



Inquiry materials for Senior onboarding
May 2024

**SUBJECT TO CONFIDENTIALITY
UNDERTAKINGS
NOT FOR FURTHER CIRCULATION**

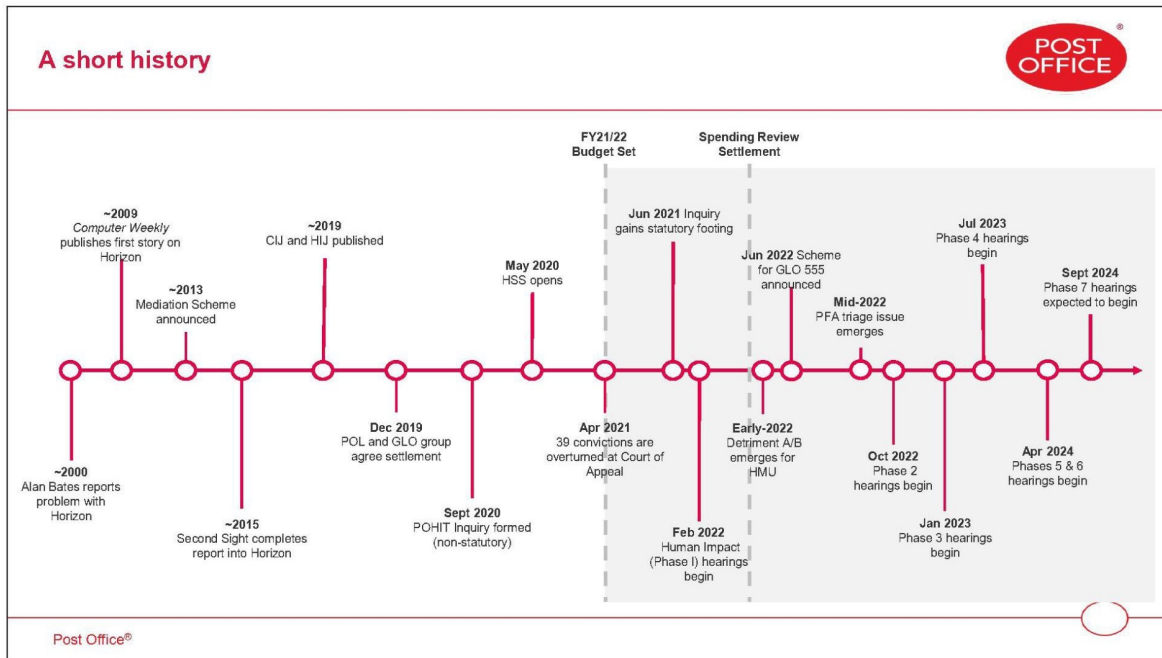
In strictest confidence & subject to legal privilege

Pack contents



Topic	Slide no.
History & background	3 - 4
Inquiry Terms of Reference	5
Phases & timetable	6
The POL Inquiry Programme	7
Who is who at the Inquiry	8
Our third party relationships	9
Phase 7	10 - 13
Inquiry finance	14
Confidentiality Undertakings & document preservation	15 - 16
Communications	17-19
Key links	20





Background



Announcement

- Following the Prime Minister's commitment on 26 February 2020 and the Ministerial Statements of 10 June 2020 and 30 September 2020, the Post Office Horizon IT Inquiry was established as a non-statutory inquiry in September 2020.
- The government converted that into the new Post Office Horizon IT statutory inquiry under the Inquiries Act 2005 on 1 June 2021.
- The Inquiry is led by retired High Court Judge, Sir Wyn Williams

Scope of the Inquiry

- The Government wants to be fully assured that through the Inquiry there is a public summary of the failings associated with POL's Horizon IT system.
- The Inquiry will draw on the findings made by Mr Justice Fraser from the *Bates & others v Post Office Limited Group* Litigation (in particular the [Common Issues Judgment](#) and [Horizon issues Judgment](#)), the judgments of the Court of Appeal (Criminal Division) in [R v Hamilton](#) & others, and other judgments in which convictions have been quashed.
- It will consider all other relevant evidence, listen to those that have been affected, understand what went wrong, assess whether lessons have been learned and whether concrete changes have taken place, or are underway, at Post Office Ltd.



Inquiry terms of reference



Revised Terms of Reference for Statutory Inquiry (19 May 2021)

A: Understand and acknowledge what went wrong in relation to Horizon, leading to the civil proceedings in *Bates and others v Post Office Limited* and the quashing of criminal convictions, by drawing from the judgments of Mr Justice Fraser in *Bates and others*, the judgments of the Court of Appeal (Criminal Division) in *R v Hamilton and others*, other judgments in which convictions have been quashed, affected postmasters' experiences and any other relevant evidence in order to identify what key lessons must be learned for the future.

B: Build upon the findings of Mr Justice Fraser and the judgments of the criminal courts specified in A above by obtaining all available relevant evidence from Post Office Ltd, Fujitsu, BEIS and UKGI to establish a clear account of 1) the implementation and failings of Horizon over its lifecycle and 2) Post Office Ltd's use of information from Horizon when taking action against persons alleged to be responsible for shortfalls.

C: Assess whether Post Office Ltd has learned the lessons from the criticisms made by Mr Justice Fraser in his judgments following the 'Common Issues' and 'Horizon Issues' trials and those identified by affected postmasters and has delivered or made good progress on the organisational and cultural changes necessary to ensure a similar case does not happen in the future.

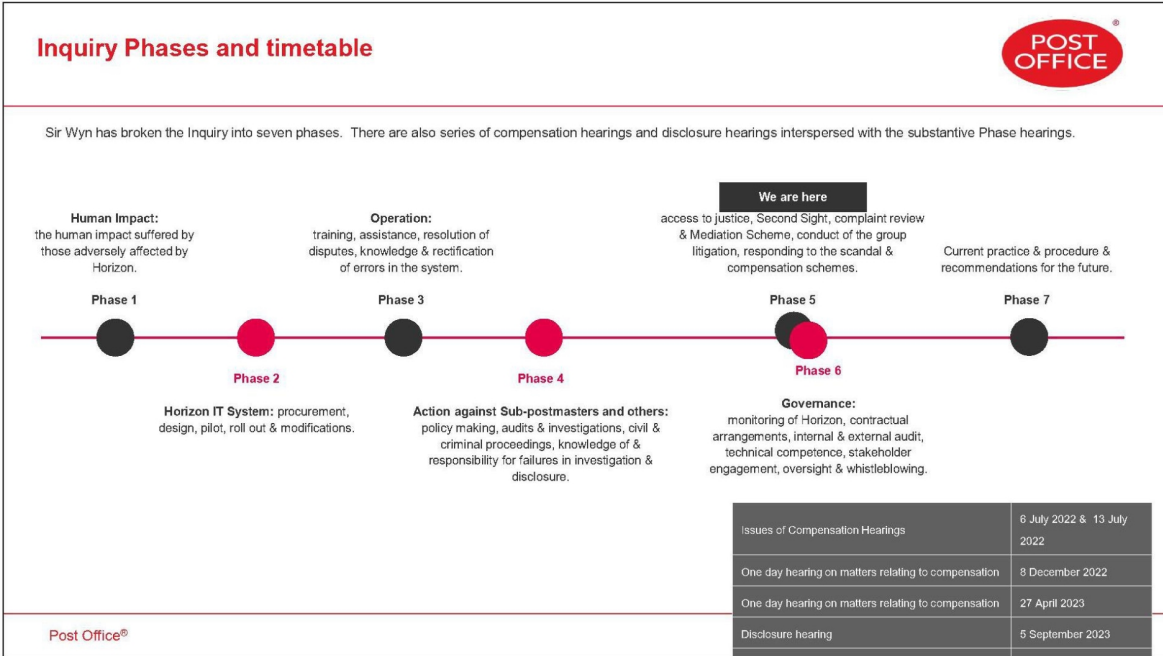
D: Assess whether the commitments made by Post Office Ltd within the mediation settlement – including the historical shortfall scheme – have been properly delivered.

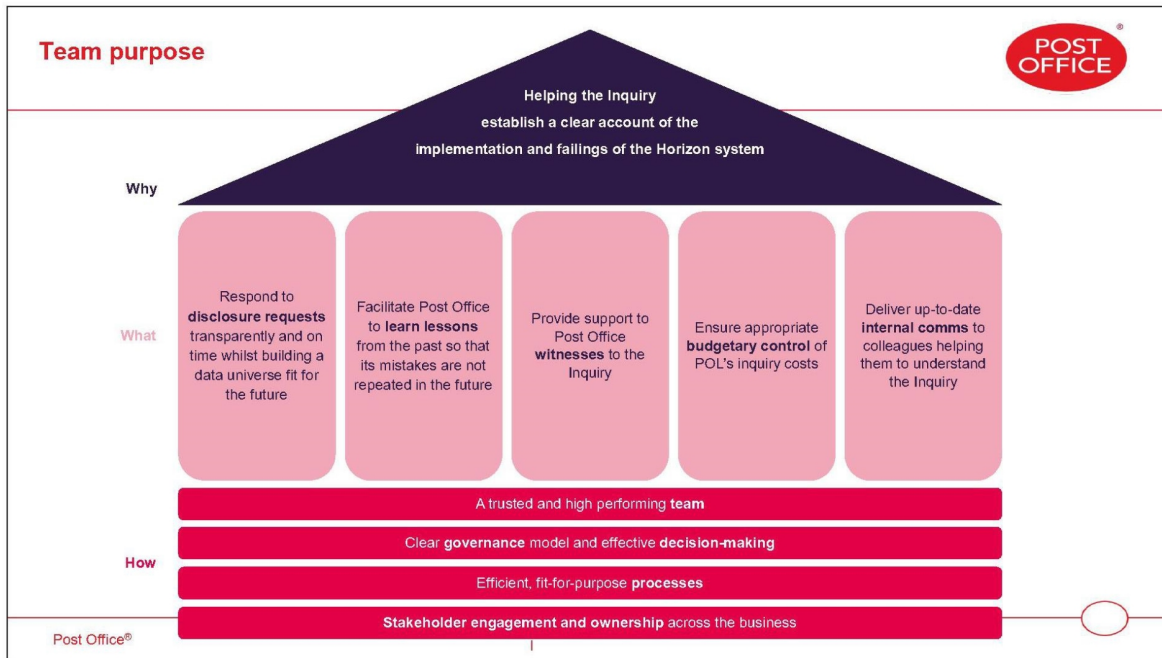
E: Assess whether the processes and information provided by Post Office Ltd to postmasters are sufficient: i.to enable both parties to meet their contractual obligations ii.to enable postmasters to run their businesses. This includes assessing whether Post Office Ltd's related processes such as recording and resolving postmaster queries, dispute handling, suspension and termination are fit for purpose. In addition, determine whether the quality of the service offer for postmasters and their relationship with Post Office Ltd has materially improved since the conclusions reached by Mr Justice Fraser.

F: Examine the historic and current governance and whistleblowing controls in place at Post Office Ltd, identify any relevant failings, and establish whether current controls are now sufficient to ensure that failing leading to the issues covered by this Inquiry do not happen again.

The Inquiry will consider only those matters set out in the preceding sections A-F. The Inquiry will not consider any issue which is outside the scope of the powers conferred upon the Inquiry by the Inquiries Act 2005. The Horizon group damages settlement (albeit the Inquiry may examine the events leading to the settlement), and/or the engagement or findings of any other supervisory or complaints mechanisms, including in the public sector, are outside the Inquiry's scope.







Who is who at the Inquiry



Sir Wyn Williams

Chair



Jason Beer KC



Emma Price



Julian Blake

Counsel to the Inquiry



Kate Gallafent KC

Counsel for POL



Chris Jackson

Partner, Burges Salmon

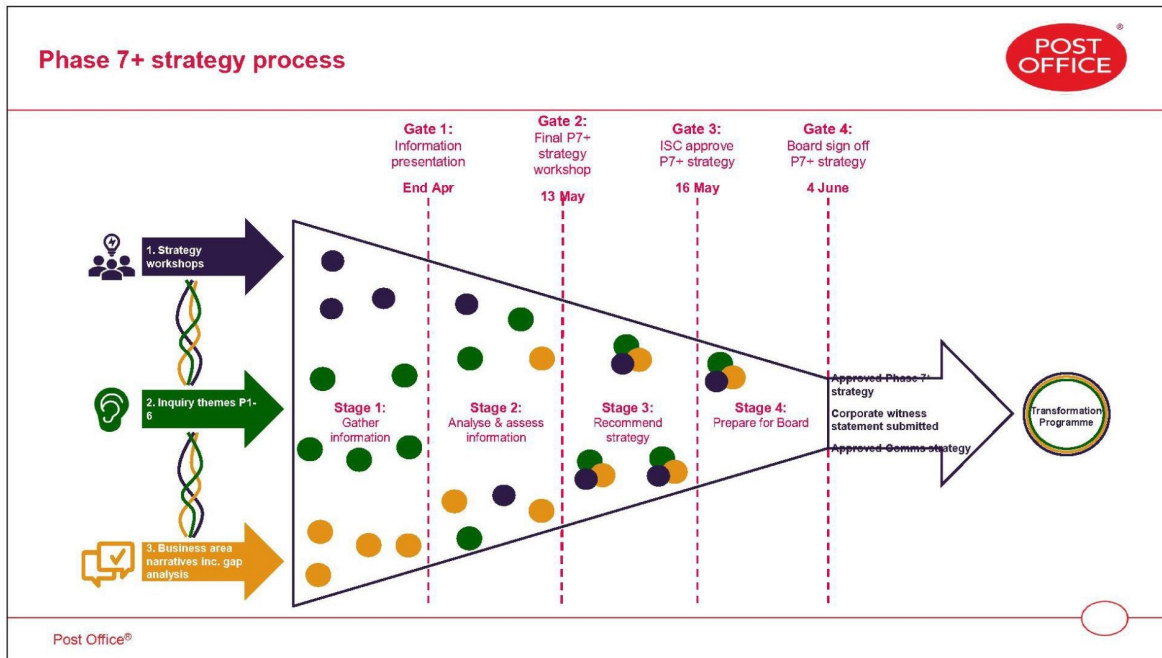


Oliver Carlyon

Partner, Fieldfisher

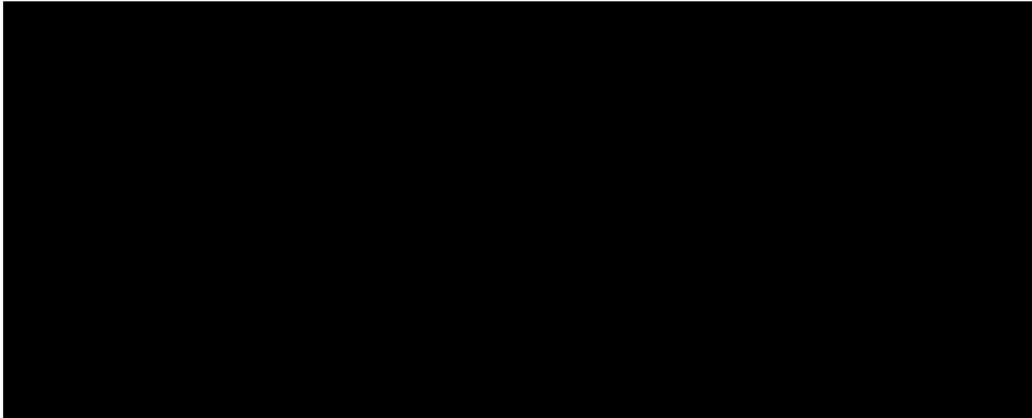


Our third party relationships				
Post Office Inquiry Team				
Counsel	Herbert Smith Freehills	Burges Salmon Fieldfisher	Peters & Peters	KPMG
Kate Gallafent KC, Blackstone Chambers, acts as POL's lead counsel on the Inquiry, supported by Nik Greaney KC and a broader team of junior Counsel.	HSF represented POL at POHIT from April 2019 as the official Recognised Legal Representative (RLR) during Phases 1 to 4.	POL ran a tender process under the Crown Commercial Services Framework and the winning firm was Burges Salmon (working in partnership with Fieldfisher). They are now POL's RLR for Inquiry Phases 5 to 7.	P&P have been engaged in advising POL with regards to conduct, management, and governance of criminal investigations and prosecutions since late 2021.	KPMG, POL's e-discovery services provider, manage support services to the Inquiry programme team in the provision of e-Discovery; access, storage, data transfers, and review and provision of electronic documents, searches and use of advanced analytics. They have supported the Inquiry programme team by storing, searching and extracting key documents/data since 2021. Working closely with HSF and BSFf, KPMG are our key partner in responding to information requests from the Inquiry.
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Phase 7 corporate witness statement topics

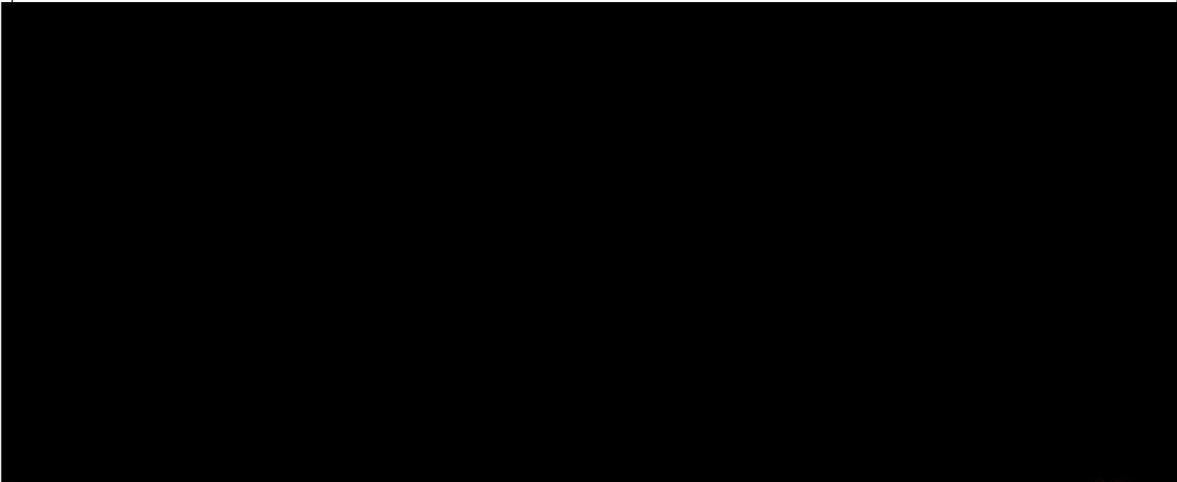


The Phase 7 team's legacy will be a Transformation Programme of identified gaps that need to be actioned.

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Post Phase 7 activity and approach



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Inquiry financial spend summary



The Latest view regarding funding is the Inquiry will require an additional [REDACTED] within the 2YP funding window. This is [REDACTED] higher than the total contingency approved for RU and Inquiry by DBT in October 23. Driven namely by forecasts returning from BSFF, KPMG and P&P regarding efforts on Disclosure, Chesterfield tapes and timeline extensions.

IRRELEVANT

IRRELEVANT

Summary

The Inquiry bid for government funding of [REDACTED] of the [REDACTED] allocated to both Inquiry and RU) for the period April 2023 to March 2025. This was committed in writing to POL in December 23, a potential [REDACTED] contingency was made available if required.

The disclosure events in late 2023 impacted the Inquiry timelines and resourcing efforts, both driving an increase in costs, the requirement of using contingency was flagged to DBT in November 2023.

Since November 2023, we have now undertaken a full review with all key suppliers, including relevant review and challenge of forecasts. The scope hasn't particularly changed since the latest risk position presented to DBT in December 2023, whilst we have been prudent in assumptions about documents still to be reviewed [REDACTED] the main addition to the forecasted view is of the new Chesterfield servers that have been found.

This has meant that HSF, BSFF, KPMG and P&P forecasts have come in higher from further consideration from them in responding to new timelines. Disclosure events and resourcing requirements to meet the Inquiry delivery.

In January 2024 it was further flagged that the contingency would be insufficient due to significant risks in RU and Inquiry. The current expectation is that that the Inquiry alone will require a further [REDACTED] funding.

Previous 2YP Timeline - Timeline Counsel KPMG P&P Disclosure BSFF Witness Prep Data Contingency Latest 2YP
Phase 4
Events Assurance

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The Inquiry's Confidentiality Undertaking



- The Inquiry requires that all POL personnel who may require access to any restricted Inquiry confidential information, **personally sign a confidentiality undertaking** for submission to the Inquiry. The undertaking is **only effective once accepted** by the Inquiry.
- The following are examples of scenarios that would still be caught by the Inquiry's confidentiality undertaking and where individuals involved would need to hold an approved undertaking.

Unpublished Inquiry information which does not form part of a request and which is forwarded to POL's finance team for financial planning in its entirety when only parts of the information are relevant for that purpose or where the information shared is high-level.

Circulation of internal POL documents which refer to information provided by the Inquiry regarding Inquiry timetable planning or witness evidence scheduling before it is published on the Inquiry's website.

Requests to a Personal Assistant to file, print, handle or distribute papers which contain unpublished Inquiry information which does not form part of a request.

Evidence given by a witness in a statement or at hearing which is not published or broadcast on the Inquiry's dedicated channels.

Attendance at a Board meeting where information from the Inquiry is shared which does not form part of an Inquiry request and is not in the public domain.

An internal POL email containing or referring to Inquiry information or a Rule 9 request that is marked "Private and Confidential".



Document preservation



- On 18 October 2021, POL implemented a document hold in relation to the Post Office Horizon IT Inquiry in order to comply with POL's obligations as a Core Participant in the Inquiry, which includes the disclosure of relevant documents.
- The document hold* informed all POL staff and contractors (including third party contractors) that all documents must be preserved (ie. not destroyed) that may ultimately need to be disclosed to the Inquiry.
- "Document" is defined very widely and includes not only hard copy documents and correspondence, but any media on which information of any description is stored.
- The range of documents that could be relevant is very broad – the document hold captures anything that relates to the Inquiry's [Terms of Reference](#) or [Completed List of Issues](#) which would include by non-exhaustive way of example, documents that relate to liaison with Fujitsu, policies in respect of Horizon, governance documents, audit and investigation documents.
- Failure to preserve relevant documents could result in severe sanctions against POL.
- Where there are queries about whether material can be destroyed, these should be directed to the Inquiry legal team for advice.

* The document hold can be found on SharePoint [Document Preservation - a message from Ben Foat \(sharepoint.com\)](#)



Weekly communications summary – example (1)



Post Office Horizon IT Inquiry: Phases 5&6 29 April – 3 May 2024

Subject to legal advice privilege – strictly confidential

Witnesses 22 - 26 April

Susan Crichton
Chris Aulard
Angela Van Den Bogert

Media and Political Summary

This was another busy week for media coverage of the inquiry. Knowledge of remote access, the safety of historic prosecutions, the sincerity of apologies by inquiry witnesses and communications at Post Office were all themes from the week which generated media headlines:

- **Channel 4:** Former CEO didn't like word 'bugs' to refer to faulty IT system
- **Daily Mail:** Post Office boss Paula Vennells accused of 'absolutely Croydon' misbrand of Horizon problems after taking husband's advice to call the system's bugs 'anomalies', inquiry hears
- **BBC News:** Post Office exec denies remote access cover-up
- **The Times:** Post Office inquiry: I apologise but I did my best, says executive

There was also coverage of the Post Office (Horizon System) Offences Bill and its impact on the devolved nations, namely that those with convictions in Northern Ireland will now be included in mass exonerations but equitable legislation has yet to be decided on in Scotland.

- **BBC News:** Post Office victims from NI to have names cleared under new law
- **Press and Journal:** Humza Yousaf urges PM to reverse 'outrageous' decision on Horizon legislation

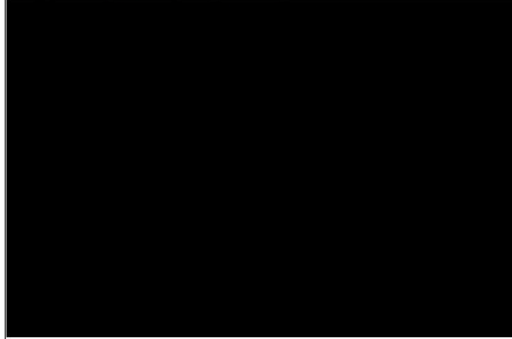


Weekly communications summary – example (2)



Post Office Horizon IT Inquiry: Phases 5&6 29 April – 3 May 2024

Subject to legal advice privilege – strictly confidential



Observer insights:

- "The downplaying and amending of narrative by Senior Post Office GE employees to devalue words used in an independent report drafted by a 3rd party, specifically the term 'Bug'. In addition, seeking input from a family member to suggest an alternative namely 'Exceptions'. It's totally unethical and lacks transparency for me."
- "Susan's decision making, changing of the wording for bugs and defects and overall relationship between Alice P, Paula and Susan during the last couple of months in the business when the Second Sight report was published."
- "Keeping Susan out of the GE meeting and the suggested rift with Alice Perkins."
- "Significant key events which Susan couldn't remember or recollect, I found this somewhat strange."
- "John Scott / Security meetings taking place without recording mins and any actions. Further questions business integrity. Also, wanting to suppress the SS findings."

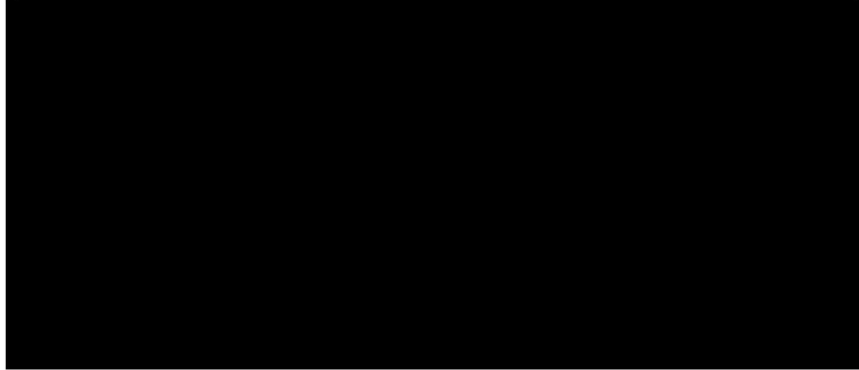


Weekly communications summary – example (3)



Post Office Horizon IT Inquiry: Phases 5&6 29 April – 3 May 2024

Witness lookahead



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Key links



Horizon IT Scandal - Hub page

[Horizon IT Scandal - FAQs \(sharepoint.com\)](#)

The Horizon Inquiry intranet site

[Horizon IT Inquiry - Home \(sharepoint.com\)](#)

Inquiry Website

[Homepage | Post Office Horizon IT Inquiry \(postofficehorizoninquiry.org.uk\)](#)

You Tube Hearings

[Post Office Horizon IT Inquiry - YouTube](#)

An introduction to Phases 5 & 6 of the Inquiry

[Phases 5 and 6 of the Inquiry - Post Office Horizon IT Inquiry \(youtube.com\)](#)

