POL00461138

Rt Hon Liam Byrne MP
Chair of the Business and Trade Committee
House of Commons
London
SW1A 0AA

23 February 2024

Post Office Ltd
100 Wood Street
London
EC2V 7ER

Dear Mr Byrne,

Thank you for your letter of 22 February. As you have acknowledged, a 24-hour deadline for such a wide range of possible documents is extremely challenging. Nevertheless, we are entirely supportive of the need to facilitate proper Select Committee scrutiny, and my team have done what I consider to be an effective job in answering your request in the time available.

I write with our response to each of your nine requests:

(a) A draft report on the role of UKGI in the governance of the Post Office. This draft report allegedly contains the Board's findings that UKGI had an 'outsized' influence on the Board.

I attach both the final report, shared with the Board, as well as draft versions of that report as requested. This report was undertaken in early 2023, as per the 2018 UK Corporate Governance Code and the Corporate Governance Code for Central Government Departments, which both stipulate that there should be an annual evaluation of the Board and its Committees which should be externally facilitated at least once every three years.

I am keen to note some context surrounding the draft and final versions of this report. The draft versions of the report included some sensitive views about the role and performance of the Board. Upon Mr Staunton's review, it was requested that this item be withdrawn from the agenda of the March Board meeting due to the contents of the report – specifically the unfiltered inclusion of certain comments. He requested a significantly revised version of the report, which was finalised in April 2023 and discussed at the June Board meeting.

(b) Copies of exit interviews, conducted by Green Park, of the three Board Members who resigned close to Mr Staunton's departure. In those interviews, Board Members allegedly criticised the influence of UKGI and asserted that UKGI undermined the effectiveness of the Independent Directors.

I would like to take this opportunity to be clear on recent departures from the Post Office Limited (POL) Board. Assuming that the three Board members referred to in your request are Carla Stent, Zarin Patel and Lisa Harrington, it is worth noting that, of these three, only Carla Stent resigned ahead of her term expiring due to other commitments. Zarin Patel and Lisa Harrington both stepped down from the Post Office Board following their term expiries, with short extensions having been granted to both by the Shareholder.

Moreover, the letter refers to the three POL Board Members resigning "close to Mr Staunton's departure". Mr Staunton joined the POL Board on 1 December 2022 and was removed by the Shareholder as POL Chairman effective 27 January 2024. Zarin Patel stepped down from the POL Board 13 March 2023, Carla Stent 17 February 2023 and Lisa Harrington 1 June 2023. It is also worth noting that the exit interviews were conducted by EY.

I can confirm that exit interviews of the departing Board members mentioned above were conducted in March 2023 by EY. A summary of the interviews compiled by EY was provided to

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the former Chairman and the then Chief People Officer, Jane Davies, with the assurance from EY that the summary would only be shared with the Chairman and Chief People Officer. Respecting the right to confidentiality of the individuals in question, we are seeking their permission to provide the summary of their collective interviews with the Committee and will update the Committee in due course.

(c) Any records relating to the Board's choice of candidate for the post of Senior Independent Director.

We have undertaken an initial search of emails relating to the appointment of a new Senior Independent Director. We have focused on the period from December 2023 until January 2024, as we believe this is the key period that the Committee is looking to understand. Please find these attached.

(d) The letter you allegedly sent to Secretary of State for Justice Alex Chalk MP that included a legal opinion from the POL's solicitors Peters & Peters and in which you allegedly stated that in more than 300 cases non-Horizon evidence supported sub-postmasters' convictions.

On 22 February, Post Office published the correspondence from 9 January 2024, sent by the Post Office to the Ministry of Justice, on its corporate website. This includes both the letter to Secretary of State for Justice, Rt Hon Alex Chalk MP, and the note provided by Post Office's legal counsel, Peters & Peters. For completeness, I have attached these documents.

I would like to set the record straight on this important matter. We wanted to understand why fewer than expected Postmasters with convictions were coming forward to have their case appealed, despite our extensive efforts to contact people and encourage them to come forward. Therefore, we requested that Post Office's legal counsel, Peters & Peters, undertake to proactively identify, on the papers available, any convictions that clearly met the Court of Appeal test, so that we could pre-emptively offer to concede these cases and thereby encourage people to come forward. The corollary of this work was to quantify how many cases we were not able to concede, based on our duty to the courts. However, that was never the core purpose of the work and the work was commissioned well before the legislation to overturn convictions was proposed.

We also needed to undertake this work in order to understand what funding provision was needed from the Government for compensation. We shared this work with the Advisory Board well before the proposed legislation was announced. We felt it was helpful and the right thing to share the results of that exercise with the Government so that it was fully informed. This was primarily to offer the Government any support that might assist them as they consider relevant issues in advance of passing legislation, without any value judgement on what the correct course of action might be.

The letter also references a note provided by Post Office's legal counsel. This note was not solicited by Post Office and, as can be seen, was sent to express the personal views of its author. In no way were we seeking to stop or slow down the Government's plans for mass exoneration. We have always supported the Government's plans to speed up justice and redress and have said so publicly.

(e) Any correspondence or file notes relating to letter (d) that either refer to UKGI or to Mr Staunton.

From an initial search, we have not found any correspondence or file notes relating to the letter to the Ministry of Justice that refer to UKGI or to Mr Staunton. We will continue our search and if anything relevant is found we will update the Committee accordingly.

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(f) Any correspondence that relates to the Post Office's decision not to take action against or to dismiss any of the 40 investigators, colloquially known as the 'untouchables.'

We do not recognise the "40 investigators" remark mentioned regularly in the press and in the House, but believe this has been confused with another figure. We would like to provide clarity here, as we believe this may be a misunderstanding of work that is being completed in relation to allegations of wrongdoing made at Sir Wyn's Inquiry.

In 2023, the POL Inquiry Team began a programme of work to review 30 historic cases based on complaints raised by former Postmasters in the Human Impact Hearings heard at the Inquiry (as well as an additional 2 matters identified by Peters & Peters). These complaints specifically reference allegations of wrongdoing on the part of current and past POL employees involved in the Postmaster cases.

The number of cases in scope was then extended to 43 cases (not 43 people) in total to ensure completeness in reviewing all cases involving any current Post Office employee or used as case studies by the Inquiry (including those cases where no allegations of wrongdoing have been made). We believe this is where the '40' figure has come from.

Each case review is undertaken by an experienced criminal investigator newly recruited to the business. Each review involves assessment of c.95,000 pieces of evidence including documents and recordings. The purpose of the reviews is to determine:

1. **Quality and effectiveness of investigations** undertaken against national standards / codes of practice;
2. **Conduct of current and former employees** who were investigators in these cases;
3. **Lessons learned** to inform current and future practices in relation to policies / procedures / ways of working (noting criminal investigations have already ceased).

Affected Postmasters were contacted in 2023 and asked to participate in the case reviews to provide further context and evidence. Post Office reviewers are now in touch and working to arrange interviews with the Postmasters. However, this does impact timelines on completion of the reviews and in any potential misconduct investigations, with the first meetings starting in February 2024.

We do not comment in the public domain about individual employees or live HR issues, but Post Office takes extremely seriously any allegations of wrongdoing and we are committed to investigating all the allegations which have come to light during the course of the evidence given to the Inquiry. If individual wrongdoing is identified we will act with due process. We are committed to taking, and are taking, appropriate action in line with our internal employment policies and procedures, such as our misconduct policy, and relevant employment legislation where necessary. In cases of suspected criminal activity, evidence will be referred to the relevant law enforcement agency.

However, in an attempt to be as helpful as possible for the Committee, we have also undertaken some work to establish how many former investigators are still in the business. We have reviewed 30 years of employment history. There are five people who historically had the job title 'Investigator' or 'Investigation Manager' that are still employed in the business today. For the avoidance of doubt, none of these individuals are involved in investigation work today.

(g) Any memos from Nick Read in which he refers to the investigators as 'untouchables.'

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As we have stated publicly, we do not recognise that term and I have not referred to investigators, past or present, as "untouchables" – nor is it a term in common usage within the business. To confirm this, we completed searches on (g) and have not found anything that refers to investigators as "untouchables".

However, I want to stress that we take allegations of wrongdoing very seriously. We have learned from the past and are committed to thoroughly investigating any allegations raised against current and past employees. Following due process in regard to investigations is essential and there must never be any interference with a whistleblowing or other internal complaint – no one is above this.

As I mentioned above, if individual wrongdoing is identified then we will act with due process. We are committed to taking, and are taking, appropriate action in line with our internal employment policies and procedures, such as our misconduct policy, and relevant employment legislation where necessary.

(h) The file note from Mr Staunton to Nick Read on an alleged discussion with the legal director on investigations into postmaster directors.

Upon the Select Committee clerks clarifying that "This is a discussion with Ben Foat and refers to an investigation into Saf Ishmail and Elliott Jacobs. This would have taken place after 24 January 2024", we conducted a search within these parameters and found nothing.

However, it is our view that you are referring to a different set of correspondence. In the interests of facilitating Select Committee scrutiny, I have included the correspondence that we think is relevant to your enquiries. Please find this attached. Please note the relevant note, titled "Re: Project Pineapple", was included as an attachment to an email on an unrelated different topic, which we have not included.

(i) The note Mr Staunton sent you after his discussion with the Permanent Secretary in which he alleges he was told to 'go slow' with compensation payments.

We understand that Mr Staunton's file note on his conversation with the Permanent Secretary, Sarah Munby, was made public on 21 February 2024 by Sky News and is now in the public domain. For completeness, I have included my copy of this note, as requested. There is no discernable difference between this and the note that was released to the media.

For the avoidance of doubt, I personally have never been instructed to delay on compensation, nor have any of my leadership team to my knowledge – and have worked closely with Government officials and Ministers to deliver compensation as quickly as we can.

In the interests of ongoing transparency, we would like to also take the opportunity to provide one addition and one clarification to the timeline I set out in my letter to the Committee of 16 February 2024. As you will recall this timeline addressed the Committee's question on 'When issues with Horizon were first raised with the Post Office'.

Between the 1 July 2013 and September 2013 meetings (p5 of the 16 February letter) there was in fact a further Board meeting on 16 July 2013 (eight days after the publication of the Second Sight's Interim report on 8 July 2013). Prior to that meeting Ms Vennells updated the Board by email on 8 July 2013 that a review of criminal prosecutions would be carried out by external lawyers in light of the findings of the Second Sight's Interim Report.

Ms Crichton (then General Counsel) also prepared a paper for the Board in advance of its meeting on 16 July 2013 noting that the criminal case review was to determine whether there

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were any matters in the Interim Report that needed to be disclosed to defendants (current or past) in line with POL's ongoing duties of disclosure as prosecutor, and that POL might be exposed to civil actions arising from wrongful convictions. It is unclear whether this paper was formally presented to the Board, but the Board did consider the issue of wrongful prosecution at its meeting on 16 July 2013 so it seems likely that the substance of it was made known to it in any event.

We would also like to clarify the third bullet point on page 5 of my 16 February letter, which suggested that 'The Board was advised of the potential 'risks' with Horizon and how this may impact on insurance coverage, particularly under the Directors & Officers policy in a paper prepared by Womble Bond Dickinson (then Bond Dickinson) dated 7 August 2013.' Following further document review, it appears there is no evidence that the full Womble Bond Dickinson advice was actually presented to the Board, but that the substance of that advice was known to various senior officers in Post Office. Later it seems clear that the substance of the advice was relied on in particular by the Chief Financial Officer at the time (Chris Day) to provide an update to the Board on the coverage position under the Directors' and Officers' Policy. That advice is recorded in a Board Pack for the 26 March 2014 Board meeting.

I propose to continue to update your Committee on what is an ongoing process of understanding more about the past while we support the vital work of Sir Wyn's Inquiry. I hope that this response proves helpful to the Committee, based on the limited time we have had available.

Yours sincerely,

GRO

Nick Read
Chief Executive, Post Office Limited