

Post Office

Second Sight Report

Part Two

This report looks into the 'thematic' issues that have arisen from current 150 investigations. As more cases are being investigated the report will develop.

'Is Horizon fit for purpose'?

See section 18 – error and fraud repellantcy. Second Sight conclude 'no' – not robust enough in this regard, nor in regard to staff who were inexperienced at using a computer, who didn't have time or knowledge to investigate and resolve shortfalls without good quality support and assistance, and who relied on staff who were careless, or poorly trained, or dishonest.

The issues reported as at 21 August 2014 are (numbers correspond to sections in report, bold denotes issues which could be construed as 'systemic Horizon software problem'):

4. Contracts
 - a. 114 page document
 - b. Onus is on Subpostmaster if losses are incurred
 - c. Many applicants claim that they were not given contracts until well after they began work, and some were never given one until litigation started
5. Automated Teller Machines
 - a. Problems reported in 20% of all cases – sometimes surpluses, as well as small and large shortages
 - b. A notable problem with reporting of cash from ATM to Horizon
6. Motor Vehicle Licences
 - a. Some licences printed with incorrect barcode which meant that sale of 6 month disc was reported as 12 month disc, and shortfalls obviously followed
7. National Lottery
 - a. Horizon system running out of sync with Camelot system, so different amounts being reported as being sold
8. Training, Support, and Supervision – most commonly reported issue, reported by over 130 applications to mediation scheme
 - a. Second Sight deem this adequate to someone with reasonable IT skills, numeracy, and accuracy
 - b. Training seems to have failed to cover what to do if discrepancies occur
 - c. Many applicants to mediation scheme say they had fewer than 2 days' training
 - d. Subpostmasters were responsible for training their own staff – PO was not
9. Helpline
 - a. Applicants included examples where helpline seemed not to be adequate to the task
 - b. 'don't worry, it will sort itself out' – common reply, but no advice as to how long to wait for the problem to 'sort itself out'
10. Limitations in the transactional audit trail

- a. Applicants claim they were unable to determine cause of mistakes even when they knew they themselves had made a mistake, because transactional data not available to them

11. Transactions not entered by Subpostmaster or staff – ghost in the machine

- a. Certain error recovery and correction processes can result in transaction reversals that carry the system ID of the branch employee. Second Sight still looking at this.

12. Transaction reversals

- a. As per 11.

13. Cash and stock remittances (Rems) in and out of the branch

- a. Disparity between what branch reports is in the 'rem' pouch and what is received. Investigations continue

14. Missing cheques

15. Pensions and Allowances

- a. PO claims branch fraudulently manipulates pensions payments. Investigations into this matter continuing

16. Surpluses

- a. Second Sight states that Post Office investigations into discrepancies almost automatically assume that they are caused by branch error or branch fraud. There is no incentive for PO to investigate deeper because contract puts onus on subpostmaster as the person responsible for any loss, and states that PO can claim any surplus at any time

17. Cash withdrawals accidentally processed as deposits and other counter errors that benefit customers at expense of Subpostmaster

18. Error and fraud repallancy

- a. As per 16.

b. See section 18.6 – 18.12 re 'is Horizon fit for purpose'

19. One-sided transactions

- a. E.g. where a credit card is charged but never debited, or card is debited but customer never receives the goods/service. Enquiries continue.

20. Hardware issues

- a. Faulty equipment – little routine maintenance

21. Post Office audit procedures

- a. Some applicants to mediation scheme say they were not given copies of audit reports and enquiries relating to these were never answered

22. Post Office investigations – entire section worth reading

- a. 22.3 'PO investigators seems to have defaulted to seeking evidence that would support a charge of False Accounting, rather than carrying out an investigation into the root cause of any suspected problems..
- b. Interviewee not permitted to be accompanied by solicitor

N.B. - definition of Horizon = not just the software system, but also the hardware and communications equipment installed in branch and the central data centres; software used to control and monitor systems; and testing and training systems.