

**From:** Tait Duncan[/O=EXCHANGE/OU=ADMINGROUP1/CN=RECIPIENTS/CN=TAITD]  
**Sent:** Tue 09/07/2013 11:12:47 AM (UTC)  
**To:** Carter Simon [REDACTED] GRO [REDACTED]; Bounds Gavin [REDACTED] GRO [REDACTED]; Patterson Paul [REDACTED] GRO [REDACTED]; Jones Haydn [REDACTED] GRO [REDACTED]; Davidson Andrew [REDACTED] GRO [REDACTED]; Youngs Patrick (LON22) [REDACTED] GRO [REDACTED]; Clatworthy [REDACTED] GRO [REDACTED]; Andrea [REDACTED] GRO [REDACTED]; Howard [REDACTED] GRO [REDACTED]; Catherine [REDACTED] GRO [REDACTED]  
**Cc:** Blagden Simon [REDACTED] GRO [REDACTED]; Roberts David (LON22) [REDACTED] GRO [REDACTED]; Jones David M [REDACTED] GRO [REDACTED]; O'driscoll Ian [REDACTED] GRO [REDACTED]; Clayton Steve [REDACTED] GRO [REDACTED]; Kirby-Green Nigel [REDACTED] GRO [REDACTED]; [REDACTED] GRO [REDACTED]; Knight Miriam [REDACTED] GRO [REDACTED]  
**Subject:** RE: FOR NOTING: Post Office Horizon - statement in the House today

Thanks Simon.

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**From:** Carter Simon  
**Sent:** 09 July 2013 12:05  
**To:** Bounds Gavin; Tait Duncan; Patterson Paul; Jones Haydn; Davidson Andrew; Youngs Patrick (LON22); Clatworthy; Andrea; Howard; Catherine  
**Cc:** Blagden Simon; Roberts David (LON22); Jones David M; O'driscoll Ian; Clayton Steve; Kirby-Green Nigel; Knight; Miriam  
**Subject:** FOR NOTING: Post Office Horizon - statement in the House today

I just wanted to alert you to the change of business in the House of Commons today.

At 1230, the Home Secretary, Theresa May, will make a statement and this will be followed by a statement by Business Minister, Jo Swinson, on the **Post Office Horizon system**.

Simon

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**From:** Carter Simon  
**Sent:** 08 July 2013 22:03  
**To:** Bounds Gavin; Tait Duncan; Patterson Paul  
**Cc:** Blagden Simon; Roberts David (LON22); Jones David M; O'driscoll Ian; Clayton Steve; Kirby-Green Nigel  
**Subject:** FOR NOTING: Post Office Horizon articles on the wires  
**Importance:** High

Folks,

You may have already have seen this, but there are (at least) two stories on the wires about the *Post Office* story. In both cases the headline is far more alarmist than the story itself:

1. Karl Flinders (**Computer Weekly**) has written the first article. *Fujitsu* gets one mention – as the developer of the system, and the article quotes James Arbuthnot saying that it “*seems at the moment that Horizon has worked as it meant too.*” While not a complete vindication of the system, this article reports factually while hinting at possible issues to be flagged later down the line. *Post Office* is very much the focus. A very different tone to Karls previous articles on this.
2. Another from the last hour on **BBC Online**. *Fujitsu* is not mentioned in this article. The headline here is slightly contrary to the statement from the Post Office that the system is effective. The article ends with a positive quote on the system from Paula Vennells.

3. A version of the BBC article has also just gone up on *This is Hampshire* but with no mention of *Fujitsu*:  
<http://www.thisishampshire.net/news/10534127.Post Office report highlights issues of concern />

As you know from a media perspective, we have agreed with the customer that we will not comment on this story unless given permission to by them. But at this stage based on these articles, I don't think we would want to or need to.

We will continue to monitor and let you know if we see anything further

I have copied to the Amaryllis team in case the good Doctor raises it tomorrow...

Simon

## Post Office Horizon system investigation reveals concerns

### <http://www.computerweekly.com/news/224018756/Post-Office-Horizon-system-investigation-reveals-concerns>

The investigation into the allegedly faulty accounting system used by sub-postmasters has revealed serious concerns about a system which many claim has led to prosecutions, fines and even jail for some sub-postmasters.

Although Horizon itself appears to have worked properly, from the investigation so far, an interim report has raised concerns over unreliable hardware, exceptionally complex systems and a lack of proper training.

The Horizon system, which is used by thousands of sub-postmasters, has been blamed by many for sub-postmasters being wrongly charged and even jailed for accounting shortfalls. Others have had to make up cash discrepancies following prosecutions.

Despite years of allegations that the Horizon system – which was developed by ICL/Fujitsu Services – is at fault for many accounting shortfalls, the Post Office has unrelentingly defended it.

But after pressure from groups such as the Justice for Sub-postmasters Alliance (JFSA) and MPs, the Post Office agreed to run an independent investigation. The independent investigation funded by the Post Office is being conducted by forensic experts, Second Sight.

James Arbuthnot, the Conservative MP for North East Hampshire who chairs a group of MPs that have campaigned for the Post Office to get to the bottom of the problem, welcomed the interim report.

He told Computer Weekly that so far the investigation has shown that the Horizon system has worked as it should: “It seems at the moment that Horizon itself has worked as it is meant to.”

But Arbuthnot listed areas where there are concerns.

These are: unreliable hardware; the absence of “proper” system training and support; the complexity of linking with a large number of other systems; a business model that puts responsibility for dealing with small system problems with sub-postmasters; and the way the Post Office has in the past investigated concerns about transactions.

He said that “while the problems are devastating for those affected, in proportion to the number of sub-postmasters and transactions it deals with, it is a small number.”

Arbuthnot praised the Post Office for the way it “has dealt with difficult issues”.

“The Post Office has gone out of its way to fund this independent investigation and there has been no attempt to cover up what has been going on,” he said.

Read Computer Weekly case studies from 2009 of those that believe they have suffered as a result of problems related to Horizon.

## Post Office admits computer bug in cash

# shortfall row

<http://www.bbc.co.uk/news/uk-23233573>

**By Matt Prodger** Home affairs correspondent

The Post Office has admitted that software defects have occurred with a computer system at the centre of a bitter dispute with some of its 11,500 sub-postmasters across the UK.

More than 100 say they were wrongly prosecuted or made to repay money after computers made non-existent shortfalls.

Some of them lost their homes as a result and a few went to prison.

The Post Office said the report showed its system was effective but said it would improve training and support.

Over the past year, independent investigators Second Sight, who were employed by the Post Office, have been examining a handful of the sub-postmasters' claims.

Although their review found no evidence of systemic problems with the core software, it did find bugs in it.

It pinpointed two specific occasions, in 2011 and 2012, when the Post Office identified defects itself which resulted in a shortfall of up to £9,000 at 76 branches.

The Post Office later made good those losses and the sub-postmasters were not held liable.

## 'Further improvement'

Sub-postmasters, who run the smaller post offices in the UK, are not directly employed by the Post Office but are contracted to run their branches as businesses.

They are responsible for balancing the books themselves, using the Post Office's Horizon computer system which processes all transactions.

A vocal minority of sub-postmasters have claimed for years that they were wrongly accused of theft after their Post Office computers apparently notified them of shortages that sometimes amounted to tens of thousands of pounds.

They were forced to pay in the missing amounts themselves, lost their contracts and in some cases went to jail.

"We're all really, really angry. We want justice for what has been awful. Some people have gone to prison" Second Sight said the Post Office's initial investigation failed at first to identify the root cause of the problems.

The report says more help should have been given to sub-postmasters, who had no way of defending themselves.

And it concludes that further investigation is required.

More than 100 sub-postmasters have registered an interest in suing the Post Office over the prosecutions.

Jo Hamilton, who used to run a sub-post office from her village shop in South Warnborough, Hampshire, told BBC News things started to go wrong in 2005.

"I got to the end of one week and I was £2,000 short so I rang the helpdesk and they told me to do various things and then it said I was £4,000 short.

"They then said I had to pay them the £4,000 because that's what my contract says - that I would make good any losses.

"Then while I was repaying that it jumped up to £9,000."

## System 'confidence'

Ms Hamilton said that, by the time the figure reached £36,000, she lied to the Post Office - wrongly telling them the books were balancing just so that she could open the office the next day.

As a result of that, she pleaded guilty to false accounting.

The interim review makes clear that the Horizon computer system and its supporting processes function effectively across our network"

She has been paying back the money ever since.

She says the sub-postmasters who have registered an interest in bringing a legal claim are "all really, really angry".

"We want justice for what has been awful. Some people have gone to prison.

"One gentleman had worked for the Royal Mail for 40 years and he ends up spending his 60th birthday in prison - you don't suddenly turn into a criminal at that age."

Post Office chief executive Paula Vennells said: "We commissioned this independent review to address concerns that have been raised about the Horizon system and we welcome the broad thrust of the interim findings."

She said: "The interim review makes clear that the Horizon computer system and its supporting processes function effectively across our network.

"As the review notes, it is used by around 68,000 people in more than 11,500 branches, successfully processing more than six million transactions every day.

"The review underlines our cause for confidence in the overall system."

She said the review raised questions about the training and support "offered to some sub-postmasters and we are determined to address these issues", adding that, "in many of these cases", improvements had already been made,

And she pledged to make "further improvements in this area and take better account of individual requirements and circumstances going forward".

The Post Office has proposed setting up a working group to investigate further.

It also suggested a review chaired by an independent figure to work out how an independent safety net might be introduced to adjudicate in disputed cases in the future.