

STRICTLY PRIVATE & CONFIDENTIAL – SUBJECT TO LEGAL PRIVILEGE

COMMENTARY ON SECOND SIGHT INTERIM REPORT DATED 07.07.13

Generally

- a. So as to avoid any suggestion that we tried to “rewrite” the report or compromise its independence, our comments on earlier drafts were focussed on correcting inaccuracies and attempting to make the report clearer.
- b. To stress the proportionality of these issues to Horizon as a whole, we asked SS to specify hard numbers instead of using phrases like “in almost all of the cases” (para. 1.7), “in a number of cases” (para. 2.6), or “multiple SPMRs” (para. 7.2). SS has not always done this.

Para. 2.4 – We are bearing the cost of the investigation. We have worked to respond to SS’s requests for information by obtaining it from various sources in our business. We have no interest in prolonging or increasing the cost of SS’s review.

Para. 2.6 – POL’s seven-year “Document Retention Policy” is reasonable by industry standards for a business like ours.

Para. 3.5 – SS makes a point that there has been no closure. This is not surprising when SS has not concluded its work on the Interim Report’s 4 Spot Reviews (see para. 7.6 – “preliminary conclusions”; “substantial progress in investigating...”).

Para. 5.2 – Our Spot Review Responses were drafted to be read by SS as forensic investigators, not SPMRs.

Para. 5.4 – We asked SS to clarify that its statement that “robust controls” can fail is not based on anything from its Horizon review, but on its wider experience.

Para. 5.5 – We asked SS to clarify that no evidence of “control circumvention” had been identified in its review to date. We also told SS that SPMRs have evidence (e.g. branch reports etc) from which they can challenge transactions.

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Para. 6.1 – We dispute the finding that we did not provide “timely, accurate and complete information”. The delay was 4 minutes, and was caused by the SPMR’s actions in repeatedly resubmitting (rather than cancelling) the transaction.

Para. 6.3 - We dispute the process change was connected to the SPMR’s issues - the change was completed two years later.

Para. 6.6 – We asked that the Report reflect that there was no real cash shortfall of £9,800 because the matter was addressed contemporaneously by the help desk. SS report suggests he was asked to pay this. We do not believe that he was.

Para. 6.7 – SS asked to note that the anomaly first occurred in December 2011, and that it only repeated itself annually (i.e. it would not reappear for another 12 months).

Para. 6.9 – We have confirmed with SS that no SPMR made a loss as a result of this issue.

Para. 7.2 – This sets out the SPMRs’ allegations, many of which have not yet been reviewed by Post Office in conjunction with SS.

Para. 7.7 – The allegations here are based on data supplied to SS by JFSA which has not yet been shared with us.

Para. 8.2(c) - We dispute this for the same reasons we dispute para. 6.1.

Appendix 1 – Spot Review 01

Para. 1.8 - We say the system did report the failed bill payment through a disconnection receipt.

Para. 1.11 – We dispute this for the same reasons we dispute para’s 6.1 and 8.2(c).

Appendix 2 – Spot Review 05

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Para. 1.09 – SS has been provided with evidence to show that the Bracknell “Basement” is a test site only. The “conflict of evidence” is therefore that the SPMR continues to believe what he believes, and does not accept the response Post Office and Fujitsu have supplied.

Appendix 3 – Spot Review 21

Para. 1.10 – SS are yet to review the specific transaction data we have provided on this Spot Review, which may resolve this issue.

Appendix 4 – Spot Review 22

Para. 1.20 – We agree, SS needs to complete this Spot Review.