

Message

From: NEIL BISHOP
on behalf of NEIL BISHOP
Sent: 11/09/2013 15:15:30
To: Sharon Merryweather
CC: George Thomson; Paula Vennells; Dawn Penty
Subject: Darmall 195 3400 Re External Review of Horizon
Attachments: SD000_KMC4513090515071.pdf; SD000_KMC4513090515070.pdf

Dear Sharon,

You suggested that I send you the evidence next time we had a problem with getting Horizon to balance and unfortunately it wasn't too long before this happened. On Saturday we had a new member of staff - who only began work in August - working alongside an experienced staff member. Saturday is usually a quiet day but this was busier than most.

At the start of the day we were running a loss for the trading period of about £77.95, which was itself cause for concern but we usually find that discrepancies of this size often rectify themselves when the coin stocks are checked. However, by the end of the session the loss had increased to about £1,083.55 and every effort to track the cause of the problem has been unsuccessful.

I have attached the APS list and you will see that we have highlighted a number of large transactions that were potential cuplrits. I have also attached the transaction log for every transaction over £800. However, some detection work has confirmed that the payment made by Santander cash deposit swipe card was correctly entered on Horizon.

In addition, I checked the transactions between £400 and £800 but there was only one, a CA Cash Withdrawal for £400.

I have printed the remittances in and out (nil that day), the transaction correction report (not attached but also nil), and the transfer reconciliation report (not attached but also nil).

We can't see any obvious errors. Short of the staff taking £1,000 out of the till and splitting it between them - which we consider most unlikely - we cannot explain where the money has gone. Can you see or suggest anything that we might have missed?

The stock response from the helpline in these circumstances is that everything will come good when we balance at the end of the next TP but invariably we find that is not the case.

For many weeks until last Friday our books have balanced to within a few pounds.

Best wishes,

Neil

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From: Sharon Merryweather <[GRO]>
To: neil144 [GRO]
Cc: George Thomson <[GRO]>
Sent: Monday, 15 July 2013, 12:21
Subject: FW: Re External Review of Horizon

Good afternoon Neil and thank you for your email.

Having studied the interim report, the NFSP report that the findings are suggesting that the system is fundamentally robust, however there have been a few glitches that have subsequently been corrected and the necessary adjustments made. The report is also suggesting that, as the NFSP have told POL for many years, the training and back up for Horizon is somewhat lacking.

However, if you have any specific instances that you wish to be investigated, you should send the details either by email to [paula.vennells \[GRO\]](mailto:paula.vennells[GRO]) (copying [george.thomson \[GRO\]](mailto:george.thomson[GRO]) in please) or by post to Paula Vennells, Post Office Limited, 148 Old Street, London, EC1V 9HQ.

I hope this helps.

Regards
Sharon
xxx

Sharon Merryweather
PA to General Secretary
National Federation of Subpostmasters
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email: [sharon.merryweather \[GRO\]](mailto:sharon.merryweather[GRO])

From: NEIL BISHOP [mailto:[GRO]]
Sent: 11 July 2013 16:07

To: Amanda Cox
Subject: Re External Review of Horizon

Dear Amanda,

I would welcome your thoughts on the following. Further to our previous correspondence, (please see below), we continue to have occasional unexplained shortfalls so we noted with considerable concern news reports that more than one hundred sub-post offices are now reporting unexplained discrepancies in their Horizon balances and that Post Office Ltd has conceded that it is theoretically possible for Horizon to arrive at an incorrect balance.

The interim report seems to imply that there could be a 'small system problem' with the hardware linked to a branch, although it finds that it is more likely that mistakes happen because the system is over complicated and because staff are not following best practice when using the system and need more training to minimise the risks of not balancing correctly.

In our case, I don't think any of us feel confident in tracing a problem once it occurs. Sometimes we can find mistakes quickly but more often we cannot find anything wrong at all and the shortfall, or less frequently the surplus, comes as a complete surprise when we press the 'rollover' tab on the screen at the end of the TP. That is to say, cash and stock have appeared to balance correctly up until that point, so that it becomes a 'fingers crossed' moment each month.

We have also noticed that once a fairly obvious mistake has been made, this can then mask another more serious underlying problem which is only uncovered when the original mistake has been rectified at the end of the week. Given the volume of transactions, by that time it is often too late to trace what went wrong or even, sometimes, which day it went wrong.

For example, I once incorrectly remmed in 500 books of second class stamps as 500 individual second class stamps, a mistake which also got past the person who checked my entry on the system. Of course such an obvious mistake was easy to pick up at the weekly balance, but we then discovered that this obvious error had masked something else which - after several days - we simply could not trace.

When we were last audited even the auditors missed a similar error. One stock item had been misrecorded on Horizon, even though the stock had been counted correctly by the stock checker at the time, so that the system appeared to the auditors to balance when really there was a £100 discrepancy which I picked up the following week. We have since improved our stock checking procedures to make sure this kind of silly mistake doesn't happen but I am left thinking that there may be other similar procedural improvements that we could make to rule out other mistakes.

Repeated losses - even if they are not catastrophic like the ones experienced by some of the people in the news - demoralise staff and discourage them from selling products vigorously because one shortfall in a month can wipe out all of their hard work.

We are converting to a main branch in a few months time and perhaps that would be a good opportunity - when we are closed - to make sure that all of the staff are upskilled in best practice to avoid mistakes, and in using the Horizon system to detect issues when they occur. However, I would not rule out a small system fault of the type which the report identifies - too small to appear on the POL radar but large enough to impact on us, because we can go for months without a problem and then have a run of 'bad luck'.

Best wishes,

Neil

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From: NEIL BISHOP <**GRO**>
To: Amanda Cox <**GRO**>
Sent: Monday, 2 July 2012, 16:00
Subject: Re: Re External Review of Horizon

No worries. I am pleased to hear that you don't get lots of complaints about Horizon, but clearly we
will have to look again at our own systems as we have had three unexplained shortfalls in the last
seven months.

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From: Amanda Cox <**GRO**>
To: neil144 <**GRO**>
Sent: Monday, 2 July 2012, 13:03
Subject: FW: Re External Review of Horizon

I do apologise Neil, I put the incorrect name on the email.

Kind regards

Amanda

Amanda Cox
NFSP, Evelyn House

22 Windlesham Gardens
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BN43 5AZ

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From: Amanda Cox
Sent: 02 July 2012 13:01
To: Amanda Cox
Cc: George Thomson
Subject: RE: Re External Review of Horizon

SENT ON BEHALF OF GEORGE THOMSON

Dear Neil

Thank you for your recent enquiry regarding the Horizon computer system.

Over 70 million transactions are carried out each and every week at Post Offices all over the UK and I can assure you that we have only a handful of people who claim that the system is systemically faulty. If the Horizon system was systemically faulty we would have tens of thousands of complaints each and every year. The NFSP continues to believe that the Horizon Computer system is accurate, robust and fit for purpose and we believe that the external review of Horizon will come to the same conclusion.

Yours sincerely

George Thomson

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From: NEIL BISHOP [<mailto:GRO>]
Sent: 25 June 2012 15:58
To: Amanda Cox
Cc: SylviaHamilton; ElizabethBarton; NeilParry; JackCzauderna; GillianJackson
Subject: Re External Review of Horizon

We note that the Post Office has commissioned a review of the Horizon system in a small number of cases where serious misaccounting was alleged and the former subpostmaster disputes this. We wondered if the NFSP is taking a view on this as we also have concerns about Horizon and wondered how widespread these misgivings are.

Although we won an award this year for Best Agency Branch in the small branch category at the national network sales awards, we have been blighted by a series of three unexplained losses in December, January and April. These occurred at the end of our Trading Periods and - in total - have added up to £1,376 since 1 January this year. They are not related to cash handling or to stock management. The branch was audited last year and was found to be in good order. They tend to be the kind of issue which appears only when you get to the point of rolling over the account, when a message appears saying that losses need to be made good in order to complete the roll over and these then appear as an unexplained item in our branch accounts for the trading period.

Because the branch reopened under new management on 31 August 2010 we put our early losses down to our own inexperience and, at first, such losses as did occur were clearly due to staff errors - e.g. using the wrong exchange rate when purchasing foreign currency from the customer or, on one occasion, remitting the cheques out twice! However, we cannot find any good explanation for the losses that have happened this year and our staff are now becoming vastly more experienced in carrying out transactions and using the Horizon system. When they make mistakes they are usually able to spot them almost immediately and get them resolved. We have asked the NBSC helpline and the regional agency support team for advice but we have had no satisfactory comeback.

We are wondering whether other subpost offices have reported similar experiences and whether, therefore, Post Office Ltd are being asked to broaden the scope of their investigation. Our post office is owned by a charitable company and, as you can imagine, the trustees are getting quite concerned. There was even a suggestion that staff might be guilty of malpractice, although there is no evidence that this is the case. When they saw the news reports about the external review the trustees asked us to enquire about its scope and whether it might address the sort of issue we have experienced.

Best wishes,

Neil Bishop

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