly with the SEG and quarterly with the Board.

- 167 The Central Operations Dashboard [POL00448196] also highlights key metrics relating to the discrepancy process. The data presented in the visual performance dashboards is sourced from a combination of CFS and Dynamics.
- 168 The individual teams involved in managing the discrepancy or dispute are responsible for creating and updating the Dynamics cases. The teams are also responsible for assuring the accuracy of the data in those cases.
- 169 In terms of the integrity of any software and systems, and overarching use of the data in them, that is the shared responsibility of Post Office's IT team and Post Office's Retail Team's Deputy Data Sponsor.

Rule 9(58) question 32: Please provide any key reports, reviews or investigations (produced by POL or by an external firm on POL's behalf) following the findings of Fraser LJ or resulting from evidence arising in the Inquiry which address the quality of the investigations undertaken into dispute shortfalls, discrepancies and TC.

- 170 Please see the following reports regarding the quality of investigations into disputed shortfalls, discrepancies and transaction corrections.
- 171 The January 2023 Internal Audit Report regarding Postmaster Issue Resolution [POL00448322].
- 172 The internal assurance reports for Shortfalls [POL00448078]; Loss Prevention [POL00448079]; and Transaction Disputes [POL00448080].
- 173 The March 2024 Quality Assurance Framework Monthly Report on the assurance and complex investigations unit [POL00448292].

- 174 See also the February 2023 Policy monitoring report for the Postmaster Accounting Dispute Resolution Policy [POL00448075] and the Network Transactions Corrections Policy Review [POL00448076].
- 175 Please also see the following relevant external reports:
- 176 In January 2021 Deloitte was commissioned to review the "Postmaster Journey" [POL00448058].
- 177 The KPMG Target Operating Model report which recommended the target operating model for the NSRT [POL00448055].
- 178 The Ernst Young Branch Discrepancies Report [POL00448325]. The purpose of this review was to examine and document the systems data and data flows for the interlinked areas that drive discrepancies between Post Office (PO) and branches. As a result of this review Post Office stood up the Operational Excellence Programme which is described above at paragraph 80 and in relation to which see also [POL00448231] for the latest report to SEG regarding the Operational Excellence Programme.

Rule 9(58) question 33: Since the Horizon Issues Judgment, is audit data now obtained and considered in every case as part of the dispute resolution process? If not, please set out how frequently and in what circumstances audit data is obtained and considered for resolving a dispute between POL and SPMs, managers or assistants regarding branch accounts.

- 179 In terms of audit data that Post Office can access the options include: Credence, HORice and ARQ data (for requests going back further than 12 months).

180 Post Office has direct independent access to transaction data created in the last 12 months, which is stored on HORice. An important distinction is that an ARQ data request is only required if more than 12 months of data is needed. In individual cases if data beyond 12 months is required, Post Office must make an ARQ request to Fujitsu (please also see the process outlined above at in my response to Rule 9(58) question 29(b)). The NSRT made only 24 ARQ requests in the financial year 2023/24.

Rule 9(58) question 34: To what extent is information from management sought and used in the dispute resolution process? Please set out when and how frequently information from management is obtained.

181 I understand that the Inquiry's reference to "*information from management*" is a reference to Post Office Area Managers (and individuals in similar roles) who might be able to provide information about Postmasters from direct knowledge of the relevant Postmasters.

182 Information from Area Managers is not routinely sought as part of the discrepancy investigation process.

183 Where there is a significant discrepancy and the case is complex, input would be sought from a number of people involved in the relationship with the Postmaster (including Area Managers, Contracts Team and the Network Monitoring Team).

184 In some situations, a particularly complex case or high value or if there are concerns about the welfare of the Postmaster, the case investigation reports from Tier 2 and /or Tier 3 review might also be provided to the Area

Manager and NFSP and Post Office would seek agreement from the Postmaster before that step is taken.

Rule 9(58) question 36: Please explain the options available on the Horizon counter (if any) for SPMs, managers and assistants to flag when they've identified a shortfall and describe what relevant changes (if any) have been made following the findings of Fraser LJ or resulting from evidence arising in the Inquiry.

185 Previously, the Horizon system included a settle centrally function. In accounting terms, choosing to settle centrally transferred the discrepancy amount from the branch Horizon system onto the branch account. As explained above, this remains the case. However, this action was also previously treated by Post Office as an acceptance of liability for the shortfall by the Postmaster and a request by the Postmaster for time to settle the balance [POL00448060].

186 As noted above, as of 13 May 2021, the settle centrally function was renamed "Review Dispute" (RorD) on Horizon to signal the change in Post Office's approach to branch discrepancies. A month prior to the introduction of the RorD function, in April 2021, Post Office removed the £150 limit, previously in place, for using the settle centrally option [POL00448060]. In February 2023, the onscreen display of "Review Dispute" was changed to "Review Dispute CALL BSC" on Horizon to emphasise the importance of the Postmaster contacting the BSC in relation to the discrepancy (see paragraph 123 above) (see [POL00448048] page 5).

- 187 The options available to a Postmaster in relation to a discrepancy, whether shortfall or surplus, are set out in detail at paragraphs 115 to 121 above. Further, as set out in the section called Reduction and Identification of Potential Discrepancies (see paragraph 96 above), a Postmaster is not prevented from continuing to trade by virtue of their not having completed the trading period end accounting process and may continue to do so without moving into the new trading period on Horizon.
- 188 As set out above at paragraphs 92 to 95, a Postmaster may choose to settle in branch without having ever contacted Post Office (for example the Postmaster may have identified the cause of the discrepancy and chosen to resolve it without seeking support from Post Office).
- 189 If the Postmaster does not contact Post Office, Post Office does not take active steps to identify the cause of a discrepancy that has been settled in branch, although the volume and value settled in branch is one of the inputs into the NORM model (see paragraph 76 above) and, as such, forms part of the Network Monitoring activity referred above at paragraph 73. The volume and value of discrepancies settled in branch each trading period is also reported in the Retail Performance Dashboard. There is no way that Post Office can identify if a Postmaster introduces a cheque or cash to correct a shortfall prior to completing the branch trading period.

Rule 9(58) question 37: Is it still POL's position that a dispute button/function should not be included within the Horizon computer platform itself? If yes, why?

190 It is not Post Office's position that a dispute function should not be included within the Horizon computer platform. Since May 2021, a Postmaster has been able to raise a dispute through the Horizon platform, using the RorD function, as well as opting to settle the discrepancy in branch, as set out in the above paragraphs 185 to 189.

Rule 9(58) question 38: Please explain the current meaning and effect of the 'settle centrally' function on Horizon.

191 Purely from an accounting perspective, the settle centrally and RorD functions within Horizon follow the same process in amending the Horizon balance and posting the corresponding amount to the branch account in CFS. However, the way the account balance is treated (in terms of liability), reviewed and ultimately resolved has fundamentally changed and is now as set out above in paragraphs 107 to 121, 122 to 151, and 185 to 189. The emphasis is on supporting the Postmaster and Post Office makes no assumption of liability for the loss until a full investigation has been carried out and established that the loss was due to the Postmaster's (or the Postmaster's assistant's) negligence, carelessness or error, and that the Postmaster has agreed with that outcome.

Rule 9(58) question 39: Please explain whether POL treat the Branch Trading Statement as a settled account, and set out in what circumstances, if any, the Branch Trading Statement could or does include disputed matters.

192 Post Office does not consider a Branch Trading Statement to be a settled account.

193 If a Postmaster chooses to RorD a discrepancy, the value of the discrepancy is transferred off Horizon and onto the branch account. Whereas the settle centrally function would previously have led to a discrepancy, immediately being treated as the Postmaster's liability a different process is now in place whereby, following use of the RorD function, the Postmaster is asked to call the Branch Support Centre¹⁷ or Postmaster Account Support Team to discuss the balance and work through steps to resolve it. Post Office's new process is such that a discrepancy would only be treated as the Postmaster's debt if it has been investigated by Post Office and found (with the Postmaster's agreement) to be a genuine loss to Post Office which was caused by the Postmaster's (or the Postmaster's assistant's) negligence, carelessness or error **[POL00448257]**.

194 For completeness, in the following paragraphs, I set out how Post Office treats the value of a discrepancy which has been transferred off Horizon and onto the branch account.

195 Postmasters are issued a statement of account for their branch only at trading period ends in which there has been activity on that branch account (e.g., a discrepancy has been transferred off Horizon into the branch account). However, a Postmaster can telephone the BSC to request a statement of account.

196 Use of the RorD function has the effect of adding the value of the discrepancy to the branch account and, as such, would trigger a letter

¹⁷ See paragraph 186 referring to the change in name of the function button to 'Review Dispute CALL BSC' on the Horizon system.

accompanied with a statement of account being sent to the Postmaster the following week. The process of issuing the correspondence to the Postmaster is initiated by a manual request in CFS to start a batch print that will print all relevant letters and statements of account. Letters and statements of account will only be printed when there has been a new transaction on the branch account in the trading period. In this context, a new transaction might include the RorD function being used, an invoice being issued to the Postmaster (e.g. for branch works carried out by Post Office), or the Postmaster making payment against a previous invoice. The Post Office's letter accompanying the branch's statement of account is sent from the Postmaster Account Support team. The letter refers to the discrepancy, on the accompanying statement, which the Postmaster has asked Post Office to review (by virtue of the Postmaster having used the RorD function) and invites the Postmaster to telephone the Postmaster Account Support team so that they may provide more information about the entries on the accompanying statement and agree the next steps to resolve the discrepancy. The letter also sets out guidance for the Postmaster should they wish to investigate the discrepancy without Post Office's support, the number to call if they would like help to investigate how the discrepancy or transaction correction happened and the number to call if the Postmaster understands and accepts the discrepancy and would like to discuss payment options **[POL00448197]**.

- 197 The branch statement of account contains details of all transactions that have been posted on the branch account. This will include invoices payable by the Postmaster, for example where a postmaster has agreed

to share the cost of property improvements to their branch, branch discrepancies and disputed transaction corrections. The branch statement of account differentiates the amounts on the schedule by virtue of their origin under the heading Transaction Detail and using descriptors such as Invoice, Branch Discrepancy and Customer Payment. Transactions are also separated based on their descriptor as either Outstanding Discrepancies, New Discrepancies, Previously Agreed Discrepancies, and Disputed Discrepancies, which are described further below **[POL00448197]**.

- 198 Outstanding Discrepancy refers to an amount for which the Postmaster has previously received a letter from the Postmaster Account Support team (e.g., it may relate to a previous period in which a discrepancy was raised by the Postmaster using the RorD function on Horizon) and which has not been blocked (e.g. as would be the case where Post Office has made contact with the Postmaster following use of RorD).
- 199 New Discrepancy refers to a discrepancy about which Post office are writing to the Postmaster for the first time (i.e., in response to the Postmaster having in the last week raised a discrepancy using the RorD function on Horizon).
- 200 Previously Agreed Discrepancies are discrepancies the Postmaster has agreed to repay (either under a repayment plan or a promise to pay) or has paid in full within that trading period.
- 201 Disputed Discrepancies relate to discrepancies that are under investigation and Post Office (either BSC or the PAST) has had contact with the

Postmaster after the Postmaster initiated RorD on Horizon. Or if the investigation is complete and the Postmaster disputes the outcome and has not, therefore, agreed to pay the Shortfall amount.

202 Any payments made by the Postmaster to Post Office will present under the appropriate status heading and be identified under the transaction details as Customer Payment. Post Office does not consider a branch discrepancy to be a debt owed by a Postmaster until the outcome of the discrepancy review has established the cause of the discrepancy to be the Postmaster's (or the Postmaster's assistant's) negligence, carelessness or error and the Postmaster has agreed with this outcome. Upon agreement with the outcome, the Postmaster is asked to contact the PAST (contact details for which are provided in the Postmaster Account Support team letter) and accept the discrepancy and discuss the account balance **[POL00448197]**.

203 Post Office recognises that it does not currently provide an explanation, in its correspondence with Postmasters as to the meaning of the four descriptors for the amounts referred in the statement of account. Further, Post Office recognises that the statement of account includes a 'statement total' that totals all amounts in relation to the four descriptors, including Disputed Discrepancies, which could incorrectly lead a Postmaster to think that the statement total is the amount owed by the Postmaster to Post Office. The approach by which Post Office has treated discrepancies for the purpose of the statement of account has been in place since before the commencement of the RorD function. However, Post Office recognises there is a risk of misunderstanding by Postmasters as to the relevance of

the four descriptors. As a result, Post Office intends to update the statement of account and supporting letters so that information is clearer and more easily understood by Postmasters, and appropriately reminds Postmasters that it is for Post Office to prove any discrepancy was caused by the Postmaster's (or the Postmaster's assistant's) negligence, carelessness or error.¹⁸

204 Post Office recognises the possibility that a discrepancy may not be recovered if the balance remains on the branch account 60 days after the date it was first added to the account, by making a balance sheet provision for the full value. This process also charges the value to Post Offices profit and loss account. A balance may remain on a branch account after 60 days in a number of circumstances: the discrepancy review is still underway, the discrepancy has been resolved and is awaiting Post Office action to update the account, or the loss has been established but the Postmaster has not agreed with this outcome.

205 Where a Postmaster offers to make payment to Post office in the amount of the shortfall (negative discrepancy), including by way of instalments, the discrepancy record on the branch account is updated as such, on Post Office's CFS, by the Postmaster Account Support Team. The balance will still appear on the branch statement of account however it will show under the heading Previously Agreed Discrepancies along with any payments made against it. On the basis that the Postmaster has offered to pay the shortfall amount, the provisioning process described above at paragraph

¹⁸ Post Office proposes to frame this information in lay terms and in a manner intended to not cause undue concern to Postmasters.

204 is not applied even if it remains unpaid after 60 days. If a Postmaster were to make payment against a discrepancy that had already been fully provisioned (i.e., after being unpaid for more than 60 days), the discrepancy record would then be updated to show payment has been agreed and, as such, the previously provisioned amount would be credited back into Post Office's profit and loss accounts.

206 In relation to former Postmasters, all accounts are fully provisioned for (as described above at paragraph 204) when the Postmaster leaves the branch even if a repayment plan is in existence and the discrepancy is not yet 60 days old.

Rule 9(58) question 40: To what extent are unresolved discrepancies treated by POL as debts to be recovered from an SPM, manager or assistant?

207 Post Office understands an unresolved discrepancy to refer to a discrepancy that is still undergoing investigation (as described above at paragraph 122 to 139); where a review has taken place but the cause of a discrepancy has not been able to be established and the balance has been removed from the account so there is no suggestion that a debt is due; or where Post Office has established the cause of a discrepancy is as a result of the Postmaster's (or the Postmaster's assistant's) negligence, carelessness or error, but the Postmaster does not agree with Post Office's outcome and is going through the dispute process described in paragraphs 140 to 141 above. As and for the reasons set out in paragraph 191 above, Post Office does not treat unresolved discrepancies as debts to be recovered from a Postmaster.

TRANSACTION CORRECTIONS

Rule 9(58) question 41: Please describe the current process by which transaction corrections are issued. Please set out any relevant changes made to the process following the findings of Fraser LJ or resulting from evidence arising in the Inquiry

- 208 Transaction corrections are a method by which Post Office can ask a branch to correct accounting differences identified through a number of processes as outlined in paragraphs 212 and 213 below.
- 209 The Branch Reconciliation Team is responsible for issuing transaction corrections and is led by the Head of Network Monitoring and Reconciliation. The Branch Reconciliation Operations Manager works for the Head of Network Monitoring and Reconciliation and is accountable for the day-to-day operations in the Branch Reconciliation Team through 4 Team Managers and 48 Advisors. Advisors are recruited against a set of core competencies required for the role and provided with specific induction training based on the product area they will be working with.
- 210 Issuing a transaction correction is a process most often used to resolve an existing discrepancy that the branch has experienced with an identifiable cause. On average, there are currently around 10,000 transaction corrections issued each month. The number of transaction corrections had historically been higher (around 13,000 per month) due to a high number of transaction corrections being required to reconcile the Camelot (National Lottery) system. Now that Post Office no longer transacts National Lottery products through its branches, this has significantly reduced the number of

transaction corrections issued, although data transmission issues with third party systems could increase the number of transaction corrections issued in a period.

211 By far the greatest number of transaction corrections (around 80%) relate to the handling of cash (either due to errors in cash pouches or at-till mistakes). Post Office deals with £tens of billions in cash each year. Approximately two thirds of transaction corrections result in a credit back to the branch and one third result in a debit being made to a branch account **[POL00448282 and POL00448230]**.

212 A transaction correction might be issued for the following reasons:

- (a) Following an investigation, correcting a reconciling difference between the Horizon system and third-party data. The Branch Reconciliation Team receives two sets of data (typically in Excel form) each day: one recording Horizon data and the other recording third-party data. Automated processes detect where there are mismatches between these two sets of data to identify potential discrepancies requiring investigation.
- (b) To correct an error, for example a mis-key error, that has been notified to Post Office by a Postmaster, customer, bank, energy supplier, or another third party.
- (c) As a result of a discrepancy review following use of the RorD process (e.g., to correct a stock discrepancy).

213 The process of issuing transaction corrections is as follows:

- (a) The Branch Reconciliation Team will collect information from the relevant parties (most importantly from the Postmaster) in order to determine the cause of the data mismatch or verify the mis-key and, where appropriate, a transaction correction can be issued reflecting the outcome of these inquiries. There are many different scenarios for data mismatches, some of which might be reconciled by interrogation of the data itself, but many require contact to be made with the branch and/or relevant third party to obtain further information.
- (b) For cash pouch errors specifically, before a transaction correction is issued, the branch is sent a letter from the cash centre informing them that an error has been identified and notifying them that they have three weeks to request further information/details about the error. The letter also notifies the branch of the process to request to view CCTV footage of the issuing cash centre and/or dispute the error by telephoning the Branch Support Centre or cash centre. If there is no contact from the postmaster within three weeks of the cash centre sending the letter to the branch, the Branch Reconciliation Team will issue the transaction correction.
- (c) Once the need for a transaction correction has been identified, the transaction correction is issued to the branch with an explanation of the reason it has been issued and the name and contact details of the advisor who has issued it (for cash pouch errors the narrative includes the team name and contact number).

- (d) The majority of transaction corrections are issued for a small number of similar errors and standard narratives are provided for the advisors to use when completing the transaction correction request template. The template also includes the name and contact number of the Branch Reconciliation Advisor who issued the transaction correction. This is to enable the Postmaster to contact the relevant advisor directly to seek any further information or as one method of commencing the process of challenging the transaction correction. A sample of transaction correction request templates is reviewed each month by each advisor's Team Manager to check that the documented policies and processes have been followed and that the transaction correction was issued within those guidelines.
- (e) The majority of transaction corrections are within the approval limits of the Branch Reconciliation Support Advisor. All transaction corrections regardless of amount follow an approval and sign off process with high value transaction corrections, in excess of £10,000, requiring a secondary Senior Manager sign off.
- (f) Transaction corrections are issued to branches on a daily basis and these can be actioned by the branch at any point during the trading period. However, all transaction corrections have to be actioned before a branch can complete its trading period end and move into the next trading period.

- (g) A Postmaster can choose to accept a transaction correction, which will update the branch Horizon system and balance off the original error, or choose to use the RorD function, which will move the transaction correction value on to the branch account in order to be reviewed via the transaction correction dispute process described at paragraphs 106-120. A Postmaster is likely to use the RorD option either if they disagree with the reason it has been issued and want this reviewed (the Postmaster might have already spoken to the branch reconciliation advisor), if they do not have the corresponding physical cash surplus or deficit in branch or if they are awaiting a compensating transaction correction as a result of conversations with the advisor following the issue of the transaction correction.
- (h) I have been informed by Post Office's Head of Network Monitoring and Reconciliation that circa 3% of transaction corrections are disputed.
- (i) If a discrepancy is identified towards the end of a trading period, the transaction correction might not be issued until the following trading period. A branch could therefore have a discrepancy at trading period end that the Postmaster knows is likely to be corrected in a future trading period. In this circumstance, the Postmaster could either settle the discrepancy in branch knowing there will be a transaction correction issued to correct this or choose to use the ROD function to initiate an investigation which will identify that a transaction correction is due to be issued **[POL00448082; POL00448083; and POL00448279]**.

214 The current process differs significantly from the historical position where a Postmaster was unable to roll over into the next trading period without accepting a transaction correction. There are two key differences that Post Office has introduced in order to minimise potential postmaster detriment:

- (a) A transaction correction will only be issued where the outcome of the review/reconciliation exercise, as described in paragraph 131, has shown Post Office that the transaction correction is necessary to correct the position in branch. If the review/reconciliation exercise is unable to verify this no TC is issued and the case is closed without impacting the branch
- (b) A Postmaster now has the option either to accept the transaction correction or, if they do not agree with why it has been issued or have not had time to review the additional detail, they can use the RorD function to prompt a review by NSRT. NSRT will then review the original case and decide whether to uphold the original transaction correction or propose another course of action, such as issuing a compensating transaction correction.

Rule 9(58) question 42: Please confirm whether POL maintains a central record of all transaction corrections issued, and/or all transaction corrections disputed by SPMs, managers or accounts? If it does, please confirm which department(s) hold responsibility for this record and who holds responsibility for the management and oversight of that department.

215 A central record of all transaction corrections issued will be visible in CFS. However, an additional file is maintained by the Branch Reconciliation Team and updated daily.

216 The process for updating the central record is as follows:

- (a) At around 10pm each night, Accenture (one of Post Office's third-party IT suppliers) run an automated process to extract the data for all transaction corrections that took place that day from the CFS. This data is consolidated onto a single file (in Excel format) and an automated email attaching the file is created.
- (b) The automated email (and accompanying file containing that day's transaction correction data) is sent to a designated group of people within the Branch Reconciliation Team.
- (c) A member of Branch Reconciliation Team in receipt of the file will then add the data from the Excel file to a central Excel file containing all transaction correction data for that calendar year. The process of updating the central Excel file is typically done by the same member of the team each day, unless they are away and then the task is deputised.

217 The Retail Performance Dashboard also provides a visual summary of: (i) the volume and value of transaction corrections issued each period; and (ii) the totals by period for the last 12 months. This summary view also shows the top 10 products that the transaction corrections have been issued for, with comparison to previous years. A separate slide within the

same Retail Performance dashboard is also maintained as a record to show the total volume and value of transaction corrections that have been settled to ROD, and a breakdown of individual values [POL00448230].

POSTMASTER COMPLAINTS POLICY

Rule 9(58) question 46: Please consider WITN11190100 paragraph 71(a).

Please provide the Postmaster Complaints Policy and set out:

- (a) **The number of complaints received in accordance with the policy;**
- (b) **Key themes emerging from the responses; and**
- (c) **POL's assessment of the policy's effectiveness.**

218 WITN11190100 was provided by my colleague, John Bartlett, who is Post Office's Director of Assurance and Complex Investigations. Paragraph 71(a) of that witness statement states:

"Consideration was given to ensure alignment between the Whistleblowing Policy, the Postmaster Complaints Policy and the Group Investigations policy."

219 I understand from BSFf that Mr Bartlett will respond to Rule 9(58) question 46 insofar as it relates to Post Office's Speak Up (whistleblowing) arrangements. However, I, in my capacity as Central Operations Director, am the person within Post Office with overall accountability to the Board for the design and implementation of controls to manage Complaints received from Postmasters as defined in the Postmaster Support Policy:

Complaint Handling. Accordingly, I am the person with present involvement in the other matters underlying this question and provide the additional evidence below.

220 A copy of the current version of the Complaint Handling policy has been produced to the Inquiry as **[POL00447972]**.

221 The first version of the Complaint Handling policy came into effect on 22 January 2021. Postmaster Support policies are reviewed annually. The current version 4.0 was signed off by ARC in May 2024. Annual completion of a Postmaster Complaint Handling compliance module is mandatory for all Post Office staff.

The number of complaints received in accordance with the policy

222 The Issues Resolution Team was created in January 2021. Its purpose is to carry out thorough and effective investigations to resolve Postmaster complaints. This team consists of 9 Issue Resolution Support Advisors managed by a Team Manager who reports into the Head of Branch Support Centre. Prior to January 2021, Postmaster complaints would have been logged and handled by the Branch Support Centre Advisors.

223 I have been assisted by Post Office's Head of Branch Support Centre in collating relevant data and set out in the table below the number of complaints received by Post Office from Postmasters since the financial year 2019/20:

Year	No. of complaints

2019/20	2,665
2020/21	3,337
2021/22	4,399
2022/23	4,725
2023/24	4,504
2024/25 (to P4)	1,458

224 From January 2021, the data in the table above relates to the number of complaints created in Dynamics by the Issues Resolution Team and assigned as a Postmaster complaint in the work-flow logging process. This is irrespective of how the complaint was received (e.g., via a telephone call into the BSC, via the Branch Hub form or via another Post Office colleague). The data from prior to January 2021 shows calls logged as a complaint by the Branch Support Centre Advisor as part of their business-as-usual role.

Key themes emerging from the responses

225 A Postmaster experience forum is held every month and is chaired by the Postmaster Experience Director, Mark Eldridge. Subject Matter Experts from across Post Office attend the meeting as well as Postmasters. One of the agenda items involves a review of complaints received since the previous meeting to understand any key themes, possible drivers of complaints, and seek feedback and insight from attendees on improvements required to reduce issues in the future.

- 226 Generally, the most common complaint drivers, as documented and reported to SEG and Board via the monthly Retail Performance Dashboard, centre around the service provided by Post Office's main carriers (Royal Mail, Parcelforce, DPD etc.) and the accuracy of the branch data accessed by customers through Post Office's Branch Finder application.
- 227 The Retail Performance Dashboard (produced to the Inquiry as **[POL00448230]**) has recently been enhanced to provide additional detail around the main drivers of Postmaster complaints. That shows that failed collections are the most common driver for carrier-related complaints and incorrect opening hours showing on Branch Finder are the most common driver for complaints relating to Post Office's Branch Finder application.
- 228 The Issues Resolution Team is also currently taking responsibility for managing more complex cases, such as complaints from current and former Postmasters relating to situations and circumstances from many years ago that do not fall within the remit of the Historic Shortfall Scheme.
- 229 A piece of analysis was undertaken by Post Office on complaints received in the first half of the 2023/24 financial year and this has been produced to the Inquiry **[POL00447958]**. This document contains statistical data I hope will assist the Inquiry in further understanding the key apparent themes as outlined more regularly in the Retail Performance Dashboard discussed in paragraph 227 above. That analysis showed:
- (a) 45% of all Postmaster complaints related either to Parcelforce or Royal Mail.

- (b) 97% of the complaints related to Parcelforce related to failed or late collections in branch.
- (c) The volume of complaints was 16% lower than the equivalent period (i.e., the first half) in the 2022/23 financial year.
- (d) The top 5 complaints drivers (comprising 67% of all Postmaster complaints received) were (in order):
 - (i) Parcelforce;
 - (ii) Royal Mail;
 - (iii) Possible customer complaint (i.e., a complaint incorrectly logged in Microsoft Dynamics as a Postmaster complaint when, being a potential customer complaint, it should have been passed to the Customer Team to investigate);
 - (iv) Reversals/refunds; and
 - (v) Branch Finder services (incorrect branch-level data, such as relating to trading hours, surfaced to customers via Post Offices Branch Finder application).

Post Office's assessment of the policy's effectiveness

230 Before I started working at Post Office, I understand KPMG reviewed the original version of the Complaint Handling policy. At the time (August 2021), I can see from KPMG's report [POL00423697] that their assessment of the Complaint Handling policy view was:

“Postmaster complaints have a strong governance framework with detailed policies and processes that clearly set out the investigation requirements including the Postmaster complaints response process and the steps to be followed for each case”.

- 231 KPMG identified several areas for improvement, including: introducing a formal triage process and criteria to identify high risk or priority cases; clarifying when legal input is required; ensuring independence of investigators; implementing a training plan; and ensuring investigations were consistently documented.
- 232 In March 2023, the Issues Resolution Team introduced the GE Complaints inbox through which complaints received directly by Post Office Senior Leaders should be directed to the Issue Resolution Team. This ensures a case is created in Dynamics and the complaint is handled consistently and in line with Complaint Handling policy. These complaints are, more often than not, relatively complex complaints and using a separate inbox allows them to be triaged and managed effectively. A weekly complex case review meeting lead by the Issues Resolution Team’s Team Manager is attended by members of the Retail Leadership Team to support with sensitive and/or complex cases.
- 233 To recognise the increase in number of relatively complex complaints, the Head of the Branch Support Centre is in the process of restructuring the Issues Resolution Team. Day-to-day responsibility for the team will be through an Operations Manager who will manage both the Team Leader (responsible for the Issues Resolution Advisors) and 2 new Executive

Complaint Manager roles who will take responsibility for managing the more complex complaints, including understanding if the complaint requires legal input. The Head of Branch Support Centre is currently developing the additional training the successful applicants will receive in recognition of the complexity of the cases they will be dealing with

234 The Complaint Handling policy has, since August 2021, been subject to two internal reviews by Post Office Group Assurance; the first in February 2022 and the second in March 2023.

235 The February 2022 review (Group Assurance's Policy Monitoring Report is produced to the Inquiry as **[POL00448359]**) and was broadly positive in its assessment of the Complaint Handling policy as it then was. The overall rating was a "2" (on a five-point scale from "1" down to "5"), which indicates that the document was considered to be "*satisfactory*", with "*low*" residual risk (the highest assessment, a "1", would have indicated an assessment of "*satisfactory*" with "*insignificant*" residual risk).

236 The March 2023 review (Group Assurance's Policy Monitoring Report is produced to the Inquiry as **[POL00448360]**) of the Complaint Handling policy v 3.0 (which was in effect at that time) was less positive. On a four-point scale (from "*satisfactory*" to "*unsatisfactory*") the Complaint Handling policy was assessed as "*needs significant improvement*". That rating was "*predominantly based on the lack of direct evidence to support the various risk areas*". In my view, the lower assessment did not reflect a deterioration in the standard of the policy, but a more rigorous and exacting review.

237 Because of that review, six specific improvement actions were assigned to the Retail Team. I have set these out in the table below along with an overview of their current status:

Improvement Action	Current Status
Regular meetings between Speak Up and the Issue Resolution Manager to be put in place to ensure the relevant risk is managed properly	Regular meetings are now in diaries and the action is now closed with approval from Post Office Group Assurance.
Voice of Postmaster meetings to be reinstated and communications with Postmasters improved so that thematic issues can be addressed properly	Equivalent engagement meetings have been set up and the action is now closed with approval from Post Office Group Assurance.
Risks were to be articulated better (they were, prior to this point, articulated primarily as just impacts rather than hazards and impacts)	The articulation of identified risks has, I believe, been improved, although the updates are awaiting approval from Post Office Group Assurance.
Risk controls were set out as processes rather than specific actions, making it difficult to assess their effectiveness	Updates have been made to the required operational standards in line with the guidance provided by Post Office Group Assurance,

	although the updates are awaiting approval from Post Office Group Assurance.
A complaint service level needed to be stated	A complaint service level has now been included with approval from Post Office Group Assurance.
Service level data needed to be tracked to enable recurring themes, issues and root causes to be identified	This is being done and the tracking has been approved by Post Office Group Assurance.

238 In terms of further indicators of the Complaint Handling policy's effectiveness, I note that the approved service level is to aim to resolve complaints within 10 working days. Our current target is to resolve 85% of complaints in accordance with that service level and, at present, we are typically meeting or exceeding that target. I believe that most complaints are resolved materially within that timeframe, however, recognise that the more complex cases often take longer to investigate and resolve due to the nature of the complaint. I am also not aware that any Postmaster complaints have ever been raised about the approach to complaint handling that is reflected in the policy.

239 However, as I have been asked by the Inquiry to provide a candid narrative, I think it is fair to say that, from my perspective as the person accountable for the implementation of the policy, the Complaint Handling policy works

very well for the routine complaints that make up most complaints received. For more complex and unusual complaints, it can be somewhat less effective and many of the complaints currently outside of the 10-day resolution expectation are cases of this nature. Improving its effectiveness in relation to these more complex complaints is a focal point of ongoing activity.

Statement of Truth

I believe the contents of this witness statement to be true.

Signed: _____

GRO

Dated: _____

22nd August 2024

Index to First Witness Statement of Melanie Park

Exhibit No.	URN	Document Description	Control No.
1.	POL00448229	Postmaster Accounting Dispute Resolution Policy V4.1	POL-BSFF-104-0000188
2.	POL00448000	Postmaster Account Support Pol (1)	POL-BSFF-107-0000084
3.	POL00460566	Network Transaction Corrections Policy V4.1	POL-BSFF-146-0000001
4.	POL00448294	Postmaster Onboarding Policy V4.1	POL-BSFF-104-0000253
5.	POL00448207	Postmaster Training Policy V4.1	POL-BSFF-104-0000166
6.	POL00447972	Postmaster Complaint Handling Policy V4.0	POL-BSFF-107-0000056
7.	POL00448252	Network Monitoring and Branch Assurance Support Policy V4.1	POL-BSFF-104-0000211

8.	POL00448331	Network Cash and Stock Management Policy V4.0	POL-BSFF-118-0000001
9.	POL00448204	Postmaster Contract Performance Policy V5.1	POL-BSFF-104-0000163
10.	POL00448254	Postmaster Contract Suspension Policy V5.2	POL-BSFF-104-0000213
11.	POL00448206	Postmaster Contract Termination Policy V5.1	POL-BSFF-104-0000165
12.	POL00448205	Postmaster Contract Termination Decision Review Policy V3.1	POL-BSFF-104-0000164
13.	POL00448077	Postmaster Support Guide	POL-BSFF-104-0000036
14.	POL00448058	Deloitte's Postmaster Journeys Report (March 2021)	POL-BSFF-104-0000017
15.	POL00448362	Presentation to Post Office's Strategic Executive Group entitled "Loss Recovery Update" (17 July 2014)	POL-BSFF-116-0000011

16.	POL00448520	Meeting minutes of SEG meeting 17 July 2024	POL-BSFF-123- 0000001
17.	POL00448356	Job description for Post Office Operations Support Specialist (July 2024)	POL-BSFF-116- 0000005
18.	POL00448224	Branch Assurance team structure (July 2024)	POL-BSFF-104- 0000183
19.	POL00448357	Pro forma Rationale Document	POL-BSFF-116- 0000006
20.	POL00448200	Branch Assurance Chapter 2: Performing a Branch Assurance Visit Version 2.7 (July 2024)	POL-BSFF-104- 0000159
21.	POL00448253	PM Letter Your BA visit today v3	POL-BSFF-104- 0000212
22.	POL00448256	Branch Assurance Advisor - Induction & Training Programme Version 4.0 (January 2023)	POL-BSFF-104- 0000215

23.	POL00448201	Branch Assurance Chapter 5: Robbery & Burglary Branch Assurance Visits Version 6.1 (June 2024)	POL-BSFF-104-0000160
24.	POL00448202	Branch Assurance Chapter 6: Retention of Papers Version 5.0 (May 2024)	POL-BSFF-104-0000161.
25.	POL00448047	Retail Compliance Team Meeting: 18 and 19 July 2024 slide deck	POL-BSFF-104-0000006
26.	POL00448199	Operational Excellence Branch Assurance Team Charter (May 2024)	POL-BSFF-104-0000158
27.	POL00448255	Terms of Reference for Branch Assurance Visit Alignment Meeting Version 2.0 (March 2024)	POL-BSFF-104-0000214
28.	POL00448203	Quality Assurance Review Tool Version 6.5	POL-BSFF-104-0000162

29.	POL00448231	03.00_POL_GE_Operational Excellence Programme Update (20240131)	POL-BSFF-104- 0000190
30.	POL00448190	04.03_POL_GE_Postmaster operational excellence incentives (20240117)	POL-BSFF-104- 0000149
31.	POL00448358	BUSINESS CASE WATERFALL Operational Excellence - Note Counters PRJcode	POL-BSFF-116- 0000007
32.	POL00448328	IADG decision for OE & OE Note Counter PRJ0046222	POL-BSFF-116- 0000003
33.	POL00448235	Stock Autorem Benefits Case	POL-BSFF-104- 0000194
34.	POL00448230	POL SEG Retail Performance Dashboard P3 2024	POL-BSFF-104- 0000189
35.	POL00448234	Ops Ex One Pgr 2024 (POLCC32-24 V1.0)	POL-BSFF-104- 0000193

36.	POL00448192	PM email - remuneration update	POL-BSFF-104-0000151
37.	POL00448193	240319 - BOAP Update Ops Excellence Steerco 1	POL-BSFF-104-0000152
38.	POL00448245	AM JD 2024	POL-BSFF-104-0000204
39.	POL00448188	Operational Excellence – Review (Nov 2023)	POL-BSFF-104-0000147
40.	POL00448361	OPERATION_MANUAL (20240726)	POL-BSFF-116-0000010
41.	POL00448268	Ops Training Guide Section 10 END OF DAY V4.0 (July 2023)	POL-BSFF-104-0000227
42.	POL00448272	Ops Training Guide Section 14 CASH & STOCK MANAGEMENT V4.0 (July 2023)	POL-BSFF-104-0000231

43.	POL00448269	Ops Training Guide Section 11 WEEKLY ACCOUNTING V4.0 (July 2023)	POL-BSFF-104- 0000228
44.	POL00448048	TP END Screen shots	POL-BSFF-104- 0000007
45.	POL00448270	Ops Training Guide Section 12 MONTHLY ACCOUNTING V4.1 (February 2024)	POL-BSFF-104- 0000229
46.	POL00448219	NS&R Org Chart (Current 15 th July 2024)	POL-BSFF-104- 0000178
47.	POL00039629	Tier 2 & PAST Role Profile (Current) - Generic Support Advisor (PO Grade).	POL-0036113
48.	POL00448081	Case Investigation and Review Analyst JD Tier 3.	POL-BSFF-104- 0000040
49.	POL00448070	Triage Process Map ("INV- TRI01-Triage process-V2.0").	POL-BSFF-104- 0000029

50.	POL00448072	Escalation Process Map ("INV-ESC01-Escalation process-V2.0").	POL-BSFF-104-0000031
51.	POL00448069	Weekly Case Review Process Map ("INV-WCR01 - Weekly Case Reviews v1.0").	POL-BSFF-104-0000028
52.	POL00447943	A&CI Referral Process Map ("INV-CIU01 CIU referral process v1.1")	POL-BSFF-107-0000027
53.	POL00448068	Contract Team Referral Process Map ("INV-CTR01 Contract Team Referrals v1.0").	POL-BSFF-104-0000027
54.	POL00448191	Investigating Discrepancies Digital WorkAid for Postmasters ("INVD A4 Digital Work Aid V5.0 March 2024").	POL-BSFF-104-0000150
55.	POL00448187	Guidance to Postmasters on use of the Review or Dispute Option on Horizon (20 February 2023)	POL-BSFF-104-0000146

		("003 CALL BSC One article (1)").	
56.	POL00448073	Email to Postmasters with guidance on RorD function (24 February 2023) ("007 PM email - 24 February23_0FBEC4C0-24DE-4553-B46D-DD32.)	POL-BSFF-104-0000032
57.	POL00448257	BSC Discrepancies - Knowledge - Microsoft Dynamics 365	POL-BSFF-104-0000216
58.	POL00037518	Common Issues Judgement: Summary of the Effect on Postmaster Contracts ("Contract Restatement Summary").	POL-0034453
59.	POL00448295	Script 01 Proactive engagement for negative discrepancies V1.1	POL-BSFF-104-0000254
60.	POL00448197	Example Current Postmaster Discrepancy Letter 1 & Statement.	POL-BSFF-104-0000156

61.	POL00448186	Template Postmaster Discrepancy Letter 1.	POL-BSFF-104- 0000145
62.	POL00448246	Template Postmaster Discrepancy Letter 2.	POL-BSFF-104- 0000205
63.	POL00448082	Template acknowledgement letter to Postmaster re Transaction Correction investigation.	POL-BSFF-104- 0000041
64.	POL00448223	NSRT Triage checklist questions	POL-BSFF-104- 0000182
65.	POL00448365	Write Off Suspense Policy V4.4 Mar 2024.	POL-BSFF-116- 0000014
66.	POL00448059	Email Template – Tier 2 to Investigate.	POL-BSFF-104- 0000018
67.	POL00448196	Central Operations Period Dashboard.	POL-BSFF-104- 0000155
68.	POL00448218	Quality Assurance Checklist.	POL-BSFF-104- 0000177

69.	POL00448043	Dispute Resolution Review Committee Terms of Reference.	POL-BSFF-104-0000002
70.	POL00448083	Template letter to Postmaster following investigation of transaction correction.	POL-BSFF-104-0000042
71.	POL00448071	Email Template – Outcome Write Off.	POL-BSFF-104-0000030
72.	POL00039599	Service Desk Team Lead JD.	POL-0036081
73.	POL00448290	Discrepancy Investigation - Guidance Note.	POL-BSFF-104-0000249
74.	POL00448289	POL Investigations Team Training November 2021.	POL-BSFF-104-0000248
75.	POL00448220	Tier 2 Report writing Training.	POL-BSFF-104-0000179
76.	POL00448281	ARQ Form 2024.	POL-BSFF-104-0000240

77.	POL00448322	Internal Audit Report - Postmaster Issue Resolution.	POL-BSFF-116- 0000001
78.	POL00448078	CIJ 4 Shortfalls Final report v1.0.	POL-BSFF-104- 0000037
79.	POL00448079	CIJ 5 Loss Prevention Final report v1.0	POL-BSFF-104- 0000038
80.	POL00448080	CIJ 6 Transaction Disputes Final report v1.0.	POL-BSFF-104- 0000039
81.	POL00448292	Quality Assurance Report March 2024.	POL-BSFF-104- 0000251
82.	POL00448075	Assurance Review Postmaster Accounting Dispute Resolution FINAL DRAFT.	POL-BSFF-104- 0000034
83.	POL00448076	Network Transaction Corrections Policy Review	POL-BSFF-104- 0000035
84.	POL00448055	KPMG POL Investigations Target Operating Model Report.	POL-BSFF-104- 0000014

85.	POL00448325	Ernst Young Branch Discrepancies Recommendations Report.	POL-BSFF-116- 0000002
86.	POL00448060	004 Changing the term Settle Centrally	POL-BSFF-104- 0000019
87.	POL00448282	TC Average Values Request July 2024	POL-BSFF-104- 0000241
88.	POL00448279	Transaction Correction Horizon Screenshots	POL-BSFF-104- 0000238
89.	POL00447958	Postmaster Complaints Analysis FY23/24	POL-BSFF-107- 0000042
90.	POL00423697	Project Birch Report 260821	POL-BSFF- 0238515
91.	POL00448359	Group Assurance Monitoring Report February 2022	POL-BSFF-116- 0000008
92.	POL00448360	Group Assurance Monitoring Report March 2022	POL-BSFF-116- 0000009