
From: Batten Peter (ShEx)/O=BIS PRODUCTION/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=15881F12D716457BB67245288269A7E2-PBATTEN]

Sent: Mon 08/12/2014 4:33:59 PM (UTC)

To: Swinson MPST[MPST.Swinson@GRO]

Cc: Fletcher Joanna (Communications)[joanna.fletcher@GRO]; Hamilton Alexander (Communications)[alex.hamilton@GRO]; Callard Richard (ShEx)[richard.callard@GRO]; Baugh James (ShEx)[James.Baugh@GRO]; McInnes Tim (ShEx)[tim.mcinnnes@GRO]; SPAD Cable MPST[MPST.SPAD@GRO]; SPAD Hancock MPST.[mpst.hancockspad@GRO]; Hancock MPST.[MPST.Hancock@GRO]; Clark MPST[mpst.clark@GRO]; Cable MPST[mpst.cable@GRO]

Subject: RE: Horizon Working Group update

Attachment: Post Office Press Release 8.12.14.doc

Attachment: Letter from Paula Vennells 28.11.14.pdf

Dear Alysa, cc Cable, Clark, Hancock and SpAd offices

Further to the earlier update, please be advised that a group of MPs led by James Arbuthnot MP have issued the attached letter regarding the operation of the Mediation Scheme by the independent Working Group comprising the Post Office, the Justice for Subpostmasters Alliance, and Second Sight. This is a very disappointing development, but perhaps not unexpected given the lack of evidence to support their position that there is a problem with the Horizon system. We are meeting Jo tomorrow and can discuss this in more detail then.

It is important to reiterate that this is an independent Working Group overseen by an independent Chair. The Government plays no role in the Working Group or the Mediation Scheme. It is therefore pleasing to note that the letter does not call on Government involvement in this matter, but it is something that we will continue to monitor closely.

I have reattached the Post Office CEO's letter to the MPs of 28 November which summarises the Post Office's position on the matter, and clearly explains the origins of the Working Group.

Press Office colleagues, please note the suggested line to take in the previous email.

Please call me with any questions, best wishes
Peter

Peter Batten | Shareholder Executive | Department for Business, Innovation & Skills |
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From: Batten Peter (ShEx)
Sent: 08 December 2014 10:06
To: Swinson MPST
Cc: Fletcher Joanna (Communications); Hamilton Alexander (Communications); Callard Richard (ShEx); Baugh James (ShEx); McInnes Tim (ShEx)
Subject: Horizon Working Group update

Hi Alysa

Further to Saturday's email, please see below further advice on the Post Office Horizon matter (that refused to be sent over the weekend). This is perhaps something that we can touch on in the catch up with Jo tomorrow morning. Jo, Alex, please note suggested lines to take at the bottom of the email.

Please be aware that there is the possibility of media interest in relation to the Post Office's accounting software, known as Horizon. As you will be aware from previous briefing this matter has been the subject to much attention over many years and stems from a small number of former-subpostmasters who question the integrity of the Horizon system claiming it is responsible for accounting anomalies at their branches. The Post Office has, and continues to support the Horizon system, noting that independent forensic reviews have found no systemic issues with the software.

Following the publication of an independent report in the software published in July 2013, the Post Office, along with the Justice for Subpostmasters Alliance ("JFSA") and the report's authors, a firm of forensic accountants called Second Sight, agreed to form an independent Working Group that put in place a process whereby concerned former-subpostmasters could apply for their cases to be reviewed. This Working Group was established in August 2013, and has an independent Chairman in Sir Anthony Hooper, a former high court appeals judge.

The Working Group received around 150 applications and has been working to review these. This process is independent of Government who plays no role whatsoever. It is important to maintain independence as the Working Group is constituted in a manner that ensures former-subpostmasters complaints are dealt with confidentially, and without external comment, speculation and judgement. The members of the Working Group can recommend a case for mediation, and where this occurs, the applicant and the Post Office go to mediation with an expert third-party mediator. The outcome of the mediation process is confidential to both parties. This is a core tenant of any mediation and is in line with best practice guidance for mediation.

A number of MPs, led by James Arbuthnot MP, have been championing the case of former-subpostmasters who have applied. They feel that that the Working Group has been acting slowly, and are seeking to attract media attention. This is being fuelled by the JFSA who despite being a core member of the Working Group have not seen systemic problems in the Horizon software emerge. This is in line with the Post Office's expectations, and the findings of the independent Second Sight report, but is not in line with the JFSA's expectations, or those of its members. It is believed that the JFSA has raised the expectations of its members (the applicants to the Working Group's scheme) that there would be systemic issues and that they would be receiving compensation payments. This is not happening and it is suspected that the JFSA is seeking to attract criticism of the Post Office's position.

This is an operational matter for the Post Office, the Government must not be involved, and hitherto Jo Swinson has been insulated. It is crucially important to maintain this independence as to involve Ministers in a quasi-legal, confidential scheme risks undermining the entire scheme and the progress made to date. The Post Office CEO (Paula Vennells) met the interested MPs at the end of November to discuss their position. She has since written to them to explain the process that is in place, and why it is robust and appropriate. A copy of that letter is attached.

Should there be any press queries on this matter, please use the following line, but also please notify me and Richard Callard as there is an acute handling risk around this topic.

A BIS spokesperson said:

"An independent report by Second Sight published in 2013 found no systemic issues with the Post Office's Horizon system. The independent Working Group – comprising representatives from Post Office Ltd, the Justice for Subpostmasters Alliance, and Second Sight – which was established following the Second Sight report is overseeing a review and mediation scheme that former-subpostmasters who have concerns about the operation of the Horizon accounting software have been able to apply to for their cases to be considered. As the Scheme operates independently of Government, and the cases themselves are confidential, the Government is unable to comment

further. "

Best wishes
Peter

From: Batten Peter (ShEx)
Sent: 06 December 2014 16:34
To: Swinson MPST
Cc: Fletcher Joanna (Communications); Hamilton Alexander (Communications); Callard Richard (ShEx)
Subject: RE: Sub

Hi Alysa

I've been having difficulty connecting my laptop to the system today. I have drafted the update but cannot send it, or save it to a memory stick to send from my other computer. Hugely frustrating. The basic gist is as I explained when we met a couple of weeks ago:

- this is a matter that is being considered by an independent working group
- govt plays no role in this independent working group
- the independently produced Second Sight report of July 2013 found there are no systemic issues with the Horizon system
- Post Office Ltd maintains confidence in the integrity of the Horizon system

Please call me or Richie to discuss any press enquiries

Best wishes
Peter

Sent from my Windows Phone

From: [Swinson MPST](#)
Sent: 06/12/2014 14:12
To: [Batten Peter \(ShEx\)](#)
Subject: Sub

Hi Peter, just checking your still planning on sending up an update on a potential story on horizon today? Just thought I'd flag I can only get emails to the shared inbox in case you had tried to send it to my personal account.

Alysa

Sent from my Windows Phone