

Issues covered by the Post Office Process Review (PPR)

POST
OFFICE

Here are further details about the specific issues we have identified. The Post Office Process Review (PPR) is intended to address these issues.

If you were impacted by any of the specific issues described here and suffered financial loss as a result, please provide as much information as you can in section 5 of the request form.

The Post Office Process Review is also an opportunity for you to tell us about other issues related to products, policies or processes that caused you financial loss but are not described here or happened during different dates. If you would like us to review any other issues, please describe these in section 6 of your request form.

For example, you may wish to ask us to review an amount that you previously repaid to Post Office if you dispute this and believe it caused you financial loss (where this is not a shortfall related to previous versions of the Horizon system – these would come under the Horizon Shortfall Scheme).

If you were not impacted by the specific issues described here and you don't have any other issues related to products, policies or processes you would like us to investigate, please confirm this in section 2 of the request form or email us at processreview@postoffice.co.uk to let us know.

1. ATM reconciliation (from 29th April 1991 to 31st December 2022):

Postmasters may have been impacted financially where a transaction correction was issued to recover surpluses for ATM retracts, but the corresponding cash was not in the ATM. These discrepancies were caused by fraudulent activity by the ATM user, for example £100 is dispensed from the ATM, but the user removes £30 before the machine retracts the remaining notes.

The estimated average financial loss for any Postmaster affected by this issue is a total of £177.

From December 2022, process and guidance documentation was updated to clarify the issue on the daily recording of retracts and ATM balancing and our ability to track any fraudulent activity.

2. Travel Money¹ – outmoded or counterfeit currency (from 29th April 1991 to 1st April 2021):

For branches offering Post Office Travel Money services, before April 2021 we did not update information for branches on outmoded and counterfeit foreign currency notes frequently or clearly enough, and some Postmasters may have been impacted by this.

In some instances, a transaction correction was issued for outmoded and counterfeit foreign currency that had been accepted in a branch. This may have resulted in Postmasters having to cover any resulting losses despite the information they were given about foreign currency notes not being up-to-date or clear enough.

The estimated average financial loss for any Postmaster affected by this issue is a total of £80.

In March 2021, we changed the way we keep information updated about outmoded and counterfeit foreign currency and this is now up-to-date and easily accessible on Horizon.

¹Travel Money was also known as Bureau de Change and Foreign Exchange

3. Travel Money – margin and exchange rate loss (from 29th April 1991 to 12th April 2024):

For branches offering Post Office Travel Money services, we have identified two further issues in this area.

First, Postmasters were unable to reclaim the margin element of a transaction error following the overnight cut-off for a reversal. Margin values over £30 received a full refund, but branches were expected to cover the loss of any margins below £30. We are not satisfied that the training material and branch communications explained that branches were expected to cover lost margins below £30.

Second, the 'Buy' and 'Sell' buttons being near to each other on Horizon may have resulted in the wrong button being accidentally pressed. This may have contributed to additional transaction errors, resulting in a lower 'Buy' exchange rate being applied to a sale and the customer not being charged enough. In these instances, we issued a transaction correction to adjust the foreign currency stock position, but Postmasters were required to cover any resulting exchange rate losses.

The estimated average financial loss for any Postmaster affected by this issue is a total of £30.

We updated the information in the Learning Management System about both issues in April 2024.

4. Low value discrepancies (from 29th April 1991 to 25th January 2021):

Historically, we did not issue transaction corrections for some low value discrepancies. This led to some Postmasters being financially impacted.

The estimated average financial loss for any Postmaster affected by this issue is a total of £23.

We changed this process in January 2021, so branches now receive credit transaction corrections, whatever the value.

Of course, Postmasters may not know whether or not they were impacted by this issue. We have completed further work to try to identify impacted Postmasters and their financial losses from our own records where possible.

Any identified losses will be included with any PPR redress due.

We may have already credited the relevant written-off amounts back to you through a transaction correction in 2022 if you were a Postmaster at that time and you were impacted by this, but if you have further questions or feel you did not receive full and fair redress for this, please do not hesitate to include this in the '4. Low value discrepancies' box in section 5 of your form.

5. E Top-ups (from 13th November 2003 to 1st September 2023):

We have identified two issues in this area.

First, Postmasters may have been impacted financially due to the 10-minute reversal window starting when the product is selected and not when payment is processed, resulting in less time to reverse the transaction if it needed to be reversed (for instance if the customer tried to pay by debit card but didn't have enough funds to pay). Postmasters may have had to meet the cost of transactions that could not be reversed because the 10-minute reversal window had expired.

Second, branches are also unable to reverse transactions where the E Top-up/E-Voucher product is non-voidable/non-reversible, and Postmasters may have had to meet the cost of transactions if they could not sell to a different customer requiring the same network and amount.

We are not satisfied that the training material and branch information highlighted either of these issues and their implications for Postmasters.

The estimated average financial loss for any Postmaster affected by this issue is a total of £173.

We updated Horizon to put these issues right and updated Postmasters and their teams about this in September 2023.

6. Paystation reversals (from 1st January 2005 to 15th April 2024):

To reverse Paystation transactions, certain criteria have to be met, including the reversal being the next transaction on the Paystation terminal, obtaining a copy of the customer receipt, and the reversal being completed within 10 minutes of the original transaction. The initial training provided did not clearly explain transactions must be reversed within 10 minutes to recover the funds.

The estimated average financial loss for any Postmaster affected by this issue is a total of £43.

We updated the information in the Onsite Branch Training Material and in the Learning Management System in April 2024, so Postmasters and their teams are aware of this limitation.

7. Savings product referrals (from 12th April 2006 to 16th May 2022):

Between April 2006 and May 2022 some branches did not receive remuneration they were due for certain savings product referrals. This happened where customers later completed direct paper applications for Growth Bonds, Instant Saver and Reward Saver accounts and posted them direct to Bank of Ireland, but the branch codes were not correctly attributed.

The estimated average financial loss for any Postmaster affected by this issue is a total of £125.

Any such accounts opened since May 2022 have been correctly attributed to the relevant branch.

Of course, Postmasters may not know whether or not they were impacted by this issue. We have completed further work to try to identify impacted Postmasters and their financial losses from our own records where possible.

Any identified losses will be included with any PPR redress due.

8. Postal Order spoil and reverse process (from 27th April 2006 to 31st May 2023):

If a Postal Order has to be spoiled and reversed, both the spoil and reversal need to be completed before 7pm on the same day it was produced, to ensure both the fee and the face value of the Postal Order are refunded. If the 7pm same day cut-off is missed, a transaction correction can be issued for the face value of the Postal Order, but the fee cannot be refunded, and the Postmaster is responsible for the resulting loss.

We are not satisfied that the training material and branch information highlighted this issue.

The estimated average financial loss for any Postmaster affected by this issue is a total of £14.

We updated the information in the Operational Training Guide on Branch Hub and in the Learning Management System in May 2023.

We have completed further work to try to identify impacted Postmasters and their financial losses from our own records where possible. Any identified losses will be included with any PPR redress due.

9. MoneyGram (from 1st January 2007 to 1st July 2019):

We have identified two issues in this area.

First, when customers were receiving money, Postmasters and their teams were not always trained to check for a second printed receipt confirming that the payment had been successful before issuing cash to customers. If the payment was confirmed as declined on the second receipt but the branch had issued the cash to the customer, the branch would suffer a loss.

The second scenario relates to cancelling a transaction where a customer sent money directly to a bank account or mobile wallet. Postmasters and their teams were not trained that such transactions cannot be refunded in branch and customers should have been directed to contact MoneyGram for refunds of any reversed transactions. Refunds may therefore have been processed in branch and cash given to the customers, resulting in the branch suffering a loss.

The estimated average financial loss for any Postmaster affected by this issue is a total of £504.

The Onboarding Counter Guide and Horizon screen prompts were updated with clearer messaging from July 2019.

10. Drop & Go (from 18th November 2014 to 26th November 2014):

We have identified an issue during a 9-day period in November 2014. During the dates above, if a Drop & Go transaction was settled to cash due to insufficient funds being available on the customer's Drop & Go account, the transaction correction issued to the branch only provided a partial credit to the Postmaster. The Postmaster would therefore have to recover the remaining shortfall directly from the Drop & Go customer.

The estimated average financial loss for any Postmaster affected by this issue is a total of £10.

Outside the specific dates above, transaction corrections issued for the same reason put the Drop & Go account into a negative balance, which was to be recovered the next time the Drop & Go customer topped up their account.