

# POST OFFICE

## Flaw covering

**A** TRIAL pitting 560 sub-postmasters against the Post Office in the high court last week opened with the remarkable revelation that executives knew of flaws in an IT system that could see dozens of people convicted, but covered them up.

The sub-postmasters are claiming they were variously sacked, sued and in some cases imprisoned over shortfalls in their funds that they say were caused by the Horizon computer system. The Post Office has long responded that the IT is entirely reliable (*Eyes passim*). In 2015 chief executive Paula Vennells even told a committee of MPs that "we can continue to have confidence in the Horizon system". Yet internal documents show that the Post Office already knew of serious flaws.

Papers from late 2012 show that senior managers discussed discrepancies and mismatches thrown up by Horizon that were at that point "impacting circa 40 branches". But they reckoned that any admission of the problem could "cause loss of confidence in the system", have a "potential impact on the ongoing legal cases" and "provide branches ammunition to blame Horizon for future discrepancies".

So – despite the risk of injustice – they kept the matter secret. Thirty people with criminal convictions based on the evidence of the Horizon system still languish in a backlog at the Criminal Cases Review Commission.

In court last week the Post Office's counsel, David Cavender QC, maintained the Post Office's unequivocal stance: "What it comes down to is: we say Horizon is reliable and when Horizon says there is a shortfall, there is a shortfall."

The supposed infallibility of the IT system took a further blow with the appearance in court of a memo from as far back as 2009. A Post Office manager described a visit to a branch and reported: "The balances are a mess (in pre-Horizon times the postmistress virtually achieved a clean balance every week)... she keeps getting promises of attention – but nothing is being done." The memo then adds in bold: "It is Horizon-related."

The case, which could ultimately cost the Post Office hundreds of millions of pounds, has profound implications. Cavender speculated that "if [the claimants] were right in the broad thrust of their case, this would represent an existential threat to Post Office's ability to continue to carry on its business throughout the UK in the way it currently does". In his view, by placing any responsibility for discrepancies on the Post Office, the sub-postmasters were seeking to turn an arm's-length business relationship between the two "into some kind of quasi-employment status".

When it suits the Post Office, the relationship is far more intimate. "Every year," wrote Vennells in her last annual report, "I am reminded of the dedication and sheer hard work of our postmasters and colleagues, serving our customers day in, day out." When it comes to addressing their concerns over what they consider false accusations of dishonesty and consequent financial ruin, they're clearly no longer "our" people.



# IRRELEVANT