

Postmaster support policy

Contract termination decision review

Version 3.0






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

1.1 Definitions

[REDACTED] ecision Review Panel (or panel) [REDACTED]

[REDACTED] The panel are responsible for deploying the procedures set out in this policy and for making a final decision on the challenges presented to them.

- **Postmaster** or **postmaster**– this 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.

[REDACTED] he Post Office team responsible for deploying the Postmaster Contract Termination policy in taking decisions on contract terminations regarding postmasters. [REDACTED]

2 Overview

2.1 Introduction

The [REDACTED] has overall accountability to the Board of Directors for the design and implementation of controls to manage risk in the network¹. Risk in the network is an agenda item for the Risk Committee and the Post Office² board is updated as required.

This policy is a non-contractual document provided for information. It does not form part of a contract between any postmaster³ and Post Office.

2.2 Purpose

This policy is part of a framework that has been established to set the minimum operating policies relating to the management of contracts with postmasters.

Post Office recognises that from time to time it will make decisions that postmasters may not agree with. The purpose of this policy is to set out the procedures to be followed should a postmaster wish to challenge a decision in respect of contract termination and to clarify who will be involved in the process.

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).

This policy is one of a number of policies which provide a clear risk and governance framework and an effective system of internal control for the management of risk across the Group. Compliance with these policies supports the Group in meeting its business objectives and to balance the needs of postmasters, customers, shareholders, employees, other stakeholders (such as the government departments) and third party commercial partners including [REDACTED]

2.3 Core principles

A challenge will be heard by a Decision Review Panel who will have had no material prior involvement in the circumstances which led up to the challenge that has been raised.

Post Office will handle challenges to decision-making in good faith and apply principles of fairness, transparency, and professionalism (being the underpinning behaviours of Post Office).

¹ In this policy, "network" means branches not directly managed by Post Office.

² In this policy, "Post Office" and "Group" means Post Office Limited.

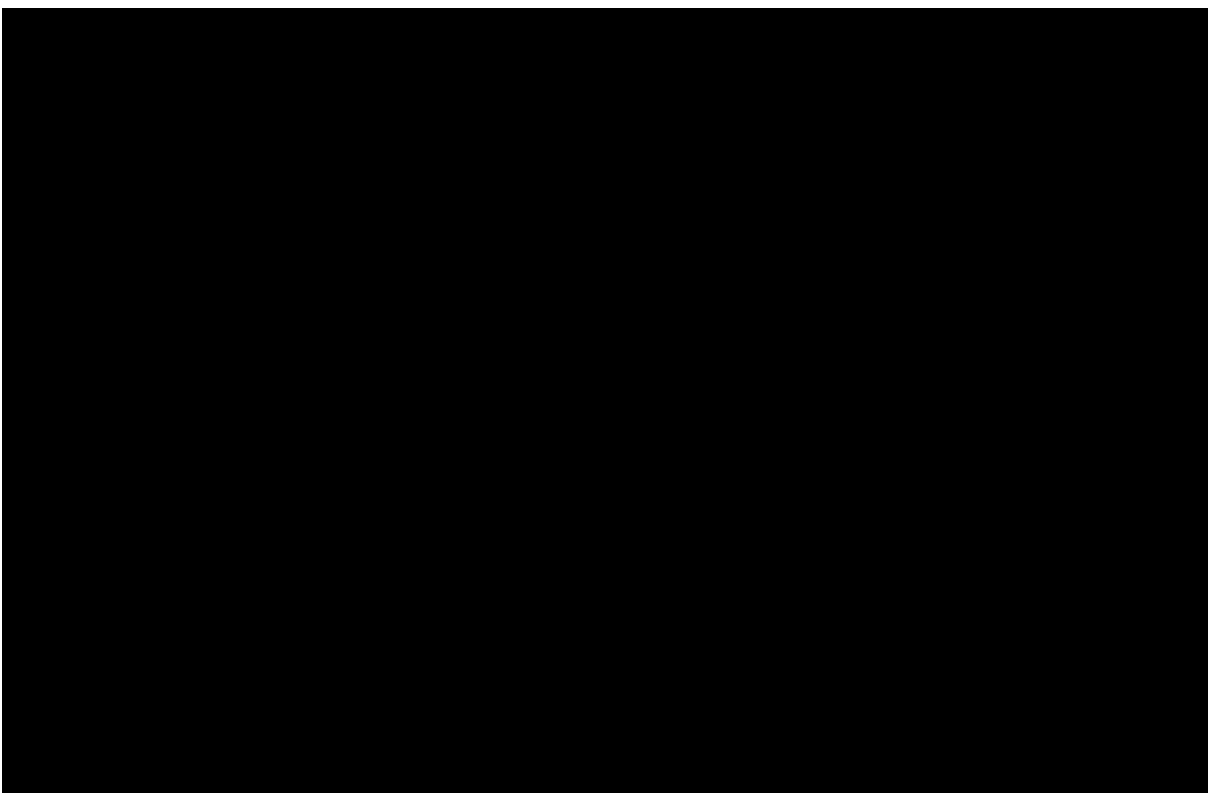
³ In this policy, "postmaster" refers to a limited company, partnership, limited liability partnership, other entity or individual that contracts with the Post Office for the operation of a Post Office® branch.

2.4 Application

This policy is applicable to members of the Decision Review Panel and all Post Office employees⁴ involved in decision review process 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.

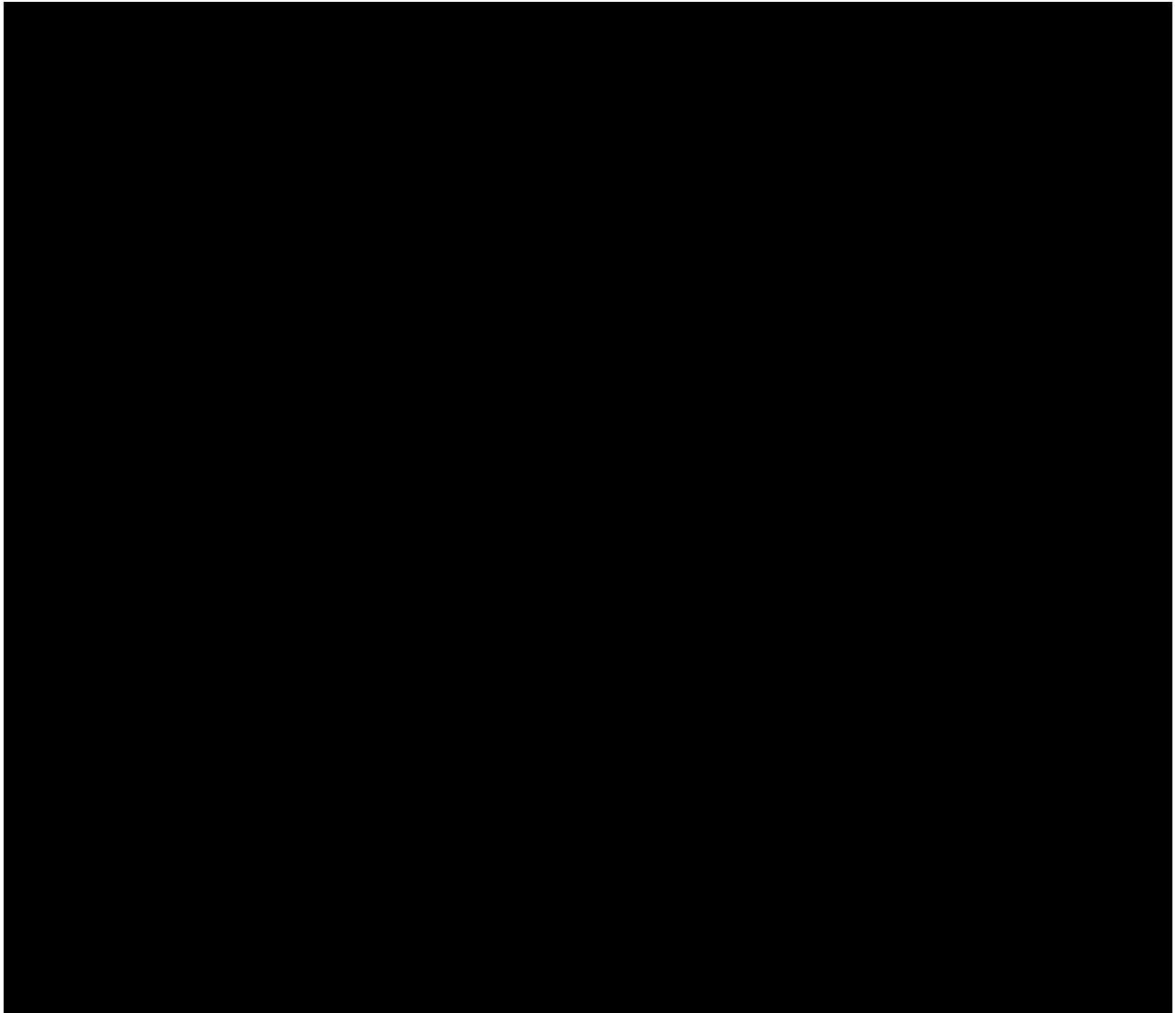
2.5 The risk

A decision taken by Post Office to terminate a postmaster's Agreement has a direct and significant impact on postmasters and Post Office has an obligation to ensure that these decisions are not taken arbitrarily, capriciously or unreasonably, to exercise any contractual power honestly and in good faith for the purpose for which it was conferred on Post Office and to exercise any discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation and trust and confidence.



⁴ 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



3.2 Policy framework

This policy is part of a framework of postmaster support policies that has been established to set the minimum operating policies relating to the management of postmaster contract risks throughout the business and 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
- Postmaster Contract Performance
- Postmaster Contract Suspension
- Postmaster Contract Termination
- Postmaster Contract Termination Decision Review (this policy)

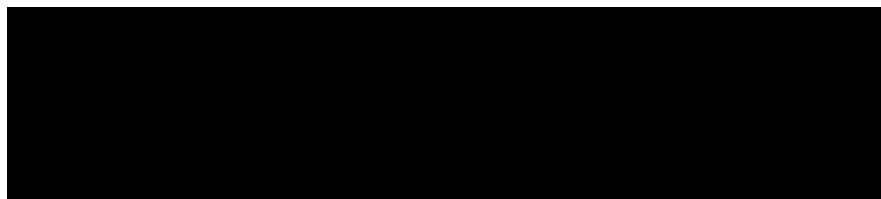
3.3 Who must comply?

Compliance with this policy is mandatory for members of the Decision Review Panel and all Post Office employees involved in decision review process.

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 and 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, for supporting personnel who carry out actions under this policy, for regularly reviewing the effectiveness of this policy and for drafting any amendments to it that may be required.
- **Decision Review Panel** – a panel that has been designed to introduce independence in the decision review making process whilst ensuring that Post Office retains its ability to make decisions about its contracts. To this end the panel comprises four members:



The panel are responsible for deploying the procedures set out in this policy and for making a final decision on the challenges presented to them.

The **Decision Review Panel** must:

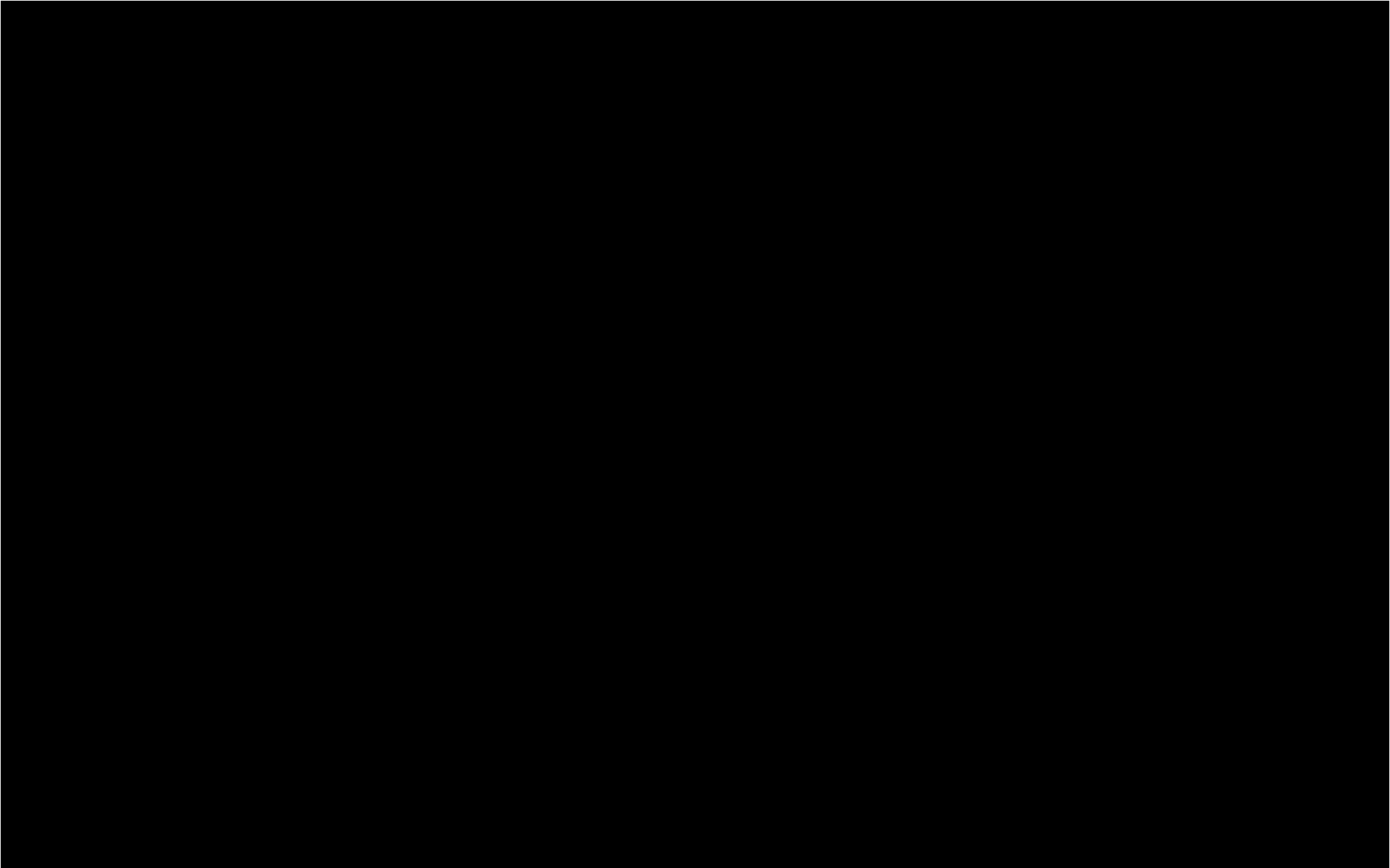
- apply Post Office's underpinning behaviours of fairness, transparency, and professionalism;
 - be conversant with this policy and linked policies;
 - be conversant with the background behind the decision being reviewed; and
 - ensure this policy is adhered to and the postmaster and, as appropriate, the postmaster's staff or owner(s) are treated with fairness, transparency and professionalism throughout the process.
- **National Federation of Sub Postmasters (NFSP)** – is a professional trade association which exists to support postmasters.
 - **Postmaster** or **postmaster**– this 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.

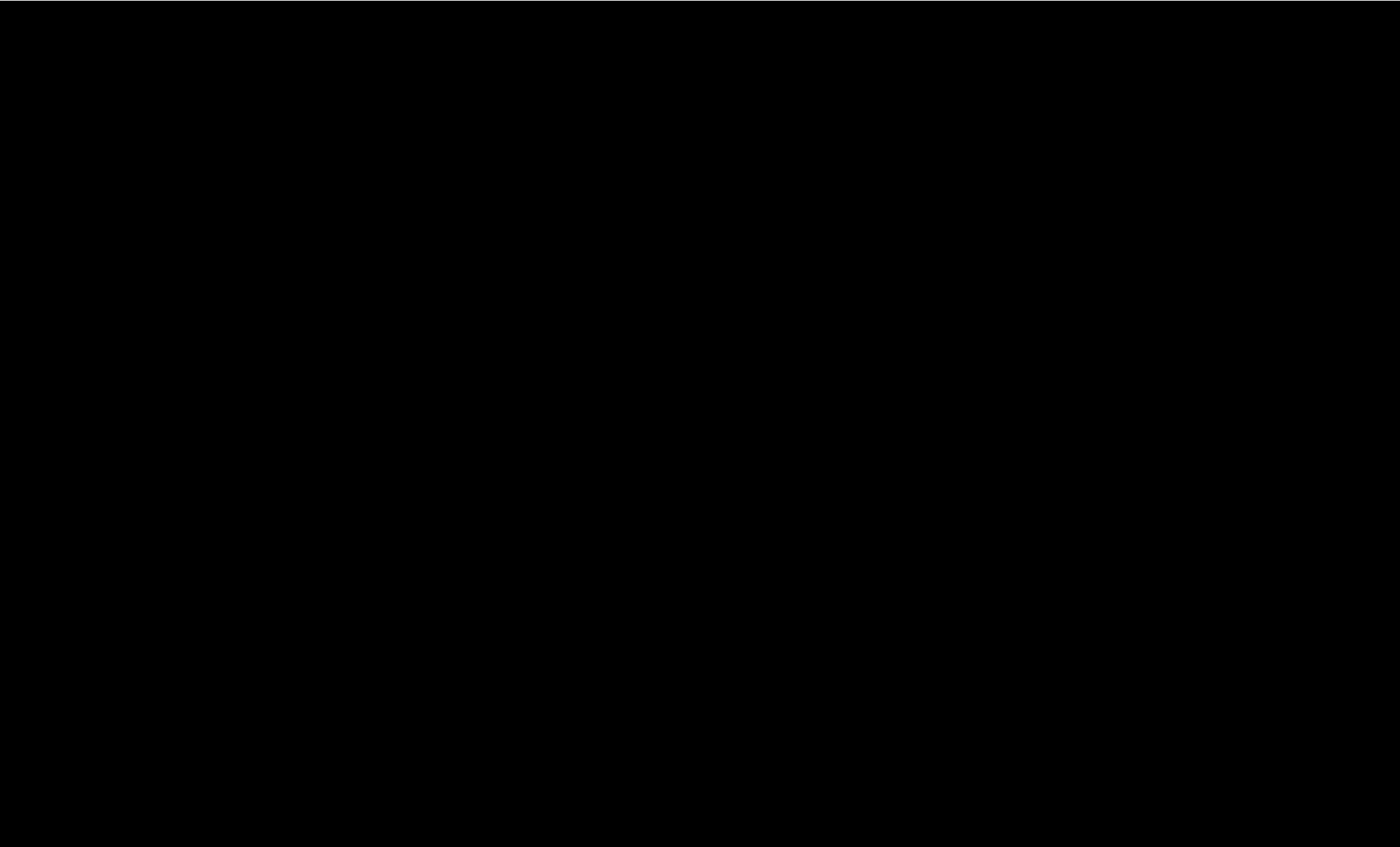
In relation to this policy, the **postmaster** is expected to:

- be transparent and open towards Post Office;

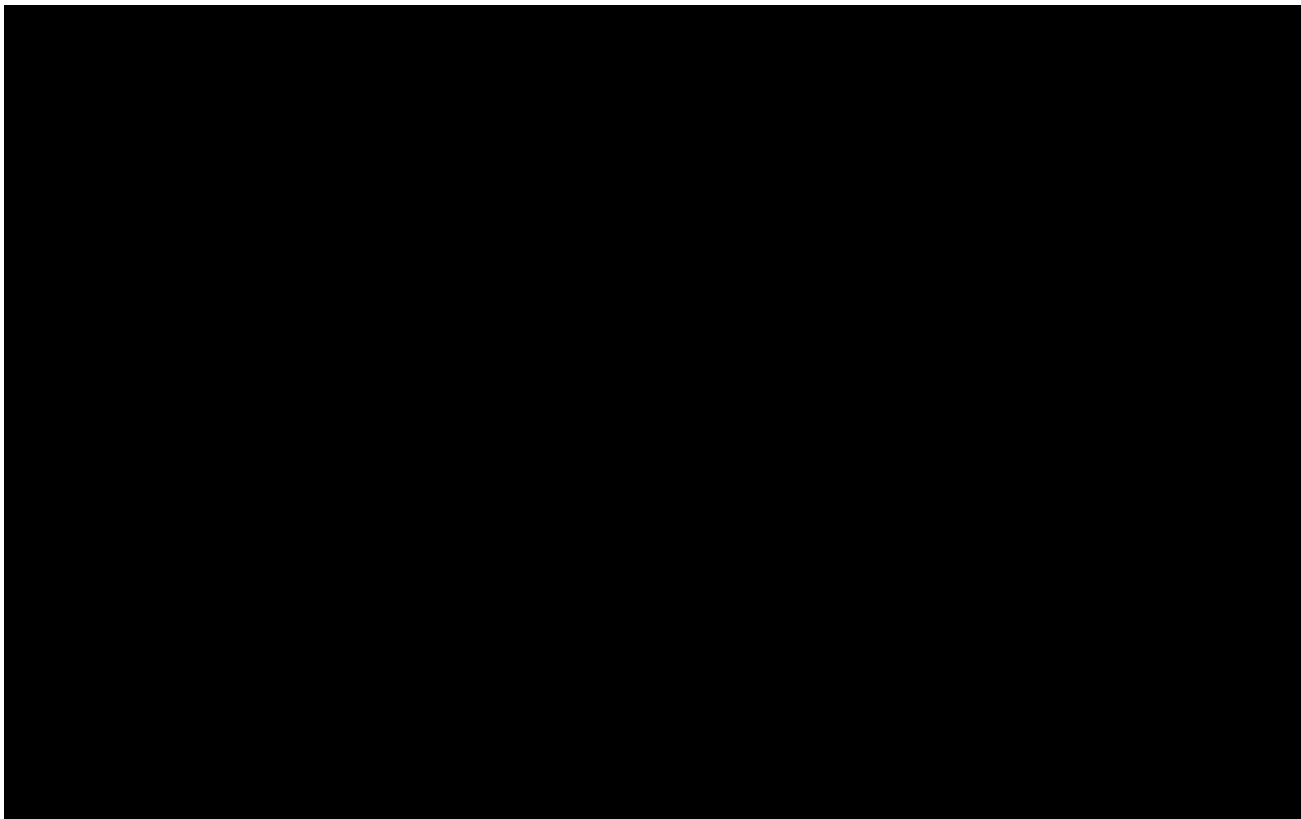
In relation to this policy, the postmaster may:

- contact their NFSP representative to support them through the process;
- arrange legal representation or other support for any written correspondence or meetings with Post Office;
- let their NFSP representative, legal representation or other support talk on their behalf during any meeting with Post Office Ltd





4 Procedure



4.2 Postmaster challenges – Contract Termination

a) Postmaster Contract Terminations

Post Office may need to terminate the contractual relationship with a postmaster. The Contract Termination Policy sets out the principles and procedures that need to be followed in Post Office reaching any decision to terminate a postmaster's contract either immediately or by notice (but does not cover termination or resignation by the postmaster).

Once a decision is taken by Post Office to terminate the contractual relationship this will be communicated to the postmaster who/which, if the postmaster chooses, may challenge the decision that has been taken. This is applicable to a postmaster on any contract type and covers decisions to both immediately terminate and terminate by notice.

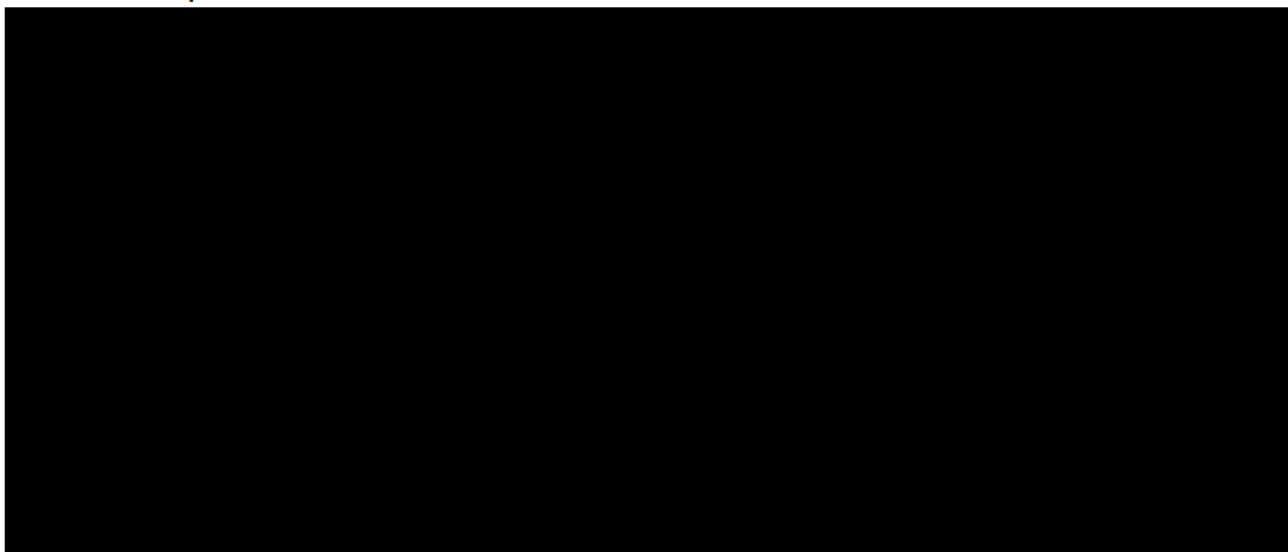
During the review process, the Decision Review Panel may seek further information from the postmaster who will be invited to attend the meeting remotely.

The role of the panel is to review the termination decision and, if required, consider any additional information provided by the postmaster to establish;

- whether Post Office had the right to terminate the contract;
- whether the decision to do so was taken consistently with the obligation of good faith; and

- whether the decision was taken in compliance with the termination provisions set out in the relevant contract between Post Office and the postmaster.

Decision required



4.3 Escalation process


The Decision Review Panel will collectively review the postmaster's challenge and reach a majority decision regarding the challenges set out in 4.2. Each panel member will have the right of escalation, in which case the matter will be referred to the Group Chief Retail Officer who may seek further assurance from the Group CEO if required.

4.4 Meeting

A Decision Review Panel meeting will be held once per month.

Attendees

In addition to the mandatory panel members additional attendees will be invited (as required) to attend either in person or remotely:

- The postmaster who/which challenged the termination decision;
- Postmaster representation (if requested by the postmaster); and/or
-  who dealt with the case may be invited to input.

4.5 Informing a postmaster of the decision

The postmaster will be informed of the outcome by the Decision Review Panel as soon as practicable after the decision is made. The decision, and the rationale for the decision, will be set out in a decision letter, which will be sent to the postmaster.

4.6 Payment during the decision review process

If applicable payment under the contract to the postmaster continues during any period of suspension (as set out in the Postmaster Contract Suspension Policy).

4.7 Improvement opportunities

As part of the Decision Review Panel process the panel may identify improvement opportunities or business issues outside of the decisions being reviewed (for example internal processes that could have worked better) In these instances, the panel will report back on any opportunities to the [REDACTED]

It is the role of the [REDACTED] to follow up on any business improvement opportunities identified.

4.8 Training

It is important that training is provided to anyone involved with the Decision Review Panel process, particularly the panel members themselves. To this end initial training will be provided to all panel members to cover postmaster contracts and the Decision Review Panel process itself with the objective of being able to provide:

- An understanding how we contract with postmasters;
- An understanding of the decisions that are taken that may impact a postmaster in respect of their contract; and
- An understanding of what the expectations are of a panel member and their role in the decision review process.

Training will be provided to all new panel members (as and when they join the panel) and as it is recognised that it may be several months between panel members having to sit on a panel a review of knowledge/refresher training will be undertaken every six months. In addition to this if there are any changes in procedure additional ad hoc training will need to be provided.

It is up to the [REDACTED] to arrange initial training as well as ensure the ongoing training is monitored and provided.

5 Where to go for help

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 [REDACTED]

6 Governance

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 the [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, the [REDACTED] and the [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 Document 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
3.0	Annual	12/2023	Postmaster Support Policies [REDACTED]

Revision history

Version	Date	Changes	Updated by
1.0	13 th December 2021	Annual policy review. Postmaster Termination Decision Policy rewritten as the Postmaster Decision Review Policy	[REDACTED]
1.1	15 th December 2021	1.1 Definitions added	[REDACTED]
1.2	18 February 2022	Legal Services review NFSP feedback New version number	[REDACTED]
1.3	18 March 2022	RCC feedback 2.4 and 3.3 (Application and Who Must Comply? sections) Addition of the review panel. 4.3 Replacement of Group Chief Operating Officer with Group Chief Retail Officer as the escalation point.	[REDACTED]
2.0	1 st April 2022	Amended version number following approval	[REDACTED]
2.1	5 th July 2022	2.1, 3.4, 3.5, 5.3, 6.1, 7.1 – updated owner and sponsor Font updated to Nunito Sans	[REDACTED]
2.2	27 th July 2022	4.2 – updated to reflect the established loss process in that the decision taken on accounting disputes will be to uphold or overturn, not to reduce the amount.	[REDACTED]
2.3	5 th October 2023	Annual Review	[REDACTED]

		<p>Policy changed from Decision Review Policy to Postmaster Contract Termination Decision Review Policy to reflect that there is a separate governance process in place to review suspension decisions (see Contract Suspension Policy) and that the Accounting Dispute process is being looked at separately. This change has been reflected throughout the policy document.</p> <p>3.4 RCC and ARC added</p> <p>[REDACTED]</p> <p>3.4 Addition of a note to say that the NFSP representative, legal representation or other support talk on a postmaster's behalf during any meeting with Post Office Ltd</p> <p>5.2 Added Speak Up contact details</p>	
3.0	15 th December 2023	Amended version number following approval Rebranded	[REDACTED]

7.2 Oversight committee

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

Committee	Date Approved
POL R&CC	10 NOV 2023
POL ARC	27 NOV 2023

Next review: 30 NOV 2024

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.

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