

## Background to the Complaint Review and Mediation Scheme

Post Office has been going to great lengths to address the concerns of a small number of postmasters about its Horizon computer system.

In 2012, following a meeting between Post Office and MPs, Post Office appointed external investigators – forensic accountants Second Sight – to examine allegations about the integrity of the computer system raised by some postmasters. The allegations included that some postmasters had been wrongly accused of theft, fraud and false accounting.

This independent review found no evidence of system-wide problems with Horizon and this fact remains despite further investigation of individual cases.

The review findings were published in a report in July 2013 and this was the subject of a Parliamentary debate led by James Arbuthnot MP, who has been representing a group of MPs with an interest, such as constituency cases.

The findings did raise questions about the training and support Post Office had offered to some postmasters and Post Office Chief Executive Paula Vennells said as part of her ..statement at the time of the report publication: “.....we are determined the address these issues.”

The Complaint Review and Mediation Scheme was one of a number of commitments Post Office announced in response to the report, as an avenue for postmasters to put forward their concerns. It was designed jointly with Second Sight and the Justice for Subpostmasters Alliance, who represent some of the postmasters. The JFSA is led by a former postmaster, Alan Bates. The Scheme’s working group is chaired by a former Court of Appeal judge, Sir Tony Hooper and Post Office, JFSA and Second Sight are all represented.

Both Post Office and the JFSA advertised the Scheme to postmasters – and employees – over several months. Around 150 cases were put forward, representing 0.03% of nearly half a million people who have worked in Post Offices, using Horizon, in the past decade.

Every case in the Scheme, including a minority that have previously been through the Court process, is being reinvestigated and independently reviewed and some have now been resolved. We are not disclosing detail of individual cases because participants were assured of privacy under the terms of the Scheme. Also, the detail of any mediations are confidential, in line with the European Code of Conduct for Mediators to which the external mediation provider CEDR is required to comply to maintain its accreditation.

The Scheme cannot, of course, overturn convictions. but Post Office is under an absolute duty to immediately disclose to a defendant and/ or their legal representatives any information which might undermine its own case or support that of the defendant.

All criminals proceedings are subject to full Court scrutiny and procedures prescribed by the Courts. The Scheme does not affect anybody’s legal rights.

Every case in the Scheme is reinvestigated and independently reviewed. The Scheme's Working Group considers whether each case is suitable for mediation. Mediation itself is of course a consensual process and the Scheme does not oblige either party to mediate.

Following a meeting with MPs in November 2014 in which it was asked by MPs that there should be a "general presumption" that Post Office will agree (apart from a few, undefined, exceptional cases) to mediate all cases where this is the recommendation of Second Sight, regardless of their merits and specific circumstances. Paula Vennells wrote to James Arbuthnot mp to say that she did not see any "proper reason to revisit and alter the processes we designed together at this juncture or, indeed, at all." (Letter attached).

The Rt Hon James Arbuthnot issued a news release (attached) withdrawing MP support for the Scheme last week. MPs are not part of the Scheme so it is not clear what this means in practice. The Scheme was established in good faith and we believe it is operating as it should. Indeed JFSA have recently confirmed to Post Office that they are continuing to support the Scheme.

In his reply to Paula Vennells (attached – the letters were made public), James Arbuthnot said that in recent months Post Office has been objecting to "around 90% of cases going forward to mediation". We have not been discussing the working group in public but this assertion is not true.

#### **Recent media allegations**

Postmasters, providing services to communities throughout the UK, use Horizon every working day for millions of transactions. They have control and choice when they are dealing with discrepancies that arise – they can retain surpluses and settle losses either immediately or over time, or dispute them. The latter triggers an investigation by a manager at our Financial Services Centre. It has therefore never been the case – which has been alleged through the media – that postmasters are prevented from trading if their accounts do not balance. They have clear control and choices, without affecting provision of service to customers.

There is also absolutely no reason for any postmaster or employee to deliberately put false figures into Horizon, which hides the true position from Post Office.

Post Office is taking the complaints made extremely seriously. There are sad circumstances involved in some cases but it does not follow that Post Office is responsible and it cannot be asked to ignore the facts of each case. Post Office remains committed to vigilant reinvestigation of each of the cases, which are all different.