

IN STRICTEST CONFIDENCE AND LEGALLY PRIVILEGED

GLO COMMUNICATIONS

This note sets out our proposed approach to Communications activity during:

- The first trial (pre-judgement) in the Group Litigation Order (November-December)
- the judgement phase (December-January)
- contingency stage

It does not cover the communications approach for the second Horizon trial, due in March, which will be the subject of a further paper. It includes at Annex 1 a summary of the Communications activity we are undertaking during October aimed at generating positive coverage for Post Office Ltd in order to help mitigate the expected negative coverage around the trial.

TRIAL PERIOD COMMUNICATIONS

CONTEXT

On 11 April 2016, a High Court claim was issued on behalf of a number of postmasters against Post Office in relation to various legal, technical and operational matters, many of which have been the subject of significant media coverage over the past decade (see Annex 3 for a few examples).

The litigation is being managed by the Court through a Group Litigation Order (GLO) and will be phased: A Common Issues trial, from 5 November 2018 and scheduled for 4 weeks, which will consider the nature and effect of the legal relationship that existed (and exists) between sub-Postmasters and Post Office as set out in the express terms of the contracts; and whether as the Claimants argue, some or all of the additional 21 terms should be implied into the contract. A trial on matters regarding Horizon is due to take place in March 2019 although the exact scope of this trial has not yet been determined. Neither of these trials will address the question of liability and causation of losses there could therefore be a further potential trial or trials to determine whether in specific cases Post Office was in breach of contractual and other duties to postmasters, as a result of which postmasters suffered damage or loss for which they should

be compensated. This is as yet unscheduled and it almost impossible to predict the precise course of any litigation.

Post Office is robustly defending the claim, which involves 561 (mainly former) postmasters.

Since the High Court claim was issued we have not engaged with the media on specific details, instead reactively providing a short statement welcoming the opportunity the GLO affords to have the matters in dispute heard and resolved and stating our confidence in the Horizon computer system.

We can expect the claimants to seek to maximise publicity around the opening of the trial and its duration. We know from past experience and recent developments that the freelance journalist Nick Wallis will seek to use his network to secure coverage of the trial in the media. He has been successful in the past in securing coverage in the Daily Mail, BBC and elsewhere. The issue has also been closely followed by Computer Weekly magazine and Private Eye. Nick Wallis is using crowd-funding to raise enough money to enable him to attend the trial on a daily basis, and has set up a website to publicise his intentions: <https://www.kickstarter.com/projects/nickwallis/reporting-the-high-court-post-office-trial>

Our judgement is that the opening of the trial is likely to receive prominent coverage: significant activity will undoubtedly take place on social media and could feature as preview material on, for instance, the BBC News main headlines (broadcast and online), other broadcast outlets and the daily national and regional newspapers. This will depend to an extent on how successful Nick Wallis is in securing commissions and the attempts of the claimants and their representatives to generate interest in the issue. The news agenda at the time of the trial will also be a factor, but we expect coverage in any event. The very existence of a trial where a business such as Post Office is involved guarantees a degree of interest and it will undoubtedly be carried by Computer Weekly, Private Eye and very likely the BBC One Show, where Nick Wallis has regularly secured coverage in the past. The unions are likely to issue comment and may connect it to other issues such as the future of the DMB network and ongoing pay talks.

MPs and Peers who have previously commented in support of the claimants are also likely to comment. These include Andrew Bridgen (Conservative), Kevan Jones (Labour) and Lord Arbuthnott (Conservative). Other MPs with

constituency cases are also likely to comment. A full list of MPs and constituencies who are likely to show interest is attached at Annex [4].

Given the likelihood of negative coverage, we propose a proportionate proactive strategy in terms of communications to our employees, agents and stakeholders. Our aim will be to ensure that these groups are aware of the trial and our position in advance, and kept informed of developments.

In relation to MPs and Peers, we will monitor comments, rebutting and challenging where appropriate.

OBJECTIVES

This context informs our communications objectives in advance and during the first GLO trial. We will:

- seek to minimize negative publicity and reputational damage for Post Office Ltd
- take an internal communications approach which ensures colleagues are informed and are equipped with 'lines to take' and Q&As
- ensure our key stakeholders and partners are aware of the trial and our position.

STRATEGY

We will therefore:

- Develop a clear set of **reactive lines** to take for media. We do not recommend a proactive approach for external media, for the reasons set out below, though we will be prepared for rapid rebuttal where necessary and will proactively ensure that our position is reflected in external coverage of the trial
- **engage with our stakeholders and partners** in advance of the trial to raise awareness and set out our approach
- During the trial **monitor and assess coverage** across all media channels. We will also assess customer sentiment through social media and insight channels.
- provide **regular updates** on media penetration and sentiment to internal stakeholders

- plan other communications carefully to avoid **unhelpful clashes**
- deploy **external expertise** through an agency with substantial experience of handling disputes such as this

TACTICS

Our overall approach to external media communications will be to maintain a reactive holding line throughout the trial.

It would not be appropriate for us to proactively comment on issues being heard by the court: this could both cause irritation to the judge which would be unhelpful, but also fan the flames of the coverage, with the unintended consequence of increasing the amount of interest in the issue among external audiences.

We will therefore not comment beyond our headline statement in detail outside of public hearings, other than to intervene when coverage is factually incorrect. The litigation is complex and it is important that allegations are solely addressed in Court, from where media can report proceedings directly.

We expect the claimants to adopt a different approach and provide interviews and/ or other information outside of the hearings. In any event it is likely that inaccurate and misleading media coverage from the past decade will be 'recycled' within coverage. Unlike a jury trial there are generally no rules to prevent this. This will not, however, influence our communications approach which is designed to protect our legal position and prevent fuelling coverage further. Media questions outside public hearings will all be referred to our press office.

We will ensure that Post Office witnesses are fully briefed on our communications approach and advised and supported accordingly (e.g. if approached directly; social media privacy etc.).

RISKS

The principle risks in the pre-Christmas period are that the opening arguments in the trial and subsequent content in court is sufficient to trigger substantial media coverage, and that wider issues are drawn in to present Post Office with significant reputational challenge. It is with this scenario in mind that we have set out our communications approach.

Substantial media coverage on the GLO and wider issues such as pay, simplification, DMB strategy could impact customer sentiment and unsettle ministers and partners/stakeholders/suppliers.

Our mitigations in relation to these points will be to:

- underline that the court has not yet handed down a judgment
- draw attention to our arguments in court
- ensure that key internal audiences, stakeholders and partners are alerted well in advance of the trial
- provide principle stakeholders (e.g. internal leaders, UKGI, BEIS) with regular assessments and updates
- ensure we rapidly challenge misleading coverage or comment
- monitor customer sentiment through social media and insight channels
- seek to generate positive coverage for other Post Office initiatives and performance (see Annex 3)

COMMUNICATIONS TEAM

Our Group Communications and Corporate Affairs Director Mark Davies will lead our communications approach. Mark has led communications on this issue throughout his six years with Post Office, and has substantial experience of media-handling, both as a journalist for 14 years and as communications adviser to the government ministers between 2004 and 2010.

He will be supported by Communications Manager Mel Corfield, who manages communications in this area, and Head of Newsdesk Ruth Barker.

Mel will lead on the creation of content and strategy for delivery of material to all audiences, internal and external. Her link into Retail teams will be through Martine Munby, Head of Retail Communications.

We will also deploy our external agency, xxxxx to provide support and challenge. Their team will include xxxx with substantial experience in litigation such as this xxxxx

Corporate Affairs Director Patrick Bourke will lead our approach to the wider stakeholder and partner audiences, while Darren Jones will co-ordinate social media, working with the team in Chesterfield. This will be particularly important

in terms of assessing how far the issue is penetrating into media and also provide a sense of sentiment.

A daily meeting of the core communications group will take place to assess coverage and agree approaches. Our communications approach and lines will be continually reviewed and, outside of our overall public position statement, reactive lines will continue to be in place for certain potential questions (e.g. particular applications to the Court; Report and Accounts). These will be reviewed against the nature of any enquiry but our approach of reserving specific detail to the Court process will be maintained. Lines could be non-attributable/ off the record for journalists' guidance.

ANNEX 1 COMMUNICATIONS PLAN FOR TRIAL PERIOD

Comms team members' attendance at trial will be agreed in due course when we have finalised running order for witnesses.

EXTERNAL

STANCE – REACTIVE

Our communications objectives for external media handling are to (a) minimise reputational damage (b) minimise risk of 'new angles'/ fuelling coverage (c) preserve our legal positions and (d) maintain consistency of messaging.

The trial is expected to attract significant media coverage, including social media. Our stance will remain that we will not comment outside of the hearing. A short reactive statement on this position will be provided. This will be continually reviewed to ensure alignment to proceedings (along with off the record/ non attributable briefing we might want to provide, for example explanatory factual background).

A similar reactive stance will be taken with MPs with draft briefing ready for use as needed.

INTERNAL (PLUS CLIENTS, BEIS AND UKGI)

Our communications objectives pre-trial will be to (a) ensure awareness and basic understanding of the context of the litigation, including possible timescales for Judgment/ outcomes (b) provide contact points for questions/ concerns/ issues (c) ensure correct process is adhered to for media enquiries or direct approaches. During the trial we will additionally (a) correct / provide context for

any significantly misleading/ inaccurate media (b) continually review communications to ensure alignment to proceedings.

PLAN & STAKEHOLDERS

Timing	Stakeholder	Owner	Pre-trial	During trial
Continual ongoing	Board & GE	Jane M; Mark Davies	Proactive continual	Proactive continual
Continual ongoing	BEIS	Patrick Bourke and Rod Williams	Proactive continual	Proactive continual
Continual ongoing	UKGI	Patrick Bourke and Rod Williams	Proactive continual	Proactive continual
October x [L300 call]	L300	Charlotte Power	Proactive – October x call; f/up email with materials	Updates as necessary
October x	NFSP	Nick Beal	Proactive continual (we will need to understand NFSP position and comms approach and factor this into our comms)	Updates as necessary
October x	HRSC advice line	Mel Corfield	Briefing for reactive use re enquiries	Updates as necessary
October x	NBSC: Kim Abbotts	Mel Corfield	Briefing for reactive use re enquiries	Updates as necessary
October x	Horizon Helpline (IT service desk): via Rob Houghton/	Mel Corfield	Briefing for reactive use re enquiries	Updates as necessary

	Catherine Hamilton			
October x	Client Management: Owen Woodley – Chrysanthy Pispinis, Nick Boden, Ross Hunter, Meredith Sharples, Rob Clarkson , Mark Siviter, Martin Kearsley , Andrew Goddard	Mel Corfield	Briefing for proactive use with clients plus reactive Qs and As	Updates as necessary
October x	Customer Services: via Kim Abbott	Mel Corfield	Briefing for reactive use re customer enquiries	Updates as necessary
October x	Field teams (including multiples & DMBs): via Julie Thomas tbc; Tom Moran; Amanda Jones	Mel Corfield	Briefing for reactive use re agents/ multiples/ postmasters & DMBs	Readiness for network-wide comms if necessary Reactive material continually reviewed
Reactive as needed	Media	Ruth Barker; Mel Corfield; Darren Jones for social media	Reactive statement and social media responses	Continual review of reactive statement & social media responses

Reactive as needed	MPs	Patrick Bourke	Reactive briefing	Reactive briefing
Reactive as needed	Citizens Advice	Patrick Bourke	Reactive briefing	Reactive briefing
BAU	Fujitsu	Mel Corfield is liaison with FJ press office	FJ's policy is not to comment on client matters. Any enquiries regarding POL are referred directly to us.	

FEEDBACK MECHANISM

Single email point of contact for questions/ concerns from all internal audiences to be set up managed by Communications team.

REPUTATIONAL MONITORING/ MANAGEMENT

The insight team will use marketing communications tracking to monitor whether people have seen, read or heard about the trial (i.e. whether it is mentioned when people are asked what they have seen, read or heard about Post Office). Brand metrics will be used to provide an indication of potential reputational damage (eg in terms of trustworthiness, 'a brand for people like me', 'duty to support'). Specific mentions of the trial are expected to be low. Marcomms research will be running in October, November and end of January.

In addition we are considering an Omnibus survey at the time of the trial with two or three questions included. This can be commissioned at short notice with quick turnaround so that it can be timed, for example, to co-incide with peaking media coverage.

Outline timetable

X October: Briefing on L300 call followed by email; Email briefing/teleconference to relevant network managers, client managers

Court timetable – subject to change:

- **Monday 5 and Tuesday 6 November 2018** – Reading Days, when the parties will not attend court while the judge reads into the Court's file.
- **Wednesday 7 November 2018** – Opening Statements, when each side will have half a day to give oral submissions on the case they will be presenting during trial.
- **Thursday 8 to Monday 26 November 2018** – 10 hearing days for cross-examination of witnesses (essentially half a day per witness).
- **Fridays 8, 15 and 21 November 2018** – the Court will not sit, but will be available to address ad hoc matters that arise during the course of the trial.
- **Tuesday 27 to Friday 30 November 2018** - the Managing Judge did not specify any dates for Closing Submissions, but these will take place following the conclusion of cross-examination, most likely after a one or two day interval for drafting.

Judgment: This is unlikely to be handed down for some weeks (potentially not until into the New Year). Our legal team expects to have several days' notice but the extent to which the judgment might be shared at this point internally outside of the legal team might be restricted by the Judge. In preparing communications in advance we will therefore have to work within parameters set which could be very limiting and initially our statement might essentially be that we are studying the judgment in detail before commenting.

INTERNAL AND EXTERNAL STATEMENTS – DRAFT

The note below sets out both our draft statements to colleagues and partners and our proposed media position

Managerial Internal briefing [draft copy]

As you may be aware, Post Office is defending a High Court action issued by a number of postmasters in dispute with us about various complex contractual and operational matters.

As part of managing the litigation, the Court has scheduled a 'common issues' trial for four weeks, starting on 5 November 2018. This trial will hear evidence and arguments primarily concerning the correct interpretation of the contract between Post Office and its agents. A judgement is expected in the New Year.

Following this, other matters in dispute, including allegations about the Horizon computer system, will be heard over 4 weeks in March 2019

We are defending this case vigorously. We welcomed the Court issuing a Group Litigation Order (a way of managing a number of individual claims) because it offers the best opportunity for the matters in dispute to be heard and resolved. We will therefore continue to address the claims through the Court's processes only and will not be commenting on details outside of public hearings.

Below is our public statement providing this position. If you receive internal enquiries please contact [MC] to let her know of the query before giving this statement. Media enquiries should be referred directly to the press office [contact details]:

We're defending this case vigorously and welcomed the Group Litigation Order issued by the Court as offering the best opportunity for the matters in dispute to be heard and resolved. We will not comment on specific details outside of public hearings whilst the litigation is continuing.

We have confidence in the Horizon system, which is robust, reliable and used across 11,500 branches by postmasters, agents and their many thousands of staff, to process millions of transactions successfully every day, including on behalf of the UK's high street banks.

Let me know if you have any questions or concerns.

[Mark Davies]

JUDGMENT PHASE COMMUNICATIONS

CONTEXT

Following the High Court trial the Judge is expected to reserve his Judgment. The timing of it being handed down is not currently known but it is likely to be some weeks following the trial (possibly late December or early January). An embargoed version of the Judgment will be provided to the legal team 2-7 days in advance of it being handed down in Court (and therefore made public). There might be provisions made by the Judge which limit the embargoed Judgment being shared beyond the legal team, including internally (and, for example, to UKGI).

When the Judgment is handed down either party can ask the Judge for permission to appeal. If this is refused an application to appeal can be made directly to the Court of Appeal. An application to appeal (and an appeal could take around a year to be heard) does not act as a 'stay' on the Judgment.

Rather than providing direct orders, the Judgment is more likely to provide statements of law (i.e. Post Office not compelled by Court to follow but obviously consequences could flow from that e.g. breach of contract). Therefore Post Office will need to make decisions regarding implications of the Judgment for the contracts and operations between the business and its agents and consider changes it might need to make.

For the purposes of contingency communications planning we are assuming scenarios where all or parts of the Judgment mean potential changes to the relationship/contracts with agents, with the most significant being Post Office becoming liable to investigate and determine root cause of losses before recovery from agents, causing delays to debt recovery and immediate impacts on cash flow. There would also be raised costs because of additional investigation activities.

As part of contingency planning the legal team is exploring how contract changes might be made for various scenarios. The potential routes are (a) termination and rehire (b) variation to existing contracts (c) amendment to existing contracts by agreement. However route (b) is one of the contested areas within the Group Litigation and therefore there is a dependency on the Judgment.

Contingency communications planning will continue to align with potential operational/ contractual solutions for possible trial outcomes (e.g. self-funding; CCTV in all branches; 'closed cash' technology*; increase of audits). *a project on 'closed cash' is underway

COMMUNICATIONS APPROACH (if all/ parts of Judgment go against Post Office)

Post Office is unlikely to be in a position to provide a detailed statement either externally or internally when the Judgment is handed down given the short timescale between receipt of embargoed copy and publication, the complex nature of the subject matter and the importance of reserving legal positions as the litigation continues. However it will be very important to provide measured, factual responses for our stakeholders and agents in an environment when there could be a large amount of negative media coverage (which could well be sensationalised, misleading or misunderstood – most journalists are not legal experts and do not read entire judgments before reporting). We will produce a 'myth buster'/ Factcheck communication to rebut coverage that could mislead our people.

There are essentially two broad phases to communications: the immediate aftermath of the Judgment and, later, in support of any contractual or operational changes that need to be made.

As we move forward we will produce detailed communications plans, with appropriate tailored messages for different audiences, for all eventualities (including the scenario where the Judgment is in Post Office's favour in that no changes to status quo need to be considered or implemented).

Our tone and approach will be factual and focussed on the effects of the Judgment, if any, on those audiences.

INTERNAL AND EXTERNAL STATEMENTS

It is of course not possible at this point to draft precise copy/ messaging and additionally, during the course of the trial, there will be points made that we may want to draw out and underline in responses. The following is therefore intended to be illustrative of proposed tone and potential positioning only and should be considered very much 'in development':

Draft potential external Post Office statement – immediate aftermath of Judgment

Whilst Post Office welcomes [overall highlight of positives which Judgment confirms, if appropriate] we intend to appeal aspects of this Judgment [Andy/Rod – would we have given grounds to the Court when asking for permission?]. We will make that appeal through the Court's processes and will not otherwise comment in detail whilst the litigation is continuing.

We are considering the Judgment's implications for the agreements we have with our current agents and when we have done so we will be talking to them about any changes we may need to make.

Post Office is continuing to vigorously defend the High Court claim. We have confidence in our UK-wide network of 11,500 Post Office branches and in the Horizon system. It is robust, reliable and used by many thousands of postmasters and their staff to successfully process millions of transactions every day, including on behalf of the UK's High Street banks.

Draft potential internal Post Office statement – immediate aftermath of Judgment

The High Court has today provided a Judgment on contractual matters concerning Post Office and its agents. This is part of continuing litigation by a group of (mainly former) postmasters in dispute with us. We are vigorously defending the case.

Whilst we welcome [overall highlight of positives which Judgment confirms, if appropriate] we intend to appeal [aspects of] this Judgment.

At the same time we must consider its implications for the ways we work with our current agents. This is a complex legal area so it will take a little time to do this.

Until we have thoroughly examined the [x-page] Judgment we cannot determine what operational or contractual changes we might need to make. In the meantime all of our current arrangements and processes remain in place.

The ways in which we operate our branches with our agents is of course extremely important and we'll be talking with them and to the Federation when considering potential actions that affect them.

[Regrettably there have been some misleading and inaccurate media reports about the litigation. We've produced a short information sheet of key facts which can be found here [\[link\]](#) but if you have any questions or concerns

please contact [email account for this] and we will respond as quickly as possible.]

Draft potential example high level eg L300 communications re change(s) to contracts. Assumption that variation of contracts is possible.

As we outlined in previous communications [link], a High Court Judgment was made in [month] concerning contractual matters between Post Office and its agents.

We are appealing [aspects of] this Judgment but at the same time we have been considering its implications for the ways we work with our current agents.

As a result we are making a variation to our contracts with agents regarding branch accounts. Our agents are currently able to suspend and dispute a loss while we investigate, although we are not contractually obliged to do so. The variation we are making means agents will not become liable to make correcting payments for branch errors they cannot identify until Post Office has investigated to determine the cause of discrepancies.

The ways in which agents should continue to correct known mistakes in branches is not changing and they remain responsible, as now, for losses caused through particular circumstances within their control. In the vast majority of cases our agents quickly establish the causes of any discrepancies in their accounts because of their unique knowledge of their branch, customers and transactions. We are on hand, through our helplines and field teams, to advise and support with this.

All of our postmasters and agents will receive a letter setting out the variation we're making to their contracts, [together with Q&A and contact details if they have questions].

Everyone else affected by the change we're making is receiving detailed information about actions they need to take.

[More widely, the effect of this contractual change will incur additional costs to the businesses. We are exploring potential ways in which we can minimise these, as well as continue to reduce risks to money in branches. We will keep you updated when there is more detail about this and we will of course be involving agents and others working in the network as we move forward.]

ANNEX 2

EXAMPLES OF PREVIOUS MEDIA COVERAGE

A small amount of the media coverage over the past few years can be found



Example coverage
-GLO.docx

here, as examples of tone and media narrative.

ANNEX 3– WIDER COMMUNICATIONS INITIATIVES

POST OFFICE COMMUNICATIONS and MARKETING – AUTUMN 2018

This note summarises our communications and marketing activity planned for the period to Christmas 2018. This is in addition to our ‘always on’ activity which includes regular press briefings, PR campaigns on key products and services, social media activity and engagement with MPs and other elected representatives.

SEPTEMBER - ARA

We proactively positioned our Annual Report with key stakeholders and media, generating positive coverage across the mainstream media. We will continue to use the ARA as a vehicle for updating journalists and other key stakeholders on business performance and strategy.

SEPTEMBER-OCTOBER – MORTGAGES CAMPAIGN

This integrated campaign across earned media and marketing channels seeks to highlight the Post Office as a mortgage provider. Early indications from earned media coverage are very positive, with coverage in the Evening Standard, BBC and Metro.

OCTOBER-NOVEMBER: OUR CHANGING BUSINESS

We have invested £1.5m in a campaign aimed at raising customer awareness of the changing Post Office. This campaign, which will use newspaper advertising, radio, video on demand and social media, will be piloted in the Midlands and targeted to reach 4.3m people in our target audiences. The working title of the campaign is THE WHEN I NEED IT MOST OFFICE.

The aim is to show the breadth of the Post Office offer, from banking to travel money to our unique network. It will be supported by internal communications and activity with key stakeholders.

We are measuring the campaign through a series of metrics on customer sentiment, and will use these metrics to decide whether to extend the campaign with further investment and activity in the new year.

OCTOBER-NOVEMBER: EVERYDAY BANKING

Two campaigns – in NW England and Scotland – which will seek to highlight our everyday banking offer via a range of paid channels. The campaign in Scotland will use door drops and press advertising, while in NW England it will include outdoor and radio advertising alongside in-branch activity.

OCTOBER (date to be confirmed)

To coincide with the expected announcement of the completion of the CMA process over Payzone, we plan a proactive earned media campaign to highlight both the planned acquisition and its place in the overall Post Office story.

We are working with the Financial Times on a feature and possible CEO interview as part of this initiative. [Scope BBC/Sky interviews....float a Tim Parker interview?]

We will support this approach with activity among MPs and other key stakeholders, building on our attendance at the Conservative and Labour conferences.

OCTOBER (LAUNCH)

We are planning a campaign to launch in October to highlight the work of our best branches. This social media campaign will urge customers to let us know via social media channels where they have had great service using a hashtag (title to be agreed). This intention is to go direct to customers to highlight the changing business.

NOVEMBER-DECEMBER: CHRISTMAS MADE EASY CAMPAIGN

Our colleagues in the marketing team are developing an advertising campaign to support Christmas trading, aimed at showing how we are seeking to make life easier for customers at Christmas. We are supporting this in communications through press activity and MP visits to branches (which was trialled last year).

ANNEX 4 – LIST OF MPs WITH LIKELY INTEREST

[Mel working on this]