
From: Gavin Lambert[IMCEAEX-
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C9B44CD293AB509@C72A47.ingest.local]
Sent: Thur 25/09/2014 7:29:12 AM (UTC)
To: Gavin Lambert[]
Subject: FW: Sparrow

Gavin Lambert
[]

-----Original Message-----

From: Belinda Crowe
Sent: 25 September 2014 08:00
To: Paula Vennells
Cc: Chris Aujard; Belinda Crowe; Mark R Davies
Subject: RE: Sparrow

Hi Paula

In answer to your questions:

- the case we settled was very complicated as was the settlement. In brief we settled for £20k, 10k of which is being repaid to us by instalments. There was no Horizon issue, we settled because of a potential legal risk related to the fact that we did not tell the spmr that there had been suspicions about whether the staff he inherited with the branch when he took it on had in some way been involved in problems which had caused the previous spmr to be suspended.

- we didn't settle the other two cases because we found no Horizon related issues and nothing to suggest that the spmr was not responsible for the loss in branch. There is no appeal against a case that is not resolved and therefore as far as we are concerned the matter is at an end - it is the end of the road. We consider we had no liability and there were no grounds for compensation. We have heard nothing more (although with one we have continued to engage with her as she has produced more copies to transaction documentation to explain it) and do not know whether they plan any other type of action. One suggested she might join a group action but we are not aware of such an action. JFSA may try to organise something further down the line but we know from Linklaters that it would be difficult to organise. We have no other sense of how not settling might play out at this stage although we may get more of a sense later as more cases go through the Scheme. It's something we keep under review but do not know what if anything JFSA may be planning).

- Tony's reaction to substandard work. He has sent SS away to revisit a case recently where they were inconclusive and he did not feel their report provide the WG with a basis for making a decision on mediation but generally has shown little appetite for addressing the general point. I do not think he considers it his role. See below.

- It was me who suggested that would be little would be gained from Alice meeting Tony. It is difficult to gauge exactly where he is on this but my assessment would be its a mixture of:

* they are probably not capable of much more

* trying to improve the quality of their work would slow down the process even more (he asked them to revisit case reports in the early days, and once recently but it just creates delay)

* as long as they are producing a conclusion and recommendation on which the WG can make a decision that's probably enough

* they have the support of MPs and JFSA and therefore we need to make the best of it and get on with it

* it is a matter for PO insofar as we disagree with the findings

Sorry, these are random thoughts, little more than speculation, but I suspect his view is a combination of this. Overall I think he is playing the hand he has been dealt and that's all he can do. He is not easily persuadable and regardless of who in PO speaks to him, he treats us as a party to the cases and is increasing unsympathetic to what he considers lobbying at this stage in the process. That's not a compelling reason, I know.

On the matter of bad faith and the GE (and I have copied Mark who may want to add something), we are putting a great deal of effort into trying to position everything so that a reasonable person would see that we are behaving responsibly (Alice's steer about the court of public opinion). We have some high profile cases coming through now and it could be that the bad faith issue is out of the way early (or the worst of it). However we keep this under review with comms and consider it manageable. There are a number of steps we can take with MPs if necessary, especially going through their cases with them if necessary to show how thorough our investigations have been and explain the results. In the run up to the GE we do what we would in any event, concentrate on all the

positive steps we have taken to improve the network so that the context for this is that it's a small number of cases in the scheme of things which have surfaced no problems with Horizon.

I am not sure how reassuring this is but we have always known this would be tricky but that we can and will manage it and it is only greatly disruptive or newsworthy if we find a problem, which we have not as yet.

Best wishes
Belinda Crowe

Belinda Crowe
148 Old Street, LONDON, EC1V 9HQ

GRO	Postline:	GRO
GRO		

-----Original Message-----

From: Paula Vennells
Sent: 24 September 2014 20:22
To: Belinda Crowe
Cc: Chris Aujard
Subject: Sparrow

Belinda, just in case you and Chris are not called to the Board tomorrow - it's a heavy agenda before you come in - I anticipate the following questions. Could you give me a few brief answers, in case I have to field it quickly.

- 3 cases mediated - what (£s) did we settle and why?
- Why did we not settle the other two? What happens - presumably nothing as it is the end of the road. So have they gone quiet? Ie., are there any pointers as to how 'not settling' may play out?
- what is Tony's reaction SS substandard work? "It is what it is" ?? If Alice or a NED say she should have a chat with him etc what is our response? (I know Chris feels she shouldn't go but this might be seen as a reason as to why she should.) • Mark's view on. Handling the coincidence of 'bad faith' publicity and the GE?

Thanks - i do hope you will called in, the Board should be pleased with progress. It would be nice for them to say so.

Paula

Sent from my iPad