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Dear Solicitor to the Inquiry

POST OFFICE HORIZON INQUIRY: RULE 9 REQUEST 57 QUESTION 4

1 SCOPE AND SUBJECT MATTER OF THIS LETTER

1.1 We refer to Question 4 of Rule 9 Request 57 dated 12 June 2024, which sought:

"The number of civil claims pursued by POL based on Horizon data since the Rule 9 start date, the quantum and the outcome of those claims including payments of legal costs by parties."

1.2 We also refer to the first witness statement of Melanie Park dated 22 August 2024 (statement number WITN11600100), which responded to Question 4 in paragraphs 24-28. In that response Ms Park explained, *inter alia*, that Post Office Limited ("**Post Office**") had incomplete records and institutional knowledge relating to historic civil claims and, accordingly, had reached out to those of Post Office's former external advisers understood to have acted for Post Office in civil claims potentially within the scope of Question 4.

1.3 We write on behalf of Post Office to provide further information relevant to Question 4 that Post Office has received from its former external advisers. We hope that this information will assist the Inquiry.

2 FURTHER INFORMATION IN RESPONSE TO QUESTION 4

2.1 Post Office has made enquiries seeking further information potentially relevant to responding to Question 4 with Womble Bond Dickinson (UK) LLP, DAC Beachcroft LLP, Pinsent Masons LLP, Hugh James LLP and AWH Acquisition Corp Ltd (t/a Cartwright King).

2.2 In making those enquiries, Post Office took a broad view of what was meant by "*civil claims pursued*" and asked its former external advisers to adopt the same approach. Effectively, any matters where a formal letter before action was issued and/or any subsequent or other formal procedural steps were taken was to be treated as a "*civil claim pursued*". This would not include matters where only a request for payment that was not a formal letter before action was issued, but inclusion was not limited, for example, only to those matters where civil proceedings were issued. This would, therefore, include

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matters that were not pursued beyond initial stages, that were settled before or after a substantive hearing and that proceeded to trial and enforcement.

- 2.3 Post Office also took a broad view temporally, including any matters that continued to be pursued after the "Rule 9 start date" (i.e., 8 July 2013 – see paragraph 12(h) of the first witness statement of Melanie Park and paragraphs 83-85 of the second witness statement of John Barlett (statement number WITN11190200)), even if most of the work was done before that date.

Hugh James

- 2.4 Hugh James confirmed that it had not identified indications that it acted for Post Office in relation to any relevant matters on or after 8 July 2013:

"I [Richard Locke, Partner] understand that we do not hold any physical files anymore, as the destruction date has long since passed. We do have some limited electronic data but the files are, I am told, quite sparse.

We did advise the Post Office on postmaster civil debt recovery. Those files were all opened between 2004 and 2008. Only one file was opened after 2008. That one file was opened in 2013 and does not appear to be a postmaster debt recovery file. The civil debt recovery matters were undertaken under two file prefixes – ROY24 and ROY28. These matters were completed by 2009.

It doesn't appear that we did "pursue" sub postmasters post 2013. If you have our file reference which should be prefixed as ROY24 or ROY28 we can do a specific search for you to see if that throws anything up."

Cartwright King

- 2.5 Cartwright King also confirmed that it had not identified indications it acted for Post Office in relation to any relevant matters on or after 8 July 2013:

"From the searches that I [Matthew Shiels, Director] have been able to conduct in a relatively short time frame, I have been unable to identify any further examples¹ of CKL involvement in civil claims on behalf of POL.

This cannot however be taken to be a definitive position. I could not say categorically whether CKL were involved in any other civil cases or not, without first conducting a manual search of every POL prosecution case file on CKLs legacy case management system. As you are no doubt aware, copies of these case files have already been provided to POL. In the circumstances I suspect that you will have the resources available to review the material in question far more expeditiously and effectively than I could."

DAC Beachcroft

- 2.6 DAC Beachcroft was instructed by Post Office to act on a large portfolio of civil recoveries. However, DAC Beachcroft confirmed that it does not consider any of those claims to be within the scope of Question 4. DAC Beachcroft's position is:

"the debt recovery instructions that were received followed audits by POL and an audit pack was received. No advice was sought on the merits of recovery and no substantive review of the pack was carried out. The debt figure and the debtor's details were simply extracted. If

¹ For the purpose of assisting Cartwright King to search for legacy instructions by Post Office which involved incidental civil recovery work, Post Office shared with Cartwright King the example of a prosecution on which Cartwright King acted, where Cartwright King had also negotiated the terms of a consent order before a Crown Court under which the postmaster consented to Post Office registering a charge over their property. However, Post Office does not understand this particular matter to fall within the scope of Question 4.

there was, and we cannot confirm after this time if there in fact was, any 'Horizon' data within the pack, it was not used in evidence or even considered by those conducting the recoveries. If the debtor referenced Horizon when responding to correspondence, the matter would be returned.

The recoveries were very simple and were an administrative process performed for POL, as evidenced by the low level of fixed fees charged.

In light of the above we do remain firmly of the view that DACB did not assist POL with claims falling within the question. We cannot confirm that no Horizon data was relied upon in any underlying claim preceding DACB's debt recovery support, because that did not form any part of DACB's instructions."

- 2.7 From management information shared with Post Office by DAC Beachcroft pertaining to the 378 matters where DAC Beachcroft carried out at least some work on or after 8 July 2013, Post Office understands that only 77 incurred total fees and disbursements greater than £1,000 (exc. VAT) and 263 incurred total fees and disbursements less than £250. That appears to correlate with the case load comprising relatively few civil claims that were pursued materially through procedural stages (without prejudice to DAC Beachcroft's position, as set out above, that these were not claims within the scope of Question 4).

Womble Bond Dickinson

- 2.8 From the information Post Office has received, it appears that most instructions Post Office sent externally relating to matters within the scope of Question 4 were provided to Womble Bond Dickinson. Based on the information provided to Post Office, we understand:
- (a) Womble Bond Dickinson acted on 48 "civil claims pursued" based on Horizon data since 8 July 2013 or continuing past 8 July 2013.
 - (b) The claimed quantum of those claims ranged from £3,480.62 to £205,427.45. The mean claimed quantum of those claims was £43,239.71.
 - (c) 45 of those claims (94%) resulted in Post Office obtaining a substantive remedy, either through a judgment, peremptory order or settlement. Remedies obtained included 25 judgments in favour of the Post Office (52%); 5 bankruptcy orders against postmasters (10%) (3 bankruptcy orders were obtained following judgment and 2 relate to matters for which we do not have a record of Post Office having obtained judgment); 20 matters (41%) resulted in Post Office obtaining a charge against the postmasters' property; 23 matters (48%) resulted in a negotiated settlement, including 2 participants (4%) in the Mediation Scheme, 13 participants (27%) in the GLO, and 8 other forms of settlement (17%).
 - (d) One of those claims (2%) resulted in an order that Post Office could recover its legal costs from the postmaster, with a further 16 claims (i.e., a total of 17 claims (35%)) resulting in Post Office obtaining default judgment against the postmaster and, it may reasonably be inferred, an order for costs. In respect of the remainder, we are unclear as to whether there was any order for recovery of legal costs. Post Office is not aware of any claims having resulted in an order that the postmasters could recover legal costs from Post Office.

Pinsent Masons

- 2.9 Pinsent Masons has a longstanding relationship with Post Office, which includes but is not limited to debt recovery work. As at the date of this letter, in the time Pinsent Masons have had available to consider Post Office's request for assistance, they have been unable to confirm whether some of their historic instructions (and, if so, how many) fall within the scope of Question 4. Post Office is informed that the limited management information available to Pinsent Masons from its document management

system indicates that it may have been instructed on a handful of potentially relevant civil recovery cases in Scotland (which were identified by the Post Office Remediation Unit's incomplete legacy data). However, Pinsent Masons' corresponding client files are hard copies stored in archives in Scotland, and so the retrieval, transport and review of them would be required in order to clarify the position and extract any relevant data. In this regard, we note our understanding that Pinsent Masons' Scottish office's relationship was primarily through the firm McGrigors, which merged with Pinsent Masons before the Rule 9 start date in early 2012. More broadly, Post Office is informed that it would be a substantial exercise for Pinsent Masons to conduct a manual review of the client files pertaining to its voluminous, past Post Office instructions to ascertain if any other past debt recovery work was also potentially relevant to Question 4 (again noting that some such files may only be available as hard copies in archives).

Conclusion

- 2.10 In providing the further information relevant to Question 4 set out above, Post Office necessarily relies on the accuracy of the data and information its former external advisers have provided (subject to validation work that was possible and proportionate for Post Office to do based on its own records). In this regard, we are conscious that, given the passage of time and other matters (for example, AWH Acquisition Corp Ltd purchased the assets of the former law firm Cartwright King from administration) there will be fewer records readily available to firms than might otherwise be the case. As set out in the first witness statement of Melanie Park (summarised above), that is also the case for Post Office.
- 2.11 Accordingly, while we trust that the information set out above is as accurate and complete as it proportionately can be, we cannot affirm that it comprises a wholly accurate and comprehensive response to Question 4. In broad terms, however, the position set out above is broadly consistent with Ms Park's response to Question 4 in her first witness statement (see paragraphs 25-26 in particular).
- 2.12 In view of the length of time it has taken for Post Office to obtain the above-described information, the considerable length of time and estimated costs that would be involved in requesting additional work from Cartwright King and Pinsent Masons (as well as the indications received thus far regarding the scope and quality of data retained and its likely evidential value), and the proximity to the end of Phase 7 hearings for the Post Office witnesses, Post Office does not consider it proportionate to undertake further work in respect of Question 4. However, should the Inquiry wish to discuss the response to Question 4 further, please let the Post Office know.

Yours faithfully

Borges Salmon LLP Fieldfisher LLP

BURGES SALMON LLP and FIELDFISHER LLP