

Message

From: Rodric Williams [GRO]
on behalf of [GRO]
Sent: 08/07/2013 00:41:38
To: Paula Vennells [GRO]; Susan Crichton [GRO]
CC: Mark R Davies [GRO]; Martin Edwards [GRO]; Alwen Lyons [GRO]; Lesley J Sewell [GRO]; Hugh Flemington [GRO]; Simon Baker [GRO]
Subject: RE: Draft statement - Strictly Private & Confidential - Subject to Legal Privilege
Attachments: COMMENTARY ON SS INTERIM REPORT - 07.07.13doc.doc

Paula,

Our Commentary on selected paragraphs of the Second Sight Interim Report is set out in the attached document. Thank you Lesley and Simon for your input on this.

I have also placed the text below to assist those reviewing it on iPads, BBs etc.

Please let us know if you would like to discuss any issue further or if anything requires further explanation.
 Kind regards, Rodric

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.

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

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.

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From: Paula Vennells

Sent: 07 July 2013 21:30

To: Susan Crichton

Cc: Mark R Davies; Martin Edwards; Alwen Lyons; Lesley J Sewell; Hugh Flemington; Simon Baker; Rodric Williams

Subject: Re: Draft statement

Thanks. Yes I'm sure he has. The commentary was for me so that I know where we disagree with what is published and on what basis. Plus we will need it for the Board I expect.

Cheers, Paula

Sent from my iPad

On 7 Jul 2013, at 21:27, "Susan Crichton" [GRO] wrote:

We will do a commentary and send it through, just one point though I think it likely that AB may have seen the report as it was being drafted.

Susan

From: Paula Vennells

Sent: Sunday, July 07, 2013 07:40 PM

To: Mark R Davies; Martin Edwards; Alwen Lyons; Susan Crichton; Lesley J Sewell; Hugh Flemington; Simon Baker; Rodric Williams

Subject: Fwd: Draft statement

Dear all, note to AB below. He has texted and asked for a call tomorrow am - I have suggested around 9am. I imagine he will be reading the report with great care tonight.

Do we have either a marked up copy of the SS report or a commentary from Simon/Rodric, which I could have as background to the call? I don't expect a forensic challenge from Alan, but if one reads it fresh as he will, there will be points that seem very stark, which if I can calm or reassure him on, can only be to our benefit.
Could Simon advise what is possible?

Also Mark, could you advise when we will get the final Q&A pls? Even though we have rehearsed the answers indirectly over the last few days, I would like to read the proper version.

If anyone has any thoughts now or overnight before I speak to Alan in the morning - don't hesitate to jump in. I would like a steer from Mark/Martin as to whether I pick up the idea of a joint statement? (There will still be time later, as we are meeting at 3pm; he will bring Kay Linnell and Alwen is coming with me.)

Btw - Like Susan I caught the last few games - GO ANDY MURRAY!! Good man :)

Paula

Ps. I am about to send both docs to Alice, who I expect will also want the commentary and Q&As.

Begin forwarded message:

From: Paula Vennells [GRO]
Date: 7 July 2013 20:26:10 BST
To: Alan Bates [GRO]
Subject: Fwd: Draft statement

Dear Alan, I haven't heard back from you, so I trust you don't mind receiving this mail on a Sunday evening. (I texted earlier this evening to check if it would be ok to send you our draft statement and a copy of the SS report.)

I understand you already have the report. I attach the Post Office draft statement. We have worked hard on this to retain balance but also to demonstrate as I mentioned when we spoke on Thursday and Friday, that I am very serious about how we do respond - with openness to listen and with a keenness to improve where things could be better.

You will see that I have suggested three commitments, which we will put in place and I hope as you indicated on our calls, that you will be prepared to work with us to participate collaboratively and to oversee or help implement the recommendations.

Additionally, I will as promised meet with you personally after tomorrow, to hear the detail on how one or two of the past cases were handled, which you think should be brought to my attention.

Alan - I have just received your text. That is fine, I will try to call you around 9am tomorrow. And we can fix up where to meet at 3pm at the same time.

Kind regards,

Paula