

Mediation Scheme: What You Need To Know

Context

Since it was introduced, 500,000 people working in the Post Office network have used Horizon. Every day, 78,000 people use Horizon up and down the country, performing 6 million transactions, and providing vital services in our communities.

Against that backdrop, the 150 complaints we are addressing through the Scheme, alleging that Horizon suffers from system-wide flaws, represents a tiny fraction of the total number of people who have used, or are using, the system effectively (0.03% and 0.19% respectively).

That is not to say that Post Office has been complacent in dealing with the concerns expressed to it. Indeed, it has been demonstrably determined to get to the bottom of these concerns.

What has Post Office Done ?

Post Office:

- appointed an independent firm of forensic accountants (Second Sight) to begin an investigation;
- subsequently established a Scheme, open to all existing and former Subpostmasters and counter clerks employed by Post Office, working jointly with MPs, the Justice for Subpostmasters Alliance (JFSA) and Second Sight;
- set up and funded a Working Group to oversee the Scheme, with an independent Chairman, Sir Anthony Hooper
- provided funding for Scheme Applicants to obtain professional advice in building the complaints against Post Office and, where relevant, to support them at mediation;
- established a 20 strong team dedicated to re-investigating every case in full;
- produced over 130 investigation reports on individual cases in the Scheme (each typically running to over 20 pages in length, together with up to 80 separate pieces of supporting evidence); and
- provided Second Sight with thousands of pages of information to inform their investigation over the past two and a half years.

Correcting some misunderstandings

1. *Post Office is not acting secretively in any of its dealings with the Scheme.* It was agreed by all parties (including JFSA and Second Sight) that confidentiality was paramount in order to encourage applicants to come forward. It is also necessary to protect applicants' sensitive personal information, which might include, for example, details of ill-health or criminal convictions which the law requires to be treated with extra care. In addition, the confidentiality of mediations in the Scheme is not particular to the Scheme but is inherent in *all* mediations and reflects best practice for this type of Alternative Dispute Resolution. CEDR, the independent organisation administering the mediations in the Scheme, always requires mediating parties to sign a legally binding confidentiality agreement.

2. *Post Office is not refusing to mediate 90% of cases in the Scheme.* Of those cases so far recommended by the Scheme Working Group for mediation, Post Office has declined to do so in just 2, representing 8% of those cases.

3. *Post Office is not excluding cases involving criminal convictions.* Cases involving criminal convictions have been admitted to the Scheme and, as with all other cases in the Scheme, have been fully investigated. However, neither the Scheme nor Post Office has the power to overturn convictions - only a Court can do that. Applicants are provided with all the information generated by Post Office's and Second Sight's investigations, and Post Office is under a legal duty immediately to disclose any information which would have been disclosed during the prosecution, i.e. which would assist a Subpostmaster's defence or undermine the prosecution.

4. *The Scheme is about Horizon and associated issues.* This was the scope of the Scheme agreed by all parties, including MPs, JFSA and Second Sight. Given how important Horizon is to its business and to the communities it serves, it is in Post Office's interest to ensure that it functions reliably and, if it were found not to be working as it should, to be able to fix it as quickly as possible. We will absolutely fulfil the agreement we reached with JFSA, Second Sight and MPs.

5. *The Post Office cannot edit, manipulate or remove transaction data once it has been recorded in a branch's accounts.* There is no functionality in the system to do this. Post Office does not have a team maliciously seeking to interfere with branch accounts.

6. *Post Office occasionally and regrettably has to deal with criminal activity against it, as do all companies.* Post Office has no special powers and is not unique – it can bring a private prosecution in the same way as any other individual or organisation. Interviews related to suspected criminal activity are conducted in a Police and Criminal Evidence Act (PACE) compliant way. Decisions to prosecute are made by reference to the same Code used by the Crown Prosecution Service.

7. *The Post Office provides good standards of training.* However, like any other responsible organisation, Post Office always strives to improve its training and support and has undertaken further initiatives since the publication of Second Sight's report in 2013. Where, in what is a small number of individual cases, Post Office has found that

the support provided in that case has fallen short of the appropriate standards, those issues are addressed as part of the investigation and review process.

8. *Subpostmasters confronted with an accounting discrepancy have choices and can open for business the following day.* No circumstances can justify committing a criminal offence such as false accounting. An established process exists which provides an avenue for Subpostmasters to dispute transactions by asking Post Office to settle the account centrally. This triggers an investigation into the reasons for a discrepancy, enabling the Subpostmaster to continue trading without interruption.

9. *Post Office will always seek to address concerns raised by Subpostmasters.* While the Scheme is closed to new Applicants, Subpostmasters and/or their Members of Parliament may, of course, raise any concerns direct with Post Office at any time, and Post Office will investigate the issues raised as part of its normal business.