

**RESTRICTED – POLICY AND COMMERCIAL**

To Norman Lamb  
From Mike Whitehead  
Date 27 June 2012

**Meeting with Alan Bates: Chairman of Justice for SubPostmasters Alliance (JFSA)**

**Purpose**

Meeting with Alan Bates (JFSA) on Thursday 28 June at his request to discuss the JFSA's claims its members are victims of endemic flaws in POL's Horizon system which, over the last 10 years or so have resulted in a number of subpostmasters having their contracts wrongly terminated by POL, with many also prosecuted for false accounting.

**Attendees**

**Alan Bates** JFSA Chairman (and former subpostmaster whose contract was terminated by POL in 2003).

**Issy Hogg**, partner at Coomber-Rich (Basingstoke based solicitors who have defended a number of subpostmasters who have been prosecuted by POL in recent years).

**Will Gibson** (ShEx)

**Mike Whitehead** (ShEx).

**Background to the meeting**

Mr Bates wrote to you on 25 February requesting a meeting (Annex A). Your response (Annex B) noted that the issues raised were operational and contractual matters for POL in which Government, as shareholder, had no role, that legal action against POL by JFSA members was under way and that any meeting would have to take place within that context. The JFSA letter of 25 February also enclosed (Annex D) a 'Subpostmaster Survey' undertaken among 100 'serving' subpostmasters which purports to demonstrate how extensive the 'losses' from Horizon are.

Since your meeting was fixed there has been a significant development following a meeting between POL and with a small group of MPs who have ex subpostmaster constituents claiming to be victims of faults with Horizon. The group was led by James Arbuthnot and included Oliver Letwin, Mike Wood, Annette Brooke, Tessa Munt, Andrew Bridgen + 3 MPs' (Graham Stuart, Jonathan Djanogly, Edward Garnier) researchers. At the meeting on 18 June, **POL agreed to commission an independent external review of a small number of individual cases.** We understand the specific cases for review have still to be agreed. Interestingly, there was virtually no overlap between the MPs who recently met POL and those who had previously contacted Ed Davey or his predecessors in the previous Government about Horizon.

A further development of which we have become aware since this meeting was fixed is that Shoosmiths, the solicitors acting for a number JFSA ex-subpostmaster members in current legal action against POL submitted written evidence (Annex C) to the BIS Select Committee, purportedly in the context of Network Transformation, but which is wholly focused on Horizon and related contractual and training issues.

Following previous lobbying of BERR/BIS ministers over an extended period, Alan Bates met Ed Davey in autumn 2010. This was in the context of reports that Channel 4 were planning to

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run a news item on the JFSA campaign and we recommended offering a meeting in response to this to avoid potential publicity playing heavily on Government Minister refusing to meet them in the circumstances. The JFSA had also mounted a substantial lobbying campaign with MPs, several of whom (George Osborne, Priti Patel, Keith Simpson, Valerie Vaz, Alun Michael) wrote to ED or tabled PQs on behalf of constituents who are members of the JFSA.

### **Our objectives**

It is prudent to be aware that letters before action against POL were issued in July/August 2011 in 5 cases (1 case since struck out by the Court on POL application). Though there has been no further action by the acting solicitors Shoosmiths, since December 2011, there are 'sub judice' issues to consider.

- Emphasise that the issues raised by JFSA are operational and contractual matters for POL.
- Reaffirm that, as the shareholder, Government has an arm's length relationship with the company and does have any role in its day to day operations.
- Note that POL has committed to engage a firm of forensic accountants (Second Sight led by Ron Warmington to undertake an external independent review of a small number of individual cases.
- Make clear that JFSA would need to contact POL for information on which, and how many, cases will be reviewed.
- Demonstrate that you are prepared to hear the JFSA's side of the story (JFSA have claimed in the past that both POL and officials are covering up the problems with Horizon) but make clear that it you are not in a position to offer substantive comment.
- Avoid giving any government commitment to setting up a wider independent/external review of Horizon ahead of the outcome of the case reviews which POL is commissioning.

**JFSA objectives** can be expected to include:

- To press for a wider Government-commissioned independent investigation into the reliability and integrity of the Horizon system citing their 'Subpostmaster Survey' findings and Andrew Bridgen MP (quoted as saying that to be beyond reproach the review should be at arm's length from POL and suggesting Cabinet Office should pay for it though now understood to be more relaxed following assurances of Ron Warmington's integrity).
- To seek to broaden the focus beyond Horizon 'faults' to include lack of adequate training and helpline assistance as significant factors in the problems JFSA members experienced.
- To press for Govt to require a fundamental change in the way sub post offices are managed by POL.
- To press for a new and fairer contract between POL and subpostmasters which reflects the use of IT systems in sub post offices.
- To press for an ombudsman or independent third party to hear appeals in cases of disagreement between POL and subpostmasters.
- To press for the establishment of a new representative body for subpostmasters as an alternative to the 'cosy' relationship between POL and NFSP.

### **Issues or elephant traps**

**We recommend that you should be primarily in listening mode on the basis that any statements or comments made at the meeting may potentially be subsequently quoted in any legal process involving the JFSA or its members.**

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Avoid any commitment to adopting any of the JFSA's objectives in the terms these are set.

Substantial changes to subpostmasters' contracts and the branch operating model are a key element of POL's 2011-16 business strategy.

A full-scale independent review/audit of the integrity of Horizon would be premature ahead of the results of the forensic accountants' review now commissioned by POL. POL's view continues to be that the system is fully robust and if there were systemic integrity issues, as claimed by JFSA, there would have been a higher incidence than is claimed and there would have been instances of Crown offices being affected as well as sub post offices as the identical system is used.

Subpostmasters are contractually entitled to be accompanied at appeal hearings by an NFSP representative or friend. Appeals are heard by a senior POL manager not previously involved in the case and legal avenues are also available if the subpostmaster continues to feel his contract has been wrongly terminated.

The NFSP is a recognised trade union subject to all relevant legislation. Subpostmasters are free to form any other association they wish and a subpostmasters' branch has been set up within the CWU (and attracted c 100 members).

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Agenda Item:	Issues to raise and points to make:
<p><b>JFSA's concerns and accusations</b></p>	<ul style="list-style-type: none"> <li>▪ Have noted the JFSA concerns as expressed in Alan Bates' letters.</li> <li>▪ Emphasise that the JFSA's concerns relate to operational and contractual matters.</li> <li>▪ Government has an arm's length relationship with POL and does not have any role in the day to day operations of the network.</li> <li>▪ Understand that legal action against POL by a small number of JFSA members is continuing. It will be for the relevant legal process to decide on these cases and any remedy. In effect these issues are 'sub judice' and I am not in a position to offer any substantive comment on them.</li> <li>▪ POL is commissioning forensic accountants to review a small number of individual cases raised with them by a number of MPs.</li> <li>▪ POL continues to express full confidence in the integrity and robustness of the Horizon system.</li> <li>▪ BIS will monitor developments in these reviews.</li> <li>▪ <b>If pressed for further detail of which and how many cases will be reviewed and its full scope and timing:</b> JFSA will need to contact POL for further detail and would suggest you write to Mike Granville, POL's Head of Stakeholder Relations at mikegranville@<b>GRO</b></li> <li>▪ <b>If pressed on Government commissioning/insisting on a wider review in the light of JFSA subpostmaster survey:</b> We will consider in conjunction with POL whether any further action or investigation is appropriate in the light of the findings of the case reviews which it is commissioning.</li> </ul>

### JFSA background

The JFSA was established in 2009 'to counter this Government approved corporate oppression [by POL]' by Alan Bates, a former North Wales subpostmaster whose contract was terminated at 3 months notice by POL in 2003 following a total break down in the relationship. Its website claims around 100 members but details only 9 specific 'case studies'.

More recently in legal action against POL, the 'charges' against POL have been somewhat broadened beyond the core Horizon claims to include inadequacies in the training provided to new subpostmasters and in the helpline service and advice when financial discrepancies arise and 'onerous' conditions in subpostmasters' contracts which are not properly explained.

The Subpostmaster Survey conducted by JFSA earlier in the year seeks to extrapolate from a small sample of (100) 'serving' subpostmasters within a 'closed' online forum. POL considers the small sample to be self selected and notes that the survey asks questions only about 'losses' and not about any 'gains' (POL branch records flag both) which may have been experienced (1 respondent considers gains cancelled out losses). Despite the nature



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of the questions and unsupported conclusions and extrapolations, the respondent's comments do include some that are positive.

The NFSP are dismissive of the JFSA's claims about Horizon. They have suggested that if there were systemic faults with Horizon as claimed, there would be incidents of 'overages' as well as 'shortages'. NFSP are also of the view that in some of these types of cases the subpostmaster genuinely is not to blame but that a member of his/her family or other employee is. Contractually however the subpostmaster is personally liable and aware of this in signing their contract with POL.

### **Horizon system and POL process on accounting irregularities**

#### **Integrity of the Horizon system**

The Horizon system has been in place for over 10 years. In a typical month the system conducts around 80 million customer sessions with 230 million transactions across the system. This is delivered through around 35,000 counter positions in around 12,000 Post Offices which perform weekly and monthly accounting balances. Around £175m per day is settled to over 700 client companies who use Post Office Ltd – a substantial flow of data to and from organisations with regularly audited accounts. Over its extensive period of operation the system has proved robust.

The cases identified by JFSA where there is some kind of allegation in respect of the system are a miniscule proportion of the many millions of accounting events that subpostmasters have done within the system. Furthermore around 15% of POL's transactions have been conducted over Crown Office terminals which run exactly the same system yet no issues have been identified. If there were any systematic integrity issues within the system they would have been evident over the past 10 years. NFSP and CWU continue to express full confidence in the system.

The system was recently updated to 'Horizon Online' to achieve benefits in running costs and change management. It was not because of any doubts about the robustness of the original Horizon system.

The integrity of both Horizon and Horizon online is built on tamper proof logs, real time back ups, and absence of 'backdoors' so that all data entry or acceptance is at branch level and is tagged against the log-on ID of the user. Ownership of the accounting is therefore at branch level and it is impossible to make changes to branch accounts remotely.

Horizon creates a separate audit file of every transaction done, recording every key stroke made, with every record written to the log having a unique incrementing sequence number. This is retained remotely for seven years and cannot be altered in any way. Therefore, in any legal case relating to the system or allegations that data was missing, this audit log can be produced to identify exactly what was recorded onto the system in the branch concerned at the time concerned.

Subpostmasters are trained on the system with classroom and onsite tuition and helpline support is also available. If an error occurs through a user mistake – there is a full system in place for investigation and error resolution through the Helpline and error notice processes. If there is a local disconnection of the system at a branch for any reason, IT controls detect the power outages and raise recover alerts to the branch to check and update the accounts.

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As with any large organisation, POL has a range of mechanisms whereby accounting processes and outputs are regularly reviewed to ensure ongoing accuracy.

#### **Action taken with subpostmasters for accounting irregularities**

POL has a regular system of auditing subpostmasters' accounts. If irregularities are discovered, then a formal, thorough investigation is triggered and, if necessary, action is taken in accordance with the subpostmaster's contract. Subpostmasters have the right of representation throughout internal disciplinary procedures. If the case leads to summary termination of contract, there is the right of appeal to an appeals manager who considers the case. Again there is a right to representation through this process – this role is often undertaken by the NFSP.

In certain cases, following consultation with legal advisors, POL may decide to pursue a criminal case. To date, no court has ruled that there have been problems with the Horizon system. As there is a legal contract between the subpostmaster and POL, if a subpostmaster believes that his/her contract has been terminated inappropriately; he/she can also refer the process into the legal system.

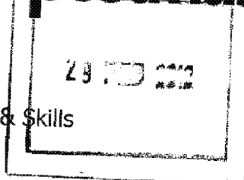
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ANNEX A

11/11/11 15:05 Gro

# Justice For Subpostmasters Alliance

Mr Norman Lamb MP  
Minister for Postal Affairs  
Department for Business, Innovation & Skills  
1 Victoria Street  
LONDON  
SW1H 0ET



Alan Bates

**GRO**

25<sup>th</sup> February 2012

Tel: **GRO**

Email: alan.bates **GRO**

Dear Mr Lamb

I am writing to you on behalf of the Justice For Subpostmasters Alliance (JFSA), as I did with the former Minister for Postal Affairs during May 2010.

On that and subsequent occasions, I wrote to draw his attention to the plight of subpostmasters at the hands of Post Office Limited. The reference number 213102 was given to the correspondence and it will provide an outline of our concerns. During November 2010 I met with him at his office to raise many of the issues which have been causing devastation and distress in the subpostmaster community. Following the meeting I understand he queried a number of points with Post Office management and he seems to have taken them at their word.

I write to you on this occasion to request a meeting to discuss this matter further with you. As you will see from the previous correspondence, solicitors are now acting on behalf of a number of victims of Post Office Limited, but the law moves slowly and in the meantime many more subpostmasters will suffer. Whilst JFSA very much reflects the views of those who have fallen victim to the failures of the Post Office Limited Horizon system, I want to draw your attention to the enclosed survey which has just taken place. As you will see, it has been completed by serving subpostmasters, with their anonymity ensured to safeguard them from Post Office reprisals. I am sure you will find the results disturbing and in total conflict with the assurances given by Post Office Limited to your predecessor and no doubt to yourself if you were to raise our concerns with them.

Previously we offered to work with your department to assist with uncovering this major scandal, and I now extend that offer to you. In the meantime should you require any further information, please do not hesitate to ask.

I look forward to meeting with you in the near future.

~~Yours Sincerely~~

**GRO**

Alan Bates  
Chairman, Justice For Subpostmasters Alliance

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ANNEX B

**BIS** | Department for Business  
Innovation & Skills

**Norman Lamb MP**

Minister for Employment Relations,  
Consumer and Postal Affairs

Alan Bates

**GRO**

Our ref: 285370

Your ref:

4<sup>th</sup> April 2012

*Dear Mr. Bates*

Thank you for your letters of 25 February and 20 March seeking a meeting with me to discuss the concerns of the Justice for Sub Post Masters Alliance (JFSA) about Post Office Ltd's (POL) Horizon system and the survey of serving subpostmasters recently conducted by your organisation. I apologise for the delay in replying.

As you are aware from your contacts with my predecessor, Ed Davey, the concerns raised by the JFSA relate to operational and contractual matters for POL and, as the shareholder, Government has an arm's length relationship with the company and does have any role in its day to day operations. I also understand that legal action against POL is under way in behalf of a number of JFSA members.

Taking into account that any meeting would take place within this overall context, I would ask you to contact my Diary Manager, Marzena Bujalska, on **GRO** if you would still like to arrange a suitable date.

**GRO**

**NORMAN LAMB MP**

*Approved by the Minister and signed in his absence*

1 Victoria Street, London SW1H 0ET  
[www.bis.gov.uk](http://www.bis.gov.uk)

Enquiries

**GRO**

Minicom

**GRO**

Contact us [www.bis.gov.uk/contact-us](http://www.bis.gov.uk/contact-us)



## **RESTRICTED – POLICY AND COMMERCIAL ANNEX C**

### **Post Office Network Transformation**

#### **Written evidence submitted by Shoosmiths**

##### **SUMMARY OF ISSUES AFFECTING SUB-POSTMASTERS**

1. Sub-post offices make up the vast majority of the Post Office Network. A sub-postmaster or sub-postmistress ("SPM") is a self employed manager of a sub-post office. They contract with Post Office Limited ("POL") to provide this service.
2. Access Legal from Shoosmiths, a national law firm, have been contacted by almost 100 SPM's who have suffered losses they cannot explain and have been subject to disciplinary measures by POL. All are adamant that they or their staff have not stolen any money. They claim that the Horizon system (by which we mean both Horizon OnLine and its predecessor Horizon), an electronic point of sale and accounting system POL require them to use, has caused the errors or not enabled them to work out why the errors have appeared in the first place. They claim there has been no real investigation by POL as to the cause of the losses that have appeared – SPM's are expected to pay it back regardless of how it was caused.
3. POL are adamant that the Horizon system has no faults.
4. Those SPMs have told us that:

##### **HORIZON & THE BALANCING OF ACCOUNTS**

5. All transactions in a sub-post office are processed through Horizon. At the end of a trading period (a 4 or 5 week period) a SPM must balance his accounts and send a declaration, plus any related receipts, cheques and cash to POL. The Horizon system will produce figures based on the transactions that have taken place as to what the cash and stock total at the sub post office should be. The SPM will then have to count the stock and cash held to check it matches up.
6. When an SPM has completed a cash and stock check and discovers that there is less cash or stock than Horizon believes there should be, the SPM must make good this loss if it was caused by his/her error or that of an employee. It is also the case that if the SPM has more cash than the Horizon system believes there should be, the SPM is entitled to take the surplus money from the system. At the Crown offices, the larger post offices run by POL, the managers do not have to repay these losses as they are written off by POL – these losses are reportedly in the millions per year.
7. If the SPM is ever faced with a loss when balancing, the SPM is presented with two options on the Horizon system: "Settle Centrally" or "Make Good Loss". Settle centrally means that, according to POL, the loss can be investigated. However the description of this from SPMs is that it just means the loss will be taken from the SPMs remuneration either as a lump payment or in stages. If "make good loss" is selected the SPM must make good the loss there and then out of their own pocket. One of these options must be selected otherwise an SPM will not be able to trade the following day.

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8. Some of the SPMs have told Horizon that they have made good the losses when in actual fact they haven't. The reasons they do this vary, but are typically related to an inability to pay (often due to have made various repayments previously) and a desire to keep the post office open for their community. When doing the above an SPM is committing false accounting, albeit not to enrich themselves, or deny POL what is rightfully theirs.

9. If a SPM, over a period of time, settles centrally lots of losses or appears to POL to making good lots of losses they will be audited. If discrepancies are found at audit, a SPM will be suspended and all the accounts papers at the post office will be taken away for investigation. The SPM will not be allowed to go behind the post office counters in their shop. The losses at this stage have been between £6,000.00 and £150,000.00.

10. The SPM then has, according to POL, an opportunity to explain the losses but without access to the papers or the post office system the SPM's ability to do this is extremely limited. Typically the SPM's contract will be terminated and POL will request that any losses are repaid under the Contract.

11. POL will ask an SPM to repay all losses that occur and as such there appears no distinction between losses that may be the fault of the SPM and those which may have been caused by something else. SPMs have no opportunity to investigate the reason for the loss, nor do POL seem inclined to do so either. It is far from clear whether when there is a loss in a sub post office that POL have actually lost any money.

12. If the loss is not repaid POL will prosecute the SPM for false accounting. SPMs are typically advised by their legal advisors to plead guilty to false accounting, as in the above circumstances they will have committed it. Many will be charged with theft or fraud but these charges are typically dropped in these circumstances. SPMs have been imprisoned as a result of convictions for false accounting.

## **OTHER RELEVANT ISSUES**

13. Interview – At interview for the position of SPM most are not questioned about their accounting or computer literacy skills. Very few of the SPM's had any experience or qualifications in accounting before taking on the role of SPM, although even those with accounting qualifications have struggled with Horizon. The SPMs are then expected to take over the full accounting and balancing procedures upon their appointment as SPM without even basic knowledge of the same.

14. Contract – The contract with POL is a standard form 100 page contract that was drawn up in 1994 when a paper based accounting system, with a full paper audit trail, was used. SPM's are routinely not provided with this contract for services until they have purchased the sub-post office and completed the interview and training process. The SPMs are typically not made aware of the onerous sections of the contract, specifically those sections relating to repayment of losses, termination of the contract and lack of compensation for loss of office.

15. Training – POL provide training for SPMs on how to use the Horizon system which is undertaken prior to an SPM commencing their contract. This tends to vary between 2 days and two weeks. The training typically focuses on sales technique with very little focus on accounting skills. When an SPM starts they are typically

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accompanied by a trainer for their first week who shows them how to use the system, in their own post office. The majority of SPM's believe that their training was not adequate, in particular in relation to the accounting and balancing procedures and what to do if a loss occurs. Requests for further training are denied and there is no possibility for a SPM to obtain further training on the Horizon system without it being provided by POL. The support provided by the Helpline POL operate to assist SPMs is reported to be inadequate.

16. Faults with Horizon – It appears that there are numerous ways in which these losses could have occurred, whether it is as a result of system errors, human errors when entering data, faults with cross system communication or electrical faults. The technical reasons why the errors are occurring is not the main issue that needs to be addressed, instead it is that the Horizon system does not allow SPMs to find where an error has occurred and rectify before having to repay losses.

17. National Federation of Sub-Postmasters – The NFSP are the trade association for SPM's. They negotiate with POL on behalf of SPM's and provide representation at disciplinary meetings. They state publicly that there are no issues with Horizon. Many SPMs report that they receive no useful assistance from the NFSP when they have accounting difficulties. The Communications Workers Union, the relevant union for POL employees, have recently set up a branch to assist and represent SPM's. This has been set up by former executive members of the NFSP. Many SPMs are now seeking assistance from the CWU as opposed to the NFSP.

*5 May 2012*

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Prepared 7th June 2012

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## ANNEX D

**Subpostmaster Survey**

Post Office Limited has continually refused to acknowledge that any problems subpostmasters have experienced have ever been the fault of the POL Horizon computer system. Furthermore POL has refused to allow access to or answer questions about the accuracy of the system to substantiate their claim. So during February 2012, a short survey was undertaken of serving subpostmasters in order to gauge the extent of the losses from Post Office Limited's Horizon system.

The survey's existence was made known through a closed forum for subpostmasters and remained online for 8 days. To encourage frank and honest answers from a cross section of subpostmasters, no information was requested that would identify those responding.

The survey used the free online version of SurveyMonkey, which only allows for 100 responses but does not include any analysis tools. The information submitted from all the responses was entered into an Excel spreadsheet which was then used to generate the results. The majority of the survey forms were fully completed, but occasionally a person did not complete every question. In such instances the dataset was amended to reflect the actual number of responses to that question.

The answers provided made it possible to establish how wide ranging the extent of the annual losses from the Horizon system probably are, as well as suggesting what is the order of cost to each subpostmaster. Of particular concern is the response to the first question, which has provided a revelation as to just how serious the problem really is, and how well POL is managing to hide the facts from being known.



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### Survey Results

**Q - Do you have regular balance shortages that you have to put money in to address?**



When this information is combined with the answer to:-

**Q - If YES, what have you had to add over the last 12 months?**

It suggests that the average office loss during the last 12 months was in the region of £1200.

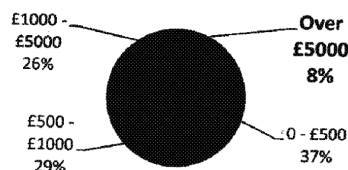
Therefore to estimate the income gained by Horizon through system declared losses, the following formula can be applied:-

$$\text{number of offices using Horizon} \times 1200 \times 0.77$$

Furthermore, this calculation can offer a total amount gained from Horizon declared losses since its inception by replacing each of the years' *number of offices using Horizon*, with the appropriate number since the initial launch of the system to 18,000 offices.

Then by using the declared stated loss figures it was found that the majority of losses were up to £500, but over a third of offices had suffered losses in the £000's during the past 12 months.

### Average size of losses during the last 12 months

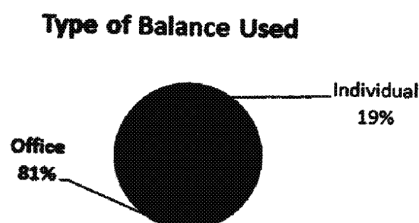


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To ascertain as to whether there was any obvious trend in the way these losses were occurring due to the way an office operated, the following question was asked:-

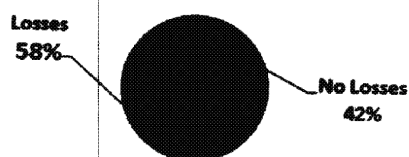
### Q - Do you use individual till balancing or office balancing?

The 'Office' balancing is often perceived as being the easier to operate, as the stock is generally pooled, but it is thought to be more susceptible to error because of the pooling. This was clearly the most common balance in use.

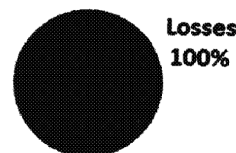


Yet when comparing the offices by type of balance, with those offices that have stated losses during the last 12 months, this was not found to be the case.

### 'Office' Balance with Losses during the last 12 months



### 'Individual' Unit Balance Losses



So by applying the results of these losses by type, to the question:-

### Q - How many serving positions does your office have?

It became clear that of those undertaking 'Individual' balances and stating that they had suffered losses during the last 12 months, 50% were single terminal offices.

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### What does this survey really show?

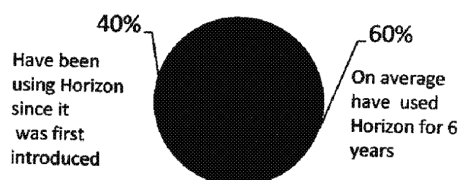
Just from this random sample it is abundantly clear that the majority of subpostoffices using Horizon are suffering losses. Problems with Horizon are not the exception, they are the norm.

Could these problems be due to lack of operator skill?

The experience of operating Horizon 'at the front end' is in abundance as the response to the following question showed.

### Q - How many years have you been using Horizon?

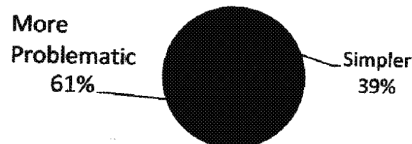
#### Years experience of using Horizon



By asking a further question of those who had used other methods before Horizon was installed, the result is a damning indictment of a system meant to improve a business. No truly commercial business would find such results acceptable, but Horizon being a government IT project has gone the way of so many others i.e. costing billions and not fit for purpose.

### Q - If you were a serving postmaster before Horizon, have balancing problems become more problematic since Horizon or has Horizon made balancing simpler and more accurate?

#### Use of Horizon



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### Postmaster's Comments

Further to the survey, a box was added that would afford any of those who had experience prior to Horizon, the opportunity to add a short comment. A number did, and all of those comments are included below.

For information, contained within these comments are references to HOL which stands for Horizon Online, the latest version of Horizon rolled out over the last 18 months. The 'Richard Jackson' comment refers to a trade name of a standalone pc software package that subpostmasters could buy privately to produce POL balance returns prior to Horizon. Another similar product from that period was known as Capture, and POL would accept documentation from either of these systems.

*"You would think that over the years, as you get more experienced, when only you and your wife operate the counters, that more often than not you would balance to a few pence on a daily basis. This NEVER happens. What we need to have is a forensic audit - with CCTV recordings of all transactions, HOL screens and payment and change. Over a day, on a multiple counter system, run by a professional audit team. Happy to eat my hat if they don't find anything untoward."*

*"Horizon lacks accounting reports"*

*"Although I haven't had regular problems I have an instance ( of which I have full documentation ) where Horizon 'lost' several postage transactions, all were either RSF or Intl SF and horizon printed labels and individual proof of posting but did not add them*



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*into the overall total. Only picked up when ISF's didn't show on the Priority items postage printout."*

*"We haven't had any noticeable problems since the arrival of Horizon Online but under the old Horizon system we experienced problems whereby we would often encounter £100 shortages. I was able to rule out staff dishonesty as this was a problem that occurred on more than one occasion on days when staff were absent or on holiday. We also had two occasions where there were £1,000 gains that have never been explained. Fortunately for us the two £1,000 gains probably covered the many £100 shortages. As with any computer system I believe that Horizon is NOT infallible as POL tend to suggest, nor is it particularly robust as has been demonstrated by the more recent outages."*

*"Its quicker, but not more accurate."*

*"I cannot honestly say whether my regular smallish shortages are due to a technical/accounting error within Horizon or the design of Horizon making it too easy for user errors to be made without logical warnings at the time of entry or being able to trace them afterwards."*

*"I've had Horizon ever since being here but went to HOL in July 2010 and ever since had unexplained losses. Could it just be me? Maybe. Could it be HOL? Maybe. Can it be proved that there's problems with*

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*HOL? Probably not. Once again, we seem to bear the brunt of issues....."*

*"I have not had problems personally with Horizon so far."*

*"Assuming we are talking about Horizon Online, then the balance procedure is more efficient and quicker. The differences that other Postmasters seem to have could be attributed to their lack of understanding of the system. The Helpdesk has, in my experience, always been helpful. Perhaps it's the way people ask the questions!!!"*

*"I have argued and stated the system has a problem. All I get is if I don't pay the short fall they will take it from my remuneration. Which they have on several occasions. I have incident that showed the system equipment to faulty and kept all the relevant information. My base unit was changed and shown to be faulty and yet they still charged me approx £1000 which I refused to pay and it was removed from my remuneration. I still have everything relating to this and the ref No from POL if it is any help."*

*"I have serious doubts about the accuracy of the system. My staff feel the same way. Overnight and over weekend changes seem to occur. I hate the way in which the Paystation accounting works - you never know where you are and there is no way of checking what has gone through."*

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*"Cancellations/reversals procedure far too difficult and irregular as is the totalling procedure therefore difficult to keep track of the way the system is working and to have confidence in the end result."*

*"Since becoming a SPMR in 1995 POL's policy from a manual balance to an electronic balancing format has deteriorated. There is little to no controls when losses occur for the SPMR to investigate and even when no material loss is established POL still charge the SPMR for what they allege is a loss."*

*"I find that balancing is quicker and on the whole accurate but what I don't like is that during the week a shortage occurs which cannot be explained but can disappear when balancing on Wednesday. The access of daily transactions doesn't allow you to look over everything that you do every day."*

*"Used both Richard Jackson and the POL version to balance pre-horizon. Both software packages allowed you to 'see' where any errors were and make the necessary adjustments. Any adjustments made were carried through to a new balance figure so the effect of any adjustment was immediately available. You had control of the whole process unlike Horizon which largely functions as a Black Box. You do get used to Horizon but are never in control."*

*"Horizon is a strange system as there appears to be no way that you can find errors for missing amounts of cash. I have tried to do cash declarations on an hourly basis and try to balance this against*

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*transactions but this has proved to be a difficult exercise. I truly believe that there is a fundamental problem with Horizon."*

*"Balancing is quicker, but if there is a problem there is very little you can do about it because of lack of evidence in paper form or on the system itself. It seems worrying that the transaction log facility only enables you to track transactions that have taken place in the last two months. I recently had a query from a customer about a transaction done in November 2011 and the system would not allow me to go that far back."*

*"Started in 1995. Couldn't believe the archaic 'big books', got Capture and never regretted it, we like Horizon but cannot understand it and think some more training is warranted. And pigs might fly!"*

*"Get me out of this insanity."*

*"The situation has gone so serious since HOL introduction with losses escalating that I am now selling up hoping to escape before bankrupted by POL."*



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### In Conclusion

Whatever is the cause of all the problems with Horizon, whether it is the bugs in the system, the lack of training and support, the failure of management to be able to deal with these issues, the unwillingness of government to face its responsibilities or a combination of all. There is little doubt that at some level POL is fully aware of the extent of the issue, yet has taken the decision to stand firmly behind their continual denial that a single problem has ever occurred with Horizon.

If nothing else, this snapshot survey has highlighted the need for others to seriously question the standard one line response from POL that 'Horizon is robust'. It has to be asked why POL or government has never ever commissioned an independent survey of subpostmasters' views of Horizon after all these years of the system in operation. It could be conducted with anonymity assured by an external organization, and if POL are so convinced about the 'robustness', be used to support their claims.