

Bond Dickinson

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Draft response to SS

By email

From: Patrick

To: Ian Henderson

Ian

Thanks for your email below and the opportunity to comment on the new Section 14 of the Part Two Report.

As we have always stated, Horizon does not have functionality that allows Post Office or Fujitsu to edit or delete the transactions recorded by branches. We have previously described the controls in place to stop this happening but if you need more detail on these please let me know. I note that there has been no evidence presented in any case reviewed as part of the Scheme that shows that these controls have failed or that the above statement is incorrect.

It has however always been possible for Post Office to correct errors in and/or update a branch's accounts. Most commonly this is done by way of a transaction correction however it could also be by way of a balancing transaction or transaction acknowledgement. A Post Office employee could also, in special circumstances, log on to a branch terminal locally (i.e. by being physically in a branch) using a new User ID and password and then conduct transactions (though these would register against that unique User ID).

The two Post Office / Fujitsu documents you refer to in the new Section 14 relate to the Receipts / Payments issue that affected a small number of branches that were the pilot branches for Horizon Online in 2010. This information was disclosed to Second Sight back in 2013 and I thought that this matter had already been resolved.

However, in the short time available, I have been able to speak to Fujitsu and can confirm that most of the branches affected by the Receipts / Payments issue were resolved by Post Office writing off the discrepancies (being "Solution 2" as you correctly state at paragraph 14.12). In one branch, a balancing transaction was used to correct the discrepancy in the branch's accounts (being "Solution 1" in the documents). The affected branch was not a branch in Scheme - we know this because Horizon automatically logs any use of balancing transactions and this log shows that a balancing transaction has only ever been used once across the entire Post Office network since the roll out of Horizon Online.^[A1] Given the passage of time, we have not been able to conclusively determine why this one branch was treated differently however the overall effect is the same: no branch suffered a loss as result of the Receipts / Payments issue.

All of the above processes for correcting / updating a branch's accounts have similar features. They are only used with a Subpostmaster's consent, all of them involve inputting a new transaction into the branch's records (not editing or removing any previous transactions) and all are shown transparently in the branch transaction records available to Subpostmasters (as well as in the master ARQ data).

Unfortunately, the language used in the documents produced by Post Office / Fujitsu is colloquial shorthand that was only intended for internal use by those who understood the Horizon system. I can understand why these documents could be read to suggest that Post Office was "altering" branch data but I hope the above explains why this is not the case.

Kind regards
Patrick

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- A1** Are you comfortable with this wording? Strictly speaking, the BT process also applied to old Horizon but the audit log does not go back that far.
AP6, 08/04/2015 12:37 PM

Track Changes

1	Change	AP6, 08/04/2015 04:21 PM
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