

LINES OF QUESTIONING FROM THE COMMITTEE

What is the assessment of the strengths and weaknesses of the mediation Scheme so far?

- Aim at the outset was to ensure that Horizon operates as it should - Initial investigations provided reassurance
- Significant opportunity for people to apply to the Scheme
- Each and every case submitted is investigated and independently reviewed
- Fair, independent and impartial
- We have continued to improve training and support through what we have learned
- However it has taken longer than we would like – every stage, not just Post Office investigations

Over 50 cases have either been mediated or recommended for mediation. Some were resolved at early stages and others have been resolved at other points in the Scheme, either before or during mediation.

It was also very important to ensure that there was significant opportunity for people to put forward complaints once the Scheme was agreed. We actively encouraged people – as did the JFSA - to come forward. . We advertised in 2012 when we appointed Second Sight to look into the issues and again, when we established the Scheme in 2013, we advertised during a period of three months, through our communications channels including our web channels for postmasters and counter clerks.

A rigorous approach is essential. The allegations are extremely serious.

We have a 20 strong team dedicated to investigating every case in full, people who are employed full-time for retrieving and analysing documents and evidence including interview transcripts, telephone logs, and Horizon transaction data. We have produced 130 investigation reports on individual cases, typically - for each case - running to more than 20 pages, together with up to 80 separate pieces of evidences. For example, in one case, just one piece of evidence was 18,000 pages. All of this is provided to Second Sight for their own independent analysis and review.

The Scheme is voluntary and does not affect anyone's legal rights.

The inquiry and investigation has taken longer than we would like. This is for a number of reasons, which Sir Anthony Hooper set out in a letter to the Minister of Postal Affairs in December and which is in the House Library: The progress of cases at every stage of the Scheme has taken longer than the Working Group would have wanted, including submissions by applicants or their professional advisors, Post Office's investigations, Second Sight's reviews and applicant responses to draft case reviews.

Potential drill down

Comment	Response
MP complaints that it is a sham/ lost confidence in scheme	<ul style="list-style-type: none">• Some cases have been resolved and the Scheme is working as it was agreed between Second Sight, JFSA – who were the main drivers of its design and the recommendation for the appointment of its independent Chair - and with the involvement of MPs.• We could not know what the inquiry and investigations would find. We established the inquiry with an entirely open mind and a determination to address any problems that were found and that is exactly what we are doing.• There could and should be no pre-determined outcomes – and that means either by Post Office or other parties involved. We have gone to great lengths to ensure impartiality. The Scheme is supervised by a Working Group with an independent Chair, Sir Anthony Hooper. We have provided funding to support each applicant in obtaining independent professional advice to build their case (£1500 for each applicant for the first stages of the Scheme and additional funding to prepare for and support mediation if this takes place).
Too much secrecy	<ul style="list-style-type: none">• We will not breach the confidentiality of applicants. We have a responsibility to all applicants in the Scheme, not only to those who have chosen to speak publicly.• Our position has been described publicly as one of “secrecy” but it is adherence to confidentiality and it is

	<p>for good reason. It was agreed with the JFSA that an assurance of confidentiality was paramount to encourage people to come forward. It protects sensitive personal information of individual applicants, which might include for example details of ill-health or criminal convictions which the law requires to be treated with extra care. In addition, mediation itself –all mediations not just those resulting from this particular Scheme – is a confidential process. It allows a full and frank exchange which makes resolution more likely.</p> <ul style="list-style-type: none">• It could not possibly be right for mediation to be conducted publicly and, in any case, confidentiality is required by the independent mediator, CEDR whose own Code of Conduct is aligned to the European Code of Conduct for Mediators which the Civil Mediation Council requires all UK providers to observe to maintain accreditation. When Sir Anthony wrote to the Minister for Postal Affairs about Scheme progress in December he attached a letter from CEDR outlining confidentiality arrangements and this is also in the House Library.
Excluding cases	<ul style="list-style-type: none">• We are not excluding cases. Each and every case is being investigated and independently reviewed in the same way, whether there is a criminal conviction or not and whether or not the applicant pleaded guilty,• Each applicant and their professional advisor receives the Post Office's investigation report, Second Sight's draft and final reports and all the evidence that has been retrieved and

	<p>examined.</p> <ul style="list-style-type: none">• Both Post Office and JFSA made very clear when the Scheme was established that it does not have the power to overturn criminal convictions – that can only be done through the Court process.
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What progress have you made on training and support – on business user forums for example?

- Continually improving training and support, with involvement of our people
- Postmasters directly involved in the design of improvements

We have continued with improvements to training and support – with postmasters directly involved in designing these. Examples are more visits and calls to new postmasters; earlier help for any balancing problems; full new online training planned for everyone – flexible and available anytime and in addition to onsite training.

Post Office always strives to improve its training and support and has taken further initiatives since the publication of Second Sight's report in 2013. Post Office created a new Branch User Forum as a way for postmasters and others to raise issues and insights around business processes, training and support, to feed directly into the organisation's thinking at the highest level.

We provide comprehensive training, both in the classroom and onsite, and follow-up support and visits are also offered to those who may benefit from them or who request them. In addition, our helpline is available to support postmasters in addressing any queries, alongside providing a service for technical queries. If these are not resolved quickly, further expertise is available, including visits to Post Offices as necessary.

Potential drill down

Comment	Response
Training and support was inadequate	<ul style="list-style-type: none"> • Thousands of postmasters, in receipt of the same training and support as applicants to the Scheme, have been operating the Horizon system successfully for years. We provide comprehensive training, both in the classroom and onsite, and follow-up support and visits are also offered to those who may benefit from them or who request them. In addition, our helpline is available to support postmasters in addressing any queries, alongside providing a service for technical queries. If these are not resolved quickly, further expertise is available, including visits to Post Offices. • Where, in what is a small number of individual cases, Post Office has

	<p>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.</p>
<p>Helpline gave wrong information/ said "things would sort themselves" but they didn't</p>	<ul style="list-style-type: none">• There is no evidence for this. All calls to the helpline are recorded by the operators in call logs. If calls were not addressed appropriately then matters would be escalated and this would be noted also.• Transaction corrections are made so it is likely references were made to those. But if any issues could not be resolved they could be escalated to a higher level of support.• Every case is different and complaints about the Helpline or our support processes are investigated as part of the Scheme.
<p>You have outsourced Helpline to Manilla</p>	<ul style="list-style-type: none">• Our internal IT helpdesk for postmasters and employees has been outsourced. Feedback from staff surveys about the service is that it has improved. The helpdesk is for technical queries, not queries about financial or other transactions.• Like any other business we continue to improve our IT - it's part of the transformation of our business, supporting the modernisation of 11,500 Post Offices, creating more opening hours and significantly improving services.

There are 90% of cases not being mediated – what do you say about this?

- Not correct – we have declined 5 out of a total of 51 that have been recommended for mediation by Scheme’s working group
- Every case benefits from rigorous investigation and independent review
- It was agreed with JFSA and Second Sight at the outset that mediation would not be the right route for every case

Every case is different and each is considered on its merits, but through establishing the Scheme we have provided support funding for each of the applicants to obtain professional advice to build their cases and they receive Second Sight’s report, the Post Office investigation report and all of the evidence relevant to their case.

We don’t know where the 90% came from.

Potential drill down

Comments	Response
You are refusing to mediate criminal cases	<ul style="list-style-type: none"> • No. Every case is different and considered on its merits. But in criminal cases, unless there is new evidence it is difficult to see that there would be a prospect of resolution through mediation in cases that have already been decided through the Court process with all of the evidence disclosed to the defence. • These cases are fully investigated and independently reviewed and applicants are provided with a Post Office investigation report, Second Sight’s report and all supporting evidence. This can be used in legal action if an applicant
You are trying to influence SS’s and the WG’s recommendations	<ul style="list-style-type: none"> • The Working Group is impartially chaired by Sir Anthony Hooper and is comprised of representatives from Post Office, JFSA and Second Sight. • Impartiality is built-in. JFSA and Second Sight were the principal drivers of the design of the Scheme and the appointment of the independent Chair of the Working

	<p>Group.</p> <ul style="list-style-type: none">• Second Sight's conclusions and recommendations are discussed at the working group and the matter of whether a case proceeds to the mediation stage is put to a vote, with the Chair having a casting vote. This is part of the role of the Working Group, agreed by all when it was set up.
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What is the eligibility position regarding people who pleaded guilty to criminal charges?

- Eligible for the Scheme – minority of cases
- Cases are all investigated and independently reviewed in the same way
- Duty of disclosure would be immediately engaged if new evidence found in criminal cases

We are not excluding cases involving criminal convictions. These are a minority of cases in the Scheme but whether there is a criminal conviction or not and whether or not the applicant pleaded guilty, each and every case is being investigated and independently reviewed in the same way. Each applicant and their professional advisor receives the Post Office's investigation report, Second Sight's draft and final reports and all the evidence that has been retrieved and examined.

Both Post Office and JFSA made very clear when the Scheme was established that it does not have the power to overturn criminal convictions – that can only be done through the Court process.

The JFSA advised on their website that, if individuals have a court finding against them, the Scheme will "consider that to some degree" but:

"you should enter a parallel scheme with a firm of criminal lawyers who will look into your case with a view to consider using the appeals court to overturn the findings against you."

If there is any evidence found during investigations which suggests that a conviction is unsafe or would help the defence, our duty of disclosure will be immediately engaged. We take this extremely seriously. There has been no evidence found so far to suggest that any conviction is unsafe but we are not complacent about this. We also contact anyone we are made aware of who has suggested they have or have seen evidence suggesting an unsafe conviction and ask that this be produced so that it can be acted upon. No such evidence has been produced so far. The Scheme is entirely voluntary and does not affect anyone's legal rights. Applicants can use the reports and evidence they are receiving from the Scheme to follow a legal route if they wish to do so.

There are cases involving Horizon that have arisen outside of the Scheme – what are you doing about that, since you have closed the Scheme?

- Encouraged, as did JFSA, for people to come forward during a period of three months
- Very small number of concerns raised outside the Scheme
- Always investigate - there have been no cases where Horizon has not worked as it should

We actively encouraged people to put cases forward to the Scheme as did the JFSA. We advertised throughout our internal communication channels during a three month period. The Scheme was established in August 2013 and closed to new applications in November 2013.

There have been a very small number of concerns raised outside of the Scheme, which we have investigated separately, as we would always do as part of our responsibilities for a huge network. There have been no Horizon flaws found in any of these cases.

This is in the context of nearly 500,000 users of Horizon since it was introduced in Post Office branches of all sizes all over the country, from small independent branches to those run in franchise partnerships with big retailers such as WH Smith, Tesco, McColls and Asda.

Postmasters can raise concerns about Horizon or any other area of Post Office business directly with us and there are processes in place for them to do so. We also, following Second Sight's report in 2013, continued to improve training and support and we set up a branch user forum as a way for postmasters and others to raise issues and insights around business processes, training and support and to feed into the thinking of the organisation at the highest level.

Potential drill down

Comment	Response
You committed to put an independent process in place for future cases	<ul style="list-style-type: none"> • There could be no pre-determined outcomes from the review and investigations – we did not commit to a definitive future plan in this regard. • Horizon is working as it should. • We have taken action very quickly on findings as they have emerged, for example making further improvements to training and support which were raised as areas for concern in some cases in Second

	Sight's 2013 report.
People are afraid to come forward because you might close their Post Office or prosecute them	<ul style="list-style-type: none">• Not at all - there is nothing to suggest postmasters are afraid to raise issues they might have with Horizon, which they and our counter clerks are using to process six million transactions for our customers every day. We receive regular feedback from colleagues through our internal channels, such as Subspace magazine and Subspace Online, which reach everyone in the network.• We also receive feedback on Horizon through our Network Business Support Centre, Horizon service desk and a branch user forum we established as a way for postmasters and others to raise issues and insights around business processes, training and support, to feed directly into the organisation's thinking at the highest level. And there is feedback from contact with the Finance Service Centre and through discussion in the field with Contract Advisors and Field Support Agents.• That feedback is assessed and implemented as appropriate through regular system reviews and upgrades implemented by both Post Office and our suppliers and in product development (e.g. to streamline a new product's transaction journey).

It has taken a very long time to resolve cases – why?

- Important to allow sufficient time for people to come forward
- Important applicants and their advisors have time to prepare cases
- Every stage of Scheme – not just Post Office investigations – has taken longer than we would have liked
- The need for thoroughness was paramount

Cases have been and are being resolved but it is taking longer than anyone involved would like. As Sir Anthony Hooper said in a letter to the Minister of Postal Affairs in December and which is in the House Library:

“The progress of cases at every stage of the Scheme has taken longer than the Working Group would have wanted, including submissions by applicants or their professional advisors, Post Office’s investigations, Second Sight’s reviews and applicant responses to draft case reviews”.

It was also very important to ensure that there was significant opportunity for people to put forward complaints once the Scheme was agreed. We actively encouraged people – as did the JFSA - to come forward. . We advertised in 2012 when we appointed Second Sight to look into the issues and again, when we established the Scheme in 2013, we advertised during a period of three months, through our communications channels including our web channels for postmasters and counter clerks.

A rigorous approach is essential. The allegations are extremely serious.

We have a 20 strong team dedicated to investigating every case in full, people who are employed full-time for retrieving and analysing documents and evidence including interview transcripts, telephone logs, and Horizon transaction data. We have produced 130 investigation reports on individual cases, typically - for each case - running to more than 20 pages, together with up to 80 separate pieces of evidences. For example, in one case, just one piece of evidence was 18,000 pages. All of this is provided to Second Sight for their own independent analysis and review.

Potential drill down

Comments	Response
Deliberate delay to put cases ‘out of time’ for going to Court	<ul style="list-style-type: none"> • We could not know what the inquiry and investigations would find. • We established the Scheme with an entirely open mind and a determination to get to the bottom of the complaints and that is what we are doing. The Scheme is voluntary

	and does not affect anyone's legal rights. The Scheme does not affect the right of someone to go to Court at all.
You should give up the time bar/ statute of limitations for these cases.	<ul style="list-style-type: none">• The Scheme does not affect postmasters' legal rights, including the right to start Court proceedings if they believe their case has merit. Many of the complaints in the Scheme are very old, with the typical 6 year limitation period expiring well before the Scheme was established.• Limitation periods for bringing legal actions are a long and firmly established part of the law. The periods, currently established by the Limitation Act 1980, balance the interests of the claimant (who may need time to bring a claim) and the defendant (who must be protected from stale claims e.g. because relevant materials are no longer available. The limitation defence is available to all defendants, no matter how strong the claim they are asked to answer. Post Office should not be prevented from exercising this legal right.

What can Post Office do to address concerns of MPs?

- The Scheme is operating as it was agreed, with the involvement of MPs
- We have offered to meet with MPs about individual cases of their constituents

The Scheme, which design of which was driven by Second Sight and JFSA with the involvement of MPs is operating as it was agreed. We have been painstaking in ensuring that we have carried out our responsibilities as agreed. MPs are not represented in the Working Group – that was not part of the agreed design – but we are able to discuss, in confidence, individual cases involving their constituents with them, provided we have the constituent's consent. When MPs and applicants have wished to do this, we have of course taken part. The Scheme documentation at the start made it clear to applicants that they could involve their MP.

I have had several meetings with James Arbuthnot MP and the group of MPs he was leading on the issue to discuss the progress of the Scheme.

There was a suggestion at a meeting with some MPs last year that we should change the Scheme so that all cases are mediated if Second Sight recommends it, apart from a few undefined exceptional cases.

We have resolved some cases and we are continuing to mediate cases. We welcome opportunities to speak about the progress of the Scheme.

Potential drill down

Comments	Response
You have broken commitments you made to them	<ul style="list-style-type: none"> • The Scheme is operating as it was agreed with Second Sight and JFSA and the involvement of MPs. • We have been painstaking about this. During the progress of the Scheme I have met with MPs and updated them. I have listened to criticism, considered them carefully and have responded to them. What I have not done is to agree to seek to change the operation of the Scheme. I see no reason to do this.
You have kept them in the dark	<ul style="list-style-type: none"> • I have met with MPs and updated on progress and meetings have been offered to MPs with cases in their constituencies. We can discuss individual cases with the relevant MP if the applicant consents. Many MPs



	<p>have not taken us up on our offer.</p> <ul style="list-style-type: none">• But there are elements of the Scheme that are confidential and for good reason.• Our position has been described publicly as one of “secrecy” but it is adherence to confidentiality and it is for good reason. It was agreed with the JFSA that an assurance of confidentiality was paramount to encourage people to come forward. It protects sensitive personal information of individual applicants, which might include for example details of ill-health or criminal convictions which the law requires to be treated with extra care. In addition, mediation itself – all mediations not just those resulting from this particular Scheme – is a confidential process. Confidentiality in mediation allows a full and frank exchange which makes resolution more likely. It could not possibly be right for mediation to be conducted publicly and, in any case, confidentiality is required by the independent mediator, CEDR.• The confidentiality arrangements are in line with their own Code of Conduct and with the European Code of Conduct for Mediators which the Civil Mediation Council requires all UK providers to observe to maintain accreditation. When Sir Anthony wrote to the Minister for Postal Affairs about Scheme progress in December he attached a letter from CEDR outlining confidentiality arrangements and this is also in the House Library.
You misled them about mediation – you are not taking part in mediation as they	<ul style="list-style-type: none">• The Scheme is operating as it was agreed with Second Sight and JFSA



<p>understood you would</p>	<p>and the involvement of MPs.</p> <ul style="list-style-type: none">• It is the role of the Working Group to decide which cases progress to the mediation stage and there is a vote on it with the impartial Chair, Sir Anthony Hooper having the casting vote.• At that stage, when cases pass to CEDR, either party can decline to mediate. From x cases recommended for mediation by the working group we have declined to mediate in 2.
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Second Sight's interim report mentions documents being destroyed – what is your data retention policy?

- No destruction of documents held in these cases
- Some cases are very old but the same searches are made for each and every case

Our document retention policy is, in most instances, seven years and we of course comply with the law. We are certainly not destroying any documents we hold that are relevant to the cases in the Scheme. We have taken great care about this. Some of the cases in the Scheme date back many years. However, some records are retrieved that do go back further than this. Each and every case is investigated in the same way - we search for the relevant available documents and we make the same searches in each case. We do not assume that we will not have certain records after seven years – we check each and every time.

For every case there is a check list of documents so that it can be clearly seen by Second Sight, the applicants and their professional advisors exactly which records have been searched for and which have been retrieved.

Potential drill down

Comment	Response
You are withholding information from Second Sight	<ul style="list-style-type: none">• The position is quite the opposite. If there were a problem we would want to identify it and correct it as quickly, fairly and effectively as we possibly could.• The computer system is used by 78,000 people and, every day, processes six million transactions for our customers - it is in our interests that people have confidence in that system so if a problem was found we would want to be very transparent about putting it right.• We have provided a huge amount of information to Second Sight, not just about Horizon but about a wide range of business processes and other matters, where these have a bearing on the case investigations. This runs to hundreds of thousands of pages.

	<ul style="list-style-type: none">• For example we have produced over 130 investigation reports on the individual cases in the Scheme, each typically running to over 20 pages in length and with up to 80 pages pieces of supporting evidence. That evidence can also be a substantial amount of information – there is an example of one document running to 18,000 pages being supplied in one case.
You cannot be sure that documents are not being destroyed	<ul style="list-style-type: none">• We are ensuring that documents are not destroyed for any of the cases in the Scheme – they are not being destroyed under retention policy or at all• We have provided many thousands of pages to Second Sight – each investigation report runs to, typically, 20 pages together with up to 80 separate pieces of evidence
You are refusing to answer Second Sight's questions	<ul style="list-style-type: none">• We are answering questions about these cases and providing broader information about business processes where these relate to the issues raised by applicants.• We are providing Second Sight with the information asked - from 109 of the latest questions received on very complex issues, we have answered the overwhelming majority and we are working with Second Sight on around a dozen remaining questions.• Questions which are relevant to cases in the Scheme are all being answered.

What is your response to Mr Henderson's summary of the contents of Second Sight's report(s)?

It is welcome reassurance that there is no evidence of system-wide flaws in Horizon. I accept that, in some cases, Post Office should have done more in the areas of training and support for the individuals concerned and that is being addressed through the Scheme.

Potential drill down

Comments	Response
Second Sight think Horizon is not proving fit for purpose in some instances	<ul style="list-style-type: none"> The cases have certainly revealed that some people – a small number in the context of nearly half a million users of Horizon since it was introduced – found the system or aspects of it, difficult. That does not mean that Horizon is not fit for purpose but it does indicate that, in some cases, training and support was not sufficient. We have continued to improve our training support including measures such as our branch user forum that we announced when Second Sight published their 2013 report.
Second Sight say lots of questions still remain	<ul style="list-style-type: none"> The aim of this inquiry was to ensure that Horizon is working as it should – and it is welcome reassurance for our people, customers and clients that it is The original inquiry found no systemic flaws in Horizon or associated processes and the work of the Scheme has been focussed, rightly, on the individual cases We will continue to work with Second Sight on looking at each of those cases
You did not endorse their P2 Report	<ul style="list-style-type: none"> We were unable to endorse this report because it contained inaccuracies and important

	<p>omissions. The report was sent to applicants and Post Office released a reply detailing its own position on the issues raised which was also sent to applicants and advisors so that there was clarity for them.</p>
You do not seem confident about Second Sight's work	<ul style="list-style-type: none">• It has been important to an independent organisation or individual involved. Their reports are well-written and balanced.• There is a divergence of views at times about whether it is realistic to think that particular cases have a prospect of resolution through mediation.

