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Rt Hon Jacqui Smith MP
House of Commons
LONDON
SW1A 0AA

Your Ref: 01090013
Our Ref: ECT 377/09

23 December 2009

Dear Ms Smith

Thank you for your letter of 1 December in relation to one of your constituents, Mr Julian Wilson and your concerns around the Horizon computer system. May I first apologise for the delay in reply.

Horizon is a computerised accounting system which operates in around 12,000 Post Office[®] branches. At peak times it is processing up to twenty million transactions per day, 750 transactions per second.

Over the years the system has been tested both in and out of criminal and civil court and has not been found wanting. Whilst I recognise that some subpostmasters have found this difficult to accept, there is no evidence to doubt the integrity of the Horizon system and we retain absolute confidence in its' robustness and reliability.

Our ongoing monitoring and control processes mean that any issues in a 'live' operation are quickly identified and resolved, and ensure that should part of the system or equipment fail, the integrity of the accounting records is maintained.

The Horizon system provides a transaction log which sets out details such as date and time, the name, volume and value of transactions. If an error takes place these transaction logs and other system reports can be used to pinpoint and correct this. However, the Horizon system and the processes around it are dependent on the staff in branch entering items accurately into the system.

Moving forward, as with any business we constantly look to how we can operate more cost effectively but at the same time update and improve our systems and processes.

We are currently/...



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We are currently in the process of implementing a new version of Horizon with the main aim of significantly reducing running costs that has been achieved by the negotiation of a new contract. The new system called Horizon Online™ has been designed with extensive input from subpostmasters to ensure it is also easier to use. The preparation for the roll out of new counter software is at an advanced stage and completion is expected to be by the end of April.

The relationship between Post Office Limited and the thousands of independent business people who operate a Post Office® service is of paramount importance to us and I fully agree that it is vital that our subpostmasters and mistresses are provided the highest level of support. I believe that the systems we have in place deliver this and remain fully satisfied that the system and processes around Horizon offer a very high level of security and resilience.

I trust the above information has allayed your concerns but should you have any further questions, then please do let me know.

Yours sincerely

A large, bold, black signature "GRO" enclosed in a dashed rectangular box.

GRO

Alan Cook
Managing Director