

Comments on Rinkfield Report

Ref: g:\gij documents\poa\horizon\other\rinkfield\rinkfieldreport.doc
 Author: Gareth I Jenkins
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1. Introduction

I've been asked to comment on the Expert Witness report produced by Charles McLachlan in the case against [REDACTED] associated with Rinkfield.

I only have a paper copy of the report and started reading through it. I then realised that some of it was familiar and so opened up an earlier report produced by Prof McLachlan for the West Byfleet case (2nd Interim Report).

I have carried out a quick comparison of the two reports and to a large extent they are identical (I would need a Word version of the Rinkfield report to do this more thoroughly). I produced a Witness statement on 2nd Feb 2010 which addresses the West Byfleet report and most of the comments in that still apply.

This document shows where there are differences in the report and comments on the new sections.

2. Detailed comments

Throughout, the details of Solicitors and Clients have been changed.

- 1) Section 1: Contextual rewording in 1.1.3 and the introduction of a further Post Office in "South of England". Also additional items in CV in section 1.2.22.
- 2) List of docs in 1.5.1 changed to reflect the case.
- 3) Section 1.6 on "Scope of Work" in Misra report has been removed (and subsequent sections renumbered).
- 4) Section 1.7 updated. (NB 1.7.4 should refer to section 6 and not 5).
- 5) Section 2.1 is identical
- 6) Section 2.2 is new. See detailed response in section 3.1 below
- 7) Section 2.3 is identical to section 2.2 of original report
- 8) Section 3 is nearly the same as for the original report. The exception is:
 - a. 3.2.1 has additional text regarding misaligned touch screens
- 9) Section 4 is nearly the same as for the original report. The exception is:
 - a. 4.2.5 has additional text based on a conversation with me.
 - b. 4.2.6 is new.
 - c. 4.4 is new
- 10) Section 5 is new

- 11) Section 6 is identical to section 5 of the original report.
- 12) Section 7 is new. See detailed response in section 0 below

3. Comments on new text

3.1 Section 2.2

- 1) 2.2.2 describes issues with Travellers Cheques.

I don't believe that this issue is described accurately. There are anomalies in the way in which the system stores details of Travellers Cheques and Currency and reports on them. However although this may cause confusion, it does not result in any losses.

I have conducted some experiments on a Horizon terminal and have some detailed responses:

- a. 2.2.2.1: When TC Stock is remitted in, then the "Volume" represents the Currency Value of the Travellers Cheques (ie \$500 in the example) and the value is zero. Horizon doesn't assign any value to a TC until it is sold. This should be clear in the Remittance Receipt. If a Balance Snapshot is done at this point then it will show a Balance of 500 US dollar TCs. Nowhere in Horizon will the value 41 appear.
- b. 2.2.2.3: Selling \$50 of TC will change the Stock Quantity to \$450 on the Balance Snapshot (or Stock on Hand Report) and also appear on the TC Sales report correctly. However, I accept that on the Balance Snapshot under the Receipts section it does show a Volume of 1 against the TC sales rather than 50. This actually represents the fact that there has been one Sale, but does not affect the actual Stock Levels. It should also be noted that on this report there is a further entry with zero value and a Volume of 1 that represents the change to the change in the level of TC Stock. Again the Volume of one represents a single sale and does not represent any value associated with the Dollars TCs sold.
- c. 2.2.2.4: I don't understand where this observation has come from.
- d. 2.2.2.5: I agree that this would be nonsense if this was the case, but it is not the case.
- e. 2.2.2.6: The system does allow negative stock values to be held on a temporary basis. This is to allow stock to be sold before it has been recorded on the system as having been remitted in. Also, as the system does not keep running totals of the stock levels (but rather calculates the level when requested by taking an Opening Figure and all movements due to sales, Remittances etc), and so would be unable to easily enforce preventing Stock levels from going negative. However I agree that it makes no sense in the real world and any negative stock levels need to be resolved before a Stock Unit can be balanced.

- f. 2.2.2.7: As before this is not an issue.
- 2) 2.2.3 describes issues with A&L Credits.

I don't believe that this issue is described accurately. The system does not allow the scenario as described to occur. However I can think of slight variants on the scenario that could occur and can explain the behaviour of such cases. Again, this would not result in any losses to either the sub-postmaster or the customer (or Post Office Ltd!)

3.2 Section 7

Section 7 consists of a number of bulleted items for possible further investigation.

In general I see no problem with such investigations other than that they will require significant resource and time to carryout and are unlikely to result in any further clarity. I will comment on those that I see as potentially affecting Fujitsu:

- 1) Bullet 1: This may require co-operation from Fujitsu in providing logs for comparison. Note that given HNG-X is in mid roll-out then this is unlikely to be of any benefit unless done in the next week or two as rollout is due to complete in August 2010.
- 2) Bullet 2: I'm not sure that we are in a position to do this for the Horizon system. The UI was based on Escher's Riposte and an agreed style Guide with POL.
- 3) Bullet 3: I don't know if such logs exist
- 4) Bullet 4: This is a normal ARQ I believe.
- 5) Bullets 5, 6, 8 to 11: these are for POL and not Fujitsu
- 6) Bullet 7: Not sure exactly what is required here. It sounds like details of Banking Reconciliation reports relating to the Branches. Not sure if these are easy / possible to provide or for how long they are retained.
- 7) Bullet 12: Not sure about scope of this. Is it just counter fixes for that Branch?
- 8) Bullet 13: I thought I'd covered this in a Witness statement for West Byfleet.

The rest of section 7 is various press cuttings. Finally there are 2 almost legible pages that describe how Charles thinks a Card Payment system works, but is nothing like Horizon.