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[TO GO ON POST OFFICE LETTERHEAD]

Second Sight Support Services Limited
By email only

DATE

Dear Ron and Ian

**Initial Complaint Review and Mediation Scheme ("the Scheme")
Questions in relation to Second Sight's Briefing Report – Part Two ("Part Two Report")**

I refer to the list of questions in relation to your Part Two Report that you sent to Post Office on 9 December 2014.

Post Office has previously expressed its concern that your current Part Two Report reaches very few firm conclusions despite you having investigated the Horizon system for over two years. As a result of the lack of clear findings in the Part Two Report, a number of Applicants' cases have had to be put on hold.

In November we agreed an action plan for finalising the unresolved issues in your Part Two Report that was approved by the Working Group. It was made clear that the focus was on gathering information that would assist your consideration of the specific complaints raised by Applicants through the Scheme. You also accepted that the exclusive scope of your engagement was to investigate Scheme cases and that any wider work would need to be discussed, scoped and pre-approved by Post Office.

The first step of the agreed action plan was for you to provide a list of questions setting out the further information you need to complete the Part Two Report – you sent these to us on 9 December 2014. On the covering page to those questions, you correctly state that:

"These questions have been designed to provide us with sufficient information to deal with a number of unresolved issues raised by Applicants and to enable us to issue an updated version of our Briefing Report Part 2 in due course."

Despite your clear understanding of the scope of the questions to be put forward, you have presented numerous questions that go far beyond the above remit. A significant number of the questions address topics that have not been raised by Applicants. Further, certain questions go to issues on which Second Sight have accepted that they are not qualified to comment (such as legal issues or investigation / prosecution processes). These topics are also outside the scope of the Scheme being to investigate Horizon and associated processes.

A significant number of questions ask for general information on the occurrence of certain events and situations across the whole of Post Office's business not just in relation to Applicant's cases. For example:

"13.8 Please provide full details of changes to the Horizon system and/or to its Standard Operating Procedures that were designed to reduce the risk, incidence and severity of errors and fraud, as a direct result of investigations carried out into unexplained branch shortfalls, or in response to problems, vulnerabilities and susceptibility to errors or fraud, for the years 1999 – 2013."

It is not understood how this type of general information will assist with finalising the topics in your Part Two Report or address the specific complaints raised by Applicants. Such general information may not even exist or may require disproportionate effort to compile given its limited utility. As this information

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also looks across the whole of Post Office's business, it will inevitably relate to branches that are not part of the Scheme and therefore some of it cannot be disclosed in order to protect the privacy of the Subpostmasters involved.

In general, it is disappointing that Second Sight is still searching for issues when it has already had the benefit of two years' work and the input of over 150 Subpostmasters against which to scope the topics for its investigation. The scoping phase of your engagement is now finished and you need to focus on analysing the in-scope topics you have already identified. A fishing expedition, like the one set out in your questions, is outside the agreed action plan for finalising your Part Two Report and also outside your terms of engagement.

I note that Second Sight has recently raised a significant invoice for its work in preparing its Part Two questions. Please resubmit that invoice having removed any work done in relation to questions that are outside the scope of your engagement as this work was not approved by Post Office.

Second Sight's current approach will not address Applicant's concerns and will only further delay finalisation of its Part Two Report and the Scheme as a whole. Post Office will nevertheless endeavour to answer as promptly as possible Second Sight's questions that relate to issues raised by Applicants in line with the Working Group's objective of finalising investigations and moving cases to mediation as soon as possible.

Yours faithfully

Chris Aujard
General Counsel
Post Office Limited