

Stephen Dilley

From: Stephen Dilley
Sent: 26 April 2006 13:49
To: 'Andrew.wise@GRO'
Cc: graham.c.ward@GRO; andrew.price@GRO; mandy.talbot@GRO
Subject: FW: Post Office Limited -v- Mr L Castleton
Attachments: eCopy scanned document.pdf

Dear Mr Wise,

I refer to my email of 21 April (see below) and would be grateful if you could confirm your availability for a meeting in early June and also give me your dates between 20 October and 8 December 2006 when you would be unavailable to give evidence.

I look forward to hearing from you as soon as possible.

Kind regards,

Stephen Dilley
Solicitor
for and on behalf of Bond Pearce LLP

DDI: @GRO
Main office phone: @GRO
Fax: @GRO
www.bondpearce.com

Please note that on Monday 8 May our telephone and fax numbers are changing to:

Firmwide number: @GRO
My direct line: @GRO
Plymouth office fax: @GRO

From: Stephen Dilley
Sent: 21 April 2006 11:58
To: 'Andrew.wise@GRO'
Cc: 'graham.c.ward@GRO'
Subject: Post Office Limited -v- Mr L Castleton

Dear Mr Wise,

We act on behalf of the Post Office in relation to the above matter. In summary, the dispute is as follows:

(1) The dispute

Lee Castleton was a Sub-Postmaster at the Marine Drive branch 18 July 2003 to 23 March 2004. His Contract for services states that he is strictly responsible for the safe custody of cash and stock, obliged to make good all losses caused through his own negligence, carelessness or error and losses of any kind caused by his assistants and that his responsibility does not cease when he relinquished his appointment and that he remains obliged to make good any losses incurred during his term of office which subsequently came to light.

Between 18 July 2003 and 25 March 2004, net losses of £27,115.83 occurred at the Marine Drive branch. Castleton's case is that any shortfall is entirely the fault of problems with the Horizon computer and accounting system at Marine Drive branch and that the P.O wrongfully terminated his Contract in respect of which he has suffered loss not exceeding £250,000.

(2) Mr Castleton's specific assertions about the computer system

Mr Castleton states that he encountered the following problems with the Horizon system:

- (a) the 2 computer terminals did not communicate with each other properly;
- (b) 1 or other of both terminals tended to freeze, i.e failed to lock up in response to commands, requiring a re-boot;
- (c) display of 1 or other of both terminals would go blank before returning to the sale screen;
- (d) electronic swipe card of one or other of both terminals, used to read a customer's payment card, failed to read the card properly;
- (e) the Horizon system "rolled over" cash figures, giving an OHCH figure that was 4 to 5 times as big as the actual cash declaration for the day;
- (f) the Horizon system would "lose" ie failed to record transactions.

Mr Castleton maintains that if the Horizon system missed a transactional piece of information, that would alter the balance recorded on it. For example, if Horizon failed to record a payment out, there will be less actual cash at the branch than the amount of cash recorded on the system. Furthermore, if a cheque paid in is inputted into the Horizon system and the system sends that data off site, but loses the information locally, when Castleton prints a cheque report to be sent with a bundle of cheques to be sent away, the report will not correspond to the number of cheques present.

(3) Meeting with you in early June 2006

We have to serve Witness Statements by no later than **14 July 2006**. We have an email from Andrew Price at NBSC to Cath Oglesby (P.O.) stating that you have been unable to find any errors with the system. We also have an email from Julie Welsh Service Delivery Manager, HSH which stated that there was no evidence of any system problems. (Copies of these documents are attached). I would like to arrange to meet and interview you at Capston House in June to understand what involvement you had at the time and what you make of Mr Castleton's assertions. Based on our discussions, I will then prepare a short Witness Statement for you to approve and sign.

Graham Ward of the P.O and Mared Hughes of Hugh James solicitors (who are dealing with similar Horizon disputes for the P.O) would also like to attend. Our collective dates to avoid in June are currently 1, 8, 9. Please could you confirm your availability?

(4) Trial

If this claim does not settle, it will go to trial between 20 October and 8 December 2006. We are shortly going to fix an actual date for that trial. Please can you email me any dates within that period when you would be unavailable to give evidence, for example because you are out of the country on holiday.

I look forward to hearing from you as soon as possible.

Kind regards.

26/04/2006

Stephen Dilley
Solicitor
for and on behalf of Bond Pearce LLP

DDI: [REDACTED] GRO

Main office phone: [REDACTED] GRO

Fax: [REDACTED] GRO

www.bondpearce.com