



Note

Client: Post Office Limited

Matter: Horizon IT System-Group Action

Matter no: 364065.1369

Attending:

Name: Mandy Robertson

Location: Bristol

Date: 15 January 2018

Start time:

Units:

Interview for Post Office Witnesses

Person speaking	
Victoria Brooks	I thought if we just quickly introduce ourselves. So I am Victoria Brooks and I am a Managing Paralegal at Womble Bond Dickinson and as you know I have been working on the mediation scheme stuff before this but I have been with Womble Bond Dickinson or before it in other guises for quite a long time and been doing Post Office work on and off for all of that time.
Mandy Robertson	I am Mandy Robertson and I am a Solicitor who works with Victoria and am here today to support her and take some notes.
Angela Van-Den-Bogerd – 42.1	I am Angela Van-Den-Bogerd. I am [●]Director with Post Office and I have been with Post Office for coming up to 33 years.
Victoria Brooks	Wow. I just thought it would be helpful if I explained the purpose of the meeting and see if you have got any questions.
Angela	Yes, fine.
Victoria Brooks	So why we want to meet with you today is to take a proof of evidence that a sort of pre-cursor to a witness statement it is supposed to be a warts and all document so we want to know about all of the good and all of the bad and this is obviously so that we know where there might be any weaknesses in the case and so we can advise Post Office about that. We want you to give us as much detail as possible – on the other hand what we do want is your evidence and not somebody else's. So if there is something you are not sure about and you think we should speak to somebody else, if its second hand, please let us know so we can follow that up rather than put your name against something that isn't really you. What we are quite interested in as well is three time periods pre Horizon – so before 2000 from the instruction of Horizon onwards so 2000 onwards and on the introduction of the NC Contract. What we are

	going to do when we have done the notes of this meeting – so it won't be such a polished document as you would expect for a witness statement. It is going to be much more a record of what was said and we will send it to you to have a look at just to check that you agree that what we have put is what you actually said and that we didn't get the wrong end of the stick and we might have some questions and then that will be a document that we will ask you to sign and then ultimately that document will be the starting point for a witness statement if we need witness evidence from you and I imagine we will.
Angela	That's fine.
Victoria	So that is basically what we are doing today. Okay?
Angela	Yes.
Victoria	So if we kick off. What I wanted to ask you about first, you have just told us your current job title but could you tell us more about what jobs you have done in the past. Your history at Post Office.
Angela	Okay. So I started working for Post Office on 1 April 1985 and I started working as a branch counter assistant as part of the directly managed networks and I have always been employed by Post Office on an employment contract. I spent about a year or two working in the branch and then worked through the management structure in the DMB network so branch manager and then area manager looking after a number of DMB branches and then extended into the agency network. I probably went into the agency network probably about 94ish and then did a number of....so I was managing the network and I was responsible for DMB's in the Cardiff area and then about 300 agency branches as well across an extension outside Cardiff. We had more branches in those days. Then I moved into managing Wales as a Country so I was responsible for all the branches in Wales from every angle. In those days we used to do our own recruitment of house masters – now it is centralised but we used to do it in regions then, so I used to be responsible for interviewing postmaster, appointing postmaster, managing the contract with them and exiting and everything else in between, obviously depending on the situation. I then moved into a number of the changed programmes wherein we were compulsory closing Post Offices – I was involved in that. I was also part of – I can give you my CV actually as it might be easier at some point.
Victoria	That would be really helpful.
Angela	...but just to give you a sense of what I have done, so I have managed the training and audit team, I managed the teams that closed, maintained post offices, dealt with the relocation and refurbishment of Post Offices and I was also responsible for the contract team. So when we did moving to a more centralised approach I took control of that team as well and I have been in and out of those teams for a number of years so they have not always been a part of my remit but I have always stayed very close. So thinking about time lines, so when JFSA first came on the radar I was in a network programme. I think I was head of network services at the time and therefore I was responsible for the whole audit training function, contract function and that was when I got involved because we had some contractual issues that I needed to get involved in so whilst it was still a part of Royal Mail so I dealt with what would have been the previous Post Office/Royal Mail lawyers on this as well as that is going back probably about seven years ago.
Victoria	Okay
Angela	And then after that I moved into...what did I do next? That's right I went on to become head of partnerships and I was responsible for the relationship with

6.55	both Unions. Trade Unions which is Unite for Managers....specifically for Employees and also the Federation of Post Masters which is the representing body that we recognise on behalf of agents. I was responsible for that relationship and pay negotiations.....and stuff. Then I went into.... What did I do after that? Then the JFSA became more involved and I got involved in the working group setting that up. At that point I stepped out of the head of partnership role and I became Programme Director for the Branch Support Programme which was whilst I was leading the investigations I went into the mediation schemes into the investigations into those cases. We had 150 come into the mediation scheme. I set up a team then of 20 Post Office investigators to investigate those claims and write the reports which is where I obviously had some involvement before. So Kath Alexander, Shirley [●], those were the girls I recruited on the team. Some of which have come back to work for us as you know in terms of reservation team as well.
Victoria	Yes.
Angela	And then I stepped into the back off role so I became the Director of Support Services and I was responsible for NVSC – PoEx as it was then which was our customer helpline. What else was I responsible for? The final service centre, that would come under my remit as well as HOSC. I still kept the contract at that point so the contract admin team to John Braden, Lynn Aubrey and Craig Tussell was still in there– they worked for me. Then I moved into this role then which meant I kept HOSC, I didn't keep the FSC or NVSC but then I moved into HR so I do a HR Director role and I am responsible for Health and Safety and I also manage the Training Portfolio across the organisation as well. So that was a quick walk through 33 years. (Laughing) – I can give you my CV as that would give you the best timeline.
Victoria	That would be really helpful as that would give us the various dates for which bit was happening when so that would be really helpful.
Angela	So basically, I have always been close to the operation which is why I know what happens in branches and obviously from your timeline I was involved when we...so I used to operate the manual system myself when we were doing pencils, rubbers and paper. I did that and then when we introduced Horizon the first time around I was involved in supporting the agents and actually going out in to the branch when it was in that very difficult transition period where they just did....um, some of them just couldn't cope with the transition from manually to...so I would be in the branch supporting them. So I have a very hands on knowledge of how that branch works from you know the Horizon system and then Horizon on line and then subsequently as well. So what might get me a little bit today is some of the dates and stuff because I haven't done this for a while now but clearly I have given the number of – so my name will be on a number of documents you have used so all the information used in the mediation scheme – I do the select committee which you are probably aware of so some of this for me, I would need to refresh my memory because I have not been....when the mediation scheme was at its height then you could have asked me anything and I would have had the answer straight away but I have slightly stepped back so I would need to re-visit some of my...to put in back in order again because you know, I download and I put more stuff in my head and you know.
Victoria	It is not supposed to be a memory test with you so we can check the documents match.
Angela	Yes – but there is a number of stuff on record for me anyway is what I am saying already.
Victoria	That's great, so what we will do – I mean when it comes to being more of a

	<p>formal witness statement that is when we will bring more of that in but we may well bring that in to this document as well if there are gaps that need to be filled that would be a good way of doing it. Good, brilliant.</p> <p>One of the things we have been asking people just because it is normal to put it in a witness statement is "Did you do anything before all of that experience – what was your background at that point and what qualifications did you have and that sort of thing.</p>
Angela	<p>I did 'A' Levels and I was taking a year out and I was going to Uni – I had a place in Newcastle actually to do teacher training and my father was a GRO man all his life and the GRO HR lived close and just said "We are recruiting for the summer – so how would you like to come and work with us". So I joined and decided to stay. So that was at the 'A' level stage and then, you know, this is a very good organisation to work with so I was sponsored to do an NVA and NCIPD as well and it is a great place to be actually and we do get invested in, providing we put the effort in of course.</p>
Victoria	<p>Yes, I have spoken to lots of people and lots of people seem to have been here a long time and that is a very strong message I am getting so that is really nice.</p>
Angela	<p>Yes.</p>
Victoria	<p>One question I wanted to ask you is about where you have been based in a lot of different roles. Have you always been based in Swansea or...</p>
Angela	<p>So I have always lived in Swansea – I am field based so I travel. I travel the Country so depending on the height of my network roles I was very usable in the network so I would be in Scotland, Northern Ireland, Penzance and everywhere else in between.</p>
Victoria	<p>Okay, and who do you. This is not really a good question for you but who do you work with primarily but over that time that would take all day to answer so I think I will have to ask you that in the context of...</p>
Angela	<p>Do you mean colleagues?</p>
Victoria	<p>It is probably better to cover that when we go through the questions I think.</p>
Angela	<p>As we go through then do you want me to tell you the people I worked with at the time. Would that be helpful?</p>
Victoria	<p>Yes, I think that would be helpful and we can also pick that up in connection with the CV as well at first.</p>
Angela	<p>Well there won't be any names on there so if I tell you as I go along.</p>
Victoria	<p>Okay, that would be really helpful.</p> <p>So the first section I wanted to ask you about is to do with Post Masters and what contact and support they have with Post Office during their on-going relationship while they are still current.</p>
Angela	<p>You mean now, cos obviously...</p>
Victoria	<p>Over those three time periods.</p>
Angela	<p>Okay, so what is the first time period then, where do you want me to start?</p>

Victoria	So the first time period is pre Horizon.
Angela	<p>Okay. So, again this will all be documented in other documents you have got okay. So pre Horizon, so... I have had to work back. At the moment most of our functions is centralised. Back in those days we were very much region based and we were[n't] in control from the centre which is where we are today so. With that, there is a plus and a minus in that because as a region you can get very, very close to your Post Masters and the people you work with and at that time I was probably working across both, the DMB's plus the Post Masters. But also the downside of that is potentially there is lack of consistency of how policies and procedures are applied and I am not saying that they do not reach the minimum standard in terms but what you will get is some variances around people going the extra mile and having a different approach. So I can talk from my experiences obviously and I can give some insight into how I understood other areas worked as well. So pre Horizon in the areas I worked which would be in Wales predominantly it was, uh..we had a number of what we call cluster offices so Bridgend, Carmarthen, Newport and we had a team of I think they were called....the name has changed a number of times, at one point we were called [●]managers, we were called business development managers, we were called retail line manager but all of those names were pretty much the same so we basically, for want of a better word, account managed a number of branches. We were responsible for a number of branches and as I said we were responsible then for practically the whole life cycle of the Post Master and therefore we got very close to the Post Masters actually. So part of the role of the RLM, RNM and BDM would be an annual visiting cycle that we would be in branches say once a quarter okay so we did actually get very, very close. We knew our branches very, very well which is quite different to today okay. You know when you centralise things and you try to work in a more technologically and savvy way then that kind of contact does disappear to a certain extent. Not always, but it does and what you tend to get close to people that have problems okay which predominantly are a number that.....Well particularly in the mediation scheme, the ones that we saw in the mediation scheme are the ones that had problems. What we are seeing now is the number of Claimants in Class Action now which is probably around 590ish now isn't it. A number of those are first time on the radar so these are people we have not had any experience of before because the way Freeths have gone out and tried to drum up the trade and the way they have asked very open questions, then you know, these people have never raised their hands and we would have no....and actually you could argue that they have not actually had problems as such but if you ask the question "Have you ever suffered a loss and have been asked by Post Office to make good", every Post Master would say yes because that is the contract that we operate under. Okay, so that is the difference.</p>
Victoria	Okay.
Angela	So the level of support, so what happened, and the training offer – I will start with the training offer if that is okay?
Victoria	Yes that is fine.
Angela	Right, the training offer has changed over the years. Always with a view of improving the level of support that we give Post Masters and that does not necessarily mean the amount of time that we give them but it is about the quality of the training and actually how that training is received and is it sustainable or not. So effectively, is our Post Master equipped to take the role and to do the role that we have asked them to do well enough, okay. Because it is a lot of responsibility and that is something that Post Masters sometimes don't, before they become Post Masters realise is, just how much money they will be responsible for and actually how if they are not careful and they do not

	<p>adhere to the training and the guidance that we give them how easily they could get themselves into difficulty. What I mean by difficulty is they could start to make errors, they could start to make losses and because those losses are as a result of their actions or their staffs' actions they are liable under the contract we have with them. So my personal experience of interviewing Post Masters particularly...em I could show you as I have got an old contract here. There are a number of areas in the contract I would always call out in an interview and those would be... I would almost frighten Post Masters to death actually just to make sure they really knew what they were getting themselves into so that they could not come back to me and say "You never told me that" and that would be things around the key contracts, and I forget the sections now because I...but I would have been able to quote these at the time to them and I used to have in there – in the contract post it notes down and these are the sections that I am going to call out and at one point I had a note like this (demonstrating to Victoria) and one of them would be "You are expressly forbidden to use Post Office cash for anything other than Post Office", and even if you know the bread man comes in and you have got a bill to pay, you do not take that out of Post Office tills because as soon as you do that you breach your contract. So these are the things I used to really call out and used to make sure that they understood they are liable for losses but actually always pointed them to what in that day would have been the regionalised helpline, before it went centralised. So they understood what their support mechanism was there and stressed on them the importance of attending the training and making sure that they were properly in the room because typically when a Post Master is coming in to take on the business it is not just about them stepping into a business, they very often would be moving house at the same time. Okay. A lot of them bought premises and they lived above, yes. So very often there was a lot going on at the same time so they had a commercial transaction which is they are buying a business and they also had a domestic transaction where they would be moving home and we know that moving home is one of the top stressful things. Then they were having to learn how to do a different role in the Post Office and this is what we were interested in and then they were also looking at how/if they were going into retail. If they were going into a convenience store as well, to take all of them on this is a lot for them to get their heads around and I always stressed to them that what that entailed and actually offered some suggestions on how they would want to organise themselves. You know, having worked in a branch I was quite easily able to tell them how the little things are the really important things. So I always remember when I came in to whichever role it was at the time, I will say [branch manager] for ease, I went into a branch one day just to do my visit and help and ask if he had any problems, and the Master was in at that time and he saidhead off and I said well tell me what the problem is and he said "Well it is this, I don't know how to do this." So I said "I'll show you." So I went on and was able to sort it and he said "Wow, you know what you are talking about" and then he was different so I had that relationship with Post Masters because I had been there, done that and got the T shirt and knew how to work it really, really well because as a branch manager when we brought Horizon into that branch, I was the one that knew everything and I was the one that when they balanced (and we balanced weekly in those days) it was £1,000 short I was the one that was able to show them how to.....because there is a way of looking for mistakes so I was, particularly in those days, very, very skilled from experience of being able to do that which was very useful. So the relationship we had was regionalised and we worked in areas and we knew our Post Masters very well and they used to contact us if there any problems. So they had had their training and the training in those days, there was a point at which we only did two weeks so when I would come in to that which was probably the 1995 we were doing just onsite training and actually I did not tell you but I was a trainer at one point as well because when I was working in the branch I forgot that I used to go out and train Post Masters myself before it became Horizon because it was manual in those days. So it was two weeks</p>
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	on site and once I was able to stress to them...particularly if they had been or had had experience in the Post Office before they would go "Oh I don't need training", "No, you need training – take the opportunity to have the training". I actually used to make it a condition of the appointment that they attend the training course.
Victoria	Why would you say to them that they needed the training even though it worked?
Angela	Because, because things change and actually the way we....our training approach was always to look to make improvements to the training and always to make sure that they had the opportunity to ask the questions because different branches have different transactions. Every branch...there were a number of products that were generic okay so back in those days we had about 170 products and services and probably about 150 were generic so things like car tax and passport checking were generic – they were the larger branches but dependent on the type of branch and where that branch was located, they very often would not be exposed to every transaction.
Victoria	Yes.
Angela	It just depends on the customer base. So when they go into a different branch there might be transactions that they have never come across before. So for me it was always important, it was always important for a refresh and what I would say to them is if you don't think you need the training then bring your wife or whoever else there might be. And wherever I could, so say we set a training school up for like ten people, if there only eight people on there I would offer those spaces to their assistants and things which we were not contractually obliged to do but if we had the space I wanted them to take the opportunity to get training. So there was the two weeks on site training in those days. The trainer would be with them all of the time and it was on the job training. There was nothing done in advance, okay? Then we moved into a weeks' training course and then I think, but I might need to check this, it might have kept two weeks at the time but it kind of transitioned into whatever we do whether we do the different times. So it was always a week or so then it went 5 days and then 8 days.
Victoria	And that was classroom training?
Angela	Classroom training and then....but always on site. We have never removed the onsite training. We might have varied the number of days depending on the model and I will come on to that when we talk specifically around the new models which were the mains and local but what we did do is we varied the training to the model because the local model had a smaller product suite than the mains and therefore it wasn't relevant.
Victoria	Okay.
Angela	So we did tweak them as we went along. So we have over that period of time...and can I suggest we check the time but we had two weeks on site training only then we moved to classroom training in advance of going on site training. Then lastly we moved to online training as precursor to going into the classroom to going into the onsite. And that was something I brought in...and I forget the date but it was February (I don't know what date it was I can't remember now) about five or six years ago maybe, but you have the dates there Victoria so we need to check. That was whilst I was doing the mediation scheme actually so what I was doing is I was investigating cases, looking for ways that we could improve, right. So there were a number of things I was doing during the investigation, one was did we breach our contract in any way, did we fall short of the standards that we said we would give in terms of

	training support and barring the odd little issue in a number...you know, a few cases, I was very comfortable that we had not. But what I was very keen to do is as I am getting so close to branches and I mean really under the skin of their experience over the years and we have not done that really before, which was my view, then I wanted to look to see what the learnings were that I could take and weaving to our future approach. So that is what I did. To parallel which is what we have been talking to Gayle about because Gail was the programme manager working for me and running the branch support programme and she had people like Ann, Ann was working with her on there, Kendra would have been working on some stuff...
Victoria	And Alleka?
Angela 26.43	And Alleka...yes was working. So if I remember correctly, Gayle was running that and Alleka came in and did a lot of work with Gayle on that for me and then Gayle went on maternity leave and then I got Craig to set it up and come in to work with that. When Gayle came back from maternity leave she came back on to that (she is on her first child now...no second child sorry). Then afterwards she came to work for me then as she became the head of Branch and Customer Support which is all [●] so you know, Gayle worked on and off with me over a number of years. Sorry to come back to the training, so that is how it is involved okay. The online training was very much about, so if you think of it from a learning perspective, because what I recognised over the years is that it is a lot to take in which is why I really made it important and stressed the importance to the people coming in that they needed to spend this time doing that. Because one of the things that did concern me and this is a conversation that I have had with a number of people is "Oh it's okay, I have got experienced staff and I am keeping the staff". You are responsible, you have a contract with us and not your staff members and you are responsible for their actions. So that is fine now, you might have experienced staff but what if they all left you tomorrow, what would you do, because you are responsible for training your staff members as well. So there was always that conversation and part of my observation as I got close to the mediation cases, and I saw in a number of cases where Post Masters come in and they got trained and were very good at the start and then they became very reliant on their staff members and they started to take their foot off the pedal in terms of their involvement and they trusted their staff members. Then if their staff members left or did something they were not close enough to be able to see what they were doing so in some places then they got caught for a large amount of money either through theft in some cases that we know has happened, or errors or actually you know, just carelessness because they were not close enough. You know, and that was one of the things again I used to stress to people is you know, you might be good today but how do you know they are good if you are not close enough. You are responsible, even if you do not spend any time serving on the counter, you have to do that cash count, you have to because it is your name that is going on that and you need to be sure that when you make that declaration that you are comfortable it is happening. Okay, so that pretty much has covered the training bit, but if you want to come back to that further that is fine?
Victoria	What we will do, I will check whether we have covered all of the questions on training but it is really helpful that you tell it how you see it and then we can ...questions.
Angela	The thing is....because I have been involved so much I tend to drift into different things.
Victoria	That is fine.
Angela	If you need to pull me back, pull me back.

Victoria	I will do but I think what is quite helpful is at least for this first action if you tell us these things and then I can go through the questions and pick up anything that we have not actually....but it is really interesting and really helpful just what you are telling us so...
Angela 30.00	Okay, so that is probably about ten years into my career here then. So that was very reassuring. So at the point at which, I think it was when Horizon came in that we started to centralise things okay. So particularly the helpline. So...and it is NBSC which is Network Business Support Centre but always known as NBSC but some of our Claimants would give them different names and there has obviously been some you know very rude names used...but hey...that is fine. Em...so it became centralised, I forget the date but you have it and it will be around...it was before we went to the [●] Horizon so it would have been 97 ish if I remember okay. Em...I think we bought the first lot of automation in about 95 I think, didn't we?
Victoria	I'm not sure.
Angela – 30.12	95/97 and then it was [●] by 2000 okay but again you have the dates so don't quote my dates on that one.
Victoria	Yes, that is fine we can check that.
Angela	Em...so that was centralised and it was quite a difficult time actually for us in the Network because we were used to having our Post Masters ring us and we then had to say to them "No" you have to ring...you know, they would ring me and say "Ang, I have got a problem, what is the answer" and I would say "Look, I know the answer and I will tell you the answer but you have to ring the helpline next time". And the reason you have to ring the helpline is the way we set this up is we record the calls in terms of we log the calls going in and we know what the queries are and what it allows us to do is to look at a national level whether there are particular things that are not just one offs. So we can do some trend analysis and we can see from that whether, you know, if we brought a new product in for instance and we were having a large number of calls like what type of calls. Does that mean that the training has not landed properly. Does it mean that the product design is something not quite right. It allowed us to do that forensic analysis and the root cause analysis on why. So it was...and that was quite difficult because...they would...well not make life difficult for me but would say "If you know the answer, just tell me". So that was a transition that needed to happen so it was quite difficult at the time. So we centralised the helpline and at the time at which we introduced Horizon and what we did...and I am going to talk....because I was in Bridgend at the time and Kath Alexander worked for me actually as BDM and people like Judith Aubrey in the business worked with me.
Victoria	Judith?
Angela	Aubrey. You would not have come across her because she was in a different role.
Victoria	Okay.
Angela	She was part of...there were about six or eight of us in that group. So there was a nationwide roll out of Horizon em...I'm sorry I talk very quickly don't I?
Victoria	You do (laughs). We are recording it anyway.
Angela	You are doing very well. That's just being Welsh, we do talk fast. Yes so, there was a nationwide roll out of Horizon okay and I forget what the beat rate

	<p>was in terms of how many but it was quite...so imagine around the Country we were doing probably as of now and that was the number we would be doing every week because it was very coordinated. And em...so what we decided to do in Bridgend...and I know we did this in Newport and Carmarthen...em...we took a view that we would pool our resources okay. So there were a number of people over there but we had different skill sets and we had come from different backgrounds and there people like myself and Kath and Judith who had come to the branch network and we were very good and hands on. So what we decided to do is we would have a central coordinator in the office who would field the calls from our Post Masters and the branches that were being trained on Horizon would do that in the evening, which you will have seen I was involved in as well, but we do support them in the network. So, when the system got installed we were on site to make sure everything was okay with them and then when they came to their balance we went out to support them okay, and I have been there are 2 or 3 o'clock in the morning in some places because it was very new and if they had not.....even in a manual situation there is a certain order of where you do things to balance at the end of the week okay and it is not just about the day you balance, it is about how you build up to that. I remember going to a branch once, it was not one of my branches, it was one of my colleagues. It was a chap called Keith Richards and he actually became heavily involved in the federation, beneath the office quite close to here. So the guy had asked me, Ange he is new he has been trained would you mind just keeping close on his balance. I said yeah okay no problem so I rang up to look and the high manager balancing I will pop in and see how you are doing. So I got there about 3 o'clock on a Wednesday. He said oh you're a bit early, I said well its 3 o'clock but we don't close until half past 5. I said I know I just want to see how you're progressing. So they had done nothing to this balance so I went right okay, I know you don't close until half past 5 but there is a way you do this and I showed them how you got very organised behind the scenes. So we did this and this and this. There are 3 positions and you close that position and close that position, you are left with one position and you balance this so when it comes to help decide you have only got this much to do which you balance by 6 o'clock and if you are not balancing you have got time to look. It is quite interesting even now as in the last couple of years, whenever I met him and his wife Linda at said conference he always says to me, you were a revelation she said because had you not told us that we would have still even today been there at midnight balancing because we didn't know the order we needed to work in. so these are the little tips of the trade that gets people to be very organised. So if they were very organised in the manual world and you go into Horizon so what they needed to get their heads around was there is an order in which you have to do things. So this computer is an addition to their transaction flow, you came into something say pension book, I would take the pension book, I would open it, I would look how much, I would stamp it, I would give you the money and I would count it out. All of a sudden I had to put stuff into the machine, so there is an order to this and we would say to them, train them, you would take your book, you would scan it but then we didn't need to input it. you put it into the machine and then you take your directions from the machine because you have to tell the machine that you have now given the cash and you have completed you that transaction which is an error where some people started to make some mistakes, so you have seen Horizon screen have you?</p>
Victoria	I think so.
Angela	<p>So it's a bit like that, got a screen but what it does is.. so whatever the transaction is you have say a customer basket which we call a stack so it would say that I have sold 5 first class stamps and I have paid out a pension, I have done a car tax and then it would give me a balance, it would say take from customer £20 or give to customer £20 when you do that then you end the customer session and then it zeroes and then you start the next customer.</p>

	Now what some people were doing which is what I found particular when I did the mediation work is they were forgetting to zero the balance.
Victoria	Ah okay
Angela	It was particularly important when it says give to customer, okay so I have just given you £200 and you have gone what I have not recognised is I have got give to customer £200 on my stack and the next customer comes in and I should give you £200, I have put £200 in to my stack and now it tells me to give customer £400.
Victoria	Oh I understand
Angela	So I have given you £400 and now im £200 short. There is one particular case of the mediation scheme, it was a case called Regoss which is not too far from here. He was doing that and he actually admitted to me that was what he was doing and because of the value of the transactions that can add up quite quickly so you could be £1000 short in a week no problem at all.
Victoria	That was what I was going to ask how could he know or you know that that was happening if at all?
Angela	You wouldn't know?
Victoria	You would just have to look at the transactions and work out he must of done.
Angela	Yes unless they realise at some point
Victoria	So that would be a situation where Horizon would say one figure but the cash would be less.
Angela	Yes so Horizon is only as good as what you put into it and what you tell it to do and whether that be manually entering something or scanning something. However we get the information into the system it is what we tell it to do. So it can do no more than that. So this is always the difficult thing where you are having a conversation with post master when they say im £10,000 short Ange and I swear I havent taken the money because there are only so many places it can go and the one of the most difficult cases is themselves, if its themselves operating there they know they havent taken it but they don't realise that they are making mistakes. There was another example, wasn't in the mediation scheme, on the back of the mediation scheme I used to get a lot of queries coming my way so if anyone wrote into Paula, chief exec it would come to me. Ange can you look at this please and there was one particular case come in a few years back, he was a long standing post master and he had been involved in and out of the federation was known to Paula, senior management. He dropped in on Paula one day and said Paula, I have been a post master for however many years and I am a very experienced person, I always balance but I am £2,000 short. It has to be the Horizon system. She pinged it to me and asked me to have a look. So I think it must have been Gail or Kath who looked at the case for me. Anyway we had a chat with the guy and we pull all the transaction information because if its thousands we kind of look for the big transactions, £1000, £2,000 there is a way of holing in. so now we are down to Saturday morning where it was most likely and looking at this chap on CCTV and he had a CCTV that actually overlooked the counter so you could see the screens, you could see everything, fantastic. I wish they all had that and they narrowed it down so it was about 11 o'clock, there was a transaction we're not comfortable with so we looked at this transaction, we can see the post master himself serving the customer, so the customer comes in and he was giving all the nice chat and that, customer comes in to deposit £1,000 into their bank account, all clear on the screen you can see that. Post master is chatting to him does the transaction. He processes it as withdrawal.

Victoria	Right
Angela	The customer comes in to give £1,000 and he processes it, so rather than taking the £1,000 he gives them £1000 but the system is now £2,000 short because he processes it as a deposit but he had given it out so he had done it the wrong way round, he had already gone through a deposit but didn't take the money and he gave a £1000 out so he was £2,000 short.
Victoria	It was Gail who looked at that because she talked about that in less detail actually.
Angela	So it was Gail then, I couldn't remember. But the interesting thing in all of this and this is the very interesting thing in all of this even though that was on CCTV and he kind of went oh dear, yes I can see. Had we not had that CCTV he would never have believed he would have done something like that. So in the situations where we don't have someone with CCTV how do you convince them that that is a plausible explanation to why they are short that's always the tricky thing in all of this and when I speak to post masters and I have a number of very difficult conversations with them, they would call and say... my number will be out there if you have a problem call Angela and I would be talking to them and say there are only so many ways and I would go through their checking process with them and say so what did you do to check?, what did you do to validate? I would be giving them tips and say look just try this for me? They would say no no you're wrong. I would say just humour me, can you make sure every day you actually count your cash to the penny and then every day you will see what you have as a discrepancy or not and by doing it every day you will then either remember the transactions better or you will be on top of it. if you leave it for a week or the month which is where we are now you are required to balance every month. It's very hard to do that and they do that and then the losses would stop. Then they go oh losses have stopped, so they stop doing the daily timesheet. Im like no you are missing the point. So the reason the losses have stopped is either because you are giving yourself better, you know concentrate better to detail or actually if you do have a problem with your staff members they will now know that you are on top of this and checking things every day so there is less opportunity for it to be lost. Sorry I digressed again but it's a bit of colour around.
Victoria	This is exactly the sort of things we want actually, just some context.
Mandy	Things with like human error as well, so if they put in an £2,000 withdrawal and they accidentally put in £2 the system would just show that £2 was withdrawn even though...
Angela	Absolutely, so there are some classic examples in there which is that exactly that so somebody comes in with £100 and you put £1000 into the machine and what we have tried to do over the years and this again, you have probably seen this document. I have produced a document but I dropped it into Rod. It was basically how you mitigate things. So I took all the lessons ive learnt and said this is what you need to do going forward and it was about 50 odd pages long and then I started to push them out to business owners, these are the things that you need to put into your processes.
Victoria – 44.26	So was that maybe eight years ago
Angela	Well I have been out of this a couple of years but yes I resurrected it with Kath the other day and what has happened over the last couple of years which is why I put this on your radar didn't I things have changed. So we have now got change of personnel so the chap who has stepped into the network services role when I left, a chap called Drew McBride has left and we the person we have got taking over now is a lady called Pam Heath. Jude has just gone to

	<p>work for her actually and I have been working very closely and I have sent Judith the document. These are lessons learnt, these are the improvements I made to how we operated, these are the things that we need to make sure are still in place and if not we need to put them back in place. I am doing a piece of work which I have given to Jane on this around media and assessment of what we have got there today. Just to understand because I had a very strong view on what we could do to improve and in doing that and this is important and im not saying what we were doing was wrong but what im saying is my head always goes to how I can improve things. Its understanding what the route cause was of a particular issue but actually how we could make it better and again how we could take as much as possible of the human element out of the transaction so how do we automate. Wherever you have human interaction in a process there is always the room for error and we will never be able to remove that but we can reduce that as much as we possibly can. That's what I have been working on. The stuff I have been working on it seemed really important to do that. So I have gone off the script completely, take me back to where you want me to be.</p>
Victoria	<p>No no it's really helpful actually. We started off by talking about the contact that post masters had with Post Office and I did have questions about the BDM and the R&M roles. Maybe we could talk a little bit more about that and what they did because it would be good to have an explanation as to what they did over time so that we can have some more colour like you have been giving us.</p>
Angela	<p>Would it be helpful if you had some old job descriptions for those roles?</p>
Victoria	<p>Yes it would that would be really helpful</p>
Angela – 47.20	<p>I will have a scan. Im thinking that might be helpful. So it's the R&Ms the RLM, EDMs. So even though the name changed the new ?? was because we went through the structures and we needed to change it to make it better but very often it was slight difference. So the essence of the role was really about account managing the branches to make them as viable as possible for post master and for us clearly because this is always about partnership now this is the part I suppose the inconsistency gets and you can see this is some of the claims that would come through is that there will be talk about very much an us and them scenario of how much command and control of a parent/child in a number of cases and that wasn't actually just one way. In a lot of cases it was both ways because you probably see that a number of post masters think that they are employees of Post Office but clearly they are not.</p>
Victoria	<p>That is something else I wanted to talk to you about</p>
Angela	<p>Obviously that the issue and the states of the contract and all the stuff we were working on anyway but my view has always been that it's about partnership and they are franchisees and I was always very keen to make sure that they realised they are a franchisee and I am here to help you help yourself to make a really good business and my levels are slightly wider than some of my colleagues across the country. They probably didn't realise how different it was until I start reading some of the cases because I obviously had a very national perspective from that. I took a very strong interest in how the retail was operating because the retail is about the whole viability, it was clearly why we have actually come today because if there is a reason they were struggling it would be putting pressure on the Post Office and having been around a very long time if I walk into a branch I instantly know if there is a problem in the branch by just how it is organised, whether there is not enough stock on the shelves, just get a feel for.. The profit margin isn't as good as it should be or there is something not quite right, it is just one of those things you get when you have been around a long time. This was why it was important for me to be in and out of branches a lot which is probably one of the downsides actually from where we are today if we are not in and out of branches quite as much</p>

	you don't get that...
Victoria	When did that change come in? Was it around the time of MT contracts?
Angela 50.32	It's been a gradual change in approach. As technology has become more advanced. To have a field resource and default to a support model that face to face is a very costing model and as our contracts got squeezed with clients and our margins got squeezed and obviously what we pay post masters got squeezed as well. We have to be able to look to our central cost base and how we reduce that so that is always an ongoing challenge in terms of how we do that. There are ways about how you work smarter and having the centralised ?? helps because I said earlier if you can analysis the information that you are getting you can take a more holistic view of where the touch points are and what punch points are and how you can make those improvements. I think that is very important and that's something we continue to do today. We are putting in new systems now. Gail is acting on the case management system that goes into support contact centres which means we can get better information which means that we can look at what that's telling us and we can actually be more proactive in what support we are giving.
Victoria	I understand it's going to be across more of the business.
Angela	It will join FSC, HSC it will join all of it.
Victoria	What was the name of it again? Is it dynamics?
Angela	Yes dynamics, yes Microsoft dynamics which is the system behind it, not technical but just the system behind the stuff. What it allows you to do and workflow which means that whereas now if a query comes in from a post master into the contact centre they then have to say okay we will get back to you, they can just automatically flow it through and that person knows that we've got it. so it's much slicker and quicker. It's a huge improvement for us/ unfortunately things take a while to implement, you know, obviously public procurement takes us a while as you will appreciate so we can't operate as quickly as we like and then this is complex stuff actually you know, to make sure that you are thinking up front and make sure you get the right output. It takes a while and then you have got to implement it. so those roles are pretty much the same thing so it was really around how do you encourage the post master to sell as much as they can in terms of product so they obviously generate more income for themselves. How do you make sure they do it in the right way? that it is compliant with all the regulations and everything else but also it is around the premises they operate out of so they own the premises. We have a contract with them and they have to provide.. they have to keep them in a certain order. Do they have the right to operate? Do they have the right liability insurance? Broad piece that we would look at at that time.
Victoria	As part of that role what would happen if they noticed that there was a problem in the branch or that they didn't seem to know what they were doing?
Angela	The roles transitioned more and there was a period of time where we were quite sales focused and that probably came in around 2004 because.. sorry another role I didn't mention I wanted to become Head of Sales for the multiple branches in about 2004 and it was very much.. that was when we entered into the joint venture with Bank of Ireland at the time and it was about how we introduce these products and got them to be selling, so it became much more of a selling conversation and at that point some post master would claim that it was all about sales and we never give them support and to some degree that was the focus for some people but we always had the helpline there to support whilst that BDM wasn't as perhaps as rounded as they had been previous because that wasn't their role, it is still part of role would be if the post master is in difficulty or they talked to us about... sometimes they might say I have

	spoken to help and I am not getting any help then that is when we would get involved and we would escalate that so there was always the mechanism in there providing they told us about it. so what we weren't able to do as well then as perhaps we have done of late is to be able to see that there were problems so we couldn't be proactively identifying there were problems because we didn't have a sophisticated in the systems that we operated.
Victoria	With the focus on the sales aspect did the people who were doing those roles within the Post Office were they incentivised in any way in relation to that? Im thinking that's a question the other side might ask.
Angela	Part of the objectives would be yes to drive certain volumes of transactions but it has always been, we have always have.. whether you had a kind of rounded up target of you know this is the level of business going through and you needed to either maintain or improve. What we became more focused on was individual project sets so we expect you to set across your 50 branches we would expect you to have 2000 sales of Post Office home phone for instance as appose to the kind of the income piece. It depends on how you cut it but we have always had that focus and this is always a win-win focus because if the post master sells more they get paid more including we generate more income from it so it was in everyone's interest to have that approach but it has also been there but it was part of a balance scorecard in as much as there were a number of errors that you would have to... the objectives have always been linked so these are all managing the roles, managers roles are based on objectives and they would have a great influence on those objections at that level so they were incentivises to perform in those roles. If you go into some of the non-manager roles it was much more generic and the line of sight probably wasn't as tight.
Victoria	Okay so we were sort of talking about how roles have changed over time BDM and R&M. do you think we have covered that
Angela	Where we havent touched is we did start to segment the network more and we went from going away from geographical considerations to more tights of branches and that in particular when you come into the reigns and locals so for instance the level of support the network got changed and the only physical support as in assigning branches to Post Office people were in the large branches. So the more commercial branches had that sales force. We called them Sales Capability Managers and there were a number of different versions on that but basically it sort of morphed into that. The rest of the network that was probably 2000 of those branches the rest of the network had more of a pastoral support which was to do with project helpline but actually some branch standards as well which is a different area that we set up now Gail manages part of that.
Victoria	We only had 2 hours with Gail so we might need to see her again.
Angela	No she doesn't manage part of that, I tell a lie actually Kim Abbots managed part of that now which is that she took on the compliance area of it. Gail used to manage that when she came to work for me. So Gail has been close to how that would have been. So for a period of time.. you only had 2 hours with Gail. You definitely more than that.
Victoria	I am going up to Chesterfield in a couple of weeks so I will try and see her again then or we might meet her in Newcastle.
Angela	Gail has got great knowledge. Gail has got quite different background as to entries, she was a grad entrant. Gail was one of these people that really got her hands dirty and got close and when she worked with me she was one of the people like Alleka one of my people and ask can you go and have a look at this for me and I always knew they would get really interesting.. and the people

58.38	that you knew would always look at it from both sides because I know there is a view particularly when you are obviously going into legal situation like ?? you always kind of defend the position but that's not the case. I have always looked at both sides, Gail always does that and Alleka always did that.
Victoria	If you want to improve things you have to
Angela	you see some cases where we had some issues raised on some of the decisions we made on it where particularly if we had gone to the contract we would have given no leeway at all. I can understand the situation and actually I think albeit exceptional goodwill payments I have made those over a number of years and Gail has been heavily involved in a number of those cases so I suggest you need more time with Gail. She ran branch standards and was very close to that and she has been running the branch of customer support now for, gosh when did she come in, four years ago. We actually closed Dillen and moved it to Chesterfield and she was coming to do that we me at the time. She has got great knowledge.
Victoria	Yes she did, she was very interesting as well.
Angela	So I think we have covered that particular in terms of the segmentation of the network and so you almost have whilst we would never position as a pure tier kind of support there is a two tier support because one is more focused on sales which is the higher end type of branch and the other is more pastoral, more supportive. Making sure that and equally across any type of branch we want to make sure that post masters are as equipped as they possibly can to make sure that they are able to 1 –sell those products and services in a very compliant way but also that they do it in a way that means that they don't make the errors and they don't get the losses so that is how we train it, we train it a certain way to make sure that they have got that. Everyone knows that we have a helpline.
Victoria	I was going to ask in terms of the ones you don't have somebody who is allocated to them any more of the branches that's the helpline.
Angela	So whenever we have trained people and interviewed people. Your first port of call is NBSC and anything you need NBSC even if it was to get hold of me as an R&M you would go through NBSC they page us years back, they would page you please can you ring this branch. So there was always a system of in to the NBSC and out to the R&M or BDM and then we would ring them. So we were always contactable.
Victoria	You calling them back that was reliant on you actually doing it there is no one chasing you to actually do it.
TAPE 2 Angela	No it's a good question, so there would be a call, so the postmaster would ring in that would be logged so on the log in system it would say log and postmaster request of BDM to call that would be paged and then we would call but nothing check. the only way we would know if it hadn't happened is they call back in and said my BDM hasn't rang me and in some cases, you know if I had another call through and it came through this is the second request and I sometimes go well im not that number 4. So when I rang the branch I say Im sorry I have just got this but I havent.. Sometimes obviously some things do breakdown. So the system worked pretty well
Victoria	It sounds like if they had confidence in the person they were going to reach at the other end they definitely can continue to try and get to you.
Angela	Oh yes and even if we were on leave we had a buddy system so if I were on

	leave I had a buddy in my team that would pick up my calls so it was always covered. There was always somebody someone could get hold of if they needed to.
Victoria	Okay that's very helpful. I have got quite a wide question that sort of touches on this but what did Post Office play in day to day running of the branch? Now it's an obvious question
Angela 3.05.5 3.16.8	There is a number of layers here now so Post Office set the requirements of how they run the branch. So it's in the contract, it sets out what the expectations of customer service, of the premises, you know the presentation of the premise, opening of hours and the products and services that you would transact so that is quite clearly stipulated in the contractual relationship. You then have had different ways of monitoring performance and when we were in the field as BDMs we had a quarterly visit with a number of things we would have a conversation and it would be about performance so we had was to pursue that performance mechanism, we could see how they were performing and we would have a conversation so in that respect we did influence, depending on how well they responded and if they didn't respond to the areas that they deemed to be in breach of contract again we would influence because we either correct that situation with them or we would actually deem they were in breach of their contract and we would go through contractual procedures with them as well. All that was very well understood by postmasters they understood what their contractual obligations were even though I know ?? but it was reinforced and so was visits. Now as you come through that timeline that we are talking about you could argue that actually you weren't invited and therefore you weren't ?? that's where branch standards come in and branch standards in terms of the number of calls and I don't have the number in my head but it's very substantial. Branch standards is the outbound call mechanism so if we receive an inbound as was with the customer helpline we've switched off the people element of customer helpline now. Did they tell you that?
Victoria	No I don't think so
Angela 4.13	So predominantly you are interested in NBSC because that just corporate but from a customer helpline if there is any issue the branch are clear they come through the customer please so you can't just look in isolation so that obviously plays into you. So we took a decision about a year and a half ago - 2 years so the helpline number is still there but you don't get to speak to a person you get all the IDR options and its only if you want a call back that we actually ?? that
Victoria	She mentioned that the customer helpline but she didn't mention that aspect of it.
Angela - 4.19.7	It's only a slight ?? but some people are probably not as helpful. Everything is recorded, so we would log everything sometimes if we are having problems with the branch if they had not told us about it a customer had told us about it, I have been to this branch and its closed. I have been to this branch and they have short changed me. I have been to this branch and actually they were given too much money, it does happen. They tell us sometimes it almost a big brother in terms of the monitoring systems so that's a question so what do day to day running. So we have influence through the procedures are standard and by how we interact with post masters as well and obviously we have a strict sins on what they can sell in the retail side so again we influence in terms of the day to day running.
Victoria	You are not physically there obviously from what you have been saying

Angela	No
Victoria	I know it's a silly question and I know the answer to it but its just for our note
Angela	So they are franchisee, they run the business on our behalf under the terms of their contract we give them the training we give them support and we give them equipment. We give them everything that they would need to be able to do that properly and in accordance with the contract and standards that we set. They have a degree of say of how much influence we have on them and the business by the interaction. So if they reach out to us more than we give them more time. If they breach their contract by default they get more of our time. If they have errors, if we see a high level of errors and we have proactively done that in cases. What I was trying to build in that model was that how to we proactively look at the top branches in terms of... and actually some of the changes so if you have got a branch and we do do this. Perhaps not as well as I would like us to. We don't have the equipment yet in system. For instance NBSC and Kendra particularly would give information and say this branch we can see that they normally average 2 calls a month and suddenly they have got to 40 calls a month and we would put a call out and say it is a problem and it might be that the Post master is on holiday and they brought in a temp who is not quite so familiar and we know that it is going to go back to normal so things like that... so there are ways but the Post master can influence the level of involvement we have in the running. I think its really important actually.
Victoria	We have covered quite a lot of what I had on my list so if I just have a quick flick through. If anyone wants a break at any point
Angela	No im fine. We've got the guy coming to fix this so as soon as he comes I suggest we break for lunch
Victoria	That's a good idea. One of things that we are dealing with in the litigation is that the other side want to imply a whole load of terms into the contract and it would be quite useful to get your take on what as a person who knows everything about Post Office so well what you take would have been if it had been a contractual negotiation and they had suggested to you at the time that these clauses would have been something that should have been in the contract.
Angela	Do you want to give me the clauses?
Victoria	So if we go through. This might be a bit more clunky
Angela	That's fine, it's interesting isn't it so over my time, its depends on the type of individual they are so people absolutely relish the fact that they are independent business people and they particular tend to be the better post master because they very much come in this, Im here because I don't want to be implied I want to be my own boss and im expected to be able to do that. I want to be able to have the influence of running my own business and have my destiny in my own hands and therefore they very much see us as that overarching bit so they operate under the true franchise banner and they have got others down the other end of the scale that go no I really want to be implied and also I don't want you to tell me exactly what to do so it's a bit of a dilemma actually. Sorry I digressed.
Victoria	If im bring this over, so this is to do with implied terms that they are saying the terms that should have been in the contract and some of them you may agree with but.. so it's a but dull to go through im afraid but it might be interesting to get your thoughts. So its these bits from here really, so to

	provide adequate training and support so if I give you the number 64.1
Mandy	What document is this sorry
Victoria - 9.50	It's the G pok
Angela	So we do have a clause in our contract currently that says we will provide training and support and in the new contracts we really build into the new contracts particularly that they had to attend the training because that was an issue going forward so that is already in there. That is a reasonable request
Victoria	As you can imagine one of the things that we are saying in response but it's good to have it from you as well. So then 64.1a is the next one. And when they talk about a system here they are talking about Horizon.
Angela	Yes. So we do provide a system that in fit for purpose and I have been in and out of Horizon god knows how many times now and in terms of adequate error. It depends on what they mean.
Victoria	Well it's one of those things they have described terribly well but what we understand it to mean is to make it difficult for errors to be in the system.
Angela	So we do but as I said error where you have a human element of that there is always going to be that. For instance the example I gave you earlier about the banking deposit in and out it tells me to give money to customer so take from give to.
Victoria	Is that actual wording?
Angela	Yes. So what we have done is we have looked at the system over the years and we have tried to make it, with feedback how do we make it as risk free as possible and I say as possible because you can't be 100% here. So for instance if you go on the Horizon screen then the icons for banking deposit and withdraw one is red and one is green.
Victoria	Oh right
Angela	We tried to colour code it. so say you come in and you put the bank account in or sometimes you swipe a card now, these are things that have changed. These have changed over the years and I can't remember the exact order. So they put a card into the pin machine automatically pulls the banking details up so we haven't got to put the account details in we haven't got to put the sort code, its already there but what we have to put in is the amount. So they come in and put £100 in so they have to type £100 in then what we have to do is type in words so it's a double thing. Then there is a question that we built in that says are you sure?
Victoria	So you have to type in one hundred?
Angela	Yes so these are the things some of it has come in some of it was docked out so you have to get exactly what we have got today but what post masters and their staff do because they know the system so well they just go onto autopilot and they click away so they are not reading the screen okay. Im trying to think of others ones as there is another one. I have taken the opportunity when I can to change things and there was one around MoneyGram. Let's take MoneyGram as an example. So MoneyGram is where.. sorry do you know what MoneyGram is?

Victoria	Sort of overseas bills and transfer of monies.
Angela	Yes, so this transfer of money from one country to another typically. Some a customer comes in and say give us £1000 to send to their family member in Pakistan and it's an instance transaction so there is very little room here, so you have to be very careful. So a number of checks so once you go yes its sent, they could be picking that up in that outlet in Pakistan within a few minutes
Victoria	Right
Angela	So it's well open to frauds. So a few years back Gail was involved in so we had a situation where, and it was fraudulent, there were people making calls to post masters to say this is an engineer and we are testing your system could I test a transaction with you please? So they tested a MoneyGram transaction and in the MoneyGram transaction its built that you have to put ID in and everything. There are certain things that you have to fill in fields to get to the next stage and the transaction is you never do that on the telephone it's a physical transaction so if somebody comes in and so they have taken them through and this person whoever it is knows what they're doing and they take them through and effectively what they have done they have transferred money to somebody else. They havent taken the money but actually it's now telling you to take the money as a test transaction don't worry about it and they do it. They don't just do it once some of these people have done it 9 times in a day. So there is a ceiling on how much you can do at a time.
Victoria	Yes
Angela	So I was dealing with a number of cases, one had lost £45,000 so now looking at that transaction everything was built in then and they knew what they were doing but they were duped into doing it. so I looked at that and went okay this is stupid they clearly have just been had here so how can I look at this and try and even try and make it even more secure than I can. So what I did then was I got it so you could get a pop up to say we will never ask you to do this over the telephone, completely in their face so what im saying is so when this error displays, even though you look at it and think that is water tight there is that human bit.
Victoria	As you were saying just click yes, yes, yes.
Angela	So a transaction reversal for instance or when you lose power or connection so you could be serving a customer and power goes, the screen goes blank and you are half way through. The customer might have given you money but havent completed it so the system comes back up and there is a screen, it asks you questions to establish at what point you were when you lost power. Have you given money to the customer? Have you taken money from the customer? Now depending on how you answer that the system either rejects the transaction or completes the transaction but you have told it. so if they read the screen properly as they should and it's not difficult then fine or they could have just taken money from a customer and the customer hasn't got a credited account so I would be keen to understand in this particular one at what parts of the system or what transactions or what products are you really talking about here because I could point to a number of transactions where we have got those step points in place to try and mitigate the risk of error.
Victoria	Well that is really helpful. I just want your take on them. It wont change the legal argument about whether or not we agree but it should be in there or it

	shouldn't be in there but your flavour around them is what im looking for so I don't think I need more detail then that at the moment.
Angela	I know I would need to pull the type of examples that we have got there. I am just talking from my experience but there will be more in there.
Victoria	This is really just to get a flavour around it and im not sure to the extent that we will use this because it will come down largely to legal argument but part of that will be if a post master is negotiating with you about the contract what would you of said and the reaction to this clause being put forward so that is why it is largely legal argument.
Angela	So my view on this is, we have advertised a vacancy we have advertised that we have an opportunity for a branch and this is a contract that we are willing to engage on so you have the option to take up that contract it's a choice so you either choose to engage with us and be a partner in the Post Office or you can choose not to. We have never forced anybody. That's probably the wrong answer but that's my take
Victoria	No I think that is a good answer and I also think that operationally why is there a reason that you might need them to be all on the same contract.
Angela	Its not just operationally actually there is a commercial and legal reason for us. When we enter into our contracts with our clients we agree our terms of this contract and in those contracts there will be clauses that stipulate how many branches would sell that product only because they would cap them and the way that they want that product sold so we are doing business on behalf of our client so there is a contractual obligations that we have and therefore we have to apply that otherwise we have breached our contract. Commercially we restrict products and services around you know they are only able to sell certain products in the retail so for instance we have an exclusive contract with Royal Mail to transact mail and parcels through our Post Offices. We then keep that contract tight and there is a clause in there that says that you cannot enter into a private arrangement with another mail company to transact from the premise as that is a breach of our contract.
Victoria – 20.20	So things like collect ?? and that sort of thing.
Angela 20.23	Yes ?? detail, all those things. We had the same with bill pay so there is a number of things that they cannot negotiate on these points and then you come back to the operational bit for us as an organisation to be able to operate as effectively and efficiently as we can and this is to benefit the post masters actually because then we can keep our cost base low and we can actually make sure that we are generating enough revenue in the organisation to be able to make reasonable payments in terms of commissions for post masters we need to be able to do that. Standardisation is the best way to be able to do that so if everyone operates in the same way then we have not got any variances then we are not building additional costs into how we transact in the back end so back office processing is something we havent particularly been good at over the years and standardise because our clients have something bespoke arrangements is where we go in completely standardised so if you want to do business with Post Office this is how Post Office does business. You can choose to do business with us or choose not to.
Victoria	That's really helpful. So that would be the overall response for any of these but if we ask you about the individual ones. The next one is whether or not Post Office should have an obligation to properly and accurately effect for obtaining and keep records of all transactions effected. That is 64.2

Angela	We do, I don't understand why they say we don't because we do.
Victoria	It's probably and accurately to effect record maintaining and keep records for transactions affected using Horizon. What they are saying is the contracts that you have in place don't have a specific obligation in them that covers that off and they are saying that therefore it is something that should be implied as a matter of law.
Angela	So im telling you that we do it whether it's in the contract or not is separate
Victoria	Is a separate part but that's helpful because that helps us decide whether or not that is a gap in the contract. We have obviously already responded to this all through the legal...
Angela	So is this specifically Horizon isn't it.
Victoria	Yes
Angela	So Horizon.. so we keep every keystroke that goes to that system for 7 years.
Victoria	I have seen they are almost like spreadsheets of all of the things that have gone in.
Angela	What they would actually be in branch you would just print them off like till receipts effectively. I mean you're talking masses of paper. Can you imagine 7 years' worth of stuff or we can then filter it and ask for certain/different reports and things like that so there is a filter question there but we do that and we have always done that
Victoria	Yes okay so that's helpful
Angela	What we have changed from is paper in branch so we keep it for 7 years they don't have access to 7 years they get 60 days
Victoria	42 or 60 depending on the time they had been there.
Angela	It used to be 42 and now it has gone to 60 and some of the post masters when we went from manual to Horizon printed everything off even though you didn't need to and this is kind of a confidence bit I just need that. Even now some people will just, so where something doesn't produce a receipt, we print a receipt to keep for the records. It's unnecessary because we record all the information but for them its their comfort blanket. I've got it if I need it.
Victoria	People do that, do they tend to be the people you don't have so many problems with?
Angela	Yes
Victoria	Thought so
Angela	We do have people we don't have problems with who use the system and go with it.
Victoria	And these are all obligations that they are saying Post Office should have under the contract. So properly and accurately to produce all relevant records and/or to explain relevant transactions and/or any alleged or ??

	Claimant's. That's 64.3
Angela 25.45	Okay so we don't on the whole basis do that no we don't. what we do do, because that is very costly to do and very time consuming. So if you were to apply something like feeding information and regulation on there then clearly we wouldn't do that because that is silly. So what we do do is if they have raised with us issues this is what we did particularly in the mediation scheme. We are then able to investigate and pull up all that information. Now I would have a particular problem putting that into any contract and the reason I have a particular problem is is because it comes down to I suppose distribution of responsibility under the contract around you post masters, these are your responsibility not the ?? and these are ours so providing you adhere to your contractual obligations we wouldn't expect you to have many causes to request information
Victoria	Yes
Angela	So in the event that you did and you had complied with all that stuff we would readily investigate but what that would open the door to and I have seen this a number of times. Post masters cannot be bothered to do it themselves so they then say right Post Office do that for me. That is not our relationship.
Victoria	Its shifting the responsibility isn't it.
Angela	Yes, but even if they were our employees we still wouldn't have a clause like that.
Victoria	No
Angela 26.35	So we but certain obligations on employees because they work in branch so you do all these things and ?? declaration and we do this, this and this. Someone who does that I would gladly investigate the issue because it would be a genuine issue. It would not mean to be covering the gap for them being lazy or complacent or just stupid.
Victoria	That's helpful
Angela	Over my dead body. I knew that one.
Victoria	Post Office should cooperate in seeking to identify the possible likely causes of any apparent or lead shortfalls and/or whether or not there was indeed any shortfall at all? I think that is probably covered by what you have just said. You would do that if they had followed everything they were supposed to.
Angela	There was more to that one actually. In this is the round shortfall would come as a result of an error or something or inter business loss or they would claim there was a glitch in the system. Where we see things and obviously we did disclose a couple of issues we had with Horizon. Where we see that then we don't just deal with that one we then and say right so he has got a problem somewhere else. So in those instances we would do that and we would investigate and then where we see issues we would reach out and put right and we would tell them that was what we were doing. So it comes back to this broad or very narrow lens actually so for me it's about.. if we were to concede all this stuff and we have a contract as a business we would have to say that we were not going to operate anymore because we couldn't do it because it would be so onerous on us then it would be impossible. Well there would be no money there at all. It would be

	impossible to do.
Victoria	That sort of thing is a sort of a reaction, that's really helpful like why as a business you couldn't have that clause obviously if it is one you think is needed that's also fine because we would say that in our defence but its that sort.. its ridiculous to have that.
Angela 29.03	There might be things that we do today that our not in our contracts because I have made a number of improvements over the last few years, like setting up the issues resolution team which is Shirley ?? team which Kath used to work in there. I set that up off the back of my involvement in the mediation scheme on saying look going into NBSC it might be a bit too broad. We don't have that skill set to get at the hub of that issue was Cath and Shirley and the teams they were running could do that on the phone. They could sort a problem on the phone, talking to a post master and that isn't in the contract but that is an improved way of working and improved way of support that we have put in place now if I am a post master coming into that would I expect that to be in the contract. I probably would actually so I think providing we can keep stuff tight in as much as. You do this, this and this and I do this, this and this providing we do this and this we agree to do these things as well. If you don't do that then we're not agreeing to do that because a reasonableness has to come to because if it's not reasonable commercially we cannot operate.
Victoria	Okay so this is 64.5, Post Office to seek to identify such causes itself in any event. So that is if there is a loss in branch that Post Office should be trying to identify.
Angela	No I don't agree with that at all. So if it's our responsibility what are we paying them to do. So it is part of their role, they are responsible and therefore there are certain things that they need to do before they come to us for help. Im not saying if they are totally alarmed about something for instance they got a £50,000 loss you ring us and we tell you no these are the steps you need to do and we will help you. Is it our responsibility or should it be our reasonability to allow you to continue to operate in total oblivion to anything that has happened as asked to tell you when you have made a loss or when we can see an error that's the wrong balance of that relationship
Victoria	And is that because you are psychically not there so you can tell.
Angela	Yes there are a number of things. One we don't have the level of sophistication in our system to do that and if we were to do that it would be so costly it would make this the commercial relationship unsound. The human element so unless we had CCTV in every one of those premises with a view of every part of that building with 24/7 continuous monitoring we couldn't sign up to that. We could build this but it would never work and there is a number of reasons why and not least because commercially we couldn't afford it. so you are building a way of operating that's going to cost you thousands times more than the money you are making out of that operation so why the hell would you do it.
Victoria	Exactly that's the sort of thing. 64.6 – Post Office to disclose possible causes of apparent or alleged shortfalls and the cause thereof to Claimants candidly fully and frankly. Well I think we have probably covered that.
Angela	Sorry just on that point can I just say so in that and if im reading this correctly that means not just their alleged loss but other alleged losses.

Victoria	What do you mean?
Angela	So if Mandy has a loss at her branch, you would have to tell the rest of the network about the loss.
Victoria	Yes that does cover that.
Angela	So that actually comes into my view into breaching confidentiality as well. Obviously it's part of law and you will tell me better than that but for me that is personal information.
Victoria	Yes
Angela	So if I incurred a loss in my branch that's personal to me and I wouldn't want that shouted out and actually if that were the case I would never have entered into that contract because I don't want me business so there is a different angle
Victoria	There is but then I suppose if there had been a glitch in Horizon that if you pressed this button it meant you would have a £10 loss and that was in every branch what would happen then?
Angela	Well we clearly fix them and clearly tell everybody
Victoria	So that's the different between the two
Angela	But what I read into this is in terms of alleged shortfall it might not even be a shortfall
Victoria	That's true
Angela	It could be I have made an error and it could come back next week so we could have gone out to 12,000 branches and said by the way Mandy in wherever you are has just incurred a loss of £1,000. We would just pull the rug as how we operate this you know so there is a degree of confidence that post masters have to have in Horizon system. There is a degree of confidence the post masters have to have in Post Office in as much as we are not here to tuck them up, we are not dishonest. We are not a two bit organisation we are Post Office for Christ sake. There has to be a degree of trust both ways and clearly what we are dealing with as part of this case obviously there is a breakdown of trust and that could be on both parties actually in terms of we have ended our contracts with that. That was 64.5.
Victoria 34.51	So point 7 I think we are on. Post Office to make reasonable inquiry and undertake reasonable analysis and even handle an investigation and give fair consideration for factual information available as to possible causes the appearance of ?? shortfalls. I think we might have covered that one. 64.8, communicate alternatively not to conceal know problems or errors in or generated by Horizon that might have financial and other resulting implications for Claimant. I think we have discussed that already.
Angela	And we have disclosed a couple in our first..
Victoria	64.9 – to communication or alternatively not to conceal the extent to which other sub post masters are experiencing issues relating to Horizon
Angela	That's breach of confidentiality

Victoria	64.10 – not to conceal from Claimants the Defendants ability or to remotely data or transaction upon which the calculation of the branch account and any discrepancy or alleged shortfalls depended. I don't know whether that's one you want to comment on really because I don't know the extent to what you know on that one.
Angela	I do know about it
Victoria	Oh you do
Angela	Yes
Victoria	I wasn't sure if you knew about that one.
Angela	So I think this.. if im talking as a postmaster coming into that I thinks that a reasonable request personally. I don't know what our business position is and clearly we would need to debate that and we havent expressed the interface of that but it comes back to my point about the trust so the issue is arising system is that if you are running the branch and you are suffering losses and you start to look at how you operate so in many cases post masters will say to me it's me, my husband and I got 2 members of staff and I trust at least one of those people with my life so they would never do anything and then they look at it like they can't possibly lose money here because everything is tight and we check the bins before we put them out at night all those kinds of things and then they go we have been really careful that we are not making mistakes. If they convince themselves of all of things at 100% whats left. Whats the only thing that they don't have in depth knowledge of in their head and that is Horizon. It has to be Horizon because I trust everything else so if you look at it from that perspective is it then reasonable to say right okay so if I pour water into this hole in this box but I can't see the box how do I know that water isn't coming out of the bottom because I can't see it. so in that example is it reasonable then for whoever owes that box to tell me one a month they open the box for 10 minutes. I know that's a silly example but you know what I mean.
Victoria – 37.50	No it's good to get your take on it all. Post Office properly and fairly investigate any alleged ???. Post Office not to seek recovery from Claimants unless and until Post Office has complied with its duty. We don't need to worry about that. Post Office has established that the alleged shortfall represented a genuine loss to Post Office, might what to pause on that one. I don't know whether you have got any views on that one.
Angela - 38.13	Well I have got a view on this because ?? of any matter years back in that because of one of the cases particularly. There is a loss to us now the issue with post masters is sometimes it's a paper loss though at some point down the line we have to settle with the client and if the client expects him to get £100,000 worth of payment and we are only giving them £90,000 and then they say well now you owe us £10,000. It's always a loss to us. Now that's my take I don't know whether there has been any further discussions but for me everything we have looked at, every case it has actually given us loss somewhere along the lines.
Victoria	I would agree with you.
Angela	Post Office being liable to make good of that and its only reasonable that for post masters if you have incurred that loss you suffer that. You have done something that has created that loss and you should make that good.

Victoria	I agree. On the point that Post Office shouldn't seek recovery from Claimant until Post Office has established that the shortfall represented a genuine loss to Post Office, I don't know whether you have a view on that.
Angela	Is that point 14?
Victoria	64.12b
Angela - 39.36.7	So we work on the basis right so when they do their branch ?? statement they declare discrepancy it could be up it could be down and at that point it is declared as a loss. So from my view that is a loss at that point. They have the opportunity to flag it to us and say I have got a loss I think it's this. I have got a loss and I want to dispute it. I have got a loss but actually I want you to investigate it. So at that point we would not recover the money from them. It goes into the suspense account, we put it on hold and I have put things on hold for many months and even in some cases years. So we don't automatically default to you have to put that money in today, there is a mechanism that we have built into our approach that allows them time, either themselves to work on it or with us to work on it.
Victoria	64.12c – not seek recovery from Claimants unless and until Post Office has carried out a reasonable and fair investigation as to the cause and reason for the alleged shortfall and whether it was properly attributed to the Claimant under the terms of the sub post master contract. So what they are saying is we should be carrying out a reasonable and fair investigation before we seek recovery from Claimants.
Angela	So my position would be its their responsibly to do that until they get to the point where they have exhausted what within their gift to do and at that point they raise that to us it comes back to the point before then then that's what would imply.
Victoria	Have they done everything they were supposed to do? That's helpful. We are getting on to suspension and termination these are more a legal argument but Post Office shouldn't suspend claimants arbitrarily, irrationally or co-prissily, without reason and proper cause or in circumstances where Post Office was itself a material breach of duty
Angela	So you have probably spoken to John Breeden on this.
Victoria	We are going to speak to John Breeden next week.
Angela 42.42	So I change how we did this a few years back, so we did operate quite a black and white scenario a few years back before my time before I came to this role and it was typically when a lady called Lynne Hobbs was running that part of the organisation and it was then that you see the tolerance. So if on audit you had a loss and at some point and even though it was normal if it was less than £1,000 we didn't do anything but in instances where it was less than £1,000 the default position was to suspend whilst we investigated and that was always how it happened. Now when I became involved in this and I worked with Craig Tusum at the time and he was working for me on this and when I changed it and said Quarterly suspension should not be the ?? that should be the last part of the equation and the reason for this is when we pre-cautionary suspend a post master no matter how well we try and keep it under wraps no matter how well we try and not let customers know, they know and whilst we have always argued that its precautionary suspension whilst we investigate and doesn't imply anything word gets around the community and that has on occasion done reputational damage to that post master. Whether that is perceived or that is reality or whether it

	<p>just affects the post master themselves. What I am saying and I forget the date but it will be logged somewhere I actually bought in a system where we did more investigation on the day and in advance so that we did need to pre-cautiously need to suspend the post master and it was only if we were absolutely clear and John will give you the guidelines on this because I wrote them and they are still in place now. So our default position to keep in post unless we had good reason not to and that might be in case if it was a very large loss like £50,000 if it was something like 234 and he can give you examples and track this of how many we actually do not cautiously suspend. We have a precautionary suspension consideration but we will not suspend and we keep them close. That is a very significant change and I think that for me that demonstrates just how serious we take this and just how reasonable we've look and worked with because that reputational damage is significant when you are running a business. So talk to John and he will give you all that, he will give you dates. It was probably 4 years ago now. But what I am very keen to do is track like year on year what the difference was and the number of things when doing that. One of the conditions in doing that though is that if they have a £2,000 for instance today and we say right okay fine we won't pre-cautionally suspend you but you have to make that good, that loss good. So what we want to do is keep someone in post when they are.. because that has a potential bigger problem. Talk to John and he will give you all the detail on that. There is great data on how much that has worked.</p>
Victoria	I remember the days when it was immediate suspension.
Angela	Black and white yes
Victoria	Same sort of question but were Post Office not terminating claimant's contracts arbitrarily, irrationally or co-prissily.
Angela	We don't do that. We have a very well documented approach that we go through and there are a number of touch points and decision points in there and if we wanted to be able to close cases where we had looked at mitigating circumstances and actually not gone to the lets of the contract we could clearly do that.
Victoria	That's really helpful. Post Office not to take steps which would undermine the relationship of trust and confidence between claimants and the defendant, so between Claimants and Post Office.
Angela	I think it is what we do we try to take steps to try and build the relationship of trust and again that document I refer to earlier was just that improvement piece I think is evidence of us trying to do just that now you could claim well actually you were only doing that last few years and it comes back to my point in that we have always looked to improve by why we have changed that model over the years so I would flip it on its head on that one.
Victoria 46.51	Yes that's probably going to be a legal argument one anyway. Post Office to exercise any contractual or other ?? power honestly and in good faith for the purpose of which is was conferred.
Angela	So my experience is that we do that.
Victoria – 47.06	Fine, that's good. 17 not to exercise any discretion ?? or unreasonably. Again from what you have been saying to us there is lots of consideration that goes into things.
Angela	Honestly you might want to talk to John and get a couple of cases. If you say sometimes the length of time it takes. It we were in a precautionary

	suspension and we were bringing post masters in for interview and if you sought the length of time and the amount of effort that goes into making sure that we are making the right decision on the facts that we are being presented with. You know we don't just jump to last base overnight or without due consideration or without giving it sufficient weigh that kind of decision takes. We take this very seriously.
Victoria	Yes, okay. Similar question – Post Office to exercise any some discretion I accordance with the obligations of good faith, fair dealing transparency corporation of trust. I think that's a leaver that one.
Angela	See I think that's a personal attack on us as individuals there because we do all that stuff but if you think you have been here as long as I have been here, its personal.
Victoria	Yes that's true it is very personal. I think that is also quite a good flavour we are going to get from your proof of evidence because you can speak to so much of what Post Office has done, so I think that really helpful.
Angela	I had this conversation with Angela Bates once, no actually it was on the back of quite a sensitive case, it was a chap that walked in front of bus.
Victoria	Oh I have heard of that one. I think Paul did that one. I can't remember, one of my close colleagues was dealing with that one.
Angela	Yes so I got very close to the family. So when it happened and I had had a conversation on the telephone with him and he was really laying into Post Office and I said to Alan I said when you talk of Post Office who are you talking about, who are these people you are talking about. You know the one in the grey suit with the steel toe caps. I said who do you mean give me some examples and I said but you're talking about me. I said what you are talking about I have been here all this time. No im not talking about you. Yes you are talking about me. So when you are saying these things you are not seeing me in that frame then who are you talking about then because I have been here for x number of years I have been involved in all of this. so I can talk at that level of detail and confidence and then he will say to me, no Angela I don't mean you, well who do you mean then?
Victoria	19 is Post Office to take reasonable care in preforming its functions and/or exercising its functions within the relationship, particularly those which could affect the accounts and therefore liability led shortfalls. Business, help and reputation of claimants.
Angela	I think that comes under the stuff in terms of what did with suspension.
Victoria	You do have a view to that very clearly and then the rest of it is anything that we need to talk about in the contract. There were some questions to do with whether or not why certain clauses of the contract were important but I don't think it would be a good use of our time to go through those with you.
Angela	Okay
Victoria	I think based on the other things that you have been saying we can apply that to those clauses if we need to and if there are any specific ones that we can't then we can obviously come back and ask you but those general sorts of principals are really important. If I go back to my note which is over here. Do you want to have a break?
Angela	Yes just a 2 minute break for a glass of water.

Victoria	So let's go back to the list of questions. One of the things on here to do with contacting support is also issuing post master instructions because that is one of the things in the contract currently at 16.22- are you familiar with that or would should I find my screen shot I took earlier.
Angela	Let me see just to make sure.
Victoria	Sorry let's not do that. 16.22
Angela – 55.18	First provided product to services to standards ?? set out in the manual and failed to ?? remedy within 14 days of notice.
Victoria	It's a reason for termination.
Angela	Which contract is this in?
Victoria	This is in the main contract
Angela	It's not standard and whats the question
Victoria	I will go back to my questions, one of the reasons in which Post Office might be able to terminate the contract and that's one of the clauses that is discussed in the litigation which is why when it talks about instructions in that clause can you shed any light on what is meant by instructions presumably it is everything that we have just been discussing.
Angela 57.22	Well for products and services so each part of the service that we operate on behalf of one of our clients comes with specific requirements on how its transacted. A number of them would have the financial regulations on our counter service products things like dangerous goods, on the mails there are a number of requirements that we have to adear to and therefore that clause there is to ensure that we actually pass on that obligation to the post master in terms of them doing their business so what we are asking them to do is keep within our agreements.. given the agreement we have with our clients to transact that business or that product service which given that the client pays us and we pay them it is not an unreasonable request. In terms of the way the mains and the locals contracts is written there are periods of remedy in there which actually makes it quite difficult in some cases or quite elongated to get to a termination because actually we have a number of reasonable steps, if you were to pull out any situation where we have been ?? in that you will see that we even go further than the contract implies in terms of trying to.. we want to be able to work with post masters so it actually costs us more to get rid and rehire a post master than it does to spend a bit of time trying to resolve a slight contractual issue like that. Unless they were just completely refusing to do a number of things that were causing us real problems and we do have some examples where for instances some post masters refuse to accept the males for instance, you know when you get as businesses you kind of put you mail into pouches and you just drop it all off at a Post Office, post masters hate that as they don't get paid for that specific items, its all wrapped up in the broader contract because they don't get paid for that specific item they don't want to accept it. now they are contractually obliged to and there are some cases where I have had to deal with where we have actually been in real breach of our contract with Royal Mail because they are not doing that so its things like that and we would spend weeks and months in some cases and say look you know this is what you need to do and if you don't do it we give them no system stuff and in some cases we would end up because if we didn't comply with the terms of that contract with our client then clearly its more

	than one branch at stake.
Victoria	Well that's really helpful background actually. I have got a question here about remuneration work but im not sure if that something I should really be asking you about or whether I should cover that with somebody else.
Angela	I could tell you but if you want to talk to the expert then you would need to talk to Nick Beale. Nick Beale in head office, he has been in that area for a number of years and he worked very closely with me for a number of years. He has got a number of people working for him, Chris Howard, Nick Graham or Andy Turret are the people to talk to but then we have different remuneration level for different types of products and different types of contracts. So each product and service attracts a certain level of commission or remuneration and different model types would be paid different amounts as well so a mains contract is different to a local contract because there is different obligations in how they operate and then we have also got things like call to your payment. That a fixed payment that we have and then above that and then we have what we call a small office payment or we top them up if they go below minimum wage which is one of the silly things that we do considering we operate on a contract for services. It's something that we took years ago to stop us trying to get some reputational damage so small office payments what we do it
Victoria	I am interested in that one
Angela	So ever though it's a contract for services and they are not an employer, we took a decision years ago I think it was Mike Granville who was the author of that decision at the time. It was that for the smaller offices I say small, where there is not a lot of business coming through and they are in remuneration then was less then. If you did the number of hours they opened and the calculation on minimum wage they were earning less and we then agreed exceptionally and not under the terms of the contract to top them up to the minimum wage level, which is always very strange.
Victoria	And when you say the remuneration was less than the minimum wage is that just the remuneration from the Post Office element because obviously the retail is separate. So you put the 2 together financially it could be
Angela	Exactly that is a very interesting point. So it was a decision that was taken to stop us getting any... we took it to kind of stop any noise which I think is very silly and not looking for the wrong turn actually Because when you think that you know we are now being challenged on and we have already been challenged on the quasi employee status of the contract
Victoria	Yes
Angela	Which the mains and locals was meant to try to resolve, it was meant to try put that on a better footing legally.
Victoria	It's certainly a lot clearer with mains and locals
Angela	It's a bit silly to do it previously.
Victoria	But that still happens to date.
Angela	I do believe it does. A number of those smaller offices might have changed now but it would be worth asking the question and Nick Beale will be able to tell you.

Victoria	Ok and it's Nick Beale, Chris Graham and was the other one Amanda
Angela	Andy Territ
Victoria	Sorry got the wrong name. Great. I have got a question about retail business and in the impact of footfall in more detail. Is that for you?
Angela	I think I can answer that one yes.
Victoria	So um a bit more about how the Post Office and the retail business and how footfall between the two. which generates which your views on that sort of thing I suppose
Angela	Right ok. So it's interesting that it might have changed over time ok so the whole concept of Post Office is what you call the halo effect on retail. So the footfall that we generate is a massive massive always was attraction to retailers so particularly in the early days where it was more cash orientated so customers come in, they get their cash. This is why the Post Office counters are always at the back of the premises. So when you come into a Post Office you go up to the counter and get your cash and then you walk through the retail goods because you will be tempted to buy stuff.
Victoria	Oh yes
Angela	Yes. So by the time you get to the counter you have now got something in your hand to pay for and that was massively important to the postmaster. Now what Post Office didn't recognise back in those days was actually the value of that to us as an organisation so we just needed to look at Post Office as an entity and basically looks at Post Office um the postmasters could you know do something out of that post office on its own and many did actually without any retail so if you went in to some post offices that was more traditional they would have cards, stationary, no separate retail till and you paid over the counter.
Victoria	Yes
Angela	Always at the back of the shop. Over the years and particularly as Post Office profit margin has decreased because we have been squeezed and so if you go back to when I started working in 1985 pay point wasn't around, we didn't have the different courier companies we've got for mails we very much had a monopoly on lots of our traditional core business. Even though the only product we actually owned in those days was postal order and we still had monopoly on everything. So over the years that has changed so the Post Office remuneration has declined for a number of people so the volumes might have stayed the same but the actual margin they make on that individual product has gone down and therefore they rely on the footfall because the number of customers are still the same but we ?? retail. What I have dealt with some of the bigger multiple partners it became very evident for me then as to how important the halo effect on retail was. I have got one example of where we had I think it was Tottenham way somewhere in North London we had a branch that closed and relocated into a Co-op I think it was actually. So Co-op as a convenience store is a very well established it is a destination store in its own right ok. And when we put this Post Office into this store the increase it had on their retail was 25%.
Victoria	Wow
Angela	So that just tells you how important it is. It does depend on obviously the

	type that they sell but 25% uplift on the retail turnover is massive.
Victoria	Yes
Angela 5.10	<p>You've got a very well established retailer. Now that is going back a few years but I think the point is the same so it is really important. Now what we have done and we recognise more now particularly with the mains and the local model is that we have become more of a concession in that overall operation depending on the site but if you think of a proper sea store where they have got the full ?? offered you've got your bake off, you've got your coffee, you've got all that kind of stuff general stuff and those are high margin. If you go in to a really good convenience store they probably would be earning about 27% they've got a 27% margin of the very good ones. The ones that are kind of your corner shops and not quite well established are probably about 15% margin. If you think of we just taking a turnover up by 25% what that does to your margin it is quite impressive so it is really important.</p> <p>Was there a supplementary question to that?</p>
Victoria	The only one was how is footfall measured if you know about that?
Angela	So we measure it through the only mechanism we have to measure footfall is the transaction data. Years ago we used to particularly in the DMB network we used to have counters on the door so every time you walk past the door every time you come into the door and out it registers two on our counter.
Victoria	Oh wow.
Angela	So I used to have a little counter on the wall so I could see that we have had 4,000 customers in the branch today. Now we didn't do that in our agency network so all we can do is go on to the data. Now what the data tells us is those people that have actually come and transacted have gone to the horizon system. They might be people that come in ask a question and never go through the system and actually some that come in and just go to the shop but we wouldn't know that.
Victoria	And you can tell it's one customer because it's one basket per customer usually is it on horizon I mean
Angela	There would be a number of products within that customer session.
Victoria	Yes. That's how you can tell even though its five transactions.
Angela	If you wanted to dive into more detail on the relationship of the retail and the Post Office then Karl Oliver is the chap (Karl with a K). He has taken that on for the last few years.
Victoria	<p>Ok that's great.</p> <p>The next section I've got is training which we have talked about quite a lot already so if I just have a quick look through and see if there is any specific points that we need to cover. So we covered the initial training that people get when they start at the branch but what about training that might be given during the contract when they are already so for new products</p>
Angela	Well it will be for new products or changes to products and depends on what that change is will drive the type of training. So for instance some products like lottery we get some face to face training when it goes live and some of

	that would be done by Camelot and again we have covered that in some of the detail that we have given previously Victoria so
Victoria	Yes there's a note on that I think.
Angela – 8.19	<p>Yes so if you refer to that and it's a ?? some of the mediation where they have an ATM and they weren't happy with the level of training or they had an ATM two weeks before the training was scheduled and then they told them to go and stock it and use it before they were trained and similar situations like that. But broadly if it is something like an ATM which can be quite involved or could be quite involved we are just about to change some of the ways of operating then we would do face to face and we always issue instructions, there's always an instruction manual which will typically well it would now be on the horizon system as well so back in the day we had an ops manual which was the bible. When we introduced horizon we basically just cut and paste the ops guide into horizon which is why horizon online help is quite clunky. It is just not easy to navigate its way around. We don't have a search engine which is why we still get the volume of calls into NBSC that we get. That is something we have tried to address and are looking to address going forward but there is a big cost attached to doing that but it is in the mix of how we simplify our transactions. If we get to a place where we simplify a transaction sufficiently well enough you could argue you wouldn't need horizon online help ok. So this is where we are trying to get to. As you design a transaction product and we do this better now in my view than we did and have still got some products that are quite clunky you design it so that I could just walk in and just click a button on the screen it would automatically take me where I needed to go. The more you scan it automatically pulls through. So it makes it much easier. So there is almost that chicken and the egg so if you address the root cause so why have you got a manual that is 500 pages for instance because this is a potential complexity in that transaction. If you address the complexity by default you reduce the requirement to have 500 pages. This is continuous improvement like first time kind of mantra. Get it right first time and you haven't got to do the work around to correct some of the issues you might have with it. So just overall then so the type of training is determined by the type of change or the level of complexity around the product. There might be a new product might come in for instance you might need to do some new bill payment client but actually even though the client is new the product is the one we already do. So therefore we wouldn't do anything face to face and we would just issue instructions and we would have some easy to use guides and stuff like that and webcams and stuff we have been doing of late as well.</p>
Victoria	Webcams
Angela	Yes so little podcasts and video links and stuff and they will be showing you how to do stuff.
Victoria	That is a good idea.
Angela	So talk to Kendra on that if you want any information. Kendra will give you that.
Victoria	<p>Ok I've seen Kendra already and she was very helpful actually so if there is anything more on it I will ask her.</p> <p>You know you said about horizon online help and the operations manual previously being printed although there is horizon online help now do they still have a printed manual in branch do you know or shall I check with somebody else.</p>

Angela	I don't know. So they might have but it would be quite outdated.
Victoria	Ok so the Post Office doesn't issue a printed one anymore.
Angela	I don't think we do now you'll need to check though so check with Kendra. Kendra would know that.
Victoria	Ok.
Angela	Kendra or Gail actually, the one you are talking to next will tell you.
Victoria	I've seen Kendra but I'm sure we need to go again but she only had a couple of hours so hopefully we can see her again in a couple of weeks. On the training for the new products who would be trained and how would that be decided? You've already told us about with new postmasters you would try and involve other people
Angela	It depends on the contract that you are on. So under the SBSO the standard SBSO contract
Victoria	Yes I think that is in there.
Angela 13.44	So whilst we still say I believe again but please check this that the postmaster or the mains operator local operator the obligation is with them to train and to ensure that their staff are sufficiently trained we do offer more assistance in doing that now. So what we do is when we look at the mains and locals we look at the number of people that are already trained ?? operator coming into a ready established and some staff would ?? for instance we look at what the level of training they have had previously and then how many of those would need to be assessed. We work on the basis that at least if we could get to at least 50% of their staff members attending our training that is where we would like to be in distance to the operator or the postmaster. The issue of the online training is that we can make that available to a much wider audience which is where I built it. I don't think we are using it to the full potential and that is something that I would like us to work on more going forward is that we make it more conditional on appointment that if I had my way everybody would have to do that training not just the postmaster and a percentage of but we are not there yet but that is something for me to work on going forward.
Victoria	Is the online training is it just through any computer or is it through Horizon terminal
Angela	No its through Lync on to any
Victoria	Oh any computer
Angela	Yes. It's not through horizon actually.
Victoria	I didn't think it would be because I wouldn't have though that those terminals aren't built for that.
Angela	They are not. So it's basically set up so the postmaster applies for .. so ongoing training typically the induction bit the postmaster applies, they go through a process, we send them a link and they click on and they can do the training. Now the way it's meant to work and this is something I don't think has been applied as properly as I set it up because when I set this up originally was you did your online training and it is interactive. Its proper

	training stuff. You read you ask the question they tell you if you pass. It's set up as you have to pass that before you go in to the classroom training.
Victoria	Oh that's a good idea
	And if you didn't pass it wouldn't take you in. So you have to have a certain level of knowledge to come in and then you do the classroom training was then set up. This is all on the back of my learning from mediation and the classroom is set up to reinforce that but so we have more time talking about and training on the counting element how to balance how to find stuff what to do if you have an issue all of that stuff. And I also built into that training at the time the classroom bit was the bit round not using cash for anything else. So I made it quite explicit the bit I dropped into the training. So then you have to be competent of that bit before we would let you loose in the branch and the analogy I always use to explain the reason why I do it that way is if you think about learning to drive you have to pass your theory and have driving lessons and then we test you before we let you loose with the keys. That is how I constructed the training.
Victoria	That's helpful.
Angela	Now the problem in that is that I don't think when I came out of so some things change I mentioned to you before about the period which drew McBride was in there he started to be responsible for NT targets and opening offices and he started to play around with that and its one of these things when I constructed end to end its meant to be end to end you can't pick and choose because it's the thread that pulls all the way through and I do believe and although I haven't tested this is he tweaked around some of the stuff I put out in there particular reasons because he didn't appreciate why it was in there to put some more sales focus in there. Which is the watch point for us. Now we put stuff back in by the way and we are doing a bit of a set, I haven't got a view on it yet in terms of where we have got to but that is just a watch point for us which is why I flagged that to you in terms of that time period you know so the claimants that go in ones that come in in the latter years there is a couple of years I am particularly worried about because I don't know what I don't know. That is why I am worried. I don't know what I don't know there to see what that looks like.
Victoria	I had a couple of questions about the content of training but I think I should probably raise those with the people in the training team rather than you.
Angela	Who in training are you talking to?
Victoria	I've got a meeting with Lee Hile .
Angela – 18.22	That's ??
Victoria	Yes. And Paul Smith . Paul I Smith. But I may need to meet some other people.
Angela	You do need to meet other people.
Victoria	Do you have any suggestions I'm meeting Paul Inwood. I've got a list of people whose names have been suggested against each of these areas by various people and they may or may not be responsive to the questions depending on how accurate the suggestions were I was given by other people.

Angela	I can tell you actually if you have got the right people
Victoria	Who would you suggest for training
Angela	For training this has changed actually the people I would have suggested have left us so in terms of the central training team is Jackie Newton but in terms of the index knowledge of the content of the training is that what you want to get. The content of the training who would I put you in touch with. Ok. So there is Shirley Hailstones team there is a lady called Alesha Hassan she used to be a field team leader which was one of the manager roles in the training. I would suggest talk to her and she would give you a good feel for the kind of the flow of training over the years but she did drop out for one and came back but she would be able to tell you who today if you wanted today who is the best person to talk to because there are some people that have been there for the duration she would be the best person to link into.
Victoria	Ok that's great. Basically we are seeing a lot of people and if obviously we don't get that we want from the people we are seeing we are going to see more people than we have scheduled to see but it is helpful to have a better feel of who it should be because that's obviously one we haven't got a good suggestion on already. So if we put training to one side the next section that I've got is dealing with problems in branch and shortfalls and we have touched on this quite a lot already but let's have a look through. The first question I've got is to do with audits now I do have specific people I am going to speak to about that but I don't know whether or not that is something as formally in charge of training and audits you would like to speak to. So the sort of information I'm interested in is how the audits are performed, who carries it out, what report is produced, what opportunities are given for the sub postmaster at the time to explain the shortfalls and also the process and how its change if it has re horizon instruction of horizon and NT.
Angela	I think just coming to the end of the last question that is important actually because the process has changed over the years because in terms of what the output is in terms of reports because they automated it, they have what is called a financial , they called it a VAT, very strange
Victoria	Yes I have seen something with that at the top.
Angela	So in terms of who carried the audit out. So the audits were carried out by the audit and trainers so this changed so I haven't got the dates but will have them. So we used to have a separate audit function and a separate training function they ran in separate teams and then we multi schooled them and joined them as one team and that would have been when Lyn Hobbs was around. It was before my time in that role. Then they were multi skilled and when I took over the audit and training team they were multi skilled for the whole duration of my time there which would have been for about five years I think. They carried out the whole audit. Now these are the people that did the audit and the training and the beauty of doing the audit and the training is that they were able to help. So if they went in and did an audit and they found something and were able to help with the queries as well. I am not quite sure how to do this to be able to do that. So that was beauty of doing that. They had a very good working knowledge of how the whole thing came together so they did just understand the numbers they understood the transactions to get to the numbers again this was all very helpful. The way the training was set up is when so when a trainer went on site you do a transfer of a cash and stock first of all so they show you how to put all your cash and stock in and then they are with you for 8

	<p>days 10 days or a fortnight as it used to be. They also do balancing with you as well. So when they do the balancing and then they come back and they simply come back and do your audit. Not always the same person but you know typically. So it was quite good. So the audit it's not an audit as in an audit as some people think. It's not one of the ones that you have got letters after your name. These are basically just checking cash and stock. So they are not auditors they are people who verify that we have that cash and stock that we say on site.</p>
Victoria	<p>So they are people who are very competent at using the horizon system as it should be used.</p>
Angela	<p>Yes. Very competent at knowing where post masters could be hiding money if they try to and why I say that for instance if one of the classic areas to hide money or to try and hide money but the money isn't actually there is to say that you have got £40,000 in the ATM when actually you've only got £20,000 because the ATM is separate to your accounts stuff and we had a couple of cases when we did investigations through mediation we saw that an auditor had forgotten to check the ATM and just taken at face value was in the ATM and there has been a deficit which has been hiding in there. So this is why I said the resolution team like Kath and Shirley because they are particularly skilled in knowing the ways of how to try to hide money that isn't there. So for instance booking out a REM so it leaves your system and when you go in to verify cash and stock you want to verify what the system says you have and you have just transferred £20,000 into a cash centre. But that cash is still there it hasn't been booked in yet so therefore you can't balance the two books so what we have seen in some places you go in and do the cash and stock and see that yes that looks fine we've not checked whether this has been received. And then what they do once they finish they book it back in or reverse the transaction so the £20,000 shortfall you've just had in there they've transferred out but transferred it back in so the £20,000 shortfall but we have never clocked it. We have some instances where we have seen that we've missed this and when we've gone back in a second time this is part of the mediation is when you were audited six months ago and clearly they have not lost that money in six months because they didn't have the money this time round. These are things that lessons learned to build into so when you go into to an audit you make sure when you check all the stuff before you go in you can see if there is any postings or once you are there you call off additional reports to make sure you are getting the full picture.</p>
Victoria	<p>Do the auditors have like a guidance note or something?</p>
Angela	<p>Yes they always have guidance notes. It's quite clearly documented so if you talk to who is in in the team now because again it's changed. I am not sure so Pam Heap is now responsible for that team so you would need to talk to Pam of who the best person in that team would be to give you the guidance documents now but there has always been very well documented guidance around. Its very process driven. You do this this and this and this is what you get. What I did introduce when I was running that team is the document which was basically what postmasters could expect on the day of an audit because what we found is that postmasters didn't quite know so the document was issued that says this is what the auditor will do, this is what you need to do and we used to give that to them and I did actually communicate that across the network at one point to say and I ?? actually thinking of it because they were saying look you know we have an audit and actually this one or two pager these are the things you need to know which they found very very helpful.</p> <p>27.05</p> <p>So do we have the opportunity to discuss discrepancies you said at the time.</p>

	<p>Yes they do. So what happens is when the auditor goes in they go in and obviously put the notes up and its closed and then they talk through with the postmaster what is going to happen but then what they do is they ask the postmaster to call up all the reports that they need. So we try not to call them up ourselves if we can help it. We want them to go into the system. It doesn't always work because one they kind of say I don't know what to do, some try to play dumb because they don't want us to find some stuff. That is evident. I am not just saying that it is evident in terms of what we see. Others generally don't know because they have not been hands on. Sometimes we get there and the postmaster is not there and we have to get a onetime password we need to get set up on the system so that we can go in and access the documents and all that is traceable ok. So anyway we tell them what we are going to do. We tell that at the point at which you need to be verifying it. So if we are checking the cash we will say to them I am going to be counting the cash would you like to be here with me to count the cash and they always recommend that they do. They sometimes say no I am happy to take your word for it but they have to sign everything but this is what the findings are. Now we might say actually we are £1,000 short here do you have any idea where that might be. Are you aware of an error that might be causing that, we have those conversations at the time. So they are completely clear on what the output audit is. Whether it is £10 over whether it is £10 short whether its and they get a copy of that report.</p>
Victoria	And has that changed at all over the period that we are looking at so pre horizon and after horizon and NT contracts.
Angela	The format of the report might have changed slightly but in terms of the basic things that they get no it hasn't they have always had a report. They have always had the opportunity to discuss discrepancies they have always been given the opportunity and we stress to them about observing what we are doing at the time so that they are quite clear that what we are finding is actually what they can verify as being found.
Victoria	And the actual process of the audit pre horizon obviously must have been different but I don't know if you are the person to speak to about that.
Angela	So the only difference is is how we produce the report. So when you used to go in on the manual days you basically went in and you just did it manually you counted it and used and pencil and a rubber and you transferred it from what... so the cash account so there is a two page document cash account that listed basically of your ins and your outs and different tables that tell you right....that was your opening position with cash. You had these transactions come in, deposits, you had those go out that is the cash and stock you have got left that's any discrepancy. So it was quite as simple as that really.
Victoria	I've seen one actually I many years ago had a case with one.
Angela	So it's as simple as that. So all we've done with that is we have taken that paper stuff and we've put it on to an electronic version. So now rather than go in and count cash and stock because cash and stock are still the same and you transfer then we had a case sometimes we put on to a piece of paper and then we transfer that paper onto the system or now I think we go straight into the electronic system so once the method of recording might have changed the process itself hasn't changed.
Victoria	Because it's physically what is happening in the branch.
Angela	Yes. You count the cash, you count the stock, you verify the transactions

	that have been undertaken and you understand what the discrepancy is.
Victoria	That's really helpful. I have got a question about when audits are carried out or what triggers them. Be quite conscious that some of this might be secretive stuff that we don't want shared publicly but if you could tell us what might
Angela	We are not secretive about this actually.
Victoria	I don't want to do anything that might tip people off
Angela	No we want people to be deterred. It is a deterrent. I don't want to catch people. I want them not to do it in the first place. So it's as open as that really. So the person to get the really in-depth knowledge is Kim Abbots have you dealt with Kim yet?
Victoria	No
Angela	<p>Kim Abbots is the ford analysis team and she has been doing that for many years and she will give you lots of information. But broadly there are random audits that we just do randomly. Very few of those I think there is about 100 a year. Now we were talking at one point of stopping that I am not sure if we have but Kim will tell you if we have or not. And then we have what we call risk based audits and Kim has a model that she uses which are some flags for instance its quite heavily manualised albeit it comes off horizon you have to run different reports and analyse the data and we've got a system we are working on at the moment which she is quite excited about which might automate a lot of that basically we have built a system that says there are a number of factors that would deem it to be an at risk office for instance we know how much money should be in the branch so we have a model ?? if you've got this number of deposits and this number of withdrawals this is the kind of the working cash you need to be able to manage that. We would have what we call an overnight cash holding target for each branch or level for each branch and if we see the branches are holding more than that then why because it might be that they are just holding so much cash and we ask them to send it back or it might be that they are holding more because they actually physically haven't got as much as they tell us they have got and therefore if they need £50,000 to operate that branch and they are £40,000 short and they've only got £10,000 so they need another £40,000 to be able to operate. So there is a number of triggers and Kim will talk you through that. And then what that does then generates almost a watch list of between 50 and 100 number of branches that are at risk and there is a degree at which these are the higher categories that we are concerned about. Again Kim will tell you how we get to that. That then forms a schedule of audits that we go to on a monthly basis. Now the numbers are varied between how many we do I can't remember what we are doing today but we would have been doing I mean back when I was, we were doing about 5000 audits a year sometimes different types of audits you can have audits that are a transfer you transferred from one branch to the next and therefore you do an audit at the time and typically our turn rate has been about 10% of our net which we would always have a good 1000 15000 generated on to the back of that. You would have the audits you do for randoms. You have your risk based audits and then you got special audits and these are the ones that something triggers so it isn't done from the profiling per se something doesn't feel quite right. So from a conversation somebody might have with a postmaster or some intelligence we might get in from a third party we do a special and the special audits are the ones that we arrange in 24 of 48 hours and we get them quickly but again they are all coded the code names for the audits Kim will give you all of that and tell you. You might want to see what</p>

	the trend has been over the years in terms of the number of audits and we've got the data and can pull that for you. You can also if it is relevant what is the average loss level for each of those audits and we do those by type so you can see what that looks like as well. Depending on how much detail you want but Kim is the person that will give that to you.
Victoria	That is really helpful we will definitely see her and build her into our plan. We've covered all those. It would be quite helpful to talk about what happens after an audit if there is a loss. We talked a little bit about suspension, termination shall I just speak to John Breedon about those
Angela	You can do. I can give you a quick overview if you want me to.
Victoria	Yes that would be helpful.
Angela	The auditor goes in does the audit they have a loss typically over £1,000 is where they need to talk to the contracts adviser. They would then tell the postmaster that is what they are doing. That they've got a loss and need to take advice from the contracts adviser. They ring the contracts adviser, the contract adviser would get the heads up of what's gone on and then they would talk to the postmaster. They would gather some more facts and then they would say to the postmaster look I need to look at this and I will come back to you because I might I am considering whether I need to pre-cautiously suspend you or not. They do their bit and then depending on what the level of loss is and what they find and what the cases have been presented with they will then seek authority from their manager because they don't have the authority levels to take the decisions it would be John Breedon or Keith Bridges it is now. It was Lyn Norbury but she has left us to suspend or not. Then after that there is a series of letters and there is a process map that is quite clearly defined tells you what the process is and what the consideration points are in terms of coming to a decision on whether they should reinstate or whether they should actually terminate the contract all well documented. If you wanted to look at some example cases because they record all the decision rationale as well it's all in there. But that is one of the areas that is really well documented in this organisation.
Victoria	Yes. I have been quite involved with that for the franchise side in the past. I did quite a lot on that.
Angela	So there is an appeals process as well. I can take you through this as well. There is an appeals process document in the sub postmaster contract. There isn't an appeals process as part of mains and locals but they can request an audience with senior manager if they feel they have something they want to discuss and I have actually done that a couple of times with branches myself actually.
Victoria	Why was that changed if that is something you can talk to the locals and mains
Angela	What from the appeals process
Victoria	Yes
Angela	Really to put it more on a company to company position because the appeals process is the quasi employee kind of territory which is where we wanted to get away from. Now the federation of postmasters hated it and still hate it which is why we do this kind of catch all which is you have the right to request a meeting with you know so what we really were doing was running in parallel process that was never badged as appeal but we give it

	the same consideration.
Victoria	Ok. That's helpful. One of the other things that we are looking at as part of this is to do with the question about sub postmasters not being employees so things like that are quite helpful that aspect of it.
Angela	The whole quasi employee bit worries me actually.
Victoria	Oh does it
Angela 39.37	Yes it does worry me in terms of some of the what I see as anomalies that we've built into the contracts so the postmaster so the SBSO contract we have we pay allowances for holiday ?? we pay allowance for sick absence.
Victoria	I've got questions on those. So we could cover that now if you want.
Angela	So things like that and that whilst we try to do the hands off relationship bit you are you know you have a contract for services not a contract of employment and you do this and you do that. There is some muddying of the waters there. I know we stand on legal position
Victoria	Because one of the things that someone I think another firm has been instructed to do is some advice on that which you.....
Angela	What we've instructed
Victoria	I think so and since we are seeing a lot of people we are doing a bit of helping that firm on this by asking a few questions on that while we are seeing people so there are some questions about holiday and sickness substitution. I was going to speak to Sarah Rimmer about that actually and Paul Inwood's name is down here as well.
Angela	So Sarah Rimmer works in HMSC as part of my team actually and she would tell you the processing bit of it. Paul Inwood would tell you the policy bit of it.
Victoria	Ok. So that sounds like.....
Angela	And I will tell you from my experience what we've done.
Victoria	Ok. Well I don't know whether they would be the sort of questions that you
Angela	I have been heavily involved in it over the years so
Victoria	So why allow holiday and sick substitution
Angela	I can't answer that one as it baffles me still. So if you think about it the contract is a very old contract so that isn't in the mains and locals so I was involved in constructing mains and local contracts the SBSO contract was way before my time and if you look at it. It is one of these it comes back to us being nice. I just think it's probably the best way I can think. What we wanted to be able to do and this is my take on this. Because I've asked this questions why the bloody hell do we do this stuff is what we recognised and what we wanted to enable the postmaster to do is take a break away from running the business so what we wanted to be able to do is give them some financial contribution to doing that to encourage them to do it recognising that we all need holiday or to take time out and therefore we didn't actually and this is where in this case point of legal comes into play. So we didn't cover the full cost we made a contribution towards which is why it's an

	<p>allowance. And the same with sick substitution is recognising that for postmasters recognising that we all get ill at some point and recognising that it would be beneficial and potentially aid their recovery we paid and to take the pressure off them financially we made a contribution for them allowing someone to come in and pick up the work when they weren't able to do that. So that is my take on why we did that. Some postmasters chose never to do it. They chose never to claim it because either they couldn't be bothered to claim it even though they did take time out or they didn't take time out. If you are running a small business some people never take time away from their businesses and sometimes those that never took the time away from the business are the ones that we had suspicions about. Why would you never want somebody else to see that part of the or the ones that did but always came back in to do the balance was always the interesting one. So these are things like you know we have spoken to people over the years you know so they might ask them to come in but they might ask one of their staff members to step up but don't worry about the balance I'll come in and do it. So you aren't going to open that safe leave that. And these are the things that kind of got us thinking about stuff. Sorry I'm digressing on all of this stuff for you aren't i.</p>
Victoria	No that's really helpful I just made sure I didn't lose my place on this one while I've got my place on this one.
Angela	That is why the holiday substitution and sick substitution is the logic from my perspective.
Victoria	I've got a question about procedure but presumably Sarah Rimmer .
Angela	Yes the process and she will give you that. It's worked on a two year cycle.
Victoria	Oh ok.
Angela	There will be a directive that she will be able to give you that tells you have it operates and then as R&Ms RBM we were able to exceptionally authorise if we saw fit and stuff like that. There was kind of an exceptions process. Even if it is not documented we used to do it.
Victoria	Ok. I'm going to speak to her as well about assistance and also Paul I Smith.
Angela	Paul I Smith. Isn't he FSC?
Victoria	Yes but his name has been put down for lots of areas I am not sure why.
Angela	If it's the one I am thinking of he has been around a long time that is probably why.
Victoria – 45.28	That might be why. It might be worth asking you just in relation to assistance about the discretion that Post Office had over whether the system was ?? ie it didn't I don't think.. I don't know
Angela	The only discretion we had this is contractual obligations that they had to be registered with us on a p250 and they have to be vetted and they had to be trained although we never short any clarification or confirmation on the training bit. We took it at trust that postmasters fulfilled their obligation to do that but we have run an annual check on the p250 the register of assistance and we basically write out to them and say can you please update our records and tell us who you have got registered and when we go out to audit we check to see whether they have actually been registered with us and

	actually whether they have been vetted. Because failure to do that is a breach of their contract so Sarah will give you the process that we do. We not to my knowledge have ever in isolation terminated a contract for a breach of that but we have used it in some of the broader cases where we have used a number of things to terminate a contract.
Victoria	I have used it as part but never on its own.
Angela	And particularly where it has been repeat offenders. Because in a number of cases we just say look get this sorted. Go back again but as a wrap up of other things which you have been involved in we would have done that.
Victoria	And from the businesses point of view why is that important that they are vetted and so on.
Angela	Why is it important. A number of reasons the first one I am going to start legally is that it is built in to some of client contracts. Particularly our government ones and even more so now is the training requirement now on our FCA contract you know our financially regulated ones. There is the reputational damage it could potentially do you know we are a financial institution and we are held in very high regard. I think we are probably the second most trusted brand in the country and we hold that very dear and actually that is why we are still here in terms of so that is very important to us. And given obviously trying by doing that to protect the assets for postmasters and ourselves so you know the criminal records check is really important. You don't like to employ thieves if we know they are thieves but obviously we will operate within the law if a conviction is spent and all of that kind of stuff as well.
Victoria	And presumably a postmaster themselves might not I am not even sure if they would be entitled to a request for checks but they might not be rigorous enough to request criminal records bureau checks if it was just entirely up to them.
Angela – 48.27	They wouldn't do it. They don't like spending money ?? half the time so and that is just evident people just employ people without doing it and there is a process by which. Now Jo Stammers runs the vetting piece in HMSC she will give you the detail on it if you need any more details on that because you know they fill a form and they get vetted we tell the postmaster whether they have passed or not we don't tell them the reason why because obviously that's personal data.
Victoria	Of course yes. That's really helpful. We are back on to dealing with problems in branch and shortfalls I am just going to look to see what other questions I should ask you about that. A lot of it is covered in things that we have already talked about and I have talked to a lot of other people about some of these things already I mean I've got questions about disputing liability for shortfall and what the process was but I have spoken to quite a lot of people about that already I don't know if that is something you particularly felt close to you wanted to speak to
Angela	I've given lots of information about the work I've done the last couple of years. You've been speaking to people like Kath and Shirley and that have you?
Victoria	I've got their names but I haven't spoken to them. I've spoken to Alison already.
Angela	You absolutely need to have a good day each with Kath and Shirley. You

50.27	might want to do them together actually it's up to you. Kath actually lives in Swansea so you could have seen her here not that you had enough time today anyway. So when we did the investigation and whilst I have stepped out of this for the last couple of years they have still been in here ok so they are your best people to talk to on all of this stuff. Now I am stepping back more into this space now and have just released myself from part of my role currently so I will be spending more time on this going forward so I will get myself back into exactly ?? all this information but they will have this and Kath particularly she just does not forget stuff. So they are the most rich source of information.
Victoria	Because partly what we are trying to get is not necessarily what the process is now it's almost what the process has been over the years.
Angela	That's why I am saying you need to talk to Kath. Kath has been here longer than me.
Victoria	Oh really
Angela	Yes. She started about a year before me. She started working on branch, she was a trainer, she was an auditor and she hasn't had such a broad experience as me in terms of the operation but what she and Shirley have both done working with me on the investigation we have made it our business to know stuff so we have been the source of everything in terms of getting under the skin of it. so this is why I know I would be on the witness stand I have to be because where I've been involved in the past in all of the stuff even some of the mediation scheme but these two have been investigating everything.
Victoria	You're definitely the first person I have seen we are for definite going to asking to be a witness. Everyone else is sort of depends what they say and you know what their...
Angela	The fact that I have been on the select committee is enough to pull me in. The fact that I was on the working group, the fact that I set up the investigation, the fact that I worked on a template of the report, the fact that I signed off on every single one of them and not one bit of information went without me saying I was happy with it. I know I have to be there. So even if I left the organisation tomorrow I know I'm not getting away with it. which is why I am very keen on stepping back in that because I need to start to get closer to information and just for reassurance i didn't make this information up I don't need to rehearse it I just need to re familiarise myself with some of the level of detail that I was operating at a couple of years ago.
Victoria	Its vast so you can't be expected to remember it all.
Angela	Give me six months and I will be back there it will be fine. I will literally have everything on the tip of my tongue.
Victoria	So this is all to do with disputing shortfalls so I will speak to Kath and Shirley more about that.
Angela	So when you do get to Kath and Shirley do you want to see them together or do you want to see them apart.
Victoria	I think probably apart and it does feel a bit silly asking the same questions to lots of different people but it's to try and find who is going to be the best witness for that piece of information

Angela	Why I say it to you is because they feed off each other and it might be helpful for you to do it together.
Victoria	Ok we'll think about it
Angela	Give it some thought and then what you might be able to do is you might be able to get them to kind of go to Chesterfield for two days and they will both stay overnight it's not a problem and then you can just max two days you know it's just a suggestion to you
Victoria	Kath is Swansea where is Shirley
Angela	Glasgow
Victoria	Glasgow ok.
Angela	But we have got a site at Chesterfield as well haven't we
Victoria	I spent a good two days there this week
Angela	What I am saying is we have got offices there we've got space they stay across the road in the Portland Hotel which is quite good actually its quite decent in there and it might work was thinking of practical ways for you to get the information but what they will do is they will remember stuff together and they might and for one thing you might get a rather than go and have one say you need to check then and go back you might just be better with one
Victoria	May be with them specifically it makes sense to see them together but most of the time we don't want to see people together because we want to know what that one person what their evidence is not somebody else but if they sort of are speaking for the same thing
Angela	It's a collective though see so Kath and Shirley will have their own personal information around how they operate but since they came and worked on the mediation stuff that is a collective. Kath and Shirley are one so they you know and they have different particular skillset that compliments each other but they are so connected for me it would just be worth thinking about
Victoria	That's really helpful This whole section is to do with the aspect that I think we should probably be speaking to Kath and Shirley about so rolling branches trading period and we have already obviously spoken to FSC about these things ? 55.04 remuneration but it might be quite useful to get your take on why the postmaster is best placed to establish the cause of shortfall as opposed to you Post Office. If you agree with that
Angela	No I do agree with it. We just need to have a logical way to connect give you my answer actually. When we enter into the contractual arrangement with the postmaster it's that we provide them with the pot of money as a starting position ok. Give you the money that you need to operate we give you the cash we give you the stock give you all the equipment give you everything and that is the starting position so providing you do everything that we ask you to do which is just the practical stuff of how to transact the project and how to do that balance and things then you should always come back to where you started so you start with £100 you pay out £50 you take in £50 you've still got £100. And invoice okay so that's very simple. Then we engage them to run that branch and we engage them because they are

	<p>on site and their customers their stock numbers it's our cash and stock and they are transacting on behalf but they are the people that are close to them. So only they know what button they have pressed in terms of what button they intended so we know what button they have pressed but only they know why they have pressed the button ok because we can't see so if they tell us that they pressed a button to sell a first class stamp but then they sell a second class stamp we do not know that until they actually verify their stock. But then you still don't actually know that because they are the people telling us what they have got on site so unless the only way I would be the best person on behalf of Post Office to do that was if I was in with them 24/7 so I can't see how we could ever be the best we can help and we can have a degree of insight because of the way that the horizon system works and because we can see every key stroke so for instance even if they declare to us that they have got say they made a cash declaration that they said they've got £100 we can see behind the scenes that they have taken six attempts to get to that. Now in that case that could be perfectly innocent but in other cases it could be very suspicious actually. But what we can also see is that they are asking the system to tell them how much the discrepancy is before they make the declaration. We can see that ok. So what we are best placed to see from the information we have and the equipment we can use is the process or the way in which they do that we are best placed to see whether are they taking the long way round or are there any anonymities</p>
Victoria	So we were just talking about Post Office is best placed
Angela	<p>So what we are best placed to do and this is really what Kim Abbots does as well and what we can see and what we are best placed to do is see from not 100% but what we can see is whether that pattern of behaviour looks normal. So its normal to count your cash and to put it into the machine as you count your cash. Then you hit the button that tells you what your discrepancy is and then it is normal if it's not to the penny to go back in and check it and then to make some adjustments because you've found a mistake somewhere. What is not normal is to say how much am I out before I make my declaration unless either you know you've got a discrepancy and you're not quite sure how much it is and you want to falsify the accounts or you think well if its within £50 I am not going to bother anyway I'm just going to take it and just adjust it because I am being lazy. There are a number of reasons behind but that is what we are best placed to do. They are best placed to tell us how it is in branch and that's the trust bit in the relationship. We trust you to give us the right information and will build our processes to try and see where we are not getting that accurate information but I can't on behalf of Post Office as a representative of Post Office possibly say I am better placed than the postmaster to know what is going on in that branch because I am not.</p>
Victoria	Ok. I think that leads us quite nicely into horizon which would be a good place to stop.
Angela	So are you going to stop there?
Victoria	Yes we will. We will stop recording. Breaking meeting at 1.30pm.