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KEY THEMES EMERGING OUT OF THE APPLICATIONS TO THE SCHEME

We have to date reviewed and prepared an Issue Analysis document for 31 CQRs. We have noticed that there are a number of key themes arising out of the CQRs, both in terms of the key issues that are being raised against Post Office and the losses claimed. This document sets out the key themes which have been identified to day.

1. KEY ISSUES RAISED AGAINST POST OFFICE

Training and Support

- 1.1 Many applicants allege that they have not received adequate training on Horizon which may have contributed to the shortfalls that they have suffered. The allegations range from little to no training being provided to the training being irrelevant or not being updated properly when new products were introduced (this is commonly alleged in relation to claims relating to lottery scratch cards and the introduction of ATMs at branches).
- 1.2 Such allegations are usually coupled with a claim that telephone calls to the Helpdesk were not handled correctly or adequately. This ranges from complaints that the Helpdesk line was too busy (and therefore the applicant could not get through to a call handler), that the call handler did not address the query or have the necessary expertise, or that despite repeated calls and complaints the issue raised by the applicant was never resolved. In some cases applicants allege that where shortfalls arose and this was reported to the Helpdesk, incorrect advice was given by the Helpdesk i.e. ignore the shortfall it will balance next week or repay the shortfall now and Post Office will reimburse once it has balanced.
- 1.3 In the majority of applications where training issues are raised the applicant also alleges that Post Office has not provided proper support, either through a lack of adequate training, not properly addressing issues raised or from the general management of the branch through the area manager.

Hardware/Software issues with Horizon

- 1.4 In nearly all cases, applicants complain that they have experienced hardware or software issues with Horizon.
- 1.5 In terms of hardware issues, many applicants claim to have experienced issues and shortfalls with Horizon when a piece of hardware has been allegedly damaged (for example due to the branch flooding) or replaced (for example a new terminal being fitted, new ATM being installed). In these types of cases the applicants often claim that no shortfalls were experienced until the hardware was damaged/replaced. In some cases the applicant alleges that once Post Office replaced the "faulty" equipment the shortfalls stopped occurring, whilst in others shortfall issues were experienced up until suspension/termination.
- 1.6 With regard to software issues these range from allegations that shortfalls arose after a system update for Horizon was rolled out, to the shortfall showing on Horizon fluctuating without explanation. However, the majority of applicants cannot point to any reason why Horizon was showing shortfalls, save as to say that the software was flawed in some way.
- 1.7 In nearly all cases, the applicants claim Post Office provided no adequate explanation as to why hardware/software issues were occurring (and in some cases no explanation was given at all).

Poor conduct by Post Office and lack of an audit trail

- 1.8 The majority of applicants allege that Post Office did not conduct a proper investigation when shortfalls arose. Whilst there is some overlap with other issues (i.e. it is couple with allegations of inadequately investigating hardware issues or providing support and training), generally applicants allege that Post Office were overly aggressive and took an accusatory

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stance during investigations, with the assumption being that the applicant was guilty of a crime. The majority of applicants who attempted to explain the shortfalls that had arisen or raise issues with Horizon, say that Post Office did not listen or take on board any comments made. Some applicants argue that Post Office forced/threatened them into making good the shortfalls or resigning from their post.

- 1.9 It is also alleged that the audit maintained by Post Office, both in terms of the shortfalls occurring at branches and the investigation process, were inadequate or non-existent. Many applicants claim that they were unable to properly assess what caused the shortfall because Post Office refused to provide any information. In several cases it has been alleged that Post Office removed all relevant information held within the branch and refused to return or provide access to it to the applicant (in some cases even when the applicant was reinstated). Equally, where an investigation has taken place, some applicants allege that they were provided with no investigation report or record of the process.

2. THEMES ARISING OUT OF THE LOSSES CLAIMED BY THE APPLICANTS

- 2.1 The information provided by applicants in relation to the losses that they are claiming from Post Offices varies considerably with some applicants providing very little detail and not quantifying their claim at all, with others providing schedules detailing extensive losses (including mileage claims and court costs). However, common themes have developed with regard to the types of direct, indirect and consequential losses being sort by applicants as follows:
- 2.1.1 The majority of applicants are claiming reimbursement for the sums paid to Post Office to make good shortfalls and/or loss of salary as a result of suspension or termination. In some cases the loss of salary claim has been forecasted forward to the date of the application, or in some cases to retirement.
- 2.1.2 A number of applicants are claiming for damage to their retail businesses. This is either caused by the retail business collapsing / being devalued without the support of connected Post Office branch or through the need to sell the retail business / branch quickly, and therefore at a undervalue, in order to raise funds to pay debts to Post Office. Loss of retail business claims feature heavily and are typically the largest claims advanced.
- 2.1.3 Nearly all of the applicants are claiming some form of consequential loss (in many of the higher value cases it is the high levels of consequential loss which have inflated the claim). For example, if applicants have been made bankrupt following termination by Post Office, the majority claim for compensation as a result of the bankruptcy whether that is sums relating to the cost of applying to annul the bankruptcy or the consequences of the bankruptcy (i.e. loss of home).
- 2.1.4 The majority of applicants are also claiming for some form of pain and suffering. A large proportion of applicants have not attempted to quantify claims for pain and suffering, instead they state that they would like to be compensated for the distress that has been caused. However, in some cases (particularly ones with a criminal convictions) applicants are claiming large sums for pain and suffering (over £200,000 in one case).

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