

Norman Lamb MP

Minister for Employment Relations,
Consumer and Postal Affairs

Rt Hon Kevin Barron MP
House of Commons
London
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Your ref: KJB/SW

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Thank you for your letter of 31 May enclosing correspondence from your constituent, Andrew Watson of [REDACTED] GRO [REDACTED] GRO [REDACTED] about his wife's suspension as subpostmaster at Brampton Post Office.

I should first explain that the issue raised by Mr Holmes is an operational and contractual matter for Post Office Ltd (POL) and Mrs Watson and that neither I nor the Department can intervene in such cases. I understand that Mrs Watson has appealed against POL's decision and a date for the appeal hearing has been set.

In cases of suspension and termination of contract, subpostmasters are contractually entitled to be accompanied at appeal hearings by a National Federation of SubPostmasters' representative or friend. Appeals are heard by a senior POL manager not previously involved in the case and legal avenues are also available if the subpostmaster continues to feel his contract has been wrongly terminated.

I note that Mr Watson attributes the loss on the ATM identified at audit to errors with the Horizon computer system on which all post offices operate. However, POL has expressed full confidence in the accuracy and reliability at all times of the Horizon system.

They have emphasised that the Horizon system has been subjected to full, independently-assured, robust testing procedures whilst the system's information security processes meet the relevant industry standards which apply to such organisations as banks and building societies. POL have also

confirmed that the Horizon system provides detailed records of every transaction, no matter how small or large, in any individual Post Office branch, with a separate secure tamper proof transaction log which provides the detail of all transactions from each counter within the network.

The system is based on the principles of 'double entry book keeping'. If an accounting issue is identified at a particular branch (which may have been caused by, for example, incorrect keying of a transaction by the subpostmaster), there are full processes in place between POL's central accounting team and the individual subpostmaster to investigate and resolve such issues and identify the responsibility. It is important to note that these are the kinds of issues that can occur in all businesses (incorrect data entries by branch staff, incorrect amounts of cash recorded etc). These are user issues and not examples of the Horizon system itself creating errors. All subpostmasters and branch managers are able to utilize the reporting functions within Horizon and to perform counts of their cash and stock in order to confirm their accounting position on a timely basis.

NORMAN LAMB MP