



From: Alwen Lyons [GRO]
Sent: Sun 14/07/2013 8:16:46 PM (UTC)
To: Larissa Wilson [GRO]
Subject: FW: Update on SS review - 7 July
Attachment: COMMENTARY ON SS INTERIM REPORT - 07.07.13doc.doc


Horizon reading room

Thanks
Alwen
Alwen Lyons | Company Secretary

 148 Old Street, LONDON, EC1V 9HQ

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POST
OFFICE

From: Sarah Paddison **On Behalf Of** Paula Vennells
Sent: 08 July 2013 16:12
To: Paula Vennells; Alice Perkins CB; Neil McCausland; Virginia Holmes; Alasdair Marnoch; Susannah Storey; Tim Franklin
Cc: Chris M Day; Alwen Lyons; Susan Crichton; Martin Edwards; Lesley J Sewell; Mark R Davies
Subject: RE: Update on SS review - 7 July

As promised in my previous email, here is a copy of the final draft of the SS report (which is embargoed until 6pm). They took on board the majority of our comments over the weekend, but not all of them. The second attachment is an internal note detailing the remaining aspects of the report which we believe are misleading or factually inaccurate.

From: Sarah Paddison **On Behalf Of** Paula Vennells
Sent: 08 July 2013 15:56
To: Paula Vennells; Alice Perkins CB; Neil McCausland; Virginia Holmes; Alasdair Marnoch; Susannah Storey; Tim

Franklin

Cc: Chris M Day; Alwen Lyons; Susan Crichton; Martin Edwards; Lesley J Sewell; Mark R Davies

Subject: Update on SS review - 7 July

Dear all,

A quick update on the latest position with the Second Sight report (apologies for not sending this sooner, I've been on calls or in meetings on the topic since first thing this morning).

I'm attaching the latest draft of our media statement, which we will be issuing later this afternoon. It sets out the three key strands of our response to the findings of the report:

- a) establishing a 'working party' (involving the JFSA) to complete the review process and look at the thematic issues which have emerged (particularly related to training and support);
- b) conducting a review of how we might set up an independent 'safety net' to adjudicate in disputed cases in the future; and
- c) setting up a new 'Branch User Forum' involving sub-postmasters and other relevant stakeholders to provide feedback on our training and support processes on an ongoing basis.

I spoke to Alan Bates again this morning, and will be meeting him in person shortly. Overall he appears to be content with the package of measures outlined above and is striking a very constructive tone. He had one relatively minor concern with the drafting of the media statement, which we have now resolved to the satisfaction of both sides.

I also had a further telephone call with James Arbuthnot at lunchtime. He likewise was very positive about our proposed response, and notes in his own press statement (which he has shared with us in draft and will be issuing at 6pm) that "I am impressed with the way the Post Office has behaved on this matter". However, he will also draw attention to the concerns highlighted in the SS report related to the wider processes associated with Horizon, and we are currently challenging some of the drafting in his statement where we believe he had drawn misleading conclusions from the review. The most significant remaining concern relates to his continued determination for us to review past prosecutions in light of the findings of the report, which he wants to be explicitly part of the scope of the next stage of the review process. As noted in my update on Saturday, we are already planning to conduct review with our external lawyers of the implications of the report for past prosecutions – something we would have a duty to do in any case – but this significantly adds to the pressure and expectations around that process.

I have also spoken to Jo Swinson again today, who remains supportive about our actions and relatively relaxed about the situation (not least because she views this as an operational matter rather than something for the government to take responsibility for). I have also briefed Oliver Lewtin directly as he is attending the meeting with James Arbuthnot and other MPs tonight and could help to strike a more balanced tone in the room.

Finally, I'm attaching for background information our Q&A document for handling media enquiries (which is still work in progress), and we will send you in a separate email a copy of the SS report. We will also forward you the final draft of our statement and the one from James Arbuthnot once it is available, together with a round-up of the day's developments.

Kind regards,
Paula

From: Paula Vennells

Sent: 06 July 2013 08:43

To: Alice Perkins CB; Neil McCausland; Virginia Holmes; Alasdair Marnoch; Susannah Storey; Tim Franklin

Cc: Chris M Day; Alwen Lyons; Susan Crichton; Martin Edwards; Lesley J Sewell; Mark R Davies

Subject: SS 5 July update

Dear all,

A quick further update on yesterday's developments with the Second Sight (SS) review:

- I have had two further very constructive telephone conversations with Alan Bates of the JFSA, which confirmed his willingness to work collaboratively with us in taking forward our response to the review. In particular he agreed to participate in a new user forum to provide feedback on training and support issues related to Horizon and bring the existing review process to a conclusion.
- It is worth emphasising that AB's main issue is not 'the computer' but the human aspect: how in his view Post Office failed to support and help vulnerable and 'muddle headed' [sic] Spmrs. We had a useful conversation about this and I will update you more on Tuesday's call. He will collaborate with us in the user forum but will also need reassurance that we will not just ignore past cases. We will work with him to understand what happened and I offered again to meet him and one or two of his colleagues personally. (This time he accepted.) This is the most emotive aspect as we are dealing with perceptions and feelings. It needs careful handling but by working closely with him over the summer, rather than at arms length via SS, I am hopeful we will find a way through.
- He also raised the idea of setting up a new independent third party that spmrs can approach if they are facing issues with Horizon which cannot be resolved through the normal Post Office processes (but which doesn't replace or undermine our existing systems for dealing with serious cases of actual fraud or theft). The idea aligns with some of our own thinking on the need to set up a safety net to prevent small problems snow-balling into more serious issues, which can then lead to prosecution or the termination of spmrs' contracts. We are therefore inclined to agree to the idea - in principle - in our response to the report, without committing to the specific details, which will have to be considered carefully over the next couple of months (with the involvement of JFSA and other stakeholders).
- Alwen and I then had a further meeting with James Arbuthnot yesterday afternoon which was also positive – we briefed him on our proposed response to the review and the points noted above, including our plans for working collaboratively with the JFSA, which he appeared to be very pleased about. This is hopefully an important step forwards in ensuring that his media commentary on the report on Monday is reasonably balanced, although risks remain nonetheless given his desire to gain decent coverage. We agreed to share our respective draft media statements, and will formulate our final handling strategy in light of that. (We will forward under separate cover either over the weekend, or early Monday.)
- One of the main reputational and potentially financial risks arising from the review relates to possible attempts to reopen past prosecutions based on the findings. James Arbuthnot was certainly focussed on this. We had a stronger exchange on this point. It is not clear that any new evidence has emerged. If it does, then as I pointed out to James, legal routes to appeal already exist. Susan and the legal team are working with our external lawyers to consider whether there are any implications arising from the report for past cases, and we can provide a further update on this work next week.
- In terms of the report itself, we received the full draft from SS yesterday and have sent them back a version with tracked changes on a number of sections which we (and Fujitsu) believe are either factually inaccurate or open to misinterpretation. We will be keeping in touch with them over the weekend to understand how they intend to respond to these suggested changes.

I will update you on any further significant developments over the weekend or on Monday.

Kind regards,
Paula
Sent from my iPad