

Message

From: Parsons, Andrew [GRO]
Sent: 27/01/2015 13:19:21
To: Chris Aujard [GRO]; Tom Wechsler [GRO]; Patrick Bourke [GRO]; Rodric Williams [GRO]; Angela Van-Den-Bogerd [GRO]
CC: Jane MacLeod [GRO]; Loraine, Paul [GRO]
Subject: RE: Suspense accounts - legally privileged - urgent [BD-4A.FID20472253]
Attachments: Suspense document

Chris

Al is referring to the draft paper that Rod sent to me last night - see attached.

It may be useful to talk through with Al his main concern (that we only provide 2 examples rather than a comprehensive answer). Angela and I have already discussed this with Rod and found that getting clear answers was very difficult. Each client/product has a different process and therefore the operation of the Suspense Account in relation to each product is different. Drafting a comprehensive explanation for each product would therefore be a significant task. For this reason, we focussed the draft paper on two specific examples, banking transactions and ATMs – these being SS' primary areas of concern.

There is also a wider point that SS are fishing for information when they should be putting forward concrete examples of how the Suspense Account has operated to disadvantage a SPMR in relation to a particular product or transaction. Volunteering too much information may only encourage further fishing and less focus on specific cases.

I've inserted some further comments in Al's email below on his specific questions.

Tom / Patrick - are you in a position to collate the statistical information that Al asks for at the end of his email? I have some of this already - happy to discuss.

Kind regards
Andy

Andrew Parsons
Managing Associate

Direct: [GRO]
Mobile: [GRO]
Fax: [GRO]

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-----Original Message-----

From: Chris Aujard [GRO]
Sent: 27 January 2015 12:48
To: Tom Wechsler; Patrick Bourke; Rodric Williams; Angela Van-Den-Bogerd; Parsons, Andrew
Cc: Jane MacLeod
Subject: FW: Suspense accounts - legally privileged - urgent

FYI - I am not sure what draft written response he is referring to; can anyone shed some light on this and the other questions that he has asked? Chris

-----Original Message-----

From: Alisdair Cameron
Sent: 27 January 2015 12:43
To: Chris Aujard; Jane MacLeod; Belinda Crowe

Cc: Rod Ismay; Mark R Davies
Subject: Suspense accounts - legally privileged - urgent

Chris et al

In spending the day with Rod, he showed me the draft written response to SS, which I hadn't seen. I am slightly disconcerted that we still haven't replied to them but as that seems to be the case I have a few observations. It would be helpful if someone could confirm the diary plan for the next few days - when we reply, when we practice, is Monday on? etc.

My main issue with the draft is that it doesn't do what they want and begs an obvious question. We effectively give them a high level overview and then two specific examples. If I was them, I would say "not good enough, give us the specifics for each material client." So my question is, rather than making them jump through hoops, why don't we just do that?

Secondly, we are very data light. Can we not get across a sense of volumes and values and percentages that would highlight how small some of his activity is relative to the core - and how much activity there is in the wider business, which may help them understand why we can't control every detail.
Rod Ismay is compiling this data

Less significantly:

- if our main contention is that there are many different versions of this, why refer to it as a singular Suspense Account? I'll speak to Rod about getting this further level of detail - the reference to a single account was only there to help simplify the answer.

- are we really clear that they are only interested in client suspense accounts and not the balancing accounts with the branches?
Yes - SS have made this clear.

- in para. 2 of page 2 we talk about the various people affected but ignore customers. I would add them in.
Agreed

- I agree we should use "credit" consistently. Have we worked through a logic for a debits, so we can answer that question if it arises? "Are there any circumstances in which a debit suspense item could leave a branch out of pocket?"
SS have made clear that they are only interested in credits but we can work up an answer on debits just in case.

- we hold strongly to the argument that if a branch has accounted properly it shouldn't be out of pocket. But it opens us up to the argument that if a badly trained and unsupported branch made errors and were materially out of profit - to our benefit - that would also be something we had accountability for. What's our answer to that? An example is if they don't record cheques properly, create a cash shortfall they don't get paid for and don't get the matching cheque benefit?
We'll need to discuss this with Rod Ismay.

- we cover the same. 2 examples twice each and the two could be consolidated to better effect
Agreed

Also could I urgently see a breakdown of the cases in process showing amount claimed, where there has been a criminal prosecution, where they are in the SS process, what any SS recommendations are etc?

Thanks Al

Sent from my iPad

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