

DRAFT OVERALL MEDIA STATEMENT – in strictest confidence, legally privileged – subject to legal advice

Today, [Mr Justice Fraser] has published his judgement on the 'Common Issues' trial held in November 2018. The purpose of this trial was to set out how the contracts between Post Office Limited and Postmasters should be interpreted. This was the first of four planned trials looking at historical claims from a number of (mainly) former Postmasters, many arising from the period before we became an independent business in 2012.

Mr Justice Fraser has criticised us heavily in his judgement, and has described us as [arrogant, secretive and overbearing *need to use actual terms*]. This has never been our intention. However these are the conclusions he has drawn: it holds up a mirror and we do not like the reflection.

We therefore take these criticisms very seriously and will work hard to make sure that they cannot be repeated in the future.

Most importantly, we will work with the Postmasters on whom our business depends, to ensure that we continue to make it easier for them to serve their customers and run their businesses. We will make sure we investigate differences quickly and transparently while continuing to improve training and support.

We are pleased that the judgement highlights improvements under recent programmes. We also note that the expert witnesses in the 'Horizon' trial currently underway agree that our systems are **reasonably robust**. Indeed, we know that our systems today work in the vast majority of cases: we process over 500 million transactions a year on behalf of our customers and have to correct just some 100,000, (0.02%), covering various categories of error including keying-in errors and mis-counting.

We are not, of course, saying that mistakes are not made and are focus must be on correcting them quickly and reliably where they occur.

[Nevertheless, the judge has reached a number of conclusions as to the interpretation of our contracts which are surprising and we are therefore giving serious consideration as to whether we should appeal certain aspects of this judgement.

In the meantime, our focus will remain on serving over 10m customers a week from over 11,500 locations, providing communities across the country with access to cash withdrawals and deposits, parcel pick up and delivery services, identity verification, bill payments, foreign exchange and cash transmission here and overseas: the only national network, committed to supporting customers who work both digitally and traditionally.