

From: Batten Peter (ShEx)[/O=BIS PRODUCTION/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=15881F12D716457BB67245288269A7E2-PBATTEN]

Sent: Tue 09/12/2014 12:20:21 PM (UTC)

To: Ministerial Advice Team; GRO

Cc: Swinson MPST; GRO; SPAD Cable MPST; GRO; Murphy Christina (Communications); GRO; Fletcher Joanna (Communications); GRO; Hamilton Alexander (Communications); GRO; Baugh James (ShEx); GRO; Callard Richard (ShEx); GRO; McInnes Tim (ShEx); GRO

Subject: RE: DPMQs - Post Office mediation scheme [UNCLASSIFIED]

Hi Nick, cc Alysa

It is a technical area – it's very important to ensure that if questioned the DPM is clear that this is an independent matter and the Govt has no involvement. We briefed Jo on the matter earlier, and she seemed to be content with the approach we are adopting. Alysa has suggested the below revised lines that are factually accurate and shorter. I would be keen the DPM be sighted on the longer original lines as they provide useful short background information to this complex matter that has a long history attached to it. It is important that any answer given avoids giving the inference that Govt has any locus or involvement or could play any role in this matter.

Accusation:	More than 140 MPs have criticised the Post Office, saying they've lost faith in its handling of complaints against sub-postmasters wrongly accused of fraud. The MPs have withdrawn their support for a mediation scheme.
Response:	Forensic accountants have found no evidence of systemic issues with POL's IT system The Post Office, the Justice for Subpostmasters Alliance and the forensic accountants have set up a working group to consider cases submitted by concerned subpostmasters This Working Group is independent of Government. Government should not interfere with the working group's process.

Background information

An independent report has found that there is no evidence of systemic problems with the Post Office's Horizon software. Further detailed case-by-case investigations support this.

The mediation scheme is overseen by an independent Working Group and is considering cases submitted by concerned former subpostmasters. The Post Office and the 'Justice for Subpostmasters Alliance' are both members of this Working Group which is chaired by a former Court of Appeal judge.

This Working Group which was jointly designed by the Post Office and the 'Justice for Subpostmasters Alliance' is independent of Government, and it is very important that the Working Group be allowed to complete their work in this very sensitive area free from external interference and speculation.

Many thanks
Peter

From: James Nick (MPST MIN) **On Behalf Of** Ministerial Advice Team
Sent: 09 December 2014 12:06

To: Batten Peter (ShEx); Ministerial Advice Team
Cc: Swinson MPST; SPAD Cable MPST; Murphy Christina (Communications); Fletcher Joanna (Communications); Hamilton Alexander (Communications); Baugh James (ShEx); Callard Richard (ShEx); McInnes Tim (ShEx)
Subject: RE: DPMQs - Post Office mediation scheme [UNCLASSIFIED]

Peter apologies, No.10 have come back with this.

Thanks. The language here is very technical and not something that the DPM could use.

Can you simplify please and clear with Jo Swinson's office so we can let the DPM know she is content.

From: Batten Peter (ShEx)
Sent: 09 December 2014 11:32
To: Ministerial Advice Team
Cc: Swinson MPST; SPAD Cable MPST; Murphy Christina (Communications); Fletcher Joanna (Communications); Hamilton Alexander (Communications); Baugh James (ShEx); Callard Richard (ShEx); McInnes Tim (ShEx)
Subject: RE: DPMQs - Post Office mediation scheme [UNCLASSIFIED]

Hi Nick

Suggested response for DPMQs:

<i>Accusation:</i>	More than 140 MPs have criticised the Post Office, saying they've lost faith in its handling of complaints against sub-postmasters wrongly accused of fraud. The MPs have withdrawn their support for a mediation scheme.
<i>Response:</i>	A report produced by independent forensic accountants published in July 2013 found that there is "no evidence of system-wide problems with the [Post Office's] Horizon software" and further detailed investigations have supported that finding. The Post Office, working with the Justice for Subpostmasters Alliance and the independent forensic accountants have established a Working Group chaired by a former Court of Appeal judge to consider the cases submitted by concerned former-subpostmasters. This Working Group is independent of Government and it is very important that the members of the Working Group be allowed to complete their work in this very sensitive area free from external interference and speculation.

It's a little longer than the suggested five lines, but probably needs to be given the obvious history to this. Needless to say, the accusation is without merit and has been designed with headlines in mind.

Please let me know if further briefing or lines are required.

Kind regards
Peter

From: James Nick (MPST MIN) **On Behalf Of** Ministerial Advice Team
Sent: 09 December 2014 11:07
To: Batten Peter (ShEx)
Subject: FW: DPMQs - Post Office mediation scheme [UNCLASSIFIED]

Peter,

They've just sent this, don't know if it's of any use to you.

N

Sent: 09 December 2014 11:04
To: Ministerial Advice Team
Cc: Questions
Subject: RE: DPMQs - Post Office mediation scheme [UNCLASSIFIED]

Attached is a brief we had on this last year which could be used as a start for a script.
 Jo Swinson also made a statement on this on 9 July 2013:

<http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm130709/debtext/130709-0002.htm#13070952000004>

Sent: 09 December 2014 10:22
To: [ministerialadvice team](#) **GRO**
Cc: Questions
Subject: DPMQs - Post Office mediation scheme [UNCLASSIFIED]

Can we have a short brief 4-5 lines max. on the below please, which was running on the Today Programme this morning as below.

Attack: *More than 140 MPs have criticised the Post Office, saying they've lost faith in its handling of complaints against sub-postmasters wrongly accused of fraud. The MPs have withdrawn their support for a mediation scheme.*

Media

<http://www.bbc.co.uk/news/business-30387973>

MPs have criticised the Post Office, saying they've lost faith in its handling of complaints against sub-postmasters wrongly accused of fraud (R4 0703).

Matt Prodder: Sub-postmasters in 142 constituencies have said new computer software has led to cash shortfalls that they're being held responsible for. As a result, many have lost their livelihoods and even served prison sentences. MPs say they'll no longer support a mediation scheme set up by the Post Office to handle the complaints. MPs accuse the PO of objecting to most of the applications (R4 0703). *What was the PO supposed to be doing about these complaints?* After claims from sub-postmasters that the computer system was faulty, the PO set up a team of independent investigators, who established there were some defects in the system. MPs say the PO hasn't acted in good faith and it's rejecting far too many applications from sub-postmasters for mediation. *Do the sub-postmasters still stand accused of defrauding the PO?* Many are guilty of false accounting, but when you ask them why they admitted that, they say it's because the only way they can open their PO for business is to sign off the books each night. They say computers were showing shortfalls that weren't there (Tdy 0633).

Jo Hamilton, former sub-postmaster: In December 2003, I had a discrepancy of minus £2000. I phoned the helpdesk and the amount then doubled. They asked me to pay the money into the Post Office, which I didn't have, and then they decided to take the money from my wages over the next ten months. If I didn't plead guilty, they would have charged me with theft. They couldn't prove what I did and said I was the only one who had a problem with the system. They never made any attempt to investigate what happened to the money (Tdy 0733 clip).

James Arbuthnot MP: A mediation scheme was set up at considerable public expense, but they are now trying to sabotage that and bar 90% of the sub-postmasters from the mediation. They say those who already made a guilty plea should not have that mediation available to them. I have no confidence the Post Office is trying to clear this up. The Post Office has bound people to secrecy and is doing all it can to override recommendations from Second Sight. *The investigation isn't over yet?* Since this is in the hands of the Post Office, I have lost faith in the Post Office's determination to see this through to the bitter end. One single miscarriage of justice must galvanise the nation. This is not a small problem (Tdy 0735 i/v).

Mark Davies, Post Office: We reject outright claims that we sabotaged the system. We take our responsibilities very strong. The Horizon system is used by about 80,000 people every day. A very small number of people came to us with questions and issues with the system. It amounts to 0.03% of those who used the system. *That's 150 people?* The scheme hasn't finished yet. Our review has found no evidence of systemic problems. We set up the complete and mediation scheme for the 150 people who came forward. *Many people are in desperate trouble and have a case?* I'm very sorry if people are facing lifestyle

problems from working in Post Office branches. We will look at all of the cases. The working group and Post Office are bound by confidentiality. *How many people have been barred?* I can't go into that. *So it could be 90%?* I don't agree with that. We're in an extremely difficult position. *No cases have been rejected?* I'm not saying that. In some cases, we've said we could have done things differently, but in others we haven't reached that conclusion (Tdy 0738 i/v).

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