

Our preliminary conclusions are:

- a) We have so far found no evidence of system wide (systemic) problems with the Horizon software;
- b) We are aware of 2 incidents where defects or 'bugs' in the Horizon software gave rise to 76 branches being affected by incorrect balances or transactions, which took some time to identify and correct;
- c) Occasionally an unusual combination of events, such as a power or communications failure during the processing of a transaction, can give rise a situation where timely, accurate and complete information about the status of a transaction is not immediately available to a SPMR;
- d) When individual SPMRs experience or report problems, POL's response can appear to be unhelpful, unsympathetic or simply fail to solve the underlying problem. The lack of a 'user forum' or similar facility, means that SPMRs have little opportunity to raise issues of concern at an appropriate level within POL;
- e) The lack of an effective 'outreach' investigations function within POL, results in POL failing to identify the root cause of problems and missing opportunities for process improvements;
- f) The end of Trading Period processes can be problematic for individual SPMRs, particularly if they are dealing with unresolved Transaction Corrections ('TCs'). The lack of a 'suspense account' option means that it is difficult for disputed TCs to be dealt with in a neutral manner.