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2nd Sight

Second Sight
Support Services Ltd

25 March 2013 - Second Sight Briefing Note

Second Sight Support Services Ltd ("Second Sight") was appointed in July 2012 in order to conduct an independent investigation into various matters relating to the Horizon computer system used by Subpostmasters throughout the United Kingdom and Northern Ireland. Second Sight is a consultancy firm specialising in investigations within the financial services sector.

The terms of reference for the investigation were set out in a document titled "*Raising Concerns with Horizon*" issued jointly between the Post Office and the Justice for Subpostmasters Alliance ("JFSA") in December 2012. The full agreement between the Post Office and the JFSA was published on the JFSA website in December 2012 and Subpostmasters were invited to submit relevant cases to the JFSA, or direct to Second Sight, by 28 February 2013. In addition, all Subpostmasters were notified about these arrangements by the Post Office in an article in *Branch Focus* in January 2013. *Branch Focus* is a Post Office publication sent to all Subpostmasters.

The "*Raising Concerns with Horizon*" document provided certain assurances concerning actions by the Post Office regarding cases submitted by Subpostmasters and also described the remit of the investigation as follows:

"to consider and to advise on whether there are any systemic issues and/or concerns with the "Horizon" system, including training and support processes, giving evidence and reasons for the conclusions reached".

As of 28 February, the cut-off date agreed between the Post Office and the JFSA, approximately 60 enquiries from Subpostmasters had been received by the JFSA, mainly by telephone, but a number of these enquiries were general questions about the investigation. This process resulted in 20 cases from Subpostmasters being submitted via the JFSA route. In addition to these arrangements, a further 29 cases were submitted by Subpostmasters via constituency MPs to the Office of the Rt Hon James Arbuthnot MP.

This total of 49 cases is from an overall population of approximately 11,500 Subpostmasters.

Second Sight has conducted a *fast track* review of all cases that have been submitted and has requested relevant documents from the Post Office and in some cases from third party contractors. A number of Subpostmasters have been interviewed and telephone contact has been made with other Subpostmasters in order to clarify the issues raised.

This *fast track* review process has identified the following 7 issues as being a significant feature in one or more of the cases submitted:

1. Transaction anomalies following communications or power failures;
2. Transactions or Transaction Corrections not entered by the Subpostmaster or staff;
3. Missing or duplicated transactions associated with a small number of specific transaction types;
4. Training and Support issues;
5. Limitations in the Transaction Audit Trail available to Subpostmasters;
6. Process issues at the end of each trading period; and
7. The contract between the Post Office and Subpostmasters.

Whilst Second Sight will continue to investigate all relevant cases, in order to progress the review as quickly as possible, Second Sight is proposing to give priority to the top 3 issues listed above with the aim of issuing a report on at least those issues before the start of the Parliamentary recess on 18 July 2013.

The investigation is progressing well. A number of difficult issues have been satisfactorily resolved and an excellent working relationship has been established with both the JFSA and the Post Office. Second Sight has regular meetings with senior representatives of the Post Office and is grateful for the support it is providing. The investigation is complex and involves looking at events that occurred over a long period of time – in some cases 7 or 8 years. We are still at the evidence gathering stage, particularly for cases submitted in the last few weeks, and it is too early for us to reach even preliminary conclusions on the matters under review. This is a fact based investigation involving complex information technology and it is important to allow all relevant parties to submit evidence on the issues under review.

Second Sight is determined to get to the bottom of the issues under review and is confident that it will do so.