

Witness Name: CATHERINE OGLESBY

Statement No: WITN08530100

Dated: 4 June 2023

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF CATHERINE OGLESBY

I, Catherine Oglesby will say as follows:

1. I am providing this statement following a request for information pursuant to Rule 9 of the Inquiry Rules 2006, regarding matters falling within Phase 4 of the Inquiry: action taken by Post Office Ltd against Subpostmasters, dated 18 April 2023. The request contained 64 questions which I have addressed below.

2. I would like to flag that the questions are mainly centred around the case of Lee Castleton, the events of which happened over 20 years ago. Due to the passage of time, I have found it difficult at times to recall precise details.

However, this statement is made to the best of my recollection and where I cannot remember something or have had to rely on a document provided, I have made this clear.

3. At the outset, I would like to offer my sympathy to all subpostmasters who were affected by Horizon related issues and in particular, to Lee Castleton. When the decision was made to terminate Mr Castleton's contract, this was based on an understanding that the Horizon system was working as it should. I would like to express my sincere sympathy in how this affected both Mr Castleton and his family and would like to express my support for the Horizon Inquiry and to offer my full co-operation to Sir Wyn Williams.

Background

4. I have been asked to set out a summary of my professional background. I started my career in the Post Office in February 1982, at the age of 16, working on the Selby Post Office Counter in North Yorkshire. I worked in this role for 5 years until 1987 when I gained a promotion to Selby Branch Manager. I was then promoted in 1991 to Branch Manager of the main Post Office in York. I also did a small secondment during this time to manage the Post Office in Hull, as Branch Manager. In September 1992 I took maternity leave for my first child and returned to work in April 1993. I then took maternity leave for my second child in October 1994 until April 1995. Both times I returned to the same role.

5. In July 1996 I went on maternity leave for my third child, returning to work in January 1997. I recall that I moved roles when I returned to work but I cannot recall whether my role was called 'Retail Network Manager' or 'Area Manager'. However, both of these roles are similar, with slightly different names. I continued in this role until there was a general reorganisation within

the Post Office in approximately 2005 at which point I was promoted to Area Manager for the Directly Managed Branches from Selby to Sunderland. I continued in this role until approximately 2010 and during this period, I did a secondment to the 'Service and Efficiency Team' for about 8 months. In approximately 2010, I gained a promotion to Regional Performance Manager, running a team of Area Managers and customer service colleagues promoting financial services in the Directly Managed Branches East England, Northern Ireland and Yorkshire.

6. In approximately 2013, when the financial services were scaled down, I became Regional Manager for the East Midlands Team. I then left the business in 2015 and took time out until February 2016 when I started working part-time at First Direct and Barlby and Osgodby Town Council. I stopped working for First Direct in October 2017 but I still work around 9 hours per week for Osgodby Town Council. In November 2017 I re-joined the Post Office, working as an Area Manager for East and part of North Yorkshire. I am still in this role today.

7. The Inquiry have asked specifically about my time as a Retail Line Manager at the Post Office. To confirm, I have had several Retail Line Manager roles with the titles of the role changing from 'Retail Line Manager' to 'Retail Network Manager' to 'Area Sales Manager' to 'Area Manager'. As detailed above, the dates of these roles were 1997 – 2005 in the Postmaster Network, 2005 – 2010 in the Directly Managed Network and 2017 – present day in the Postmaster Network.

8. All of these roles have been similar, and involved the following:
 - a. to support a network of Postmasters and Strategic partner branches to grow their business by coaching and supporting the Postmaster and their staff on appropriate conversations with customers;
 - b. to build product knowledge and confidence on products to enable an opportunity to be spotted and a conversation to take place;
 - c. to ensure all point of sale and literature is up to date and matches the current campaigns;
 - d. to discuss the whole business including the retail sales, displays and layout of the shop;
 - e. to enable a Postmaster to maximise their business potential;
 - f. to ensure that the Postmaster and staff are following the correct security procedures and maintaining the Branch standards;
 - g. recruitment of new Postmasters, suspensions and termination of contracts.

9. I would like to flag to the Inquiry that I understand that 'g' - suspensions and terminations are now no long part of this role, but the responsibility of the Contracts Team. However, it was within my role in 2003.

10. I would also like to flag that a Retail Line Manager (and all of its various titles) did not have the responsibility to physically check the cash and stock of a Branch or to try and find a loss or a gain if the Postmaster had not balanced

their stock. The roles were to support the Postmaster and to signpost them to the correct place to get support if needed, for example: Horizon Helpline, Business Support Centre, Giro Bank, Savings Bank and the Cash Centre.

Early involvement in relation to Marine Drive Post Office

Initial contact with Mr Castleton

11. The Inquiry have provided me with the following documents:

POL00069622, POL00083604 and POL00107117. I can confirm that I have reviewed these documents.

12. The Inquiry have asked me about my involvement with the Marine Drive Post Office (“Marine Drive”) prior to Mr Castleton being appointed as its Subpostmaster (SPM). Marine Drive was a Branch in my area when I was Retail Line Manager for Hull and East Yorkshire and part of North Yorkshire. Prior to Mr Castleton taking over the Branch in July 2003, I would visit the previous Postmaster, whose name I cannot remember, and discuss the areas listed in 8(a) – (g) above. The branch was one of about 85 branches that I looked after and I cannot recall that there were any problems with it.

13. The Inquiry have asked me to describe the circumstances in which I first had contact with Mr Castleton. Although I cannot remember the date, I would have first met Mr Castleton at his Post Office interview for Marine Drive. Based on the information provided to me by the Inquiry, I note that he took over the branch in July of 2003. His interview would have been in approximately April 2003, 3 months prior to taking over the branch. Once Mr Castleton had taken over the branch, I would have visited him at least once

every other month to see how he was getting on, although I do not have my diaries going back to this year to check the exact dates.

14. The Inquiry have provided me with document **LCAS0000699** "Marine Drive Post Office Summary of Events". This gives a summary of the events at Marine Drive Post Office when Mr Castleton was its SPM. I can confirm that I wrote this document to capture a timeline of events and to keep a record of what support had been given to try to find out why the branch was having losses. If I was dealing with a situation which was complicated, I would often make notes so that I could remember information if needed. As the situation at Marine Drive was becoming so complicated, I took it upon myself to write this narrative so that I would have a contemporaneous note to refer to. I was not asked by anyone else to write it.

15. I have been asked to explain when Mr Castleton first reported a shortfall at Marine Drive and the discussion that I had about it. I have refreshed my memory from reading document **LCAS0000699** and understand that Mr Castleton contacted me between Christmas and New Year 2003 to report a loss of £1,100.00. We discussed where that loss might be from. The most common errors for losses were due to Giro bank or National Savings, which are banking errors, for example a withdrawal entered as a deposit. I therefore asked Mr Castleton to contact both Giro Bank and National Savings to see if there were any outstanding errors. Another common error was for cheques to be entered as cash, which would cause a loss. I did not think that

this loss was unusual as it was common for branches to have a loss of this amount due to an error.

16. When there was a loss, it was for the SPM to make that loss good. If the SPM could not make the loss good than the usual procedure would be to refer them to the Support Centre to obtain a hardship form. They could then make an application to pay off the loss in smaller amounts on a monthly basis and deductions would be made from their remuneration.

17. I therefore followed this procedure and asked Mr Castleton to make good the loss. I did not ask him to do anything that I would not have asked another SPM to do. As the loss was over £1,000 I would have checked with him that he was able to pay it and have discussed options for repayments if he said that he could not.

18. When Mr Castleton confirmed that he was able to make the loss good, I did not make any further enquiries. We assumed that in a few months' time he would get an error notice and get the amount back as was usual in this kind of situation. It was common for SPMs to do their balance, make a loss good and then the money would appear later on when the error was discovered. I can see from my notes that I asked Mr Castleton to contact Giro bank and National savings as these would be the most obvious places that a loss could be that had left the Branch. If the loss was an error in counting cash or stock, then he would find that himself the following week when he balanced again.

19. I have been asked to describe my visit to Marine Drive on 16 January 2004 and any enquiries that I made about the shortfall. I cannot recall the visit and therefore this is taken from my summary document (**LCAS0000699**). From reading my notes this looks like one of my routine visits and I have written that nothing had come to light regarding the loss, so I am presuming that I discussed the loss of £1,100 with Mr Castleton. Giro bank errors usually took about 8 weeks to be returned at that point, so there was still a possibility that the loss was a Giro bank error. I have noted that the three balances that Mr Castleton had done between the initial loss of £1,100 and my visit of 16 January 2004 were all fine. As my visit was only 3 weeks after the initial loss, there was still plenty of time for it to come to light and therefore, I would not have made any other enquiries.

20. The Inquiry have asked me about what enquiries or investigations I was involved with to determine the cause(s) of the shortfalls that Mr Castleton reported between January 2004 and March 2004. I cannot recall this and therefore this is all taken from my summary document (**LCAS0000699**). I understand from reading my notes that the losses totalled £25,758.75 in March 2004.

21. From reading my notes I can see that I asked Mr Castleton to repeat the calls to Giro bank and National savings to see if any documentation that had left the branch was incorrect and to see if any error notices were pending. I asked him to complete a snapshot each evening to check the cash and to

ensure that the branch was balancing. By doing this, he would be able to see daily if the balancing was short or over. I also asked about how the cash was being kept secure and if he thought any of the staff may have taken the money. This is never something that a SPM likes to think about but unfortunately it does happen and I have known occasions when staff members have taken or borrowed money. I also suggested individual till balancing which would put tighter controls in place and narrow down to a person where the losses were happening. I offered to help Mr Castleton set this up but as far as I recall, he did not action any of these suggestions.

22. In addition, I contacted the investigations team and, from reading my note, I can see that I spoke to Paul Whitaker. I explained to Paul what had happened over the last few weeks and asked for his advice. I was informed that, as Mr Castleton had kept me informed of the losses, the investigations team would not get involved. I would also have discussed the losses with my line manager at the time, David Mellows-Facer, but I do not recall the conversation after such a long time. I also completed an audit request to assist Mr Castleton in finding the losses and to verify the cash and stock on hand at the branch.

23. Many of these actions were above and beyond my role but because of my previous experience within the Post Office, I was familiar with how to check cash and stock and where to look if you had a loss and I was trying to use this experience to help Mr Castleton as much as possible. A lot of other Retail Line Managers would not have had the same background and

experience as me and therefore would not have known to take these actions. The usual role of a Retail Line Manager when a SPM reported a loss was limited to telling the SPM to ring the business support centre for advice.

24. I have been asked to consider the following documents:

POL00069272, POL00071243, LCAS0000710 and POL00082391_025. I can confirm that I have reviewed these documents.

25. I have been asked to describe my understanding of the frequency of Mr Castleton's contact with the Horizon System Helpline ("HSH"), the National Business Support Centre ("NBSC") and others in Post Office Ltd about the issues he was experiencing. I can see from these documents that Mr Castleton was having frequent calls to the NBSC, Horizon helpline and other departments, seeking help and support to find the losses. The documents also show that I was having contact with Chesterfield (the transaction processing centre for the Post Office) and indirectly with Fujitsu, who were saying that there was not a problem with the Horizon software or hardware. My involvement was limited to signposting Mr Castleton to the most appropriate people who I thought would be able to support him and to pass on any information that I had received.

26. The Inquiry have asked me whether I considered the issues that Mr Castleton was reporting to be unusual and what I thought the cause might be. I cannot remember my exact thoughts at the time, but this number of losses and the amounts of money was unusual. It was normal for most branches to

have small losses and gains each week and to even have a large loss or gain from time to time when an error had occurred. These would usually show up with a corresponding error notice several weeks later. Some errors, for example where a staff member had given an incorrect amount of money to a customer or miss-counted a deposit, may never come to light. These losses are the responsibility of the SPM to make good. However, there were no other offices that I dealt with which were experiencing this level of loss. Therefore although the first loss did not seem unusual, it was completely unusual for Mr Castleton to be experiencing such high losses week after week.

27. I did not know what the cause of the losses were and when I was trying to assist Mr Castleton in finding the losses, I was just going on my experience of what had happened in other branches over the years. There are a lot of ways that a branch can make an error which would cause a loss or a gain and it could have been caused by any number of different mistakes. I did not think that the Horizon system could have been the cause of the issues and I had never heard of this happening.

28. The Inquiry have asked me to explain my understanding of Mr Castleton's personal financial situation at the time and who was responsible for considering any hardship form that he submitted. I cannot recall having a conversation with Mr Castleton about his financial situation, although this does not mean that I did not have one. I did ask if he was able to make the losses good as was the procedure. When he said that he could not make the losses good, we may have discussed his financial situation, but I cannot recall

doing so. If a SPM said that they were unable to make the loss good, I would signpost them to get a hardship form and make an application to pay the loss in instalments. This was the usual process with any SPM who experienced a loss.

Audit of 23 March 2003

29. I have been asked to consider the report of the audit of Marine Drive on 23 March 2023 at **POL00082391_004**. I can confirm that I have reviewed this document. I can recall the day of the audit and being in Hull at another branch, waiting for the call from the auditors at Marine Drive so that I would know the outcome of their audit. I remember being contacted by the auditors, I think in the afternoon, and making my way to Marine Drive to discuss their findings. I cannot remember exactly what was said by them but we would have discussed the findings of the audit. From reviewing the document, it does not confirm the reason for the losses but finds that two of the losses were put into the Suspense Account without authorisation.

30. In terms of what other enquiries were made to determine the cause of the shortfalls, before the audit was undertaken, the Horizon helpdesk had been contacted and asked for a system check and they had confirmed that everything was fine. Giro bank and savings bank had also been contacted and asked to check for errors and Chesterfield had been contacted and asked about any pending errors. I had also contacted the investigation team, who did not want to take on the case because there was no element of dishonesty as Mr Castleton had openly declared the losses. I also understand that Mr

Castleton had contacted the NBSC and sent off some of his cash accounts to be looked at to see if they could spot any errors.

31. I was unable to contact Fujitsu directly myself but I asked for it to be raised with them whether there were any issues with Horizon and the message was passed back to me that nothing was wrong. I cannot recall who it was that I raised it with or who passed back to me the message that nothing was wrong. I can recall discussing the losses with my line manager, David Mellows-Facer and felt that between us, we had exhausted all avenues of where a usual loss or gain might occur and that no further enquiries were necessary.

32. After the audit I visited Marine Drive and although I do not recall the exact conversation, from reading my notes I can see that I spoke to Mr Castleton and, as a precautionary measure, I suspended him. As Mr Castleton had continually blamed the Horizon system for the losses, I asked for his permission to put a temporary Postmaster in the branch to see how the branch would balance. I wanted to make sure that the Horizon equipment was kept exactly the same and only the people were replaced so that I could check whether it was the Horizon equipment which was at fault. Therefore, Mr Castleton and his staff were not allowed into the Post Office area during the time the temporary SPMs were working there.

33. Mr Castleton did not provide any information as to how the losses had occurred, except to say that it was a computer problem. I had made enquiries

indirectly with Fujitsu, as well as with the Horizon helpline and it had been confirmed that there were no issues and from my experience, I had never heard of a computer changing amounts. All of the physical documentation provided (for example, daily Giro bank deposits and withdrawals, pension docketts and green giros) matched with the summaries produced to the weekly balance and I could not see any evidence of a figure that had changed. Had Mr Castleton shown me any evidence that a figure had changed from the daily total to the weekly total, or that the summary of Giro bank work, Green Giros or Pension Docketts was different on the balance compared to their individual summaries, I would have taken this very seriously.

34. I have been asked to consider document **POL00082391_002**. I can confirm that I have reviewed this document. I have been asked to describe any involvement that I had in the decision to suspend Mr Castleton and what alternative options were considered. I cannot remember doing so, but I am confident that I would have discussed Mr Castleton's suspension with the Contracts Manager, Lesley Joyce and my Line Manager, David Mellows-Facer. Following these discussions, I would have then sent the two letters dated 23 March 2004 and 26 April 2004 (**POL00082391_002**).

35. As the amount of losses were increasing on a weekly basis, I would have wanted to reduce the risk to Post Office funds of any more losses occurring. Mr Castleton was upset and angry and I wanted to help and support him as well. No errors had come to light to explain the losses but as Mr Castleton was adamant that the losses were not down to anyone in the

branch but to the computers, I thought that suspending him and putting in a temporary SPM in the branch would provide a good opportunity to see how the branch balanced with the same equipment but different people.

36. The only alternative to a temporary SPM was to either close the branch or let Mr Castleton carry on. I did not want to close the branch and I did not want to risk the losses increasing by letting Mr Castleton carry on without us having found the source of the issue. My role was to reduce the risk to Post Office funds and I was getting worried that the losses were ongoing week after week and therefore I thought there was too much risk of losing even more funds by letting Mr Castleton carry on.

37. I asked Mr Castleton for his permission to put a temporary Postmaster into the branch and let him know my reasons for doing so and he agreed. Reading my notes, this is when Mr Castleton said that he “couldn’t wait” until the temporary Postmaster balanced thousands of pounds short. I therefore think that in the circumstances he was pleased that we were able to get in a temporary Postmaster to try and get to the root of the problem. Ultimately, the decision to suspend Mr Castleton was mine, in conjunction with the Contracts Manager and Line Manager. I would have discussed my proposal with my line manager before implementing it.

Appointment of Temporary SPMs

38. I have been asked to describe any involvement that I had in the appointment and management of temporary SPMs at Marine Drive following Mr Castleton’s suspension. When a SPM is suspended, it isn’t easy to find

someone to run a branch at short notice. Due to the problems Mr Castleton had been having, I wanted an experienced individual who had a proven track record of running a branch efficiently and with a good balancing record. It is not common to appoint temporary SPMs and sometimes the Contract Manager will offer names but at the time, I was managing approximately 85 branches and so I had all of those SPMs in my area to consider.

39. The first individual that I considered was a Postmaster in Bridlington called David Earnshaw. However, he only had a small amount of staff and I was also conscious that he was in the same town as Mr Castleton's branch and therefore I did not think that it was appropriate for him to get involved. I therefore asked Ruth Simpson, who was an experienced Postmaster at First Lane in Hull and she agreed to step in with a part-time member of staff to support her. I would have discussed this appointment with the Contracts Manager as well, as they would have to arrange remuneration payments to her.

40. My recollection and understanding is I told Ms Simpson that she was stepping in because Mr Castleton was experiencing unexplained losses. I told her that that Mr Castleton thought that the Horizon system was to blame for these losses. I therefore ensured that all of the same Horizon equipment was used by Ms Simpson and no changes were made to it so that we could have an accurate picture of how the branch balanced with a new SPM.

41. I asked Ms Simpson to operate the Horizon system at Marine Drive in the same way as she operated it at her own branch. She was responsible for her own losses and gains while in the post. No independent analysis was made of her accounting but an audit was conducted by Helen Rose before the changeover from Mr Castleton to Ms Simpson to verify the cash and stock on hand and to ensure that the cash and stock figures were accurate on the transfer to the subsequent temps.

42. I cannot recall whether it was via a text message or phone call but I remember asking Ms Simpson how her first day had gone and she let me know that she was £2.14 short. I think that I was relieved that there had not been a large loss.

43. Ms Simpson then reported a loss of £100 the following Monday. However, she put this down to a part time member of staff who she had brought with her making a common mistake which had also been made at Ms Simpson's branch at First Lane. I believe that the member of staff had left an amount in the "stack" and paid this amount out again to the next customer. From my notes (**LCAS0000699**), I can see that Ms Simpson was £19.38 over and £10.76 short on the next two balances.

44. There isn't a date for the call, but my notes tell me that I telephoned Mr Castleton and from reading the notes, it looks like it was after Ms Simpson's first week, when she would have been £100 short, due to the staff error. Mr Castleton had a few concerns, including queues out of the door and unhappy

customers, as well as the £100 misbalance. He was also concerned that Ms Simpson was not using both of the Horizon computers.

45. I spoke with Ms Simpson to address Mr Castleton's concerns. She confirmed that she was serving with two staff on Monday and therefore both of the computers were being used. On the days when she was serving by herself, she confirmed that she would log onto both computers with different log-in details and perform different tasks on each. This was common and at the time, individuals would often have two user IDs so that they could use both computers at the same time according to service needs. I remember stressing that the equipment and kit should not be changed at all. The only difference was that Ms Simpson had a limited number of staff to run both her own branch and Marine Driver and so unfortunately the staffing levels were not as high as when Mr Castleton was running the branch. However, I considered that it was better to have low staffing levels than to have to close the branch.

46. Ms Simpson was only able to step in for a few weeks due to her own commitments and therefore finished on 21 April. I told Mr Castleton that I wanted more time and more balance results and with his agreement, Greg Booth stepped in as the second temporary SPM from 21 April to takeover. Mr Booth was the SPM at a small branch just outside of Scarborough. I cannot recall the precise details but I think that his branch had closed, making him available to step in as a temp. On Mr Booth's first week, he reported a gain of £14. I cannot recall the other amounts but I recall and also understand from

my notes neither Ruth Simpson nor Greg Booth experienced any significant gains or losses. The losses that were found were so small that they would not have triggered an investigation and were within what a branch would normally balance.

47. The Inquiry have also asked me about temporary SPM, Dorothy Day. I cannot recall anything about her beyond recognising her name. I assume that she was a temporary SMP at Marine Drive after Mr Booth but I am unable to confirm. However, I can recall that no temporary SPMs experienced any significant gains or losses.

48. The Inquiry have asked me about what investigations took place in relation to the Suspense Account at Marine Drive Post Office. I have refreshed my memory using my notes (**LCAS0000699**) which confirm that Mr Castleton contacted me on 4 May 2004 to say that he had found £15,000 of losses and that it was the suspense account that was doubling the figures. He therefore asked for the Suspense Account software to be checked and so I phoned the NBSC and requested that this was done. The request was forwarded to Richard Benton in the Problem Management Department and he sent the request on to Fujitsu.

49. Whilst we were waiting to hear back from Fujitsu, I thought that I would ask the temporary SPM at the time, Mr Booth, to put a fictitious amount of £100 into the Suspense Account to see how it affected the cash figure, and then to balance. Once he had completed the balance, I asked him to remove

the suspense account figure to see if it worked in the opposite way. The notes I made at the time show that the Suspense Account worked in a way that it should and was not doubling figures.

50. The Inquiry have asked whether the experience of the temporary SPMs to Marine Drive influenced the Post Office's approach to action taken in relation to Mr Castleton. I would say that it did because they did not have any unexplained losses during their time at the Branch and this would have been taken into consideration when the decision was made to terminate Mr Castleton's contract.

Dismissal

51. I have been asked to consider documents **POL00082263** at pp.7-9 and **POL00082391_006**. I can confirm that I have read both of these. The first document (**POL00082263**), is a letter written from Mr Castleton to Mrs Joyce and myself dated 28 April 2004 which requests 10 pieces of information. I cannot recall what I sent Mr Castleton but based on the documents contained in **POL00082263**, I sent all him all of the information that I was able to obtain as follows:

- a. Copy of – Suspension letter – dated 23.03.04
- b. Copy of – Reasons to urge letter – dated 26.04.04
- c. Copy of e-mail from Fujitsu and logs of calls to Network Business Support Centre and HSH
- d. Copy of e-mail from Andrew Price

- e. Copy of Horizon System User Guide, Office Administration, System failure Subsections 12 and 13
- f. Copy of Audit report

52. With the benefit of hindsight, unfortunately I do not think that the information that I provided addressed all of Mr Castleton's concerns as his primary concern was to obtain evidence that the Horizon system was causing the losses which I was unable to give him. I tried to the best of my ability to answer his questions and obtain the information that he asked for but I was reliant on other people and could not physically get him all of the information about Horizon.

53. On reflection, I do not think that we addressed all of Mr Castleton's concerns as we could not get hold of software checks and what updates had been done to Horizon which he was asking for. This was not through want of trying as I did ask for them but they were beyond my capacity to personally obtain. I asked Richard Benton to ask Fujitsu to provide me with this information and they just came back with a statement saying that everything was okay and there were no problems which I passed on to Mr Castleton.

54. I have been asked to consider documents **POL00082391_007** and **POL00082391_003**. I can confirm that I have reviewed both of these documents. The first document (**POL00082391_007**) is a letter from me to Mr Castleton dated 14 May 2004. At the interview on 10th May, Mr Castleton asked me to explain the discrepancies shown at the top of the snapshots

which we were discussing. I told Mr Castleton in the interview that I would provide an explanation of these discrepancies and so I asked Liz Morgan and Davlyn Cumberland for an explanation and the letter dated 14 May 2004 is that explanation.

55. The second document (**POL00082391_003**) is interview notes from the interview with Mr Castleton on 10 May 2004. From this document, I can see that Mr Castleton asked to see the cash accounts for weeks 1, 2, 3 and 4. I can see that I provided these to him and also confirmed that he could have copies. These would have been the cash accounts for while the temporary SPMs were running the branch as, although the exact dates are not mentioned, week 1 is the new financial year and so in late March or early April which is when Ms Simpson started. Each cash account has the loss or gain declared so Mr Castleton would have been able to see the discrepancies that she and Mr Booth experienced. I can also recall that we discussed the losses and gains that Ms Simpson and Mr Booth experienced at the time they were running the branch.

56. At the end of the interview on 10 May 2004 the note says that I told Mr Castleton that I was still waiting on a response from Horizon regarding the checks on the software and, as soon as they were available, I would let him know the outcome. From what I recall and as far as I can make out from my notes at the time, I am referring here to the Horizon system checks that Richard Benton was requesting from Fujitsu.

57. I have been asked to consider **POL00082391_002**, **POL00071234** and **POL00082391_009**. I can confirm that I have reviewed these documents. I have been asked to explain the decision-making process in relation to Mr Castleton's dismissal and the sources of information I considered in making that decision. The normal procedure for dismissal would be for myself, as Retail Line Manager to discuss the dismissal with the Contract Manager, including discussing what happened at the interview and consider the reasons put forward by the SPM as to why their contract should not be terminated. This would have involved discussing the reasons that Mr Castleton put forward for the losses, which were that there was a computer problem, but discussing that this was not substantiated by any evidence besides his word. I would have then discussed this, along with any investigations that we had made, with my line manager and we would have decided to terminate his contract.

58. The losses were very high by this point, over £25,000, and Mr Castleton was unable to make them good or provide any explanation which was supported by evidence as to why they were occurring. From what I recall, this was my first termination of a contract for losses and so I would have taken a lot of advice to make sure that I was doing everything correctly.

59. At paragraph 45 of my witness statement (**LCAS0000609**) I state "*Mr Castleton did not provide any evidence of a computer problem*" and that... "*there was an actual loss, rather than a computer problem.*" In terms of what

evidence he could have provided, Mr Castleton was adamant that the computer was changing his figures and therefore I wanted to see any evidence that could prove this. For example, if he could show that his daily Giro bank summaries did not reconcile with the weekly total, which would have shown that the figure had been changed. Another example would be to show where an item, such as a pension figure, had been entered into the transaction logs which then didn't follow through to the daily or weekly accounting.

60. Mr Castleton was saying that the figures changed when he remmed in stock. I therefore asked him to wait until the end of the day, declare the cash, produce a snapshot and then rem in the stock and re-declare the snapshot. By doing this, we would be able to see if the figures were correct or if they had been changed. However, Mr Castleton said that he did not have the time to do this. I was getting anxious as he said that he was looking through the balances all night but he was not actioning any of my suggestions or providing any evidence that he had attempted to do them. These were all normal things that I asked other people to do and the fact that he was not doing them put doubt in my mind as to whether we would find a reason for the losses.

61. I have been asked to consider **POL00069523** and **POL00071200**. I can confirm that I have reviewed these documents. I have been asked to describe any involved I had in Mr Castleton's appeal against his dismissal. From reading these documents I can see that I was asked a number of questions by John Jones who was to hear Mr Castleton's appeal. Document **POL00071200**

shows Mr Jones asking me three questions to which I responded but I cannot recall anything beyond what is provided in these documents. I can recall that I spoke to John on the phone about Mr Castleton's appeal but I cannot remember precisely what we spoke about.

62. The Inquiry have flagged page 6 of document **POL00070516** where Mr Castleton says that he received no support from me from the start of his issues. I am really sorry that he feels this way as I tried my best to support Mr Castleton both personally and through signposting him to be able to get the help that he needed. It was not part of the role of Retail Line Manager to check cash or stock or even get involved with misbalances, their role is limited to supporting the SPM by directing them to the NBSC for help and assistance. However, as I did have knowledge of running Directly Managed Branches and balancing stock units, I was able to offer more practical help, such as give suggestions to Mr Castleton as to ways he in which he could narrow down who was making the losses, through individual balancing and daily snapshots. As he did not implement anything I suggested it was a really difficult situation and it was quite unnerving for me to have so many losses in a branch I was responsible for with no explanation.

63. I wasn't able to investigate the Hardware or Software myself so I contacted all the available help that I could get to gain the information that Mr Castleton was requesting. This included asking Richard Benton, Paul Whitaker, Lesley Joyce, the audit team, my line manager David Mellows-

Facer, Davlyn Cumberland, Liz Morgan and the Chesterfield error notice department.

64. I also brought in temporary SPMs to see if they could find the source of the problem and whether the losses continued or stopped when new people were brought in using the same equipment. When Mr Castleton said that it was the suspense account which was changing the figures, I asked Mr Booth to run checks so that I could verify whether this was correct. I thought that I had exhausted all avenues to help Mr Castleton and I tried to work with him and offer advice. I feel really sorry that he did not feel like I supported him as I felt like I was doing as much as I could.

65. I was asking and being reassured that there was nothing wrong with Horizon and so I was coming from that standpoint, whereas he was saying that there was something wrong with the computer but providing me with no evidence to support that statement or actioning any of my suggestions with how he could go about providing evidence.

66. I can't recall what involvement I had with Mr Castleton's case after he was dismissed but before proceedings were commenced against him by the Post Office. I also think that at that point, I had moved roles and therefore would not have had any involvement.

67. Throughout the situation I was concerned about the wellbeing of Mr Castleton and Chrissie as I could see how angry and upset they both were

which is why I tried to do everything I could. I know that now there is a process where an individual is concerned about the wellbeing of a SPM, for example being able to direct them to counselling services, but I do not think that this was available at the time.

Post Office Ltd v Lee Castleton

68. Besides this case, I have not been involved in any proceedings against SPMs involving the Horizon IT system.

69. I provided a witness statement for this case (**POL00070760**) but I cannot recall who asked me to provide it.

70. At the time, my understanding of the case against Mr Castleton was that the Post Office were trying to get the unexplained losses recovered from him.

71. The Inquiry have asked me about document **LCAS0000699**. I have explained this document at paragraph 14 above. I can confirm that I wrote the document to capture the timeline of events and to keep a record of the losses at the branch and what support had been given.

72. I have been asked to consider documents **POL00069524**, **POL00070727** and **POL00071011**. I can confirm that I have reviewed these documents. I have been asked to set out the individuals that I had contact with during the drafting of my witness statement and the nature of any discussions I had with them. Looking at these documents, I dealt with

Stephen Dilley (Solicitor at Bond Pearce LLP) who supported me in the drafting of my witness statement. I could not recall him before this document prompted me but I recall going down to London and discussing the case with him and Counsel.

73. I have been asked to consider **POL00069608**. I can see from this email that I had a meeting with Counsel to discuss my witness statement. This was the trip to London referred to at paragraph 72 above. I can remember going through questions but I cannot recall whether this was before or after I signed by witness statement. My understanding of my role was that I was a witness in the case that the Post Office was bringing against Mr Castleton and therefore I needed to provide facts and explain from my point of view what had happened.

74. I have been asked to consider **POL00070841** and **POL00070477**. I cannot recall if I was made aware of Mr Castleton's defence and counterclaim at the time and cannot remember any discussions about it. My role was limited to being a witness and therefore I cannot recall what my view of it was.

75. I have been asked to consider document **LCAS0000945**. This contains correspondence between Mr Castleton's and The Post Office's solicitors, enclosing the expert opinion of Mr Hine of Bentley Jennison as to whether the alleged shortfalls were, at least in part, attributable to problems with the Horizon system. I may or may not have seen this before but I cannot recall having done so. I have been asked for my opinion of the views expressed in

the report and, although I am unable to comment on the technical aspects of it, I understand that the report concluded that Mr Castleton would benefit from receiving daily balance snapshots which were not yet disclosed. I do not know what these snapshots are that he is referring to. As far as I recall, all snapshots taken were discussed with Mr Castleton at the meeting on 10 May 2004 and he received copies of them. It should be noted that snapshots may not be available for every day unless they are taken at that time. You cannot take a snapshot of a day or time retrospectively and so there may be gaps in the snapshots. For example, there may be several for one day and none for the next week. All of the snapshots which I held, I had given to the Post Office for Mr Castleton's appeal against his dismissal.

76. I have been asked to consider document **POL00069955**. This is a draft report dated 29 November 2006, written by expert Geoffrey Porter of Stoy Hayward LLP who I understand was instructed by the Post Office to investigate Mr Castleton's losses. Again, I cannot recall whether or not I have seen this document before.

77. I have been asked for my opinion of the views expressed in the report. I found it difficult to follow as I am not technically minded but from my understanding, the report seems to conclude that there is no indication of computer problems which would cause the large amounts of losses that Mr Castleton experienced but that these were most likely caused by human error, such as cash not being input correctly.

78. I have been asked to consider documents **POL00071137** and **POL00071145**. I can confirm that I have reviewed these documents. I have been asked to explain any involvement I had in the disclosure process during the proceedings. I cannot recall specifically being involved in the disclosure process but before the case went to Court, I handed all of the documents that I held to John Jones at the Post Office who was reviewing Mr Castleton's internal appeal against his termination.

79. I have been asked to consider documents **POL00070518**, **LCAS0000441**, **POL00070520**, **POL00107420**, **POL00070746** and **POL00071158**. I can confirm that I have reviewed these. I have been asked to confirm what documents I removed from Marine Drive when Mr Castleton was suspended.

80. Document **POL00070520** refers to a request for documents that were removed from Marine Drive when I attended, after the audit. From reviewing document **POL00071158**, I can see that I stated "*all the cash accounts and any snapshots that I removed from Marine Drive were kept together in the folder that I believe you have, I did not make a list of the snapshots that I took, so cannot say for sure which are there now, but I have not done anything else with the documents. I have nothing more.*" I removed them to ensure that they were kept safe and not destroyed as some had handwritten notes on them by either Mr Castleton or his staff. These notes were regarding the cash declarations and looked to show that they were maybe not recording their cash accurately. It looked as though the branch had a gain on one of the

weeks up until the balance day and then the gain disappeared and so I wanted to preserve this and ask Mr Castleton about it at interview. I can see from the interview notes of 10th May (POL00082391_003) that we discussed balances, error notices, losses etc. with Mr Castleton and provided him with snapshots and declared cash. I understand that the evidence provided included the documents which I removed and I can see from the interview notes that copies of these were given to Mr Castleton.

81. All of the documents that were removed were kept safely in a file until after Mr Castleton had had his contract for services terminated. When Mr Castleton appealed against that decision, all of the documents were passed to the appeal manager.

82. I have been asked to consider the transcript of my evidence given at the trial in the Castleton case at page 39 of document POL00070183. I can confirm that I have reviewed this document. In this transcript I make the statement "*I don't know the working of the Horizon system*". I have re-read the transcript and understand that I was referring to the balancing procedure and sequence of events when balancing at a branch. I had not performed this myself for several years at this point and so I was not familiar with the systems. I was also not familiar with the figures at the top of the snapshots and final balances, which is why I asked others to explain them before providing an explanation to Mr Castleton (POL00082391_007).

83. I had never been to a court case before and so this was my first experience of being a witness. From my point of view, the Post Office were following their due process and wanted to recover their losses. My role was limited to that of a witness and as a witness, I was not able to watch most of the proceedings. Mr Castleton cross-examined me himself.

84. With hindsight, I still do not feel able to comment as to whether anything should have been done differently in relation to how the proceedings were conducted as this was the only time that I have ever been involved in a court case and I do not know how proceedings are meant to be conducted. I do, however, extend my deepest sympathies to all SPMs who were affected by Horizon. I had no idea at the time that there was anything wrong with it and was not aware that any other SPMs were having problems with balancing.

Subsequent Events

85. I have been asked to consider **POL00082391_051**. I can confirm that I have reviewed this. I have been asked to describe my involvement in the advertisement for sale of Marine Drive Post Office. I was not involved in the actual advertisement, it would have just been my job to send out the chaser letter to the SPM to sell the business. This document is a templated letter and I cannot recall sending it. I would have just been following the process. If a SPM has had his contract terminated then there is only a limited amount of time that a temporary SPM can step in and so there is a need to sell it in a reasonable amount of time. I should note that the SPM does not have to sell his business, he can choose to sell the whole business or keep the retail

business and the Post Office will look for other premises and a different operator to run the Post Office.

86. Beyond this letter, I cannot recall any discussion with Mr Castleton about selling the Post Office or anything about the sale of the branch at all and so I do not feel that I am able to comment the circumstances around the sale of the branch or the property.

87. I have been asked to consider document **POL00069976** and asked about what my reaction was when I was informed of the outcome of the case. I have reviewed this document and do not think that it is relevant to the question. In terms of my reaction as to when I was informed of the outcome of the case, I think that I was probably pleased as I had spent over 3 hours giving evidence and I was relieved that the judge had found me a credible witness. I also found it reassuring as, at the time, it confirmed that my decisions were correct and I had not made a mistake and that the Court had come to the same conclusions as I did when presented with the same evidence.

Other civil and criminal cases

88. I have been asked about what (if any) recollections I have of the following criminal cases:

- a. Nichola Arch
- b. Susan Hazzleton
- c. Lisa Brennan

- d. David Yates
- e. Carl Page
- f. David Blakey
- g. Tahir Mahmood
- h. Oyeteju Adedayo
- i. Hughie Thomas
- j. Suzanne Palmer
- k. Janet Skinner
- l. Jo Hamilton
- m. Pauline Stonehouse
- n. Susan Rudkin
- o. Julian Wilson
- p. Peter Holmes
- q. Seema Misra
- r. Allison Henderson
- s. Alison Hall
- t. Lynette Hutchings
- u. Grant Allen
- v. Khayyam Ishaq
- w. Angela Sefton and Ann Neild

89. I do not have any recollection of any of these cases although I recognise the name 'K. Janet Skinner'. She was a lady who used to work in a branch in Hull when I was Area Manager there but her case was not ongoing when I was there and I had nothing to do with her criminal proceedings.

90. I can confirm that I was not involved in any prosecutions / criminal cases.

91. I have been asked what (if any) recollections I have of the following civil cases:

- a. Aslam Ramtoola
- b. **Anonymity Order**
- c. Kevin Palmer
- d. Rachel Williams
- e. Frank Holt
- f. Susan McKnight
- g. Tracey Etheridge
- h. Katherine Mc Alerny
- i. Keith Macaldowie
- j. Julie Wolstenhome

92. I do not recognise any of these names and have no recollection of any of the civil cases.

93. I can confirm that I was not involved in any civil actions besides Mr Castleton's case.

Knowledge of bugs, errors and defects in the Horizon system

94. I did not have, and was not aware of, any concerns regarding the robustness of the Horizon IT system during my time working for the Post Office. I was reassured that it was robust and properly working and the only individual I came across who suggested that it was not robust was Mr Castleton but he was unable to provide me with any evidence to substantiate this claim.

Other matters

95. There are no other matters that I wish to bring to the attention of the Chair of the Inquiry but I would like to reiterate my sympathies to Mr Castleton and his family.

Statement of Truth

I believe the content of this statement to be true.

Signed: **GRO**

Dated: 4.6.2023

Index to First Witness Statement of Cath Oglesby

No	URN	Document Description	Control Number
1.	POL00069622	Stephen Dilley Personal attendance note re Lee Castleton case, 11.09.06. Attending: Richard Morgan and Tom Beezer re meeting four key witnesses (Cath Oglesby, John Jones, Andrew Wise and Mandy Talbot)	POL-0066185
2.	POL00107117	Witness statement of Catherine Oglesby re: Post Office Ltd v Lee Castleton signed 19.10.2006	POL-0105425
3.	POL00083604	Exhibits of witness statement of Catherine Oglesby in Office Limited v Lee Castleton	POL-0080167
4.	LCAS0000699	Catherine Oglesby's Summary of events (01.01.2006)	VIS00010939
5.	POL00069272	LC Calls from 28/01/04 to 26/04/04 (27.04.2004)	POL-0065835
6.	POL00071243	Email chain from Richard to Cath Oglesby re: Horizon system (Marine Drive branch) (31.10.2005)	POL-0067806
7.	LCAS0000710	Marine Drive branch - various records of Giro Deposits withdrawals, miscellaneous transaction and sales report between 19/02/2004 - 25/02/2004 (25.04.2004)	VIS00010950
8.	POL00082391_025	Un-dated copy of email from Andrew Price to Cath Oglesby re errors at Marine Drive (01.04.2004)	POL-0078954_193
9.	POL00082391_004	Marine Drive - audit report (25.03.2004)	POL-0078954_172
10.	POL00082391_002	1. 23.03.04 Letter from Lesley Joyce to Lee Castleton - suspension. 2. 26.04.04 Letter from Cath Oglesby to Lee Castleton - considering termination (23.03.2004)	POL-0078954_170
11.	POL00082263	Exhibit to first witness statement of Catherine Oglesby - Post Office Limited v Lee Castleton (21.01.2006)	POL-0078826
12.	POL00082391_006	Letter from Cath Oglesby to Lee	POL-0078954_174

		Castleton re suspension documents (06.05.2004)	
13.	POL00082391_007	Letter from Cath Oglesby to Lee Castleton re final balance entries (14.05.2004)	POL-0078954_175
14.	POL00082391_003	Note of interview of Lee Castleton by Cath Oglesby & Lesley Joyce, Christine Train also present (10.05.2004)	POL-0078954_171
15.	POL00071234	Agent Case Summary: Appeal against summary termination of contract, Mr Lee Castleton (07.06.2004)	POL-0067797
16.	POL00082391_009	Letter from Cath Oglesby to Lee Castleton re summary termination of contract (17.05.2004)	POL-0078954_177
17.	LCAS0000609	First Witness Statement of Catherine Oglesby (21.01.2006)	VIS00010849
18.	POL00069523	Email from Cath Oglesby to Stephen Dilley re Marine Drive Appeal (01.10.2006)	POL-0066086
19.	POL00071200	Email chain between John J Jones and Cath Oglesby Re: Marine Drive Appeal (25.06.2004)	POL-0067763
20.	POL00070516	POL Note - Appeal against Summary Termination of Contract - Lee Castleton (01.07.2004)	POL-0067079
21.	POL00070760	Draft witness statement of Catherine Oglesby in POL v Lee Castleton Claim No: HQ05X02706 (06.12.2005)	POL-0067323
22.	POL00069524	Email from Cath Oglesby to Stephen Dilley re Re-revised second statement (01.10.2006)	POL-0066087
23.	POL00070727	Email from Stephen Dilley to Mandy Talbot & others re Post Office v Lee Castleton - re changes to Cath Oglesby statement (07.12.2005)	POL-0067290
24.	POL00071011	Email from Julian Summerhayes to Mandy Talbot re: Post Office v Castleton (21.12.2005)	POL-0067574
25.	POL00069608	Castleton: E-mail trail between Oglesby and Dilley concerning witness timetable (07.09.2006)	POL-0066171

26.	POL00070841	Email from Stephen Dilley to Mandy Talbot, Tony Utting, John Jones, RE: Post Office Ltd v Mr L Castleton (13.04.2006)	POL-0067404
27.	POL00070477	Email from Julian Summerhayes to Stephen Dilley regarding the Post office v Lee Castleton (Marine Drive Post Office, Bridlington) (24.11.2005)	POL-0067040
28.	LCAS0000945	Letter from Rowe Cohen to Bond Pearce enclosing the report from their expert accounting witness on a without prejudice basis (includes enclosures) (30.09.2005)	VIS00011185
29.	POL00069955	Draft Expert Report by Geoffrey W Porter from BDO Stoy Hayward LLP in the case of Post Office v Lee Castleton (29.11.2006)	POL-0066518
30.	POL00071137	Email from Stephen Dilley to Mandy Talbot re: Post Office -v- Castleton: Disclosure (27.06.2006)	POL-0067700
31.	POL00071145	Email from Stephen Dilley to Mandy Talbot re: Post Office -v- Castleton: Disclosure (21.06.2006)	POL-0067708
32.	POL00070518	Fax Cover Letter from Mark Turner to Stephen Dilley - Bond Pearce re: The Post Office/Lee Castleton (17.11.2005)	POL-0067081
33.	LCAS0000441	Letter Bond Pearce to Rowe Cohen in preparation for civil proceedings. (21.04.2005)	VIS00010681
34.	POL00070520	Email from Stephen Dilley to Cath Oglesby re Castleton (17.11.2005)	POL-0067083
35.	POL00107420	Letter from Rowe Cohen to Cheryl Woodward, Re: Lee Castleton (10.05.2005)	POL-0105728
36.	POL00070746	Email from Vicky Harrison to Stephen Dilley re the Post Office v Lee Castleton, Marine Drive Post Office, Bridlington (07.12.2005)	POL-0067309
37.	POL00071158	Email from Cath Oglesby to Stephen Dilley re: Post Office Ltd v Mr L Castleton (11.06.2006)	POL-0067721
38.	POL00070183	Official Transcript of Evidence of Helen Rose and others in The Post Office v Lee Castleton (11.12.2006)	POL-0066746

39.	POL00082391_051	Letter from Cath Oglesby to Lee Castleton re sale of Marine Drive (21.02.2005)	POL-0078954_219
40.	POL00069976	Castleton: Email trail between Stephen Dilley and others concerning witness requirements and updates (28.11.2006)	POL-0066539