
From: Charlotte Power [GRO]
Sent: Thur 15/02/2018 2:48:32 PM (UTC)
To: Mark R Davies [GRO]
Cc: Paul Swanton [GRO]
Subject: FW: Sparrow narrative

Hi Mark,

I completely support Jane's position.....I think proactively setting out to 'tell our story' (as nicely written as Al's statement is) could lead to a rather ugly public 'slanging match' and draw attention to this issue completely unnecessarily.

I will write something from the JFSA POV and I hopefully it'll help everyone to realise that it's best we continue to take the same approach as we have always done.....

Many Thanks,

Charlotte



**2017 Winner of the
Global Postal Award for
Customer Experience**

Charlotte Power
Strategic Communications Manager

20 Finsbury Street
London
EC2Y 9AQ

[GRO]
[GRO]

From: Jane MacLeod
Sent: 15 February 2018 14:29
To: Charlotte Power [GRO]; Paula Vennells [GRO]; Alisdair Cameron [GRO]; Mark R Davies [GRO]
Subject: RE: Sparrow narrative

You will all appreciate my nervousness at this discussion.

Before any more pens are put to paper, we need to be clear in what circumstances any narrative would be used, and then work out what the messages could be.

At the moment it is entirely unclear to me in what circumstances we would want to use such a narrative, although I anticipate we would want to say something in the ARA.

One of the reasons we currently say very little about the litigation, is to avoid providing fuel to the JFSA and others, who are only too keen to raise stories of individual postmasters which makes for even more prejudicial coverage as they have no incentive to be calm and balanced, and to steer criticism away from current management who continue to suspend & terminate postmasters, pursue debt collection etc, even if prosecutions are not the current issue. The Comms team have been very successful over the last 12-18 months at fending off adverse publicity, and we need to be mindful of the risks of changing that strategy.

Jane



Jane MacLeod

Group Director of Legal, Risk & Governance
Ground Floor

20 Finsbury Street

LONDON

EC2Y 9AQ

Mobile number: GRO

From: Charlotte Power

Sent: 15 February 2018 13:58

To: Paula Vennells <GRO>; Alisdair Cameron <GRO>; Jane MacLeod <GRO>; Mark R Davies <GRO>

Subject: RE: Sparrow narrative

I agree. It feels very measured and reasonable. Although the paragraph Paula mentions is perhaps a slight departure from the tone of the rest of the piece and feels a little emotive.

I'm very happy to look at drafting a version for the JFSA if that would be helpful?

Many Thanks,

Charlotte



Charlotte Power

Strategic Communications Manager

20 Finsbury Street

London

EC2Y 9AQ

GRO

GRO

**2017 Winner of the
Global Postal Award for
Customer Experience**

From: Paula Vennells

Sent: 15 February 2018 13:39

To: Alisdair Cameron <GRO>; Jane MacLeod <GRO>; Mark R Davies <GRO>

Cc: Charlotte Power <GRO>

Subject: Re: Sparrow narrative

I like this - it is calm, factual (when we put the facts in - from memory some date back to the 1990s so we should be accurate) and I think gets the scale and the background facts into the open.

To be able to decide whether it is the right approach, you have to write the JFSP's own calm and factual version as

well. We have to put ourselves in their shoes, to anticipate how balanced and engaging a story they have too. Can we draft that? Al I don't know if you want to have a go? Or we ask Portland, or Charlotte if she can get close to Sparrow, as she writes well too.

Back to us, it may be that this is a narrative which we use internally and possibly even in the ARA?
But as Mark says, that's the debate to have. (What's the sign off date for the ARA?)

There is one para which doesn't wholly work for me, beginning 'Unfortunately, ...'
Whilst the account of what is likely to happen is probably right, a couple of descriptions become emotive and statements stray into speculation or opinion: 'disappear into the misty world of off-shore finance' 'astronomic proportions' 'a few wealthy individuals even richer'. It's a good account of what we want people to know, so not a re-write but re-adjust some phrases.

Al, thanks for the work on this - you've missed your way - an accountant that can write!
Mark, will you pick up next week as you suggest?
Paula

Get [Outlook for iOS](#)

From: Alisdair Cameron <[GRO]>
Sent: Friday, February 9, 2018 09:30
Subject: Sparrow narrative
To: Jane MacLeod <[GRO]>, Mark R Davies <[GRO]>, Paula Vennells <[GRO]>

It feels as though we are about to come into a new period of discussion and public attention on Sparrow – the claim value, the impending court case, higher costs all point in that direction. It was the central point of the UKGI briefing of our new Minister, was raised by CWU yesterday and by EY as their most pressing issue for the ARA.

Our traditional practice has been to say as little as possible in public, focus on our legal positioning and quietly explain in the background why interested parties shouldn't believe everything they hear. And that may well be the right way forward over the next 6-9 months.

Before we all conclude that, I was just wondering what it would look like if we were to say "let's get out in front and bring this issue to peoples' attention starting with our perspective"? It might increase coverage but equally it might help shape its nature.

So I have quickly written down below what we might say, bearing in mind that this will be a rubbish first draft full of errors and omissions because I am not that close to it....For the record I am not recommending this and I am sure there are lots of PR and legal objections, I am just testing the water....even if we did it, there will be a much better version in your minds.

Thanks Al

"As everyone knows, a number of former Postmasters have alleged that between 200X-Y their branches appeared to lose money because of IT issues, for which they were unfairly held to account, in some cases being prosecuted for false accounting and theft. As the litigation around these historical issues will come to court in 2018, we thought it would be helpful to explain our position.

These allegations started in 20XX and have been addressed repeatedly in public including [Panorama, Select Cttee].

After its independence in 2012, the new leadership team of POL, who were not accountable for how the business had been run in the period under debate, sought to ensure a full, open and fair resolution of these issues, including a mediation scheme, investigations and an independent review by a third party. At no point was there any evidence that the branch systems either had systemic issues or that anyone had interfered with them. The reviews did conclude that in some individual cases, POL could have managed people with more sensitivity and support and we apologised for that in XXX. In the round, of the active Postmasters over this period, [99%] have managed to conduct their business without an issue or loss. Out of total trading of some £60b a year, with 10.5m customer sessions a week, we only have to correct c. 100,000 transactions a year, a process that is transparent to Postmasters and [is supporting by their National Federation]. It may also be worth noting that if the Post Office was profiting from such discrepancies as alleged, it is surprising that far from suffering in subsequent years, the business has become systematically more profitable.

Some XXX former Postmasters went through the mediation process and XXX agreed settlements. Of the remaining Postmasters some XXX had criminal convictions for theft from POL.

We have stated in public on a number of occasions that we want individual former Postmasters to be given the fullest opportunity to air their concerns and grievances and for them to be judged fairly and independently. This is not PR bluster: Postmasters are the heart, soul and face of the Post Office and we must always be able to work together, disagreeing often and openly but in an atmosphere of trust.

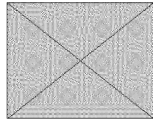
The mediation process did not fully resolve matters as we hoped and we still therefore support the right of aggrieved former Postmasters to have their day in court. In addition, we are very content that the CCRC is reviewing past convictions to ensure that there has been no miscarriage of justice. At the same time, Postmasters have an obligation to look after the public money we provide to fund their businesses and we have found no evidence that losses were as a result of system errors. Given our duty to use public money well, we have therefore to defend our position unless and until we see evidence to the contrary.

Unfortunately, the nature of access to justice means that the case against us is being funded, initially offshore, by a speculative hedge fund. We have yet to see the claim but our understanding is that it will be very large, bearing no relationship to the earnings of Postmasters but rather an ill-judged attempt to panic us into settling so that Government money, better spent elsewhere, will be used to make a few wealthy individuals even richer. It has not been disclosed in public but our understanding is that no individual Postmaster would receive any money from a successful or settled claim until it reached astronomic proportions because so much would go to the hedge fund. We are going to court to ensure that we get security of costs as we are concerned that if the claim does not succeed, the funders would disappear into the misty world of offshore finance.

We regret having to spend time and money defending ourselves from this financial speculation but, given that we have found no evidence of wrongdoing, we really have no choice. Our Board could not, in conscience, use public money to pay off and then encourage such threats. We have spent c. £2m a year over the last few years on the mediation and on the legal issues. We are facing two trials next year and the case may well continue beyond that, with appeals and ongoing claims. Next year's costs alone could well be in the order of £9m.

In summary, we have found no evidence of significant issues, we have sought to mediate with individuals, some of whom have joined the claim in spite of signing settlements with us. We welcome a process that will bring us and our former colleagues a settlement that is seen to be fair and that must include the view of the CCRC. Of course, we will continue to present the facts as we know them throughout. In addition, we will defend the Post Office against exaggerated and wild claims intended to enrich a few financial speculators.

In our Annual Report, we will provide an updated view of the claims against us, we will disclose the value of claims against us but based on where we are today, we will not provide for the value of any claim because we can see no evidence of loss created at our accountability. That is what the Courts will decide and we will keep stakeholders informed."



**2017 Winner of the
Global Postal Award
for
Customer Experience**

Alisdair Cameron

Chief Finance & Operating Officer

20 Finsbury Street
London EC2Y 9AQ

GRO