POL00180883

1 Purpose of note is to:

1.1 Provide an update of the Sub-Postmaster Case Reviews

1.2 Seek agreement on next steps

2 Scope

2.1 We need to ensure that the sample of cases is selected independently by Second Sight and MPs, without Post Office influence.

2.2 Second Sight are proposing that the sample includes cases relevant to the MPs at the initial meeting (13 cases) plus ten recent (last three years) cases submitted by the JFSA that best demonstrate the problems with Horizon. This is an increase to the previous sample size discussed with Second Sight (originally we agreed to ten cases).

2.2.1 The JFSA sample could be very useful as many of the MPs cases are old and lack useful data. The JFSA claim they have at least one recent example that clearly demonstrates problems with Horizon (duplicate records after a power cut). Second Sight are pressing for this to be included in the sample.

2.2.2 If we can disprove the JFSA "best shot" cases in front of MPs it will give them a powerful message.

2.3 There have been calls to extend the scope to one hundred cases. This, in Second Sight's view and ours, is not the best way of proceeding for the following reasons:

2.3.1 We will probably see diminishing returns after the first 20 cases have been reviewed, especially if the 20 includes the JFSA's best 10 cases

2.3.2 We would like to see the review completed before Christmas, a review of 100 cases could last over 12 months.

2.3.3 After the 20 cases are completed, we can agree next steps, which may include opening the review up to further cases.

3 JFSA

3.1 It is clear that the MPs require buy-in from the JFSA in order for this to be seen as successful in their eyes

3.2 We have agreed to fund their nominated Forensic Auditor, Kay Linnell, (£5K) who will act as an overseer on behalf of the JFSA

3.3 Second Sight will be working with Kay Linnell throughout this process.

4 Whistle Blower line

4.1 There have been some discussions about implementing some form of whistle blower line for sub postmasters to call if they feel they have case they want investigated. This has been rejected, for now, on the bases of cost vs. benefit and potential confusion as to which help line to call if there is a problem.

5 Emerging themes. It is too early to speculate on the potential findings of the auditors, but some emerging themes are surfacing:

5.1 Paper work. It is likely that some of the information required by the auditors will not exist, either because it has been destroyed, lost, of never kept. This could result in accusations of incompetence or Post Office holding back information to hamper the investigation. We need to be open and admit our errors if we have been incompetent in the keeping of the paperwork but also be clear that our files were for specific purposes, not for an investigation of this nature.

POL00180883

5.2 Help desk. JFSA have cited the help desk as being part of the problem with Sub-Postmasters finding it unhelpful and unsupportive, forcing them to have no other choice but to falsely account for missing funds.

5.3 "David and Goliath" – the picture being painted by Sub-Postmasters, which maybe finding resonance with some MPs is that the Post Office has draconian powers and a lack of transparency. Sub-Postmasters don't have the means to defend themselves. Post Office processes force them into the situation, and the punishment is often disproportionate to the errors committed.

5.4 False accounting is not the thrust of the Second Sight investigation, it is often a given. The real issue is what is behind false accounting.

6 Follow-up meeting with James Arbuthnot

6.1 Before the MPs go into recess, it is recommended that senior Post Office representatives hold a meeting with James Arbuthnot to achieve the following objectives.

6.1.1 Continue to build the relationship with him and other MPs
6.1.2 To confirm the scope and approach
6.1.3 Reassure him that we want the investigation to be open, transparent, and desire to get to the truth.
6.1.4 Ask him if he has any advice or concerns for us
6.1.5 Get the "green light" to proceed

7 Contingency planning

7.1 As the outcome of the review is unknown and could have significant impacts on Post Office, it is recommended that Post Office develop contingency plans for all possible outcomes (eg a fault in Horizon is discovered, Post Office processes around Horizon forced the problems onto the sub-postmasters, the case review is inconclusive, or no problems are found)

8 Cost

8.1 Revised estimates from Second Sight put the cost of the case review at £100k. This is significantly larger than the original estimate, largely due to the expansion in scope, and the required engagement with the JFSA.

9 Recommended Next steps

9.1 Seek approval (probably from Paula?) on the revised scope and cost
9.2 Arrange a meeting with James Arbuthnot for next week
9.3 Arrange a contingency planning session for September