

Message

**From:** Susan Crichton [IMCEAEX-  
\_O=MMS\_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29\_CN=RECIPIENTS\_CN=SUSAN+20CRICHTONCE  
DC28-49AB-8F0F-BE4237A4AD4F@C72A47.ingest.local]  
on Susan Crichton <IMCEAEX-  
behalf \_O=MMS\_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29\_CN=RECIPIENTS\_CN=SUSAN+20CRICHTONCE  
of DC28-49AB-8F0F-BE4237A4AD4F@C72A47.ingest.local> [IMCEAEX-  
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DC28-49AB-8F0F-BE4237A4AD4F@C72A47.ingest.local]  
**Sent:** 10/08/2012 11:06:33  
**To:** Jason G Collins [GRO]; Hugh Flemington [GRO]  
**Subject:** RE: Semilong - 226226 - NN2 6BT - Allegation of Losses in branch

Thank Jason, I will deal with this.

Susan

Susan Crichton  
General Counsel  
Post Office Limited  
148 Old Street  
London  
EC1V 9HQ

Telephone [GRO]

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**From:** Jason G Collins  
**Sent:** 10 August 2012 12:02  
**To:** Hugh Flemington  
**Cc:** Susan Crichton  
**Subject:** FW: Semilong - 226226 - NN2 6BT - Allegation of Losses in branch

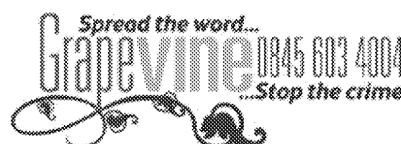
Hugh,

After speaking with Andy Garner today at Old Street, I asked him to draw together the email below to enable me to forward to you for sight/advice. My understanding is that all matters 'Horizon' should pass through you before any agreed actions to support wider activity is made. Andy was seeking Horizon (Fujitsu) data to be obtained via Post Office Security for this purpose.

Before providing him with the channels to enable him to get this data/information I wanted to ensure you were happy for us to take this route, or for you to provide your thoughts on what should be any next steps. I visited first floor and was advised you were currently on leave, but that I should email you (copy to Susan) who might respond in your absence.

Regards

Jason Collins  
Security Programme Manager  
Security Operations - South  
Post Office Ltd



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Please consider the environment before printing this e-mail

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**From:** Andy Garner  
**Sent:** 10 August 2012 11:54  
**To:** Jason G Collins  
**Subject:** FW: Semilong - 226226 - NN2 6BT - Allegation of Losses in branch

Jason

Please see a summary of the issue below.

This branch has been reporting losses for approximately 18 months and has always claimed it was due to the Horizon system. On August 2<sup>nd</sup> 2012, a Fujitsu Engineer visited the branch and found a problem with the broadband connection. It was explained that this technical issue could mean that transactions are/ have not going through the system properly. Due to the potential sensitivity of the allegation, Angela Van-Den-Bogerd has requested a full review of the technical issue & balancing records since the agent was appointed. Also Angela has flagged this to the JFSA working group.

Fujitsu Software Service Centre has conducted a number of technical tests, the results & conclusions of which are set out in the below email. Fujitsu do not believe there is currently or has been a technical fault that is causing the losses to be incurred. However, in addition, Post Office needs to analyse the balancing records data from the last 18 months to contribute to the root cause analysis & inform the next conversations to take place with the Branch Manager.

Please can you process this request through the usual channels via Legal & Post Office Security & advise on the next steps/ time frames as soon as possible.

Thanks for your help

**Andrew Garner**  
*Head of Managed Services*  
*IT & Change*  
*Strategy Directorate*  
**Post Office Ltd**

*"Keeping effective channels to market open both today & tomorrow"*

M: **GRO**  
Mobex :  
E: **GRO**

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**From:** Parker Steve (PostOfficeAccount) **GRO**  
**Sent:** 09 August 2012 10:52

**To:** Andy Garner  
**Subject:** Losses in Branch 226226 - response

Andy,

If there are any requirements for information for evidential purposes the request should be made by POL security to the Post Office Account litigation support department.

It is understood that this Branch has been reporting large losses over 18 months and had a service visit last week. Apparently the service technician told the Post Mistress that there was a fault on the line, possibly caused by the PlayStation and that this should correct her problems.

As outlined below, there is no indication that the reported losses at this branch are caused by a fault in the Horizon system or by communications failures. In the specific example quoted we have found that transactions took place between the two snapshots.

### Specific issue reported in email

One specific problem was described on an email trail:

"... yesterday (1st August) on Position 3 there was less than £1000 working cash. The clerk did a balance snapshot and was £170 over - she immediately did a printout and it was then showing as £700 under. So she knows there is a fault on the Horizon system."

Unfortunately no times or stock unit information is given, only the counter position. We have examined the logs for this counter and can see:

- Two balance snapshots were generated on that day at 11:33 and 11:50
- These were the only balance snapshots generated on the specified counter on that day

It is reasonable to infer that these are the snapshots being referred to by the Post Mistress even though they are at odds with the statement that "she **immediately** did a printout".

The system records that 13 customer sessions were completed between the two snapshots, net cash leaving the office as a result of these transactions accounts for the difference in the figures.

### Communication issues

The Horizon system stores a complete basket of a customer's transactions to the Data Centre in one communications interaction. This interaction will be either fully processed or entirely lost:

- There is a digital signature on the whole basket (included in the same interaction) to ensure that the data has not been corrupted en route.
- Every financial transaction has a sequence number. The system checks that there are no gaps in the sequence.

If the entire communications interaction is lost, then there are retries and if these fail the user is made aware of the problem and is logged out.

When the user logs back in the recovery process is invoked which gives the clerk the opportunity to record in the Horizon system the nature of the interaction with the customer, what cash or product was handed over etc. Thus a communication fault can only be an indirect cause of a financial loss / gain if there were a large number of Recoveries due to forced Log Outs and the clerk does not follow the prescribed and documented process correctly.

For this specific branch we have checked back six months, and there have been no sessions settled during Recovery. There have been timeouts when trying to contact the data centre, but almost always the automatic retry has been successful, so sessions are not being disconnected and recovery is not being invoked.

## Conclusion

There is no indication that the losses at the branch are caused by a fault in the Horizon system or by the intermittent communications failures. The discrepancies have arisen because there is a difference between the transactions recorded on Horizon and the monetary value that the branch have declared to the Horizon system.

Steve Parker  
Software Support Centre Manager  
Business & Application Services, Post Office Account

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