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Third Letter

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Dear Sirs

**Post Office Group Action
Stage 2 Disclosure – Generic Documents**

Pursuant to paragraph 10(b) of the Second CMC Order, please find enclosed Post Office's disclosure list containing 29,988 documents which fall within Part 2, Stage 2 Disclosure, being Model C disclosure of documents within the classes set out in Schedule 2 to the Third CMC Order. Advanced Discovery will be in contact with Elevate to arrange for inspection of these documents.

The parties have agreed to adopt the draft Practice Direction "Disclosure Pilot for the Business and Property Courts" and for this stage of disclosure Post Office has been ordered to provide disclosure which is request-led search based disclosure (Model C). To locate documents which fall within the specified classes of documents, Post Office has adopted a variety of approaches such as document clustering, keyword searching, searching within specific document locations, or requesting guidance from Post Office's employees who are familiar with certain classes of documents. An explanation of the steps which Post Office has taken in relation to each class is set out below.

1. Issue - Products and services offered by Post Office

Class 1 - Indexes, organisational charts, schedules or diagrams of the suite of products and services offered by Post Office since 1999.

Class 2 - Written policies and process documents relating to the rolling out of products and services to postmasters since 1999.

- 1.1 Post Office has provided disclosure of 149 documents dating between 2003 and 2018 which relate to the above classes.
- 1.2 In relation to class 1, in order to locate these documents Post Office have provided us with examples documents that fall within the scope of this class. Using textual similarity analysis, we have then been able to search within the documents held within our e-disclosure platform to identify historic versions of these documents. We understand that documents prior to 2003 would have been kept in hardcopy form and, having made reasonable enquiries, Post Office has been unable to locate copies of these.

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- 1.3 In relation to class 2, Post Office identified that there are limited documents which specifically relate to the general processes since these processes are incorporated within the wider documents relating to general business change, of which disclosure has been provided. Post Office's Remuneration and Product teams have identified the documents which they believe fall within this class and disclosure of these documents has been provided.
- 1.4 Whilst gathering these documents we have come across a number of documents which relate to the roll-out of Paystation, ATM and Drop & Go. Whilst Post Office was not ordered to disclose documents relevant to specific products, disclosure of these documents has nevertheless been provided.

2. Issue – Post Office's standard contract terms

Class 3 - Suite of standard contractual documents used by Post Office when appointing postmasters, since 1999.

Class 4 - Suite of product or service-specific contracts between Post Office and postmasters and guidelines, referred to in the reports of Second Sight.

Class 5 - Contractual variations issued to the branch network since 1999.

Class 6 - Written policies and process documents relating to the process of varying a postmaster's contract.

Class 7 - Standard and template documents, letters, notes and memos issued to postmasters relating to the variance of their contracts.

- 2.1 Post Office has provided disclosure of 749 documents which fall within these categories dating between 1992 and 2018.
- 2.2 These classes of documents are generally managed by the Contract and Policy team and a manual review of all documents located within this team's SharePoint site has been undertaken to locate relevant documents. These enquiries also identified that potentially relevant documents (in particular standard contracts) were stored in the SharePoint site dedicated to the National Federation of Subpostmasters. Again, a manual review of all documents located within this SharePoint site has been undertaken to locate relevant documents. It was also identified that Post Office holds a library of Network Transformation contracts. Whilst this Sharepoint site was not extracted, Post Office has provided us with copies of the contracts held within this location.
- 2.3 In relation to class 6, please note that a single team within Post Office is principally responsible for the variations of contracts and that team do not recall putting in place written policy or process documents on this subject matter. No documents are therefore being disclosed in this category.
- 2.4 In relation to class 7, since the documentation used would be customised according to the nature of the variation in question, Post Office does not have template documents which would fall within this category. We have instead provided disclosure of the standard documents used for specific variations which have taken place where it has been reasonable and propionate to locate and review them.

3. Issue – Appointment of postmasters

Class 8 – Written policy and process documents relating to:

- (a) *the advertising for vacancies (permanent and temporary);*
- (b) *the postmaster application processes;*
- (c) *the on-boarding process (including the provision of contracts);*
- (d) *checks on postmasters prior to appointment;*



- (e) *upfront payments made by postmasters to Post Office; and*
- (f) *deductions from postmasters' remuneration upon a postmaster joining Post Office.*

Class 9 - Standard and template documents, letters, notes and memo issued to postmasters before or shortly after appointment as a postmaster.

- 3.1 Post Office has provided disclosure of 881 documents which fall within these classes dating between 1998 and 2018.
- 3.2 Post Office's Contract and Policy and the HR Service Centre teams are generally responsible for these documents. To locate these documents, a manual review of all documents located within Contract and Policy team's SharePoint site has been undertaken. Further, documents which were located in the HRSC's site and responsive to the keywords Subrem, ACC, "Agency Change Communiqué", Appoint* AND policy, and Advertis* AND vacancy have been manually reviewed and disclosed where falling within the above classes.

4. Issue – Operation of Horizon and Fujitsu

Classes 10 & 16 - Technical documents regarding Horizon stored by Fujitsu in its Dimensions systems.

Class 11 - Known Error Log.

Classes 12, 17, 23 & 26 - Branch Operating Manual (including previous versions or equivalent historic document).

Class 13 - Operating instructions and rules issued to all postmasters.

Class 14 - Minutes of meetings of Post Office's Board of Directors (or historic equivalent) (a) between 1999 and 2001 at which the roll-out of Horizon, its operation and any associated operational risks were considered or discussed, and (b) between 2010 and 2011 at which the same was considered or discussed with respect to Horizon Online, limited in each case to matters associated with financial reconciliations, shortfalls, discrepancies or losses.

Class 15 - Contract between Post Office and Fujitsu (ICL) for Horizon and all written contractual variations to it.

- 4.1 Disclosure of classes 10, 11, 15 and 16 has already been provided on 9 May 2018 and 17 May 2018. This disclosure consisted of 120,863 documents.
- 4.2 In relation to classes 12, 13, 17, 23 & 26, Post Office has disclosed 16,250 documents.
- 4.3 The branch operating manual and operating instructions and rules include the following:
 - 4.3.1 hard copy documents which were held within branches (known as the Horizon System User Guides);
 - 4.3.2 the Local and Mains Operations Manual; and
 - 4.3.3 operational instructions which are provided from time to time to postmasters (including Horizon Online Help and Branch Focus).
- 4.4 In relation to hardcopy documents, Post Office has located a number of the hardcopy manuals which were in use between 1999 and 2009. These are currently being scanned into Relativity and will be disclosed shortly. Further investigations are ongoing to locate the remaining manuals which are believed to be stored in the Postal Museum. The Postal Museum is an offsite storage location which holds historic branch accounting and operational documents for Post Office. There are approximately 52,000 boxes of documents in the Postal Museum. The archiving of



these boxes has not been performed in such a way as to make them reasonably searchable and a manual search of the boxes would be disproportionate. Post Office therefore considers that it has discharged its disclosure duty but nevertheless, we are making enquiries of the Postal Museum to identify any other way to proceed but believe this is unlikely to yield results.

- 4.5 In relation to electronic documents, Post Office has so far identified approximately 15,000 documents which fall within these classes, which have been disclosed. Horizon Online Help is stored within a SharePoint site named "Branch and Customer Information" and the articles are held in HTML format. To locate the relevant documents, a search was made to gather all HTML files and these have been disclosed.
- 4.6 Post Office has also identified a further shared drive which is understood to contain a full archive of Horizon Online Help and Branch Focus. A number of the documents held within this archive are expected to be duplicates of the documents which have already been disclosed. Advanced Discovery have encountered technical difficulties with extracting these documents. Reasonable steps have already been taken to extract this data without success. Further attempts are ongoing and an update on whether this extraction is possible will be provided shortly.
- 4.7 In relation to class 14, Post Office has access to its Board Minutes from 2011 onwards and has provided disclosure of those documents which fall within this category. Please note that due to the commercially sensitive nature of these documents, any material within these Board Minutes which falls outside the scope of class 14 has been redacted. The main repository of Board Minutes prior to 2011 is at the Postal Museum and, as explained above, enquiries are being made as to whether there is any way to locate specific documents in this location.

5. Issue - Information available to postmasters regarding transaction

Class 18 - Any written policies or process documents regarding the completion of branch accounts in the period immediately before Horizon was introduced.

Class 19 - Any guidance notes or written advice issued to postmasters on accessing transaction information through Horizon.

- 5.1 In respect of class 18, information provided to postmasters prior to the introduction of Horizon would be hardcopy documents and Post Office understands that information regarding the completion of branch accounts would have been contained within Counter Bulletins which were held within the branches. Having undertaken reasonable and proportionate enquiries, we have not been unable to locate these documents.
- 5.2 Post Office has provided disclosure of 604 documents which fall within class 19. These documents consist of the information provided to postmasters through Horizon Online Help. As explained above, Post Office has identified a further shared drive which is understood to contain a full archive of Horizon Online Help and efforts are ongoing to extract these documents.

6. Issue - Information available to Post Office regarding transactions

Class 20 - Written policy and process documents between (i) 1 January 1999 to 31 December 2000, (ii) 1 January 2005 to 30 April 2006 and (iii) 1 January 2010 to 31 July 2013 relating to:

- (a) *The ability of Post Office (whether itself or by Fujitsu) remotely to detect the occurrence of potential shortfalls or other branch account discrepancies, when the same occurred and whether those discrepancies were caused by bugs, errors and/or defects in the Horizon system;*
- (b) *the ability of Post Office and/or Fujitsu to conduct transactions, (by entering, deleting or otherwise altering the same) in postmasters' branches remotely;*
- (c) *Balancing Transactions.*



Class 21 - Any written policies or process documents regarding; the recovery of shortfalls from postmasters.

Class 22 - Reports to Post Office's Board of Directors (or historic equivalent) between (i) 1 January 1999 to 31 December 2000, (ii) 1 January 2005 to 30 April 2006 and (iii) 1 January 2010 to 31 July 2013 relating to Post Office's network wide approach to identifying, tracking or managing discrepancies, shortfalls or losses, or to Postmasters' ability to dispute shortfalls.

- 6.1 Post Office has provided disclosure of 622 documents which fall within classes 20(a) and 21. These documents relate to the operation of our client's Finance Service Centre and Debt Recovery teams, whose documents are stored within the SharePoint sites named "Customer Driven Enquires", "Debt Recovery" and "Open Item Enquires". These teams put in place documents known as Duty Instructions or Process Maps to manage branch account discrepancies and the recovery of shortfalls. These sites were searched using the keywords "Duty Instruction", "Process Maps", "High Level Process" and for any files which were Visio drawings (typically used by Post Office to generate process maps), with the results of these searches being manually reviewed for relevancy.
- 6.2 In relation to classes 20(b) and (c), these have been covered by the disclosure of the documents within classes 10 & 16 (Fujitsu's technical documents).
- 6.3 In relation to class 22, as explained above, Post Office has access to its Board Minutes from 2011 onwards, however none of the documents reviewed fell within this category. The main repository of Board Minutes prior to 2011 is at the Postal Museum and enquiries are being made as to whether there is any way to locate specific documents in this location.

7. Issue - Transaction Corrections

Class 24 - Operating instructions and rules issued to postmasters in relation to Transaction Corrections.

Class 25 - Post Office written policies, process documents, and formal internal guidance documents (not emails) regarding the issuing of Transaction Corrections.

- 7.1 Post Office has disclosed 317 documents which relate to Transaction Corrections. Documents which fall within class 24 are contained within either the Operations Manual or the various operational instructions which are provided from time to time to postmasters (primarily Horizon Online Help). The disclosure of these documents has been explained above.
- 7.2 In relation to class 25, the policy and process documents relating to Transaction Corrections are generally managed by the Finance Service Centre and Debt Recovery teams. The identification and disclosure of these documents is as described in paragraph 6.1 above save that the keywords used were "Duty Instruction", "Process Maps", "High Level Process", "Issuing process for TCs", "Transaction Correction" and "TC Disputes".

8. Issue - Declaring, making good and disputing shortfalls

Class 27 - Guidance notes issued to postmasters on how to complete overnight cash declarations and Branch Trading Statements.

Class 28 - Guidance notes issued to postmasters on how to make good, settle centrally and dispute shortfalls, including, but not limited to, outside of the 42 / 60-day period.

Class 29 - Written policies regarding postmasters making good and settling centrally shortfalls.

Class 30 - Written policies or process documents regarding the reports which could be run, or steps taken by postmasters to investigate shortfalls.

- 8.1 Post Office has located 879 documents which fall within these classes.



- 8.2 Guidance provided by Post Office to postmasters on how to complete cash declarations and branch trading statements; making good, settling centrally, disputing shortfalls and investigating shortfalls would typically be covered in either the Operations Manual or the various operational instructions which are provided from time to time to postmasters (primarily Horizon Online Help and the Branch Trading Manual). Please see paragraphs 4.5 and 4.6 above for an explanation of the steps taken to locate Horizon Online Help.
- 8.3 In relation to class 29, the policies regarding postmaster making good and settling central shortfalls are owned by the Finance Service Centre and Debt Recovery teams. The identification and disclosure of these documents is as described in paragraph 6.1 above.

9. Issue – Training

Class 31 - Written policies and process documents relating to the provision of training when a new postmaster joins Post Office, from 1999.

Class 32 - Written policies on when further training is offered due to the introduction of new products and services.

Class 33 - Trainer packs and supporting notes (not emails) issued to Post Office trainers on how to train a postmaster to deal with and dispute a shortfall.

Class 34 - Training materials and other standard / template documents used for new postmasters.

Class 35 - Written policies or process documents relating to ongoing training which is provided due to the needs of postmasters or the introduction of new practices, systems or services.

- 9.1 Post Office understands that the majority of the training materials that it has produced are stored on the laptop of Post Office's employee, Sandra McBride, who was employed at Post Office between 1986 and 2017.
- 9.2 Mrs McBride's laptop contained 102,580 documents. Through excluding certain file types and applying the keywords set out at Schedule 1 of this letter, 36,417 documents (including families) formed a pool of responsive documents. A review of 5% of the responsive documents and 2% of the non-responsive documents was undertaken and which showed there were a high volume of irrelevant documents which were responsive to the keywords (50% of the test batch) but also 15% of the documents which were not responsive to the keywords were relevant. The results of the tests are set out below.

Review of documents responsive to original keywords

Tag	% of batch
Relevant	50%
Non-Relevant and Not Readable	50%

Review of documents which were not responsive to original keywords

Tag	% of batch
Relevant	15%
Non-Relevant and Not Readable	84% (68% and 16%)



- 9.3 In light of these results and to ensure that the relevant documents were captured, the additional keywords in Schedule 1 were added. So as to reduce the number of non-relevant documents and ensure that only generic documents were returned, the search was also amended to exclude spreadsheets which contained a Branch Name or Branch Code and documents which contained certain keywords in their titles.
- 9.4 The revised keywords generated a pool of 32,860 documents which were manually reviewed and 8,732 documents relating to classes 27 to 30 have been disclosed.
- 9.5 It should be noted that due to the method of locating documents, it is not possible to be certain that these training materials were ever actually used by Post Office (or, for example, may have only been drafts) or if they relate to the training of postmasters, assistants or Crown (DMB) / Multiple branches. Where possible we have tried to remove those documents which are not relevant.

10. Issue - Helpline

Class 36 - NBSC Knowledge Base.

Class 37 - Formal notices issued to postmasters regarding the operating hours of helplines.

- 10.1 Articles which make up the NBSC Knowledge Base are stored in a Sharepoint site named "Branch and Customer Information" which has been reviewed for relevant documents. These documents have been gathered by reviewing all Visio files (which Post Office typically uses to generate process maps) and searching for documents which contain "NBSC" in the document title. It should be noted that the format of the documents which make up the Knowledge Base has changed over time being either process maps, specific NBSC guidance notes or cross referring to sections of the Operations Manual and Horizon Online Help. Post Office has collated 903 articles which it believe have at some point in time been referred to by the NBSC. However, due to the nature of the documents it is unclear if they were final versions which were ever referred to, if they relate to the NBSC or another Post Office function, or when they were in use.
- 10.2 Further, due to the way in which the articles link together and are stored in SharePoint, the interplay of the articles is not apparent and if it would assist we can discuss inspection of the Knowledge Base being provided by a different method.
- 10.3 In relation to Category 37, Post Office understands that notices to postmasters regarding the operating hours of the helplines would have been made available via either the Operations Manual or the various operational instructions which are provided from time to time to postmasters (primarily Horizon Online Help). Please see paragraphs 4.5 and 4.6 above for a full explanation of the steps taken to collate these documents.

11. Issue – Investigations

Class 38 - Written policies and procedures regarding the investigation of shortfalls in branches (excluding investigations into suspected criminal misconduct).

Class 39 - Written policies and procedures for initiating and progressing audits.

Class 40 - Instructions or guidance (excluding emails) given to auditors on dealing with discrepancies, shortfalls and losses identified or suspected in branch.

- 11.1 Post Office has disclosed 2,149 documents which fall within these classes.
- 11.2 In relation to class 38, these documents are generally managed by the Finance Service Centre and Debt Recovery teams. The identification and disclosure of these documents is as described in paragraph 6.1 above.
- 11.3 In relation to classes 39 and 40, these documents are primarily managed by the Fraud Analysis and Field Support teams. Documents relating to the Field Support Team are also stored within



the laptop of Sandra McBride and have been gathered by the methods explained above in relation to training materials, with the primary source of information being the Audit Process Manuals.

12. Issue - Termination

Class 41 – written policies and process documents relating to: (a) the suspension of postmasters and (b) the termination of postmaster's contract (and any connected appeals process).

- 12.1 Post Office has provided disclosure of 302 documents dating from 1998 to 2017 which fall within this class. This class of document is generally managed by the Contract and Policy team and a manual review of all documents located within this team's SharePoint site has been undertaken to locate relevant documents.

13. Issue - Suspense Accounts

Class 42 - Written policies and process documents in relation to the operation by Post Office of any "suspense" account associated with branch accounting, including, specifically, the account or accounts in which unattributed surpluses generated from branch accounts (such as, for example, perceived overpayments by banks in respect of particular transactions) were placed and, after a period of 3 years, credited to Defendant's profits and reflected in its profit and loss accounts.

- 13.1 Post Office has provided disclosure of 45 documents which fall within this class. The identification and disclosure of these documents is as described in paragraph 6.1 above save that the keywords used were "Duty Instruction", "Process Maps", "High Level Process" and "Suspense Account".

14. Issue – Assistants

Class 43 - Written policies and process documents relating to the appointment and registration of assistants.

Class 44 - Training materials provided to postmasters for the training of assistants.

- 14.1 Post Office has provided disclosure of 150 documents which fall within these classes. Documents which fall within class 43 are generally managed by Post Office's Contract and Policy and HR Service Centre team. To locate these documents, a manual review of all documents located within Contract and Policy team's SharePoint site has been undertaken. Documents which were located in the HRSC's site and responsive to the keywords Subrem, ACC, "Agency Change Communiqué", Appoint* AND policy, and Advertis* AND vacancy have been manually reviewed for relevancy and disclosed.
- 14.2 In relation to Category 44, Post Office understands that the training materials which are provided to postmasters will also be provided to assistants. As such, these documents have been included under the Issue tag of "Training".

Yours faithfully

Womble Bond Dickinson (UK) LLP

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SCHEDULE 1

File types excluded from search
Adobe Photoshop Image
Compuserve Graphic Interchange Format
Extensible Markup Language File
GIMP XCF Image
iCalender Entry
Image/jpeg (including JPEG 2000 Image and JPEG/JFIF Image)
Lotus Domino XML Other Document
Microsoft Outlook Appointment
Microsoft Outlook Note
Microsoft Windows Cursor Image
Tagged Image Format File

Original Keywords	Additional keywords added following tests
"Introduction to"	Audit Process Update
"How To"	Audit Process Manual
"Evaluat**"	Product Knowledge
"Session Brief**"	Operation* Manual
"Learning Action Plan"	Daily procedures
"Onsite training"	Horizon Report*
"On site training"	Quick w/3 guide
" Pre Transfer Training"	Branchfocus
"Train* Material**"	Branch Focus
"Train* Brief"	Balance Procedure
"exercise"	HOL Help
"Learning Workbook"	HOL Help



Original Keywords	Additional keywords added following tests
"Performance Standards"	Horizon Online Help
"Weekly Session"	HOL Migration Support Brief
"Questionnaire"	Training Guide
"Counter News"	End of Day
"Tutor"	Accounting Guide
"Assessment"	Operational Focus
"Practice"	Daily Cash Declaration
"instruct"	Minimum Service Standard
"train* course"	Distance Learning
"train* catalogue"	New Product
"train* brief"	Network Support Team Policy/Process
"train* instructions"	Dealing with discrepancies
"Guid* w/10 Trainers"	Generating w/5 report
"Module"	Support guide
"Information sheet"	Exclude documents with titles containing: <ul style="list-style-type: none"> • "POL Sales & Sales Leadership 360 Feedback" • "Post Office Ltd – Anti Money Laundering Compliance" • "New/Replacement Item Form Instructions" • "Post Office Ltd – Anti Money Laundering Compliance" • "TREFAT"
"Guidelines"	
"User guide"	
"classroom"	
"Training Workbook"	