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From: Mark R Davies[/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MARK R DAVIESA80D7269-659B-41D0-9C80-68D9DE4FA7C5D38]

Sent: Mon 23/02/2015 9:11:04 AM (UTC)

To: David Holdsworth GRO

Cc: David Holdsworth & Assistant GRO Jason Horton GRO

Subject: Re: Post Office

Dear David

I am happy to consider that. I am though rather disappointed that many of the points made in my email below have not been picked up in your response. I believe my points are reasonable ones and would welcome a response.

Best wishes

Mark

Mark Davies
Communications and Corporate Affairs Director
Mobile: GRO

Sent from my iPhone

On 17 Feb 2015, at 17:15, "David Holdsworth" GRO wrote:

> Dear Mark
>
> Thanks for this. I note your points both about context and Nick's blog which I will ensure our teams bear in mind.
>
> It does sound like an informal meeting would be useful. What about if you met Jane French along with Jason Horton, who runs the BBC South region and would be able to take a broader view of all of our coverage?
>
> With best wishes
>
> David
>
> On 13 Feb 2015, at 16:18, "Mark R Davies" GRO wrote:
>
> > PRIVATE AND CONFIDENTIAL - NOT FOR BROADCAST
> >
> > Dear David

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Thank you very much for your response, which is much appreciated.

I have a few follow up questions and points which I would like to ask you to consider.

You refer to the 'independent inquiry'. For the sake of completeness, I should set out the position. An independent firm of forensic accountants was appointed in 2012 to conduct a review.

It reported in 2013, finding no evidence of system wide problems with the Horizon computer system but identifying a small number of areas where individual subpostmasters may have encountered difficulties, around training and support.

To address this we set up a Mediation Scheme and invited serving and former subpostmasters to put forward complaints. 150 did so.

The Scheme works as follows:

- thorough re-investigations of each case are conducted by Post Office
- these investigations are reviewed by the independent forensic accountants
- a Working Group with an independent chair reviews each case and makes a decision as to whether to proceed to mediation
- several mediations have taken place as a result and others are in the pipeline

These individual cases - and that is what is being dealt with - are confidential. This has been presented as secrecy - far from it, it is an agreement by all parties that the Working Group's work must be confidential to protect applicants to the scheme.

This is I am sure you will agree the right way to handle these matters: it does however restrict what we as a business can say publicly.

It is very important to stress that the work of the last two and a half years has established that there are indeed no system wide issues with the Horizon system, which transacts six million items every day. Where we have, in a small number of cases, not done as much as we could have done in relation to training and support, for instance, we have acknowledged this. For context there were 150 applications - almost 500,000 people have used the system in the last decade or so.

This background is important, as I am sure you will agree.

I should also stress that I recognise the public interest in this matter. Indeed, we set up the initial inquiry and then the mediation scheme because the Post Office is a fundamental part of the fabric of the nation and we must have confidence in our underlying processes and systems.

I do however struggle with some elements of your reporting. You refer to Nick Wallis' blog having threatened your impartiality. Indeed, Nick's views on this issue are clear and still available on his blog. The following is one such reference:

"It is not just about computer failure. It's about incompetence, intransigence and indifference. It is a story about an organisation's misplaced faith in the infallibility of a

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computer system and its total disregard for any consequent misery caused. It is a story about ordinary people having their lives ruined through a series of punitive technical, contractual and legal constraints which stacked the odds against them, and then ran them through, good and proper."

He is very clear in his opinion of what the outcome of investigations of cases should be: "There are many who have lost everything through no fault of their own. They deserve redress. They need their convictions quashed and they need their money and reputations back."

I appreciate that this is Nick's personal blog and he is not a member of BBC staff. But in broadcasting on the BBC, he represents the BBC. Given his very clearly expressed opinions, which are inaccurate to say the least, you will forgive me for approaching requests on this matter with caution.

I do not understand how I can be expected to have faith in receiving a fair hearing when the views of the reporter leading on this subject are so clear.

Turning to your points about our responses to the questions from BBC South, we were late in responding last Friday. This was due to the range and complexity of the questions asked of us. I take requests from journalists very seriously and we seek to answer as fully as possible. We have done so consistently throughout my time dealing with this issue.

I would welcome the opportunity for an open discussion on these matters, but feel that the publicly declared comments of the reporter working on this story make it very difficult for us to do so.

I am disappointed that my concerns around regional radio reporting on the issue have not been addressed. in January, a number of BBC stations carried inaccurate reports, compounded by their failure to approach the Post Office for comment in advance.

Some of the questions put to interviewees during this round of coverage were deeply concerning. Some journalists were using questioning such as "you're paying back money which you did not steal in the first place?" implying allegations can be assumed to be fact.

Other stations suggested that 150 applicants had faced a legal challenge/ criminal charges when we have repeatedly said this is not the case – not only are there a minority of people with criminal convictions in the scheme but also it is a matter of public record that a number of cases have now been resolved.

It was disappointing too that Nick undertook some interviews in which he stated: "Sometimes Horizon will tell a postmaster that they should have more cash in their safe or till than they actually do. Rather than investigating the Post Office just demand they hand over the difference." This is incorrect and we had already made that clear in our responses to Inside Out.

I also have concerns about the Inside Out programme in January which I have raised with Jane French. A considerable amount of information was provided in response to allegations being made but this was not fully or accurately reflected, while serious allegations were made without providing Post Office with any evidence – despite

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repeated requests – to substantiate these allegations.

The nature of some of the questioning during the January programme was very subjective. For example, Nick Wallis asked a solicitor (who is not a party to the Scheme): "Did they strike you as being criminals?"

In the February programme on BBC South West, which I accept was broadly balanced, there was however no reference to the evidence given to the select committee by the National Federation of Subpostmasters, which represents 6,000 subpostmasters, or the Communication Workers Union, which represents colleagues in our 300 Crown offices. Both the NFSP and the CWU made clear their belief that the Horizon system works as it should.

Similarly, Stephen Nolan's show on BBC Ulster carried a piece referencing the Select Committee with no reference to any submissions apart from an extract, during an interview with Nick Wallis, from the firm of solicitors representing some of the people in the Scheme. Just one example of the line of 'questioning' on the show was Mr Nolan saying "This is an IT system which has caused at least 150 subpostmasters to be wrongly accused of false accounting or fraud" to an interviewee with a complaint against the Post Office. This is incorrect.

There has also been no reference in any BBC coverage to the independent chair of the Working Group which oversees the Scheme. Sir Anthony Hooper, a former High Court judge, has written to the Select Committee on progress in the Scheme - this has never been referenced in reports.

There are many other issues which I have raised which have never been addressed, hence my escalating this issue to James Harding.

I stand ready to discuss this further and would be prepared to consider further the proposal of an informal meeting should this remain of interest to you or colleagues.

Best wishes

Mark Davies
Mark Davies
Communications and Corporate Affairs Director
Mobile: GRO

Sent from my iPhone

On 13 Feb 2015, at 10:27, "David Holdsworth" GRO wrote:

> Dear Mr Davies
> As promised here is a fuller reply. I write as the Controller of the BBC's English Regions, which means I am responsible for the Inside Out current affairs teams across the country as well as news output for local and regional audiences.
> I have reviewed our coverage of the sub postmasters story and overall I am satisfied that the films we have broadcast have been linked to significant

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developments which it was in the public interest to cover.
I also want to assure you that we are approaching this story impartially and await the results of the independent inquiry.
So if for instance this shows that discrepancies in accounts in a small number of branches were due to the negligence or criminality of sub postmasters I am sure we would want to pursue and broadcast that, just as we will if there is a conclusion that some of them should be exonerated.

Nick Wallis has reported on this story for us because he has gained the trust of a significant number of people involved. However because he is not BBC staff I can assure you that the current affairs editor for BBC South has continued to view and question all the evidence so far and to listen in detail to the concerns of MPs and the Post Office. All the output from BBC South has been rigorously tested by her.
The blog Nick wrote was not a BBC publication but we asked for it to be taken down in case it threatened our impartiality.

Having spoken to the programme teams I believe the Post Office has been provided with full and timely questions pegged to events outside the control of the BBC, none of which will have taken the Post Office by surprise. The Post Office responded to some important questions at a very late stage, but the production team ensured that the cutting room was re-opened in order to accommodate information from the Post Office on the independent investigator's assertion in Parliament that they had not been supplied with information they needed. This was a question put to the Post Office for clarification on February 4th immediately following the hearing. Our willingness to do this demonstrates our commitment to fully express all sides of this story - as does the offer to meet for an informal meeting to discuss your concerns which you did not feel able to facilitate last week.

I also take your comments about the amount of coverage seriously and will ask that the team keep that under review to ensure it is proportionate.
I know James Harding addressed this issue in his previous letter but I would add that some stories broadcast to regional audiences are judged important enough to be updated for network audiences.

With best wishes.

David

David Holdsworth
Controller, BBC English Regions

From: Mark R Davies GRO
Sent: 12 February 2015 14:27
To: David Holdsworth
Subject: RE: Post Office

Thank you David. I appreciate it. The item on BBC Inside Out on Monday (SW region) was to my mind balanced, though there were some inaccuracies which we will draw to the attention of the programme.

Best wishes,

POL00312322

Mark


Mark Davies
Communications and Corporate Affairs Director

1st Floor, Banner Street Wing
148 Old Street
London EC1V 9HQ
GRO

From: David Holdsworth GRO
Sent: 12 February 2015 10:37
To: Mark R Davies
Subject: Fwd: Post Office

Mark
Just to assure you I am working on a reply which I hope to get to you by the end of today.
David

Begin forwarded message:

From: Eleanor Scharer GRO
Date: 8 February 2015 20:21:50 GMT
To: 'Mark R Davies' GRO
Cc: David Holdsworth & Assistant GRO
Subject: RE: Post Office

Dear Mark,

I think the most appropriate thing for me to do is to refer this on to David Holdsworth, Controller of English Regions, who I have copied in to this email.

Best wishes,
Eleanor

Eleanor Scharer
Business Manager, BBC News & Current Affairs
Broadcasting House, Portland Place, London, W1A 1AA
T: GRO | M: GRO

From: Mark R Davies GRO
Sent: 06 February 2015 17:52
To: Eleanor Scharer
Subject: Re: Post Office

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Dear Eleanor

Many thanks. This situation is now becoming more serious as the BBC Inside Out team is not allowing us to answer detailed and complex questions in reasonable time (we have been told we now have no time left to respond to questions for a programme due to air next Tuesday).

I have today also seen a blog by the reporter who is leading on this issue for the BBC. You can read it here. http://becarefulwhatyouwishfornickwallis.blogspot.co.uk/2015/02/bbc-radio-ulster-gets-involved.html

This is an extremely partial, biased and inaccurate slant on this issue. It does not reflect any of the detailed answers the Post Office has provided consistently to Mr Wallis, or indeed the evidence we have provided to the select committee.

I would appreciate an urgent response on this issue.

Best wishes

Mark

Mark Davies
Communications and Corporate Affairs Director
Mobile: GRO

Sent from my iPad
On 6 Feb 2015, at 15:47, "Eleanor Scharer" GRO wrote:

> Dear Mark,
>
> Thank you, to confirm we've received your letter.
>
> Best,
> Eleanor
>
> Eleanor Scharer
> Business Manager, BBC News & Current Affairs

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Broadcasting House, Portland Place, London,
W1A 1AA
T: GRO | M: GRO

-----Original Message-----
From: Mark R Davies
GRO
Sent: 06 February 2015 15:29
To: James Harding - Director, News
Cc: Eleanor Scharer
Subject: Post Office

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Dear James

You will recall that I wrote to you in January about BBC coverage of the Post Office's Mediation Scheme.

I have now been contacted by BBC current affairs (South) about an Inside Out programme planned for next Tuesday on the Scheme.

I am writing again as I am struggling to understand the new angle which justifies this further coverage. We have been sent a number of questions by the programme. We will answer each and every one, but it is difficult to see how they take the issue forward as a news or feature story. Many of them cover old ground, previously reported by the BBC (in some cases as long ago as July 2013), while others are founded on misunderstandings or inaccuracies which we are happy to clarify.

A particular case is referenced, but again, given the confidentiality we are bound by under the terms of the Mediation Scheme, which is independently chaired, we cannot discuss this in the media. Secondly, it has been well documented in the past, again by the BBC.

The sole new development which can be referenced is a meeting of the Business, Industry and Skills select committee, held on Tuesday this week, at which our chief executive and head of partnerships gave evidence. While this was a welcome opportunity for the Post Office to put its

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position, it has not led to coverage in the media [other than one report in Computer Weekly]. It is difficult, therefore, to see how this could be used to justify a further full Inside Out feature on this issue a week after the select committee.

For context, Inside Out also featured this issue in regional TV programmes on January 19. This prompted a number of inaccurate and misleading reports on BBC regional radio: none of the regional radio stations contacted the Post Office for comment which was extremely regrettable.

BBC Ulster today carried a piece on this subject, again including inaccuracies (although the programme did contact us in advance on this occasion).

My over-arching point is that there is a good deal of selective, misleading and incorrect information being put into the public domain (predominately by the BBC) about a number of cases. The Post Office will not breach the privacy of individual applicants by discussing their cases, even though this means it cannot defend itself against unsubstantiated allegations. Confidentiality is a key element of the Scheme and the Mediation process, signed up to by all parties. That is not an idle undertaking but a very important principle.

We are very concerned about statements and allegations continually being made without evidence, or certainly none that has been shared with us.

As I said in my earlier letter, I do recognise the public interest in reporting on this issue. But I believe this should also be proportionate.

I look forward to hearing from you.

Best wishes

Mark

Mark Davies
Communications and Corporate Affairs Director
Mobile: GRO

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Sent from my iPad

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