

# Postmaster support policy

## Accounting dispute resolution

Version 3.2



Post Office is determined to reset its relationship with postmasters and has introduced policies that set out guidelines on how Post Office should support postmasters, specifically for use across twelve areas.

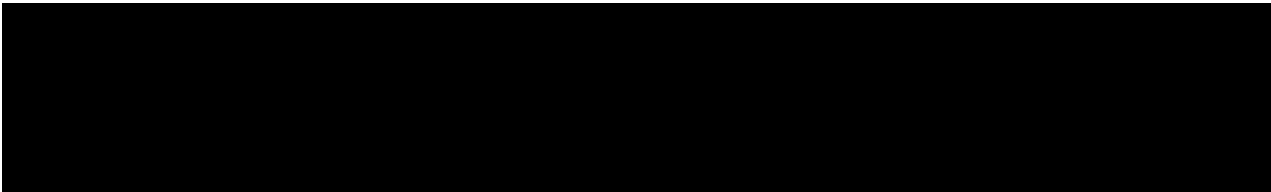
The policies stand on their own but should be reviewed in conjunction with each other. Support teams should have an awareness of all twelve policies and how they link together.

The twelve Postmaster Support Policies are listed in section 3.2 of this policy 

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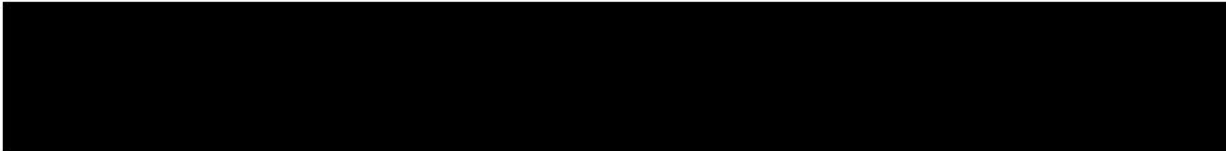


# 1 Definitions

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## 1.1 Definitions

1. **Accounting Dispute** - the triage, management and resolution of any Discrepancy identified.
2. **ARQ (Audit Request Query) Data** - This is a process whereby a number of types of data are formally requested from Fujitsu to recover from their archives.
3. **Case Investigation Report** (see Appendix 8.2) – A report that is supplied to the postmaster following their investigation. The Case Investigation Report includes facts and findings of the investigation, supporting evidence and data and the rationale used to determine the outcome.

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5. **Discrepancy** - Any difference between (i) the actual cash and stock position of a branch and (ii) the cash and stock position shown on Horizon as derived from transactions input by branch staff into the branch's terminals. A Discrepancy could be negative or positive.
  6. **Dispute Resolution Committee** – A Committee chaired by the [REDACTED] which is held monthly with an extended list of attendees to make sure complex cases seek resolution or require further authority. This is also used to discuss root cause issues and appropriate action planning.
  7. **Established Gain** - An event that causes a positive Discrepancy (i.e. the situation where the branch has more cash and/or stock than the derived figures for cash and/or stock on Horizon), which has been investigated by Post Office, or agreed by the postmaster, and found to be a genuine gain to Post Office which was caused by the negligence, carelessness or error of the postmaster and/or their assistants.
  8. **Established Loss** - An event that causes a negative Discrepancy (i.e. the situation where the branch has less cash and/or stock than the derived figures for cash and/or stock on Horizon), which has been investigated by Post Office, or agreed by the postmaster, and found to be a genuine loss to Post Office which was caused by the negligence, carelessness or error of the postmaster and/or their assistants.
  9. **Service Level (SL)** – the length of time that the Post Office expects that it will take to investigate a dispute [REDACTED] (see table in Section 5.1).
  10. [REDACTED] – Phone based support teams that provide information and support to a postmaster with a view to resolving a postmaster query or concern. These teams will be the first point of contact.
  11. [REDACTED] – Escalation team that receives unresolved cases [REDACTED] or other internal teams and investigates them further.

12. [REDACTED] The team that deals with issues escalated from or assigned directly to them by [REDACTED] or the [REDACTED]. These cases are either unresolved (notwithstanding investigation at [REDACTED] are too complex to be investigated at [REDACTED]
13. [REDACTED] – Function for assessing cases when they are passed through [REDACTED] or other routes in and allocating to the relevant [REDACTED]
14. **Weekly Case Review** – held weekly to make sure cases are being progressed appropriately.

## 2 Overview

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### 2.1 Introduction

The [REDACTED] has overall accountability to the Board of Directors for the design and implementation of controls to manage accounting disputes with postmasters.

This policy is a non-contractual document provided for information. It does not form part of the contract between any postmaster<sup>1</sup> and Post Office.

### 2.2 Purpose

This policy is part of a framework that has been established to set the minimum operating procedures relating to the management of postmaster accounting dispute resolution. The purpose of this policy is to clarify the nature of the dispute(s), set out the standards expected in dealing with any dispute resolution and the procedures that need to be followed in bringing any dispute to a conclusion.

It is one of a set of policies which provide a clear risk and governance framework and facilitate an effective system of internal controls for the management of risk across Post Office. Compliance with these policies is essential to Post Office in meeting its business objectives and to balance the needs of postmasters, customers, clients, and other stakeholders including our shareholder.

As many postmasters are limited companies or partnerships (and as individual postmasters may appoint managers to operate a branch on their behalf) any steps that need to be taken by a postmaster under this policy can be taken by someone authorised to act on that postmaster's behalf (such as a director, partner or manager).

### 2.3 Core principles

The agreements between postmasters and Post Office set out that both parties must act at all times in good faith and Post Office will seek to resolve all accounting disputes in good faith with fairness, transparency, and professionalism (being the underpinning behaviours of Post Office).

Post Office has an obligation to postmasters to investigate any Discrepancy properly, fully and fairly, and ensure that it complies with its contractual obligations in relation to Discrepancies and investigations. These obligations include, but are not limited to:

- making decisions in accordance with the obligations of good faith, fair dealing, transparency, co-operation, and trust and confidence;
- providing adequate training and support to the postmaster;

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<sup>1</sup> In this policy "postmaster" refers to a limited company, partnership, limited liability partnership, other entity or individual that contracts with Post Office for the operation of a Post Office® branch.

- properly and accurately producing all relevant records and explaining all relevant transactions and/or any alleged or apparent shortfalls attributed to postmasters;
- communicating, not concealing, any known problems, bugs or errors in or generated by Horizon that might have financial (and other resulting) implications for the postmaster;
- making reasonable enquiries, undertaking reasonable analysis and even-handed investigation, and giving fair consideration to the facts and information available as to the possible causes of the appearance of alleged or apparent shortfalls (and the cause thereof); and
- establishing whether the alleged shortfall represents a genuine loss to Post Office.

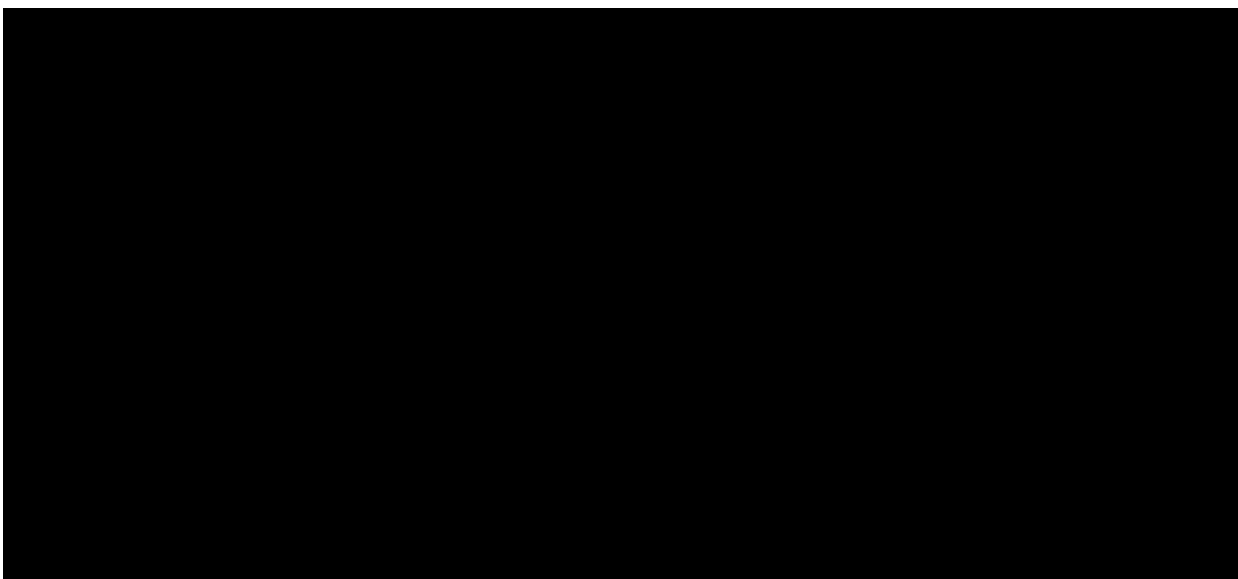
It is vital that the procedures followed in resolving disputes or conflicts are as clear as possible to ensure a fair, transparent, robust and consistent process for all concerned.

## 2.4 Application

This policy is applicable to all Post Office employees<sup>2</sup> who are involved in processes related to postmaster investigations or disputes and defines the minimum standards to control financial loss, postmaster impact, regulatory breaches and reputational damage in line with the Post Office's Risk Appetite.

## 2.5 The risk

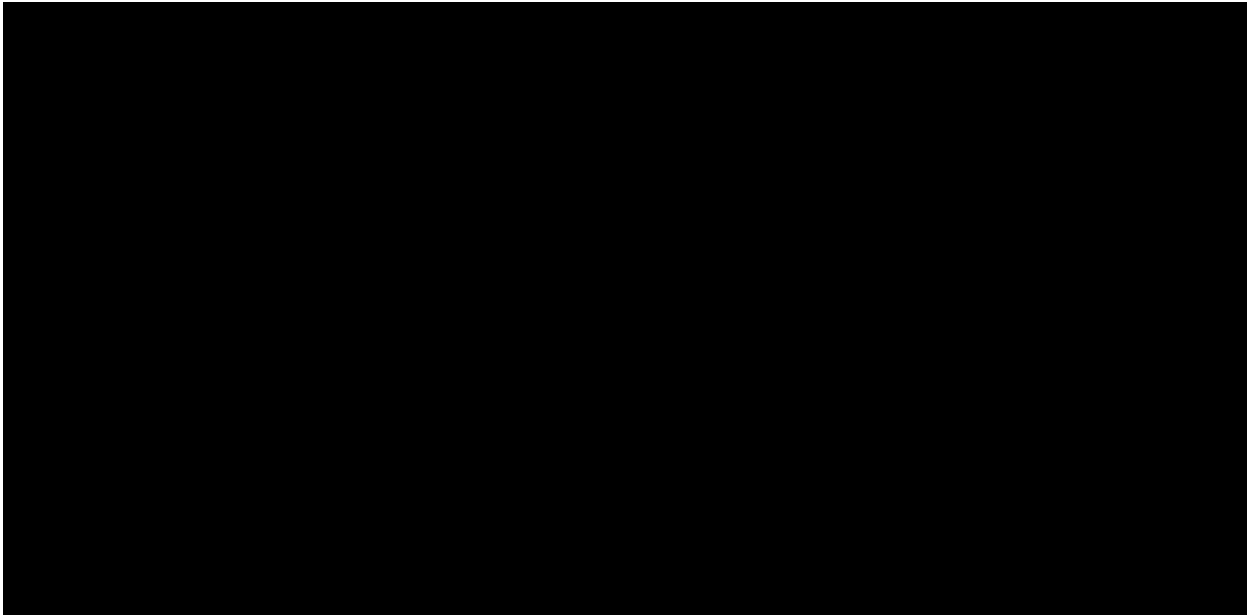
Disputes should be resolved fully, finally and with certainty. Any investigation should be carried out in line with the core principles as set out above and completed in a timely manner with a clear conclusion reached, where possible.



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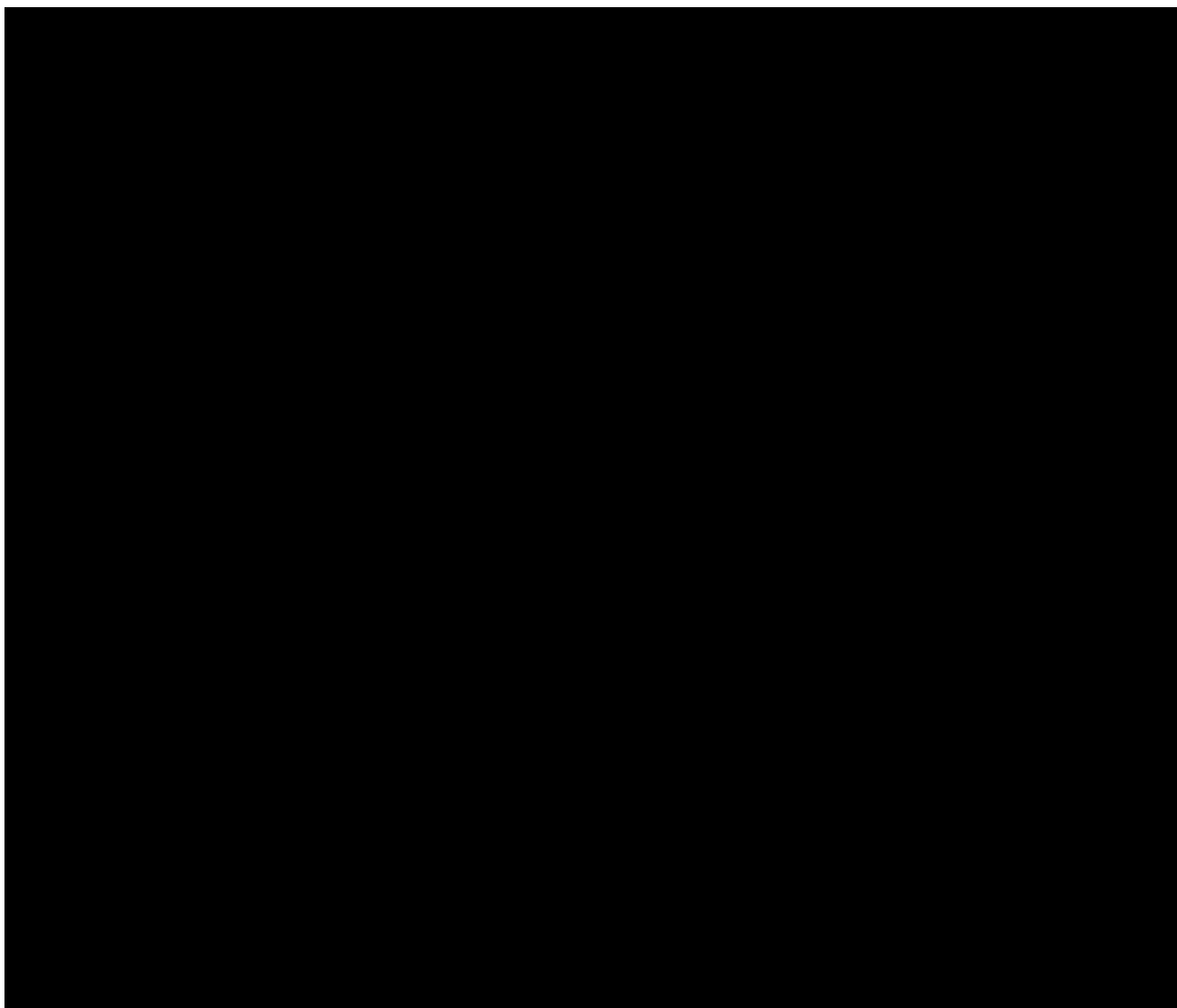
<sup>2</sup> In this policy "employee" means permanent staff, temporary staff including agency staff, contractors, consultants and anyone else working for or on behalf of Post Office and, for clarity, does not include postmasters or postmasters' staff.





## 3 Risk appetite

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### 3.2 Policy framework

This policy is part of a framework of postmaster support policies that has been established to set the minimum operating standards relating to the management of postmaster contract risks throughout the business or network in line with Post Office's risk appetite. The framework includes the following policies:

- Postmaster Onboarding
- Postmaster Training
- Postmaster Complaint Handling
- Network Monitoring and Branch Assurance Support
- Network Cash and Stock Management
- Network Transaction Corrections
- Postmaster Account Support
- Postmaster Accounting Dispute Resolution (this policy)

- Postmaster Contract Performance
- Postmaster Contract Suspension
- Postmaster Contract Termination
- Postmaster Contract Termination Decision Review

### 3.3 Who must comply?

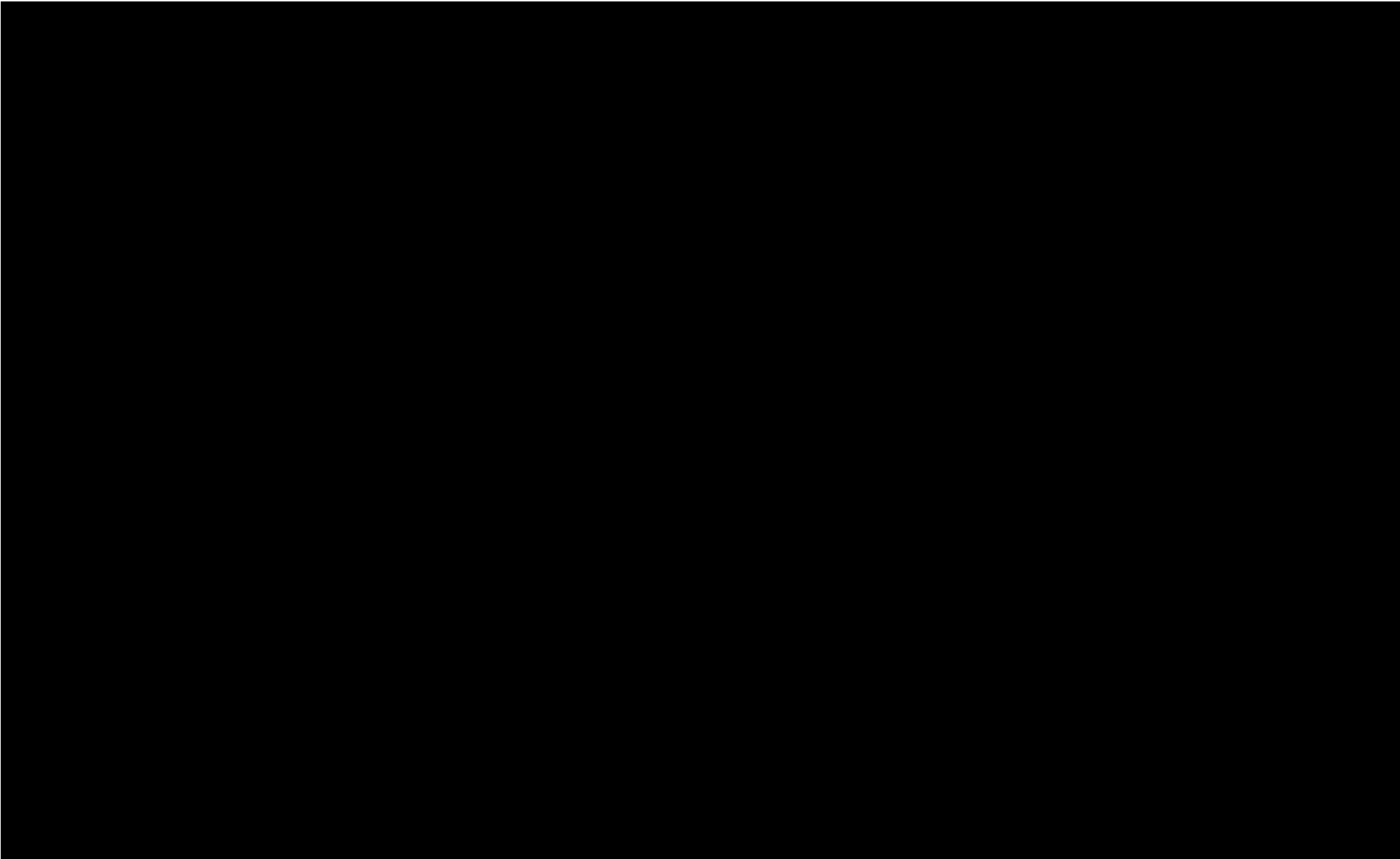
Compliance with this Policy is mandatory for all Post Office employees who are involved in processes related to postmaster investigations or disputes.

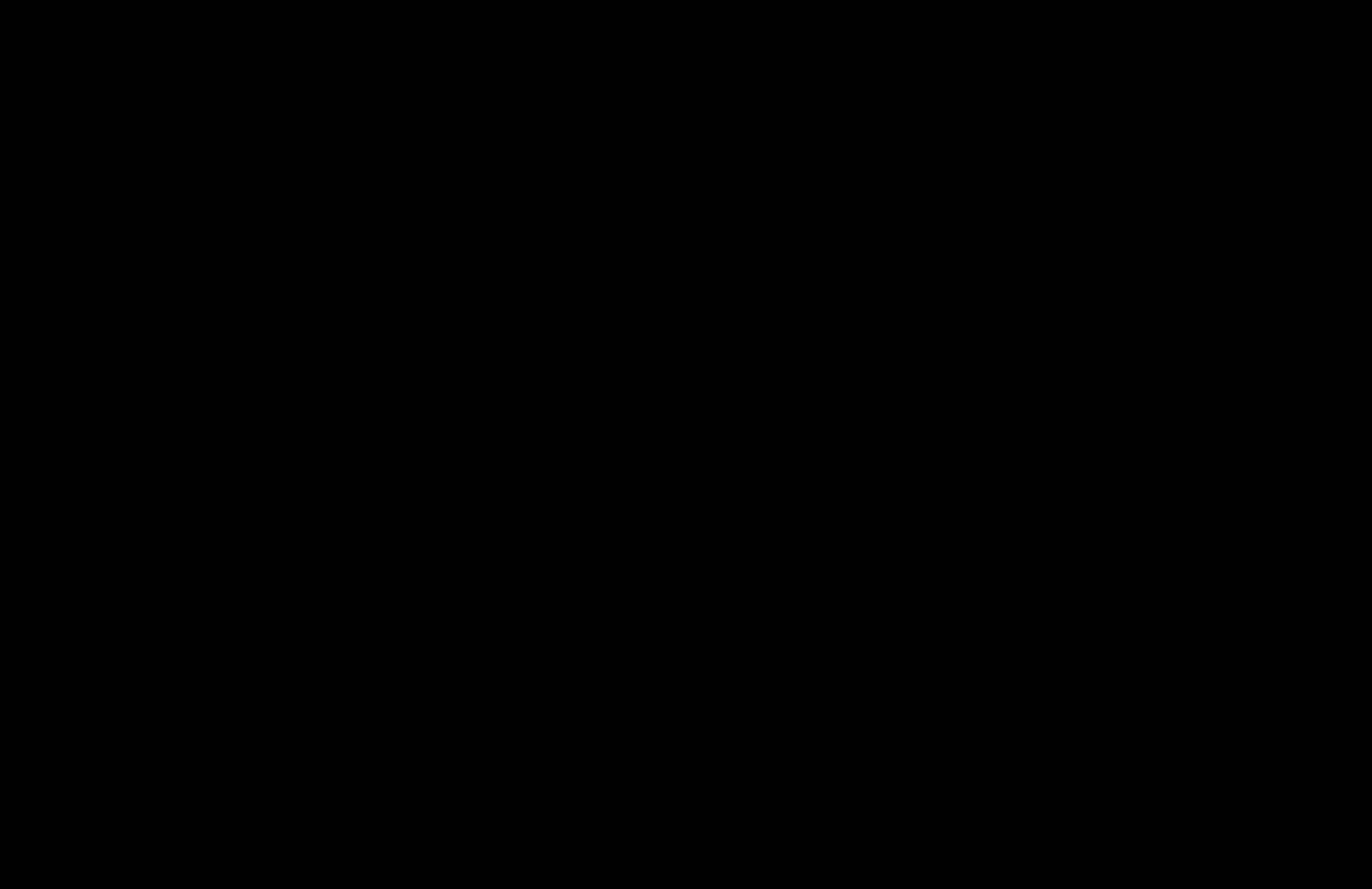
Where non-compliance with this policy by Post Office employees is identified by Post Office, Post Office will carry out an investigation. Where it is identified that an instance of non-compliance is caused through wilful disregard or negligence, this will be investigated in accordance with the Group Investigations Policy.

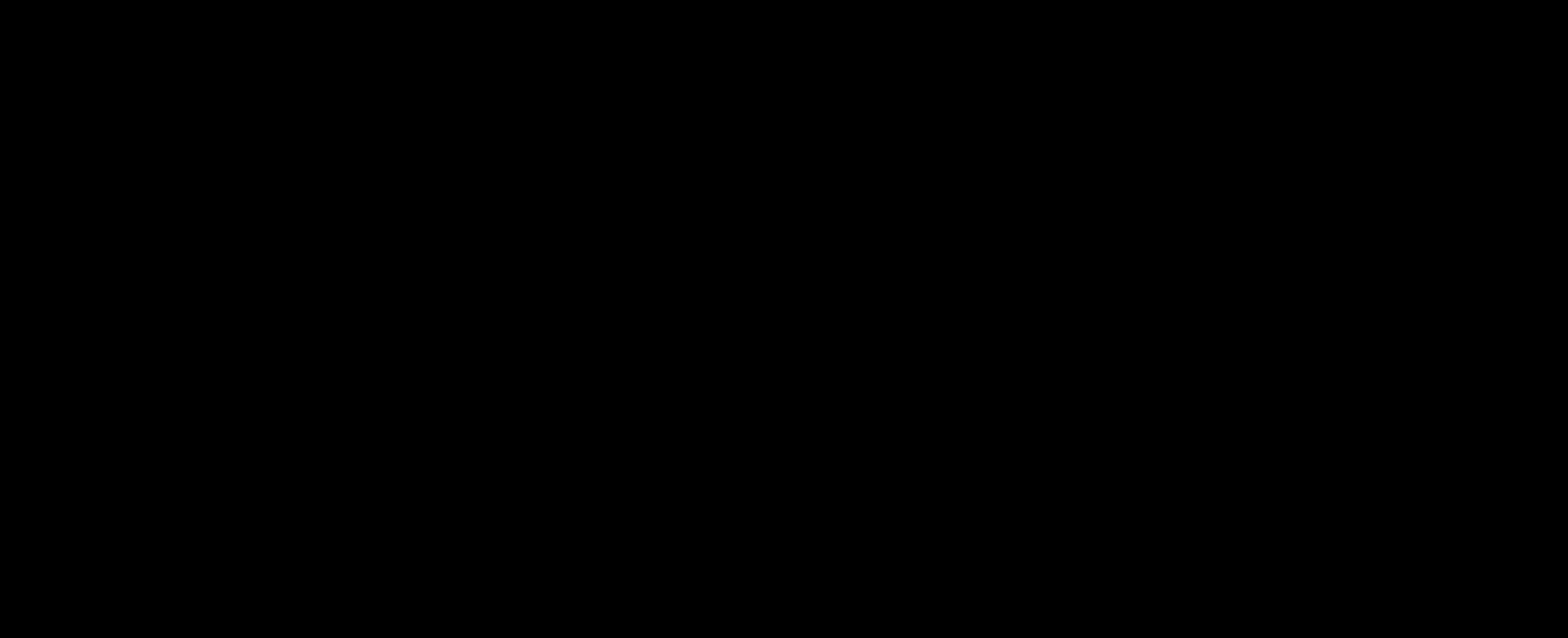
### 3.4 Roles & responsibilities

- **Audit, Risk and Compliance Committee** – is the Committee of the Post Office Limited Board which reviews and approves Postmaster Support policies.
- **Risk and Compliance Committee** - is the standing committee of the Group Executive who review and approve Postmaster Support policies for recommendation to the Audit, Risk and Compliance Committee.
- [REDACTED] – is the policy owner, who must comply with the governance responsibilities set out at section 6.1.
- [REDACTED] - is accountable for the deployment of this policy. This role is also responsible for regularly reviewing the effectiveness of this policy, the standards and processes contained within and for drafting any amendments that may be required.
- [REDACTED] - is responsible for overseeing the day-to-day operation of the [REDACTED] Team(s) ensuring compliance with policy requirements, standards and processes.
- [REDACTED] – are responsible for the deployment of the procedures and decisions required in this policy and must be fully conversant with this policy and linked policies.

- **Group Chief Finance Officer** – has authority to approve [REDACTED] up to an agreed level as outlined in this policy, provided legal advice has been sought.







## 4 Procedure

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### 4.1 Accounting dispute resolution

The Postmaster Account Support Policy<sup>3</sup> sets out the responsibilities of Post Office in relation to Discrepancies. These responsibilities include notifying postmasters of such discrepancies and investigating them in a fair, timely, transparent and impartial manner in order to establish whether or not they are Established Losses or Established Gains.

During the investigation process, the postmaster will not be contacted about settling the disputed amount.

A postmaster may dispute a Discrepancy or a transaction correction, in which case Post Office will conduct an investigation into its occurrence.

All investigations teams will enter details of their investigations into the case management tool as part of a standardised dispute resolution process. In situations where Horizon data of over 12 months is required, there is a clear process for requesting ARQ Data and requesting user interaction (keystroke logging) data to ensure a consistent approach to investigations. In addition, all voice calls with postmasters are to be made using [REDACTED] to ensure that recording takes place.

Investigation teams will receive training on new processes and procedures and any change to existing ways of working.

[REDACTED] – These investigations are conducted by the Branch Support Centre and relate to enquiries made by postmasters about account balancing and discrepancies. The [REDACTED] team may liaise with the [REDACTED] team that issue transaction corrections, to find out all relevant information.

Actions taken during a [REDACTED] investigation could include the following:

- Talking the postmaster through basic methods to establish the reasons for their Discrepancy or transaction correction and providing associated support.
- Arranging for additional postmaster support and/or training if required (for example, classroom training on investigating balancing discrepancies).

[REDACTED] investigations are intended to provide a quick resolution to postmasters on straightforward balancing and transaction correction enquiries. As such, these investigations may be resolved in a single contact and if further investigation is required, the matter will be escalated [REDACTED]

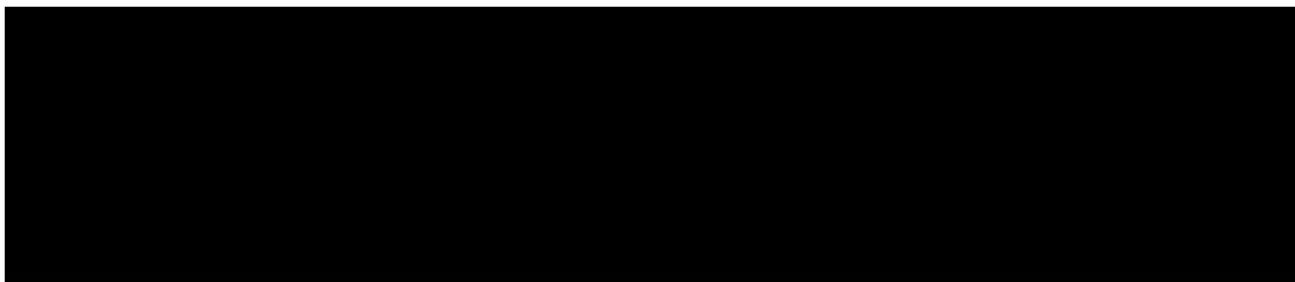
[REDACTED] – These cases include disputes passed through [REDACTED] without resolution. [REDACTED] is intended to ascertain the criteria to be used to assess cases and determine the allocation to investigations teams and to ensure consistency in response times.

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<sup>3</sup> The Postmaster Account Support policy [REDACTED]

Actions taken during the [REDACTED] process could include the following:

- Cases are entered into the case management tool, if not already completed.
- [REDACTED] Cases are reviewed by team managers [REDACTED]  
[REDACTED]
- Assign cases to the relevant team, noting escalations where necessary.
- A basic investigation takes place for the most common and frequent issues causing a branch discrepancy to attempt to resolve the case without further escalation, where possible.



[REDACTED] - These investigations are full detailed investigations after being assigned by [REDACTED]

Actions taken by a [REDACTED] investigation could include the following:

- Fully investigating the dispute by checking internal systems and contacting all relevant teams to determine the relevant context behind, and investigating the reason for, the Discrepancy.
- Undertaking a check of the Horizon system information to ascertain whether Horizon was a contributory factor to the Discrepancy.
- Discussing the results of the investigation in detail with the postmaster or representative team member.
- Checking if the dispute has been settled and confirming details of how and when.
- If the discrepancy is an entry on the postmaster's account, ensure that it is marked as being in dispute by the [REDACTED].
- Checking if there are any related cases and documenting all steps of the investigation in the case management tool.
- Arranging for additional postmaster support and/or training if required (for example, classroom training on investigating balancing discrepancies).
- Flagging any issues that require root cause investigation to the relevant team.

[REDACTED] Conducting data reviews and completing other details as required [REDACTED]  
[REDACTED]



The [redacted] will aim, where possible, to complete their investigations within 10 working days of escalation [redacted]. The postmaster will be engaged and involved throughout the process, including if they disagree with the outcome.

[redacted] - Where a matter is unable to be resolved by the [redacted] team, [redacted] will escalate the investigation to the Weekly Case Review who are responsible for allocation to [redacted]. The [redacted] are responsible for carrying out an investigation to confirm, amongst other contractual thresholds, if:

- The alleged shortfall has been properly, fully and fairly investigated in a timely manner.
- The shortfall represents a genuine loss to Post Office properly attributable to the postmaster.
- The Horizon system information has been checked to ascertain whether the Horizon system was a contributory factor to the Discrepancy.
- Any action (or inaction) by Post Office itself has been a contributory factor that may have led whether wholly or partially to the Discrepancy.
- The shortfall has been caused through the postmaster’s negligence, carelessness or error and/or the shortfall has been caused by the negligence, carelessness or error of their Assistant(s).

Post Office will offer the postmaster the Case Investigation Report (see Appendix 8.2) both for transparency and to give the postmaster an opportunity to investigate using the same information that is available to Post Office.

The [redacted] will aim, where possible, to complete their investigations within 10 working days of escalation.

Summary of investigation timelines

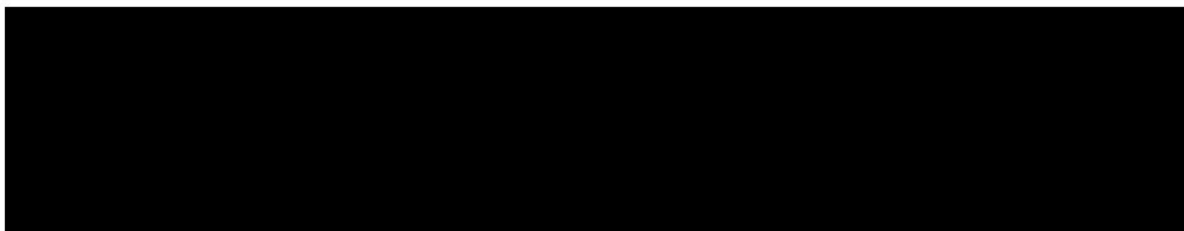
Investigation level	Aim to investigate within...	Cumulative investigation time
[redacted]	1 working day	1 working day
[redacted]	10 working days	11 working days
[redacted]	10 working days	21 working days

## 4.2 Governance

The Weekly Case Review will consist of a team of lead representatives from all [redacted] [redacted] for the following purposes:

- Review any backlog of cases under investigation by managing, allocation, resourcing and prioritisation.

- Identify cases approaching Service Level (SL) which may pass the SL and decide actions to be taken to ensure the cases are dealt with efficiently but without compromising on the quality of the investigation and review.



etermine which cases should be escalated

- Take decisions on how to conclude investigations up to a specified threshold.
- Identify potential unusual trends or improvement points and escalate these to the relevant section of Post Office.

The Weekly Case Review will use information from ongoing open cases and list prioritised cases by review for with a list of all cases to be escalated to the monthly Dispute Resolution Committee.

The monthly Dispute Resolution Committee will consist of representatives of the investigation teams, the policy owner, operational team lead representatives, and a legal representative for the purpose of the following:

- Review cases escalated from the Weekly Case Review and decide on actions to be taken for resolution.
- Review overall investigations performance dashboard vs SLAs
- Provide oversight of the review process and support root cause analysis.
- Decide on resolution from findings and outcomes on cases documented to be passed on to the relevant team to action.
- Take decisions on how to conclude investigations up to a specified threshold.

Minutes of the monthly Committee meetings will be taken to record decisions.

### 4.3 Informing a postmaster of the decision

The postmaster will be updated throughout the process, including when the investigation moves to another owner, and once the investigation is concluded. Once any level of investigation is completed, from Post Office will offer the postmaster a copy of a Case Investigation Report.

This document is also used by the as the basis for their decision on the resolution of the case.

When informing the postmaster of the decision, Post Office will provide the following information:

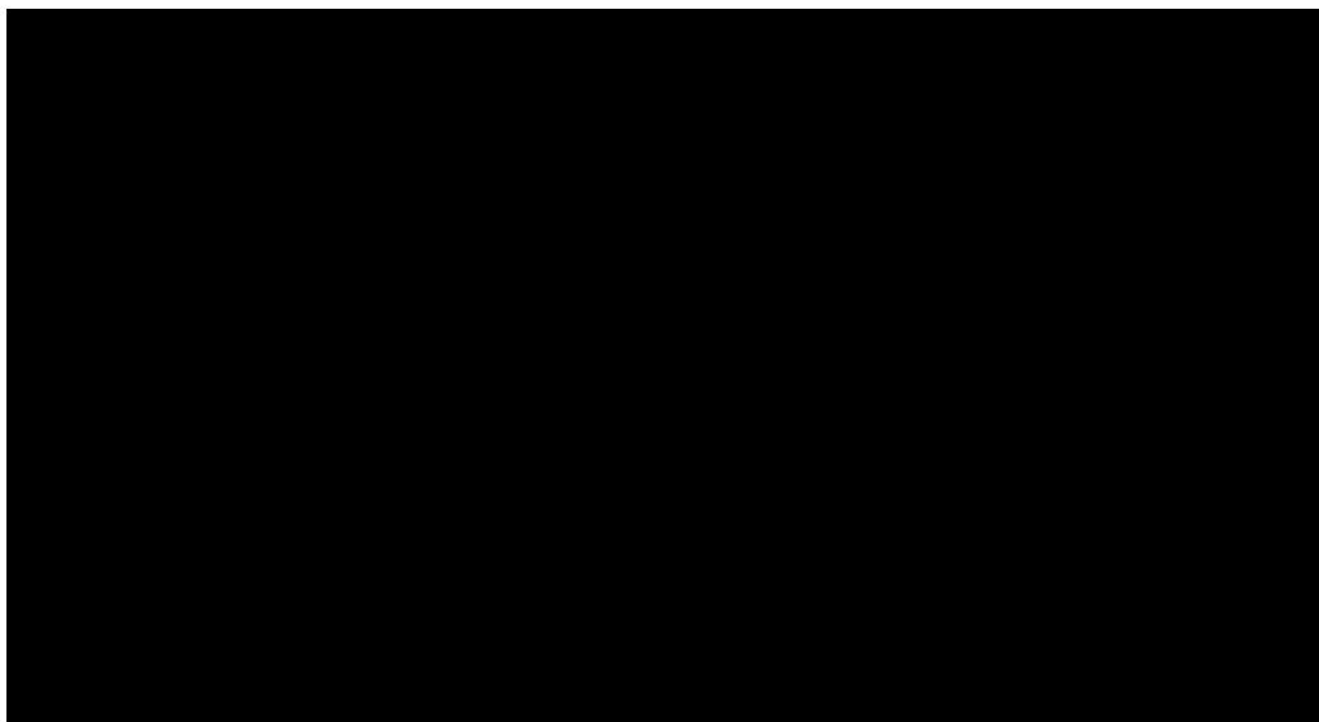
- their reason(s) for reaching the decision;
- confirmation that an investigation has been carried out and that documents relating to the investigation will be offered to them; and
- any other relevant information relating to the investigation that is appropriate to be shared with the postmaster.

██████████ If a postmaster disagrees with the outcome ██████████ then the postmaster can request their case to be reviewed ██████████

- If a postmaster disagrees with the outcome of ██████████ review, then the postmaster can put a case forward, by email to their ██████████ who will present to the monthly Committee for review.
- If a postmaster disagrees with the outcome of the monthly Committee review, the Decision Review process can be followed, according to the Postmaster Decision Review Policy<sup>4</sup>. The postmaster and a representative can be involved.

#### 4.4 Loss Established

If ██████████ investigations conclude that an Established Loss has occurred, the outcome of the case will be forwarded to ██████████ and the process as set out in the Postmaster Account Support Policy<sup>5</sup> will be followed.



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## 4.6 Review of dispute resolution files

All individual cases that are completed [REDACTED] will receive a summary quality control check by a manager for completeness and to ensure that the correct procedure has been followed.

Any investigation report that is being shared with a postmaster is also to be reviewed to ensure that the report is ready in all aspects to be released to the postmaster.

The [REDACTED] will perform an independent sample check of cases on a monthly basis. The [REDACTED] will share their findings with the [REDACTED]

## 5 Where to go for help

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### 5.1 Additional policies

This Policy is one of a set of policies. [REDACTED]  
[REDACTED]

### 5.2 How to raise a concern

Any postmaster, any postmaster's staff or any Post Office employee who suspects that there is a breach of this Policy should report this without any undue delay.

If a postmaster or any postmaster's staff are unable to raise the matter with the area manager of the relevant branch or if a Post Office employee is unable to speak to her or his line manager, any person can bring it to Post Office's attention independently and can use the Speak Up channels for this purpose. Any person can raise concerns anonymously, although disclosing as much information as possible helps ensure Post Office can conduct a thorough investigation.

For more details about how and where to raise concerns, please refer to the current Whistleblowing Policy [REDACTED]  
[REDACTED]

Please note that a postmaster may also contact the National Federation of Sub-Postmasters (NFSP) for help and support.

### 5.3 Who to contact for more information

If you need further information about this policy or wish to report an issue in relation to this policy, please contact the [REDACTED]  
[REDACTED]

## 6 Governance

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### 6.1 Governance responsibilities

The Policy sponsor, the Group Chief Retail Officer of Post Office, takes responsibility at Group Executive level for policies covering their areas.

The Policy Owner is [REDACTED] who is responsible for ensuring that the content is up to date and is capable of being executed. As part of the review process they need to ensure that the minimum controls articulated in the policy are working or to identify any gaps and provide an action plan for remediation

Additionally, [REDACTED] are responsible for providing appropriate and timely reporting to the Risk and Compliance Committee and the Audit, Risk and Compliance Committee as required.

The Audit, Risk and Compliance Committee are responsible for approving the Policy and overseeing compliance.

The Board is responsible for setting Post Office's risk appetite.

## 7 Control

### 7.1 Document control record

#### Summary

GE policy sponsor	Standard owner	Standard implementer	Standard approver
Martin Roberts (Group Chief Retail Officer)	[REDACTED]	[REDACTED]	R&CC/ARC
Version	Document review period	Policy – effective date	Policy location
3.2	Annual	12/2023	Postmaster Support Policies [REDACTED]

#### Revision history

Version	Date	Changes	Updated by
1.0	19th November 2020	Initial draft version	[REDACTED]
2.0/0.2	10th December 2020	Amended section 4.1, changed version number to 0.2	[REDACTED]
0.3	15th December 2020	Added footnotes	[REDACTED]
0.4	3rd February 2021	Amended section 5 with timescales and controls. Added section 1 – Definitions. Added appendices.	[REDACTED]
0.5	5th February 2021	Updated following legal review	[REDACTED]
0.6	10th March 2021	Updated following ARC review	[REDACTED]
0.6.1	16th March 2021	Text adjustments (acronyms)	[REDACTED]
1.0	1st April 2021	Final approved by ARC	[REDACTED]
1.1	8th April 2021	Updated draft to reflect Investigations Target Operating Model 1.0	[REDACTED]
1.2	14th April 2021	Updated draft following 1st legal review	[REDACTED]
1.3	26th April 2021	Alignment with other postmaster support policies	[REDACTED]
1.4	4th May 2021	Risk appetite amendment	[REDACTED]
1.5	25th May 2021	Added linked policy statement to front page Added reference to the Group Investigations Policy to section 3.3 Who Must Comply? Updated link to section 5.1 Added footnotes to link to other policies referred to in this policy.	[REDACTED]

		[REDACTED]	
1.6	18 <sup>th</sup> February 2022	<p><b>Annual Review</b></p> <p>2.1 Addition of section stating that a postmaster may authorise someone to act on their/its behalf</p> <p>2.5 Risks updated</p> <p>3.1 Updated risk appetite statements to include Operational statements</p> <p>3.4 Added in two new roles</p> <p>3.5 Minimum Control Standards updated to reflect updated risks</p> <p>4.1 Review Committee updated with correct names and aims</p> <p>4.2 Added reference to the Decision Review process and policy.</p> <p>4.4 Removed [REDACTED]</p> <p>4.5 Updated role responsible for quality [REDACTED]</p>	[REDACTED]
2.0	1 <sup>st</sup> April 2022	Amended version number following approval	[REDACTED]
2.1	5 <sup>th</sup> July 2022	<p>2.1, 3.4, 5.3, 6.1, 7.1 – updated owner and sponsor</p> <p>3.5 Amended Daily Case Review to when required</p> <p>4.5 Revised [REDACTED] to all.</p> <p>Font updated to Nunito Sans</p>	[REDACTED]
2.1	9 <sup>th</sup> August 2022	<p>Throughout – amended “Operational Review Committee” to “Dispute Resolution Committee”</p> <p>1.1 Removed Postmaster Information Pack and updated description of Case Investigation Report to include this. Split “Review Committee” definition into two – Weekly Case Review and Monthly Dispute Resolution Committee.</p> <p>4.1 Small amends for clarity. Amended Postmaster Information Pack to Case Investigation Report (as the former is now included in the latter). Removed reference asking the postmaster to confirm receipt.</p> <p>4.2 Governance header added. Separated narrative about weekly and monthly meetings. Added new action for the Weekly Case Review - “Determine which cases should be escalated [REDACTED]”</p> <p>4.3 Simplified bullet points to show escalation route</p> <p>4.5 Removed paragraph about sample quality checks as 100% of case files receive a check.</p>	[REDACTED]
3.0	26 <sup>th</sup> September 2022	Amended version number following approval	[REDACTED]
3.1	17 <sup>th</sup> February 2023	<p>Minor clarifications and wording amendments following legal review.</p> <p>Updated owner</p> <p>5.2 Added Speak Up contact details</p>	[REDACTED]
3.2	8 <sup>th</sup> December 2023	<p>Updated owner</p> <p>1.1 Clarified Established Loss/Gain definitions</p> <p>3.1 [REDACTED]</p>	[REDACTED]



		3.2 Updated framework policy name – Contract Termination Decisions Review	
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## 7.2 Oversight committee

**Oversight Committee:** Risk and Compliance Committee and Audit, Risk and Compliance Committee

Committee	Date approved
POL R&CC	13 SEP 2022
POL ARC	26 SEP 2022

Next Review: 30 SEP 2023

## 7.3 Company details

Post Office Limited and Post Office Management Services Limited are registered in England and Wales. Registered numbers 2154540 and 08459718 respectively. Registered Office: Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ.

Post Office Management Services Limited is authorised and regulated by the Financial Conduct Authority (FCA), FRN 630318. Its Information Commissioners Office registration number is ZA090585.

Post Office Limited is authorised and regulated by Her Majesty’s Revenue and Customs (HMRC), REF 12137104. Its Information Commissioners Office registration number is Z4866081.

VAT registration number GB 172 6705 02. Registered office: Finsbury Dials, 20 Finsbury Street, London, England EC2Y 9AQ

