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**From:** Callard Richard (ShEx)/[o=BIS Production/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=ef0fa57983304064b518d3b87774a899-rcallard]  
**Sent:** Fri 29/08/2014 11:54:42 AM (UTC)  
**To:** 'Mark R Davies' [GRO]  
**Subject:** FW: Sparrow update from Chris Aujard

Hi Mark – would you mind sharing the reactive lines that Chris mentions with us? We can then do something along similar lines if required.

Hope you are well – see you for our catch up next week.

Cheers

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**From:** Alwen Lyons [mailto:[GRO]]  
**Sent:** 29 August 2014 12:18  
**To:** aliceperkins [GRO]; Neil McCausland ([GRO]); virginia.holmes [GRO]; 'timfranklin1 [GRO]'; 'Alasdair Marnoch'; Callard Richard (ShEx); Paula Vennells; Chris M Day  
**Cc:** Chris Aujard; Belinda Crowe; Alwen Lyons  
**Subject:** Sparrow update from Chris Aujard

Dear All

Please see below an update from Chris

Thanks

Alwen

Dear All

This is just a short note to update you on the latest developments on Sparrow.

Although the month of August has been relatively quiet in terms of formal meetings with Second Sight (SS) and JFSA, we are now entering a period in which activity is likely to increase and in that context we thought it might sensible to alert you to one matter which may, or may not, generate some noise.

The matter concerned relates to the so-called "Part Two Report", a technical document which has just been despatched to those applicants in the mediation scheme whose cases have advanced to the stage where SS has completed its review (currently some 10 in total, but increasing week by week). The Report, prepared by SS in order to augment their case-specific reports, was initially conceived as a streamlining measure in order to deal with (and describe) complaints, or themes, which are common to a number of cases: the idea (which was strongly supported by Tony Hooper and agreed by the Working Group) was that the existence of such a document would enable the case-specific reports to be very brief (which indeed they have been).

The original draft of the Report sent to us for comment was both of a poor quality and somewhat one sided. Although it is true to say that SS did take some account of our comments (and made a number of significant corrections) the final Report was, in our view, inaccurate in a number of areas, contained no clear statement of the evidence upon which many of the opinions expressed in it were based, and included a commentary on matters which are beyond the scope of the Scheme and/or Second Sight's professional expertise as forensic accountants. In reality the offensive wording is more irritating than damaging, as it is likely to unduly raise the expectations of applicants and confuse matters.

As might be expected, the project team did push very hard both to delay the issue of the Report and to have the more subjective language removed. However, despite these attempts, Tony formally decided late last week that the Report

should be issued to the relevant applicants without further delay. The Report was duly issued on Tuesday and on Wednesday Post Office wrote to each of the recipients of the Report to advise them that it does not (for the reasons stated above) endorse the Report and that a detailed note on the areas of inaccuracies will be provided shortly. We are working with the business areas and Fujitsu to pull that note together as quickly as possible.

Although our hope is that you will see nothing about the Report in media, there does remain the possibility that (despite it being marked confidential and prepared for the purpose of mediation), it and/or our follow-up letter are leaked, and the contents taken out of context, a matter on which Tony would take a dim view. For this reason Mark and his team have been fully engaged and prepared appropriate reactive lines.

As SS has only reviewed a small number of cases, it is likely that they will update this Report should they obtain new information, but there is no suggestion that SS will produce another Report for wider publication. We have put down a clear marker now that going forward they must engage more closely with us as regards amendments to the Report, which they appear to have (belatedly) accepted. In addition, we are also writing to them to set out in very clear terms how we expect a "supplier" to engage with us and have conveyed our disapproval of their work thus far in very strong terms. This in itself could lead to publicity as SS are likely, on past form, to alert JFSA and possibly James Arbuthnot that we are seeking, somehow, to "fetter" their independence. That said, we believe this is manageable from a media/PR perspective, and the risks are outweighed by consistently having to manage the fallout from SS's poor quality work.

I will, of course, update you if there are any further developments.

Kind regards

Chris

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