

House of Commons Parliamentary Question: 2008/5010

Written

Question tabled	10/09/2009	Question for answer	12/10/2009	Return to PB by Noon	22/09/2009
Action officer/ division	She Briefing/ SHE		Copies to:		

Question from: **Brooks Newmark (Braintree - CON)**

Minister answering: **Rt Hon Pat McFadden**

Question

To ask the Minister of State, Department for Business, Innovation and Skills, whether he has received reports of errors in the Post Office Horizon system which have led to Postmasters or Postmistresses being falsely accused of fraud; and if he will make a statement. 291675

Draft Answer

The Department has received no such reports. Any issues relating to the Horizon system are operational matters for Post Office Ltd. I have therefore asked Alan Cook, Managing Director of Post Office Ltd, to respond directly to the Hon Member and a copy of his reply will be placed in the House Libraries.

Action Officer	Approval	Ministerial Approval
Mike Whitehead GRO	Oliver Griffiths Must be G5 or above	
Print Name and extension		

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5th Floor
80 Old Street
LONDON EC1V 9NN

T: GRO

Mr G Ward

Our Ref: ECT 047/09

GRO

8 May 2009

Dear Mr Ward

Thank you for your letter of 21 April addressed to Alan Cook, Managing Director, Post Office Limited. Your letter has been forwarded to me for reply on his behalf.

Please accept my apologies for the delay in reply but I wanted to consult with colleagues to better understand the situation before doing so. I understand that Mr Grayston has now completed his investigations and has communicated his decision to you.

The internal processes we follow are carried out in accordance with the guidelines agreed with the National Federation of Subpostmasters, which are robust and designed to protect the interests of both the subpostmaster and Post Office Limited. We recognise that this is stressful time and can assure you that every effort is made to communicate a decision as quickly as possible. I am sorry that this took a little longer than expected in this case but I do, however, believe that this reflects how seriously your concerns were taken and the thoroughness of Mr Grayston's investigation.

From my understanding of your case, you believe that the Horizon system may be flawed and is responsible for causing a number of losses at your branch over a period of several years. Post Office Limited is always prepared to consider representations that are based on proper documentary evidence but nothing has been provided in this case to substantiate your claims. I am, however, satisfied that your concerns have been taken seriously and have been fully and properly considered. Nothing during our investigations has supported your claims of any system errors or unauthorised access to the accounting data. Additionally, as Mr Grayston has stated in his letter of 24 April, the Horizon system has been tested in criminal and civil courts and has not been found wanting.

Turning to points one and two detailed in your letter, in respect of your first point it may help to clarify that this is not defined as being those instances that have generated error notices but could simply mean a mistake has been made.

Turning the issues raised in point two, this appears to be the crux of the matter. There are several possible explanations why a figure may show on the cheque line following

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their despatch from the branch, for example where the total value of the physical cheques on hand are remmed out but this total does not correspond with the total amount on the report that was cut off. This would leave an amount on the balance report that wasn't physically on hand in the branch. Another example could be where a transaction is settled to cheque but cash is taken instead or a balance discrepancy is settled to cheque but a cheque is not put in.

There is no evidence of any fault with the Horizon system that would create such anomalies, only possible user error. If a subpostmaster feels that the branch trading statement is incorrect, they should raise this through the NBSC. By completing the Branch Trading process, as is the case here, the subpostmaster is certifying that its contents are a true and accurate record of the accounting position within the branch.

I recognise that you will be disappointed with the outcome of your appeal. I am, however, satisfied that all processes have been correctly. The decision to uphold the termination of your Contract for Services remains, therefore, final.

Yours sincerely

Michele Graves
Executive Correspondence Manager

