

Postmaster support policy

Network transaction corrections

Version 4.0

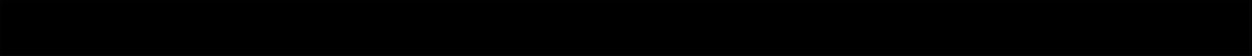


Post Office is determined to reset its relationship with postmasters and has introduced policies that set out guidelines on how Post Office should support postmasters, specifically for use across twelve areas.

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

1. **Service Level** – In the case of this policy, this would be the maximum agreed time taken to carry out an action.
2. **Trading Period** – A four or five-week cyclical financial period at the end of which the postmaster reconciles the cash and stock position of a branch with the cash and stock position shown on Horizon by completing a branch trading statement.
3. **Transaction Acknowledgement** – a notification to the branch on Horizon to acknowledge and accept the transactions carried out the previous day on a system not linked to Horizon. The effect of a postmaster accepting a transaction acknowledgement and transferring the corresponding cash into the stock unit is that Horizon will be in balance.
4. **Transaction Correction** – corrections to errors made in branches, or by other Post Office areas, that have been (i) identified in the reconciliation between files received from third parties (clients or suppliers), or cash and stock centres, and the data recorded by the branch in Horizon, or (ii) caused by mis-keys notified by the branch or a third party/client, or (iii) to provide funds to the postmaster in some cases where repayment is required.

2 Overview

2.1 Introduction

The [REDACTED] has overall accountability to the Board of Directors for the management of Transaction Corrections and Transaction Acknowledgments in the network¹. The network is an agenda item for the Risk and Compliance 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 the contract between any postmaster³ and Post Office.

2.2 Purpose

This Policy has been established to set the minimum operating standards relating to the identification and issuance of Transaction Corrections and Transaction Acknowledgements. All cash held in branches, [REDACTED] is owned and funded by Post Office through the central funding agreement that exists between Post Office and central government.

This policy details the procedures for issuing Transaction Corrections and Transaction Acknowledgements to postmasters, which is intended to ensure that any discrepancies identified between files received from third parties (clients or suppliers), or cash and stock centres, and the data recorded by the branch in Horizon, are corrected accurately.

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, 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

Under agreements between postmasters and Post Office, postmasters provide products and services to customers on behalf of Post Office. The cash and stock used to effect those transactions is owned and funded by Post Office [REDACTED]

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

² In this policy "Post Office" means Post Office Limited.

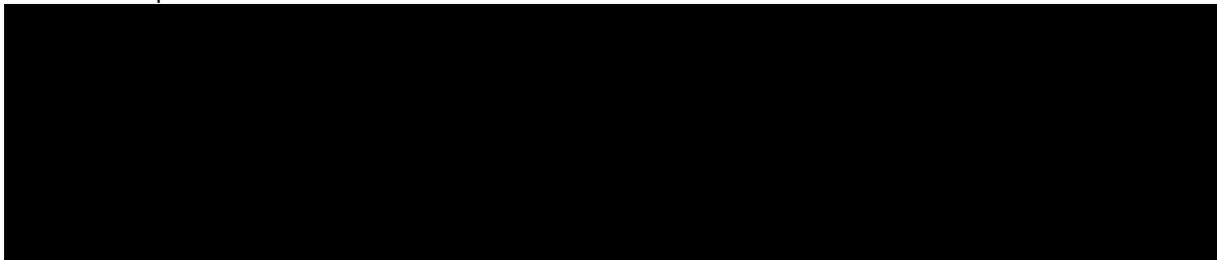
³ In this policy, "postmaster" refers to a limited company, partnership, limited liability partnership, other entity or individual that contracts with Post Office for the operation of a Post Office® branch.

Errors can occur in branch that create discrepancies between client/supplier/cash or stock centre and branch data, and Post Office will manage the investigation and correction of errors in good faith with fairness, transparency, and professionalism (being the underpinning behaviours of Post Office).

Post Office has an obligation to its clients (i.e. a bank), to ensure that all branches are providing a quality of service and adhering to agreed standards. Post Office is committed to supporting its postmasters in this process by making sure that discrepancies are addressed fairly, that postmasters have access to support when Transaction Corrections are issued and are able to dispute the discrepancy or the Transaction Correction.

This policy, and its linked policies, sets out clear and consistent guidelines to ensure that:

- Errors are promptly identified in the reconciliation between files received from third parties (clients or suppliers, such as banks), or cash and stock centres, and the data recorded by the branch in Horizon.
- Enquiries from customers (of the branch), a postmaster or clients (i.e., a bank) alerting Post Office of a potential error with a bill payment or banking transaction are investigated within the timelines set out in section 4.1 of this policy.
- Postmasters are notified, when a Transaction Correction is issued and, in the case of debit Transaction Corrections, provided with an explanation as to the cause of the Transaction Correction.
- Support is given to postmasters to help them to understand the reasons for and consequences of Transaction Corrections.



- A dispute option is clearly available to postmasters who wish to dispute Transaction Corrections that have been issued.
- Post Office will analyse Transaction Correction data to identify common and/or recurring issues and themes and aim to work to reduce or mitigate them.

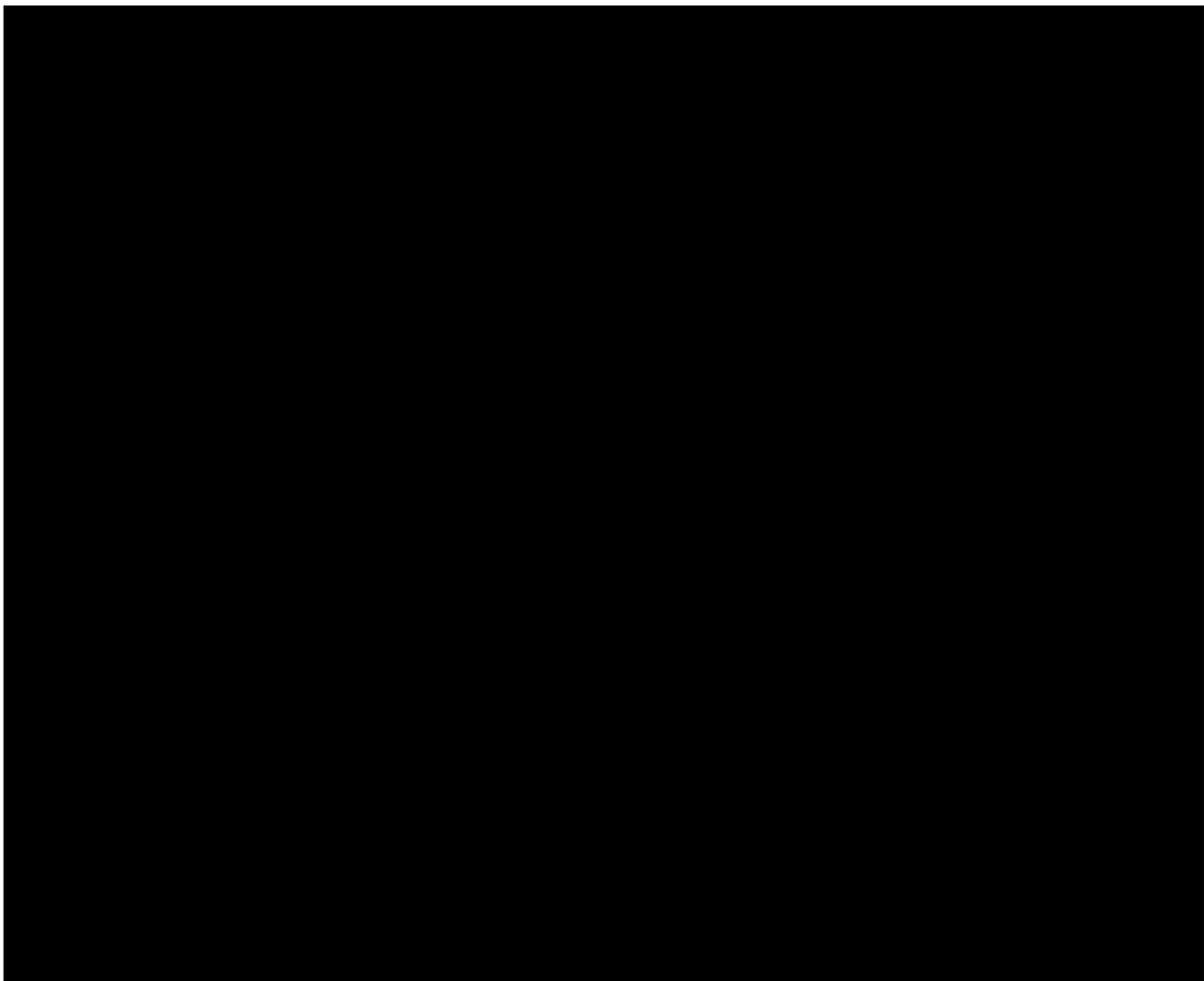
It is vital that the procedures followed in relation to Transaction Corrections and Transaction Acknowledgements, are clear in order to ensure a fair, transparent, robust and consistent process for all concerned.

2.4 Application

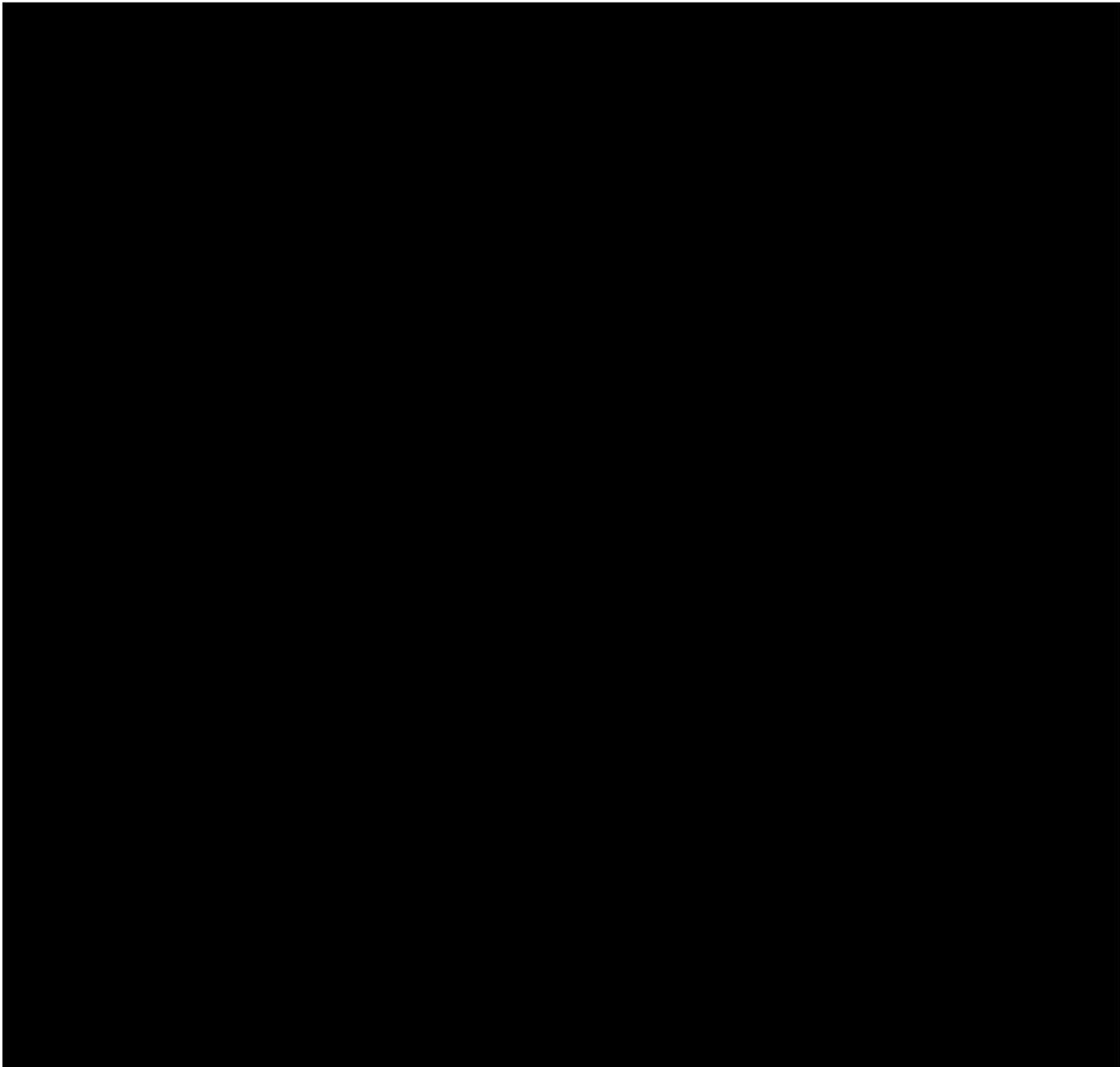
This Policy is applicable to all for all Post Office employees⁴ who deal with Transaction Corrections and Transaction Acknowledgements and defines the minimum standards to control financial loss, postmaster impact, regulatory breaches and reputational damage in line with the Post Office's Risk Appetite.

2.5 The risk

Transaction Corrections are needed to correct an error. Undue delays in identifying, investigating and issuing Transaction Corrections to correct the errors can cause inconvenience to postmasters, clients and customers (particularly in the case of high value Transaction Corrections). Postmasters can be left with unresolved discrepancies whilst waiting for a Transaction Correction to be issued to correct the error, or clients (i.e. a bank) may not receive the correct payment.



⁴ In this Policy "employee" means permanent staff, temporary 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.



3.2 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 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 (this policy)

- Postmaster Account Support
- Postmaster Accounting Dispute Resolution
- 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 deal with Transaction Corrections.

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 Strategic Executive Group 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 and the support of the team that manage Transaction Corrections. This role is also responsible for regularly reviewing the effectiveness of this policy and for drafting any amendments to the policy that may be required.

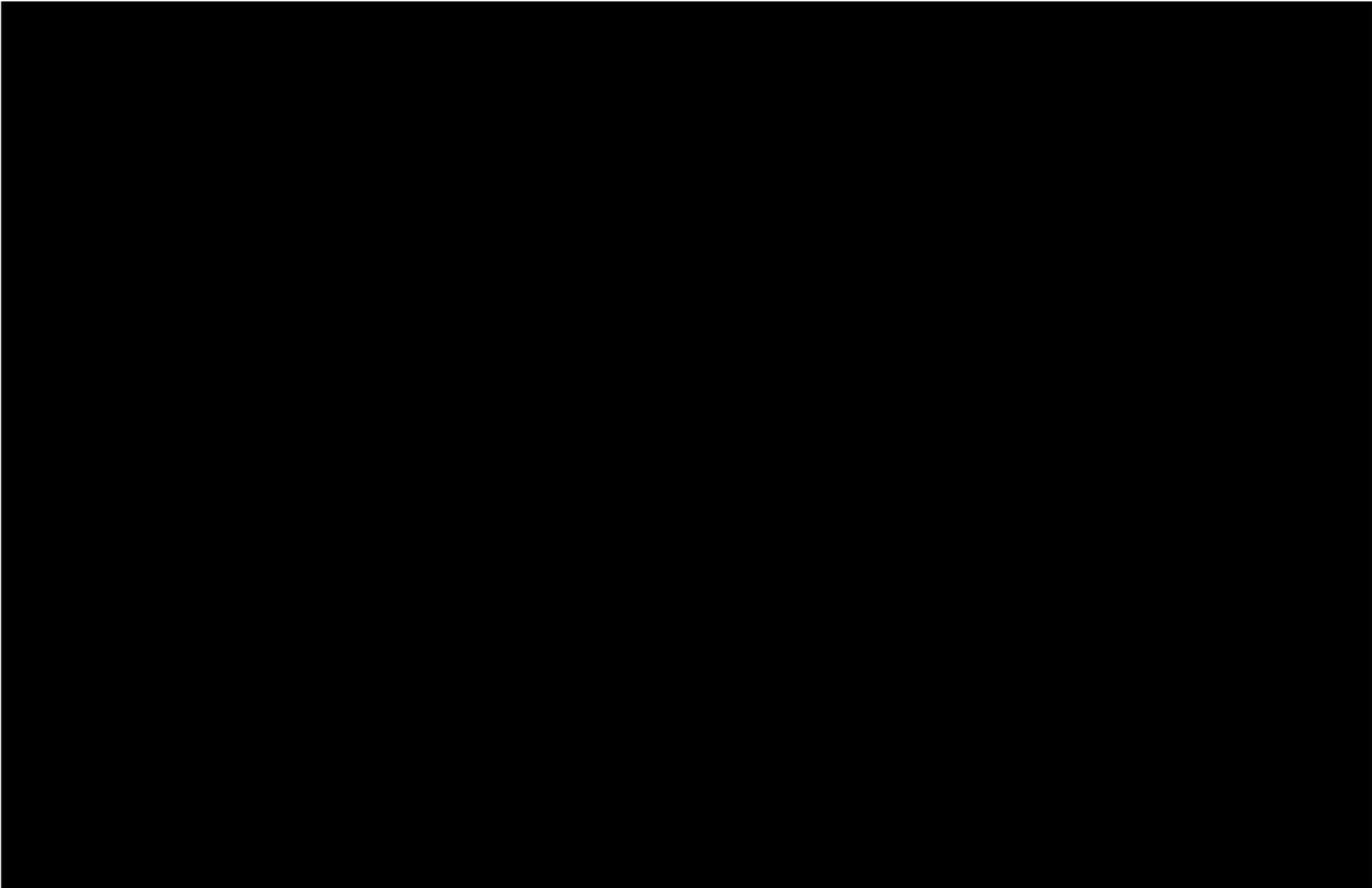
This person will lead a team of [REDACTED] in carrying out the identification, issuance and investigation of Transaction Corrections.

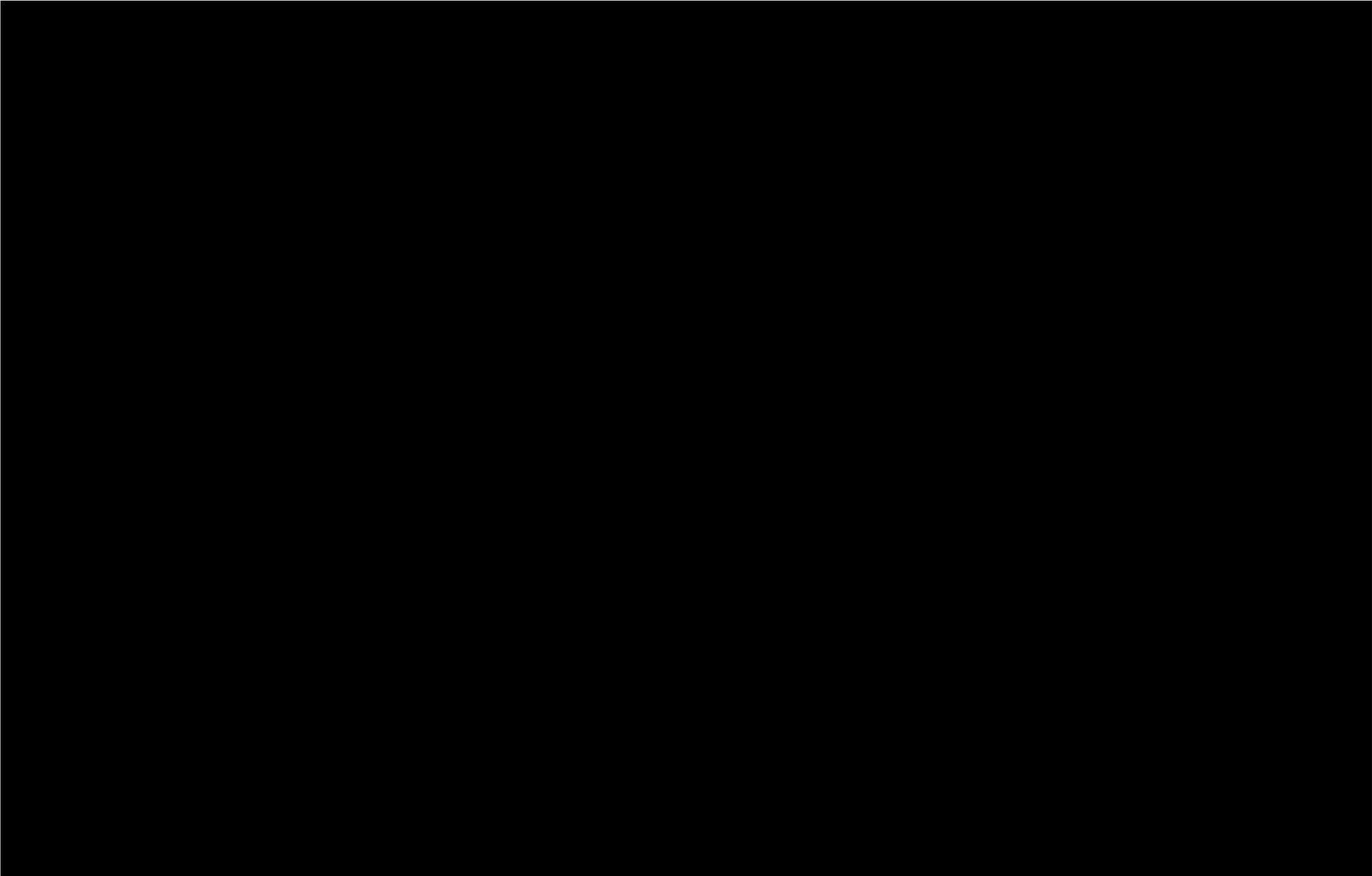
[REDACTED] – is accountable for the reviewing of aged open items, failed and high value Transaction Corrections and the quality monitoring and resolution of these. They are responsible for reviewing the Transaction Correction process map every six months.

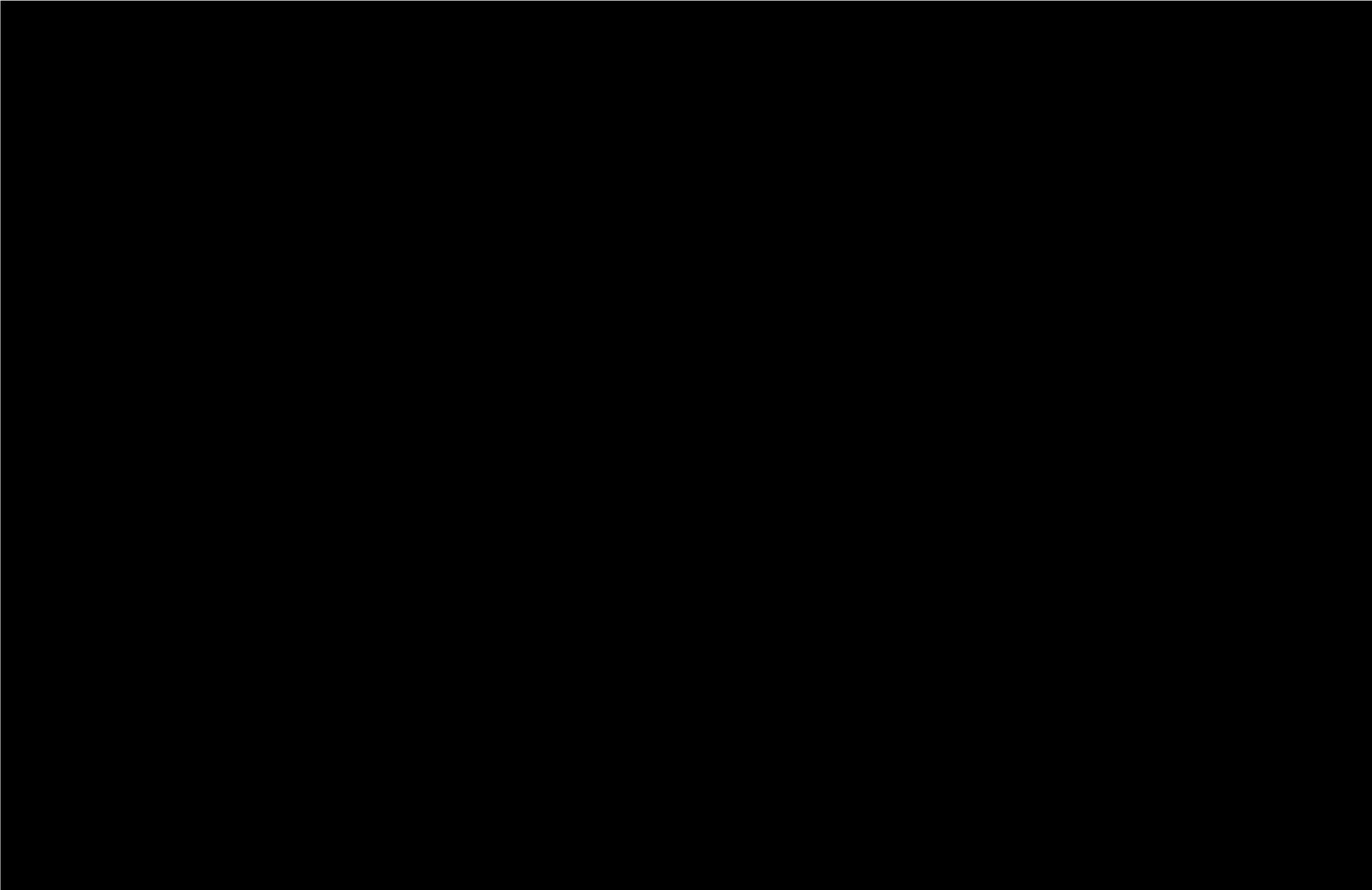
[REDACTED] – should:

- be conversant with this policy and linked policies;
- oversee the issuance of Transaction Corrections and review the Transaction Correction failure log and aged open items;

- oversee and perform controls relating to the sending of bulk Transaction Corrections.
 - Ensure that standard Transaction Correction narratives are used
- [REDACTED] – should:
 - be conversant with this policy and linked policies;
 - [REDACTED]
 - investigate enquiries from customers (of the branch), a postmaster or clients (i.e. a bank) alerting Post Office of a potential error with a bill payment or banking transaction within the timelines set out in section 4.1 of this policy.
 - aim to resolve any open items (which may result in the issue of a Transaction Correction) as soon as possible, and within 45 days;
 - support postmasters and third parties (clients and customers) to resolve miskeys;
 - liaise with the Cash Centre to issue Transaction Corrections to correct errors relating to remittance discrepancies and counterfeit notes;
 - ensure that support is offered to the postmaster, including by offering an investigation by Post Office to help determine the cause of and reason for a Transaction Correction;
 - where necessary, seek open and transparent dialogue with the postmaster to further understand the background behind the postmaster's query or dispute;
- [REDACTED] – is accountable for data analysis, insight and reporting across Central Operations.







4 Procedures

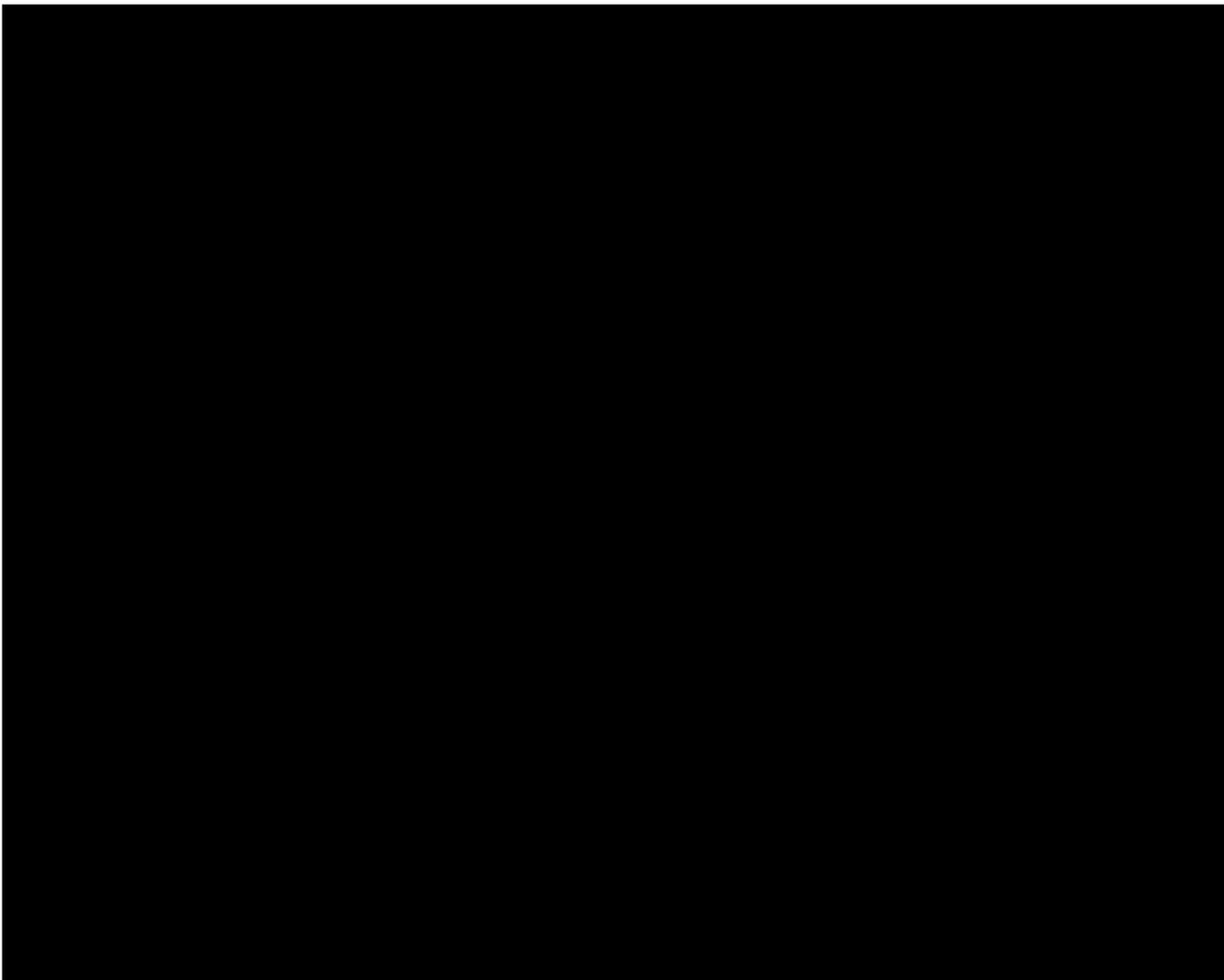
4.1 Issuing Transaction Corrections

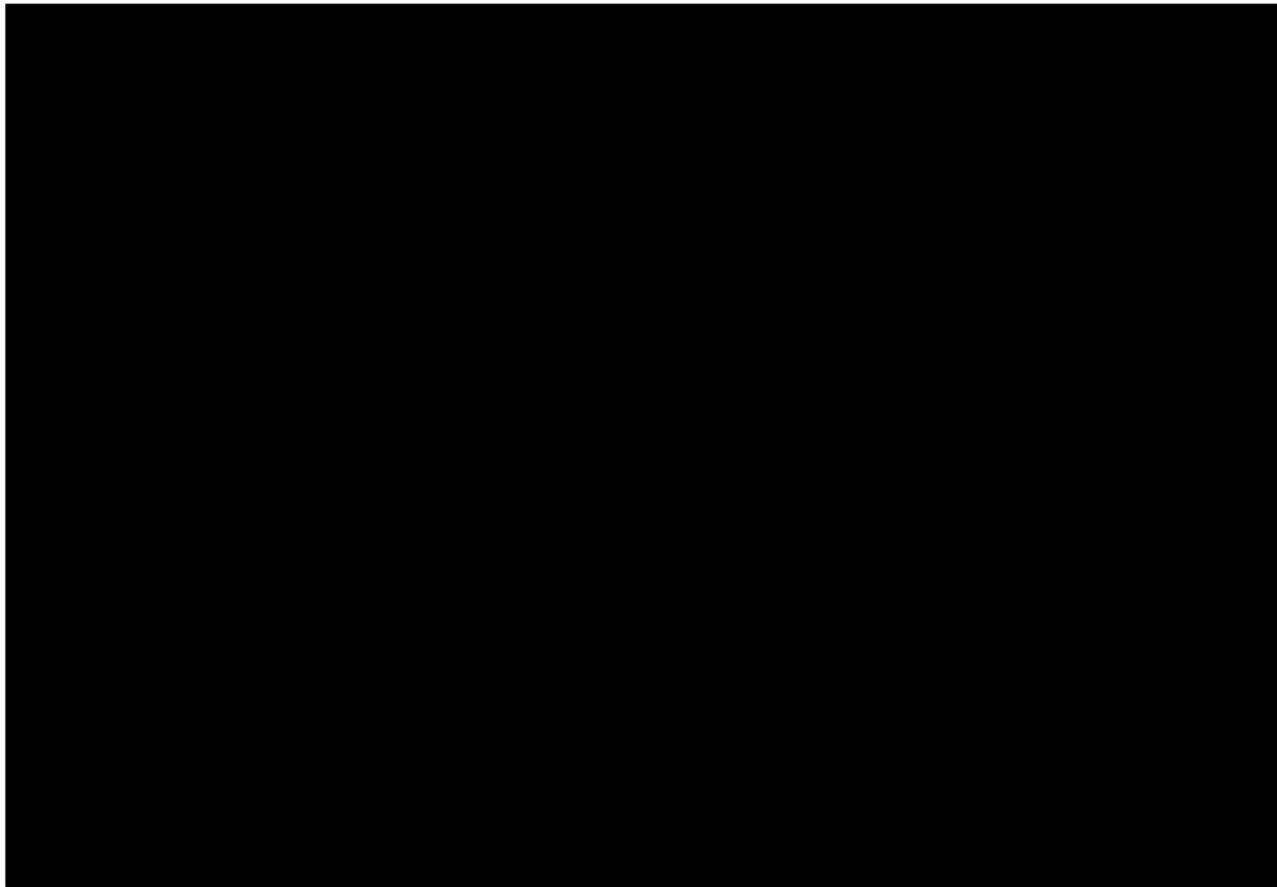
Issuing a Transaction Correction will balance the discrepancy created by the error in the branch. The process of how to issue a Transaction Correction is documented in a process flow 

Transaction Corrections do not have to be accepted at the time they are received, but they do have to be resolved by the end of the branch's Trading Period. This means that on receipt, a branch can either carry out its own investigations into the reason for the Transaction Correction, or use the support offered by Post Office to either dispute or find out more information about the detail of the transaction affected.

Product matched accounts

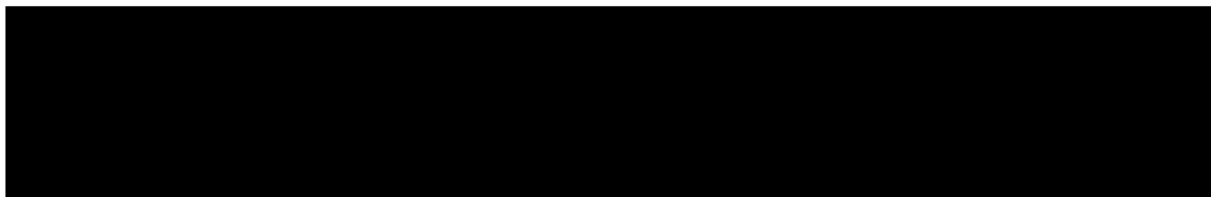
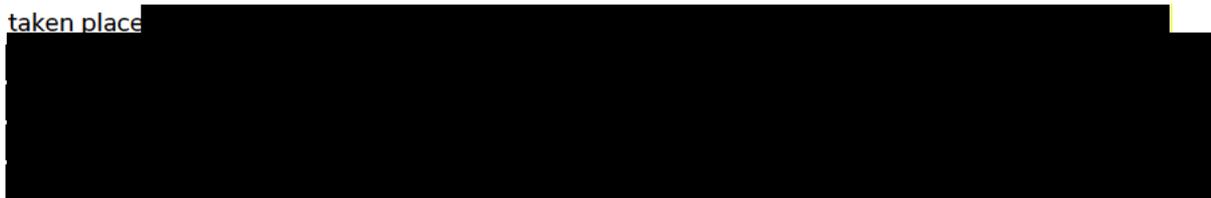
Transaction Corrections are used to correct errors made in branches that have been identified in the reconciliation between files received from third parties (clients or suppliers) and the data recorded by the branch in Horizon.





4.2 Issuing Transaction Acknowledgements

A Transaction Acknowledgement is issued to a branch the day after the relevant transaction(s) have taken place



4.3 Providing information and evidence

Investigation methods will vary by product type and whether they are product matched accounts or a mis-key enquiry. Supporting information can be supplied to the Branch to evidence the error, on request. This can take many forms, such as Horizon data, depending on the product and reason for the error.

A Transaction Correction is sent to Horizon with a narrative which explains why it was issued.

4.4 Requiring more information about, or disputing, a Transaction Correction

Should a postmaster require more information about a Transaction Correction than is contained in the narrative for that Transaction Correction, they can call [REDACTED] for support. The relevant phone number [REDACTED] set out on the Transaction Correction notification.

If the postmaster wishes to dispute a Transaction Correction, they can raise a dispute with [REDACTED] a dedicated telephone number [REDACTED]

If the Transaction Correction dispute is still not resolved to the satisfaction of the postmaster, the case can be further escalated internally.

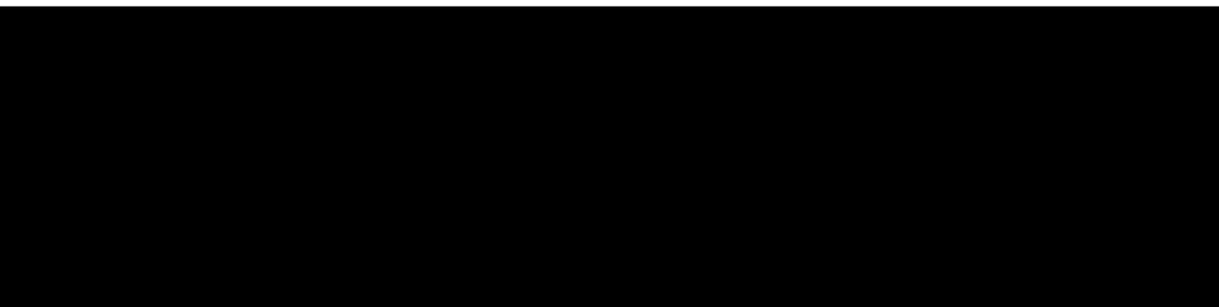
Please refer to the Postmaster Accounting Dispute Resolution Policy⁵ for more information on the processes in place when a Transaction Correction is disputed.

4.5 Control framework (controls reporting risks and process)

Self-assessment controls are in place around the risk descriptions, in Section 3.5 of this policy, and these must be adhered to.

4.6 Reporting

Transaction Correction Data



Data Analysis

Analysis of this data can give insights that can help devise methods for the mitigation of the causes of Transaction Corrections.

A dashboard is maintained, by [REDACTED] which allows quick visualisation of volumes and values by product category. This can be filtered by branch characteristics and context data to gain additional insights. The data can be used by the [REDACTED] to inform the business on root causes and to identify solutions to address these, with the aim of reducing errors made in branch.

⁵ The Postmaster Accounting Dispute resolution policy [REDACTED]

5 Where to go for help

5.1 Additional policies

This Policy is one of a set of policies. The full set of policies can be found [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 Speak Up Policy [REDACTED]

Please note that a postmaster may also contact the National Federation of Sub-Postmasters (NFSP) for help and support, by contacting their helpline on 01273 452324 or by emailing admin@nfsp.org.uk.

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]

6 Governance

6.1 Governance responsibilities

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

[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] and the [REDACTED] 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]		R&CC/ARC
Version	Document review period	Policy – effective date	Policy location
4.0	Annual	03/2024	Postmaster Support Policies [REDACTED]

Revision history

Version	Date	Changes	Updated by
0.1	12th February 2021	Draft Version	[REDACTED]
0.2	15th February 2021	Amendments following review by [REDACTED]	[REDACTED]
0.3	2nd March 2021	Amendments following legal review	[REDACTED]
0.4	8th March 2021	Amended risk appetite statements	[REDACTED]
0.4.1 and 0.4.2	9th and 19th March 2021	Amendments following operational review	[REDACTED]
1.0	30th March 2021	Final Version approved by ARC	[REDACTED]
1.1	29th April 2021	Addition of timelines for Transaction Corrections Alignment with other postmaster support policies	[REDACTED]
1.2	4th May 2021	Risk appetite amendment	[REDACTED]
1.3	11th May 2021	Updated TC Disputes contact number in 4.4	[REDACTED]
1.4	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]
1.5	25th February 2022	Annual Review 2.2 Addition of section stating that a postmaster may authorise someone to act on their/its behalf 3.1 Updated risk appetite statements to include Operational statements	[REDACTED]

		3.4 Updated job role responsibilities Minor changes to wording in 3.5 Minimum Control standards	
2.0	1 st April 2022	Amended version number following approval	
2.1	5 th July 2022	2.1, 3.4, 5.3, 6.1, 7.1 Updated owner and sponsor 7.1 Updated Implementer Font updated to Nunito Sans	
2.2	3 rd October 2022	Annual Review 3.4, 3.5 Clarification around resolving open items within 45 days. 4.1 Amended aim to issue TCs to within 45 days 5.2 'Whistleblowing' changed to 'Speak Up'	
3.0	5 th December 2022	Updated to full version number following approval at ARC	
3.1	19 th June 2023	Updated owner	
3.2	8 th December 2023	Updated owner, some role and department names 3.1 Amended risk exception statement 3.2 Updated framework policy name – Contract Termination Decisions Review	
3.3	19 th January 2024	Annual Review 2.3 Removal of reference to "Camelot devices" 5.2 Addition of NFSP contact details	
4.0	3 rd April 2024	Updated version number following ARC approval Service and Support changed to Central Operations GE replaced with SEG	

7.2 Oversight committee

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

Committee	Date approved
POL R&CC	12 MARCH 2024
POL ARC	20 MARCH 2024

Next review: 31 MARCH 2025

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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