

Initial Complaint Review and Mediation Scheme ("the Scheme")

Terms of Reference for the Working Group

1 Scope of these Terms of Reference

- 1.1 These Terms of Reference will apply until 31 March 2014.
- 1.2 The Working Group may unanimously decide to extend these Terms of Reference for an additional period
- 1.3 The Working Group will review these Terms of Reference every 2 months to determine if they are still fit for purpose, in particular to consider whether Second Sight should continue to vote on its own proposals regarding the handling of Subpostmaster's cases.
- 1.4 In these Terms of Reference, the word "Subpostmaster" means any person eligible to take part in the Scheme

2 Members, representatives and reporting

- 2.1 The initial members of the Working Group shall be:
 - 2.1.1 Independent Chair (**Chair**)
 - 2.1.2 Post Office
 - 2.1.3 Second Sight
 - 2.1.4 Justice for Subpostmasters Alliance (**JFSA**)
- 2.2 Each Member may nominate any number of suitable representatives to attend Working Group meetings and to act on its behalf subject to any direction given by the Chair.
- 2.3 In conducting Working Group business, Post Office may act in a manner that promotes its own interests. Likewise, JFSA may act in a manner that promotes the interest of Subpostmasters.
- 2.4 Second Sight shall retain the role of independent investigator and advisor to the Working Group.
- 2.5 The Working Group shall report to [the Rt Hon James Arbuthnot MP and the Post Office board of directors] **TO BE CONFIRMED BY JA.**

3 Objectives of the Scheme

- 3.1 The Scheme's overall objective is to try to achieve the mutual and final resolution of a Subpostmaster's concerns about Horizon and any associated issues.
- 3.2 The Scheme must provide a mechanism to proportionately and effectively investigate a Subpostmaster's concerns.
- 3.3 Where appropriate, the Scheme must offer a reasonable forum, by way of mediation or through direct discussions, for a Subpostmaster and Post Office to seek a solution to that Subpostmaster's legitimate concerns.

3.4 The Scheme must be accessible for Subpostmasters, recognising that its success is reliant on Subpostmasters being prepared to commit their own time, knowledge and resources to the Scheme.

3.5 The Scheme must ensure that input and information from Post Office is provided in a timely and constructive manner.

3.6 The Scheme must recognise that Subpostmasters may lack financial resources and/or experience of mediation.

3.7 The Scheme will be funded predominantly by Post Office and must therefore ensure value for money for taxpayers.

4 Role of the Working Group

4.1 To establish and, where appropriate, revise the Scheme's operational and working practices.

4.2 To monitor the efficacy of the Scheme in achieving the Scheme Objectives.

4.3 To ensure that Subpostmasters' cases progress through the Scheme in a timely manner.

4.4 To review Subpostmasters' cases that may not be suitable for the Scheme and to decide whether and/or how those cases may proceed. For clarity, the Working Group shall have no role in deciding the suitability or process for cases subject to live criminal investigations or proceedings – such authority being retained solely by Post Office as the investigating and prosecuting authority.

4.5 To ensure, as far as possible, that the Scheme treats all cases consistently.

4.6 To manage the costs of the Scheme so to ensure that the Scheme is offering value for money for taxpayers.

4.7 To consider and determine any request by a Subpostmaster for special financial support.

4.8 To produce, and keep under review, a set of quantitative assurance standards and targets.

4.9 To maintain a record of the results of the Scheme.

4.10 To make recommendations for improvement to Post Office.

4.11 The Working Group is not to render any view, opinion, recommendation or decision on the merits and/or settlement of any individual Subpostmaster's complaint that may be advanced through the Scheme.

5 Independent Chair

5.1 The Chair shall be appointed as soon as possible by the other Members of the Working Group.

5.2 The Members of the Working Group (other than the Chair) may unanimously decide to replace the Chair at any time.

5.3 The Chair shall be independent of the other Members or have declared any conflicts of interest to the Working Group.

5.4 The Chair shall be suitably qualified and, ideally, have experience of schemes of this nature and/or of mediation.

6 Working process

6.1 The practices of the Working Group will be determined by the Chair.

6.2 The Working Group will meet at least once a month (in person or by phone) to discuss and action any steps required to fulfil its role.

6.3 Ad hoc meetings (in person or by phone) may be arranged as required subject to reasonable notice being given.

6.4 Meetings will be chaired by the Chair or other person nominated by the Working Group.

6.5 The meetings and other actions of the Working Group will be confidential to the Members of the Working Group (and their professional advisors) unless the Working Group decides that information may be disclosed outside the Working Group.

6.6 The meetings and other actions of the Working Group will be subject to without prejudice privilege.

6.7 Minutes will be kept of the meetings of the Working Group.

7 Decision making

[TO BE CONFIRMED]

7.1 Members shall attempt to agree all decisions unanimously.

7.2 If a unanimous decision cannot be reached, the Chair may define the point of disagreement and call a vote.

7.3 If a vote is called:

7.3.1 Second Sight shall have an opportunity to put forward its view and a recommendation to the Working Group;

7.3.2 Post Office and JFSA shall then vote on the matter, each having one vote (regardless of the number of representatives in attendance), which may be exercised in favour, against or in abstention.

7.3.3 A majority decision will be binding so long as the Working Group is quorate meaning at least one representative for each Member is in attendance.

7.3.4 If there is no majority decision, the Chair will have a casting vote.

8 Funding

8.1 The Working Group shall have a discretionary budget of £xxx made available by Post Office.

8.2 The Working Group shall have discretion on how to use the discretionary budget in order to promote the administration of the Scheme, this may include without limitation:

8.2.1 Providing special funding to Subpostmasters;

8.2.2 Seeking professional advice for the Working Group;

8.2.3 Funding additional work by any appointed mediators;

8.2.4 But, for the sake of clarity, shall not be used to compensate or settle any complaint raised by a Subpostmaster.

Other than confidentiality obligations, these Terms of Reference do not create any legally binding rights or obligations between the Members of the Working Group or with any third party.

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