

IN STRICTEST CONFIDENCE AND SUBJECT TO LEGAL PRIVILEGE**Horizon Issues Judgment****Draft Communications Plan****CONTENTS**

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Introduction

Purpose of this document

This document sets out the strategy for communicating the result of the Horizon Issues Trial.

The document sets out the context of the Judgment, and the risks it presents to Post Office, before going on to map out an approach to communicating the Judgment to all of the organisation's different stakeholders, geared towards meeting a number of strategic objectives.

For each stakeholder, the document sets out the context in which any engagement will take place, a handling strategy, and the accompanying draft collateral material which will be verified/modified against the Judgment during the embargo period.

Context

The subject matter of the Horizon Issues Trial is the complex technical architecture and functionality of the Horizon system over an 18 year period. This is one part of a wider set of Group Litigation Order proceedings arising from a long running dispute between the Post Office and a group of mostly former postmasters who have made serious allegations about technical, operational and contractual matters. The first substantive part of that litigation (the Common Issues Trial [CIT], looking at the contractual relationship between the PO and postmasters) finished on 5 December 2018. The Judgment was handed down on 15 March 2019 and included strong criticisms of Post Office behaviours. It received little media or political attention, and had no measurable impact on consumer sentiment.

Judgment in the Horizon Issues Trial is expected in the first half of November. As our legal advisers note, this is a stepping-stone to other decisions. The reliability and functionality of Horizon is not, in the context of the litigation, an end result in itself. It will however set a foundation on which decisions in relation to specific postmasters, both historically by Post Office and in the future by the Court, will be determined. It may tip the scales for or against Post Office but it will not be determinative of any individual claim. The full implications of the outcome of the Horizon Issues Trial will not be known until at least the end of the Further Issues Trial, scheduled to begin in March 2020. In that further trial, the Court will consider, in abstract but by reference to some real examples, questions around the recoverability of certain claimed losses and what damages might apply in such circumstances should causation and liability, in fact, be established at a later date. However, the Judgment could have immediate reputational consequences for Post Office if it includes harsh criticism of the Horizon IT system on which transactions depend, and/or again of the business's behaviour towards postmasters more generally.

Across the network of 11,500 Post Office branches, Horizon processes around 47 million transactions a week, worth more than £60 billion a year.

Risks

The HIT clearly poses a significant reputational risk. In a worst case scenario, where the Judgment heavily criticises the operation of the Horizon system, there is the potential for widespread loss of confidence – amongst postmasters, customers and commercial partners – which, at the extreme end of the spectrum, could undermine Post Office's ability to operate. Additional criticism about the culture and behaviour of the business would have the potential to ratchet up the impact of any criticism of Horizon itself. Given the risk to operations that this would present, the communications response to the Judgment will be vital.

However, in planning the communications response it would be a mistake to see the short term risks purely through the prism of Horizon. The wider reputation of the Post Office and the people running it will be at the heart of any external focus this receives. The HIT is part of a wider litigation which has not, to date, attracted as much attention as it might have done. But the fact that the CIT was underreported could pose a risk, as sections of that Judgment could be dredged up by journalists and presented as previously undisclosed facts. Therefore, in preparing the communications response to the HIT we must bear in mind broader points raised in the previous Judgment about the culture at Post Office.

Worst case scenario hostile narrative

In the worst case scenario, a general hostile narrative that we could expect campaigners and journalists to adopt is set out below. We have categorised each limb (text in brackets) and set out some topline messaging later in this document:

- the Horizon IT system has been found to be fundamentally flawed and those flaws have clearly led to postmasters being wrongly accused of theft (Horizon flawed)
- the Post Office was aware of these flaws and risks but attempted to cover them up - even during the trial (PO culture, PO trial conduct)
- this forms part of Post Office's historic and ongoing vindictive attitude towards postmasters (PO culture)
- the company providing technical support on Horizon - Fujitsu - is also guilty of failure and incompetence (Fujitsu relationship)
- the deficiencies of the Horizon system call into question its continued usage and suggest there could be thousands more victims (Future of Horizon)
- senior executives need to take responsibility for this major failure (Accountability)

Below we set out some of the specific questions and further lines of attack that we would expect to flow from these core points, set within some broad themes. These themes require strong lines of defence, which will form the basis of a core script.

Strategic objectives

Our communications response will be framed by five core objectives to:

1. Avoid direct criticism of the court and its Judgment, given that the litigation is ongoing and the judge remains in situ
2. Protect the overall reputation of the Post Office and the integrity of its relationship with postmasters
3. Reassure, and maintain the confidence of, key stakeholder groups in the overall reliability of Horizon, the network, products and services
4. Proactively make clear that the Post Office is addressing the concerns of key stakeholders and the Court
5. Minimise any media and political fallout arising from the Judgment

Core script

Topline

The Post Office takes the concerns of the court extremely seriously and is examining the Judgment carefully. We are confident that the overall Horizon system is robust, comparing well with similarly large and complex IT systems used by other retail and financial services companies. Independent experts on both sides of the litigation confirmed this in the course of the court proceedings.

The shortcomings identified in the Judgment cover events stretching back over two decades, and the systems involved are either no longer in use or have been repeatedly updated over this period. However, no large-scale IT system is perfect and we acknowledge the criticisms that have been made. We will be working very closely with our IT partner, Fujitsu, to ensure that any specific technical concerns that remain are fully addressed. We are also focusing our efforts on ensuring that postmasters receive necessary support and training.

Tone of voice

The Judgment is very likely to contain some difficult conclusions for the business. However, no matter how light or severe the criticism it will be important to maintain a balanced and measured tone that avoids emotional or confrontational rhetoric.

We should welcome, as far as we can, the careful scrutiny that this issue is receiving and acknowledge and accept that changes are needed in certain places. These changes can be presented as part of an ongoing effort to constantly improve processes in tandem with key partners.

However, this is only one stage in an ongoing litigation and so whilst making clear that lessons will be learned, there will be a need to maintain core positions and to avoid any signal that the Post Office is “caving in” in the face of a negative Judgment.

Most significantly, whatever the judgement says, we will need to maintain that the Horizon system is fundamentally robust/reliable and reference facts that support that position.

Core messages

1. Horizon processes around 47 million transactions a week, more than £60 billion worth a year.
2. Transactions are reconciled every day, including with the systems of major organisations such as high street banks

3. But the Judgment underlines to us very strongly the importance of how we need to do more to help our postmasters operate their Post Office branches.
4. We are therefore continuing to take firm action to improve that support, alongside further investment in our technology.
5. Over the last 12 to 18 months we have had a particular focus on providing our postmasters improved training and operational support, as well as making changes which further reduce the risk of human errors in branches.

Overarching handling approach

There are a multitude of stakeholders - both internal and external - to be considered in relation to the Judgment, and to meet the objectives set out above it will be important to adopt a tailored handling approach for each group.

Broadly speaking, this will mean trying to de-dramatise media coverage and reassure political stakeholders, while providing strong messages to internal audiences in relation to the robustness of Horizon and the new support structures in place to support postmasters.

The following section of the document sets out a tailored communications approach for each stakeholder group, as well as setting out the draft collateral materials that have been prepared in order to facilitate the relevant approach.

It will be important to maintain an agile approach in the hours and days immediately following the Judgment, so that any emerging issues can be quickly managed. Therefore, the Rapid Response Team will operate under protocols that allow for swift sign-off of proposed activity.

Handling timeline

Judgment embargo period					
When	Audience	Delivered by	Channel	Key messages/activity (tbc)	Document number*
Time tbc	Board, CEO,GE	Ben Foat	Email	Confirm timing & Communication approach	n/a
Time tbc	L40	Ben Foat	Email	Confirm timing & communication approach	n/a
Time tbc	UKGI	Patrick Bourke	call	Confirm timing	n/a
Time tbc	BEIS Policy	Patrick Bourke	call	Confirm timing	n/a
Time tbc	BEIS Comms	Mel Corfield	Call/email	Confirm timing	n/a
Time tbc	Social Media & Press Team	Ruth Barker/Darren Jones	Email	Confirm timing	n/a
TBC	Area Managers	Marketing/Simon Philips	Post	Posters for use in closed branches	(36)
Day before Judgment is made public					
When	Audience	Delivered by	Channel	Key messages/activity	Document number*
Time tbc	L300	Jonathan Knox	n/a	Set up conference call for next day	n/a
End of day	n/a	Legal tbc	n/a	All collateral signed off	n/a
Day 1 – Judgment is made public					
When	Audience	Delivered by	Channel	Key messages/activity	Document number*
Morning	POL witnesses	Angela VDB	Call	Likely comment on their appearance in court, OH support	n/a
Morning	L300	Jonathan Knox	One Email	Invitation to L300 call – signed by Nick Read	(4)
Time tbc	L300	GE	L300 Call	Post Office response to judgment call script. Call hosted by Patrick B/Martine M	(5)
As L300 call underway	POL colleagues	Jonathan Knox	POL intranet	Live with information documents – Internal Q&A, Post Office fact sheet, GLO fact sheet, media statement	(6) (7) (8) (10)
As L300 call underway	POL Colleagues, including DMBS, & Supply Chain	Debbie Smith	One email	Post Office response to judgment plus link to intranet with documents	(9)

As L300 call underway	Postmasters	Jonathan Knox Jonathan Knox Kim Abbott	Memoview message Branch Hub message (tbc) IVR	Direct branches to One website for important update and more information	(11) (12) (13)
As L300 call underway	Postmasters	Jonathan Knox	One website	Live with information - One story, Internal Q&A	(6) (15)
As L300 call underway	Postmasters	Debbie Smith	One email	Post Office response to judgment, directing branches to One website for the One Story (Debbie Smith)	(14)
As L300 call underway tbc	Media	Mel Corfield	Media statement	Reactive/proactive tbc	(7)
As L300 call underway	Social Media Team	Darren Jones	Social media channels	Pre prepared tweets and messages for reactive response using media statement	(7)
Time tbc	Commercial partners CEO's RMG,BOI,Fujitsu	Mark Siviter, Owen Woodley, Shikha Hornsey	Call & Email	Post Office response to judgment	(16) (18)
Time tbc	BEIS/UKGI ministers/policy Possibly include Ministerial & Perm Sec	Patrick Bourke	Face to face meeting (Brief tbc)	Post Office response to judgment	(30)
Time tbc	BEIS Comms	Mel Corfield	Email	Media statement	(7)
Time tbc	Press office & public affairs teams -RMG, BOI, Fujitsu	Ruth Barker/Press Team	Email	Media statement	(7)
Time tbc	DMB Managers	Steve Blampied	Email	Post Office response to judgment	(39)
Time tbc	Paula Vennells/ Ex-chairman/ NEDs/	tbc	Call/email	Post Office response to judgment	(31)
Time tbc	Payzone Agents	Andrew Goddard	Requirements tbc	Post Office response to judgment doesn't impact Payzone	(21)

Time tbc	Payzone employees	Andrew Goddard	Email	Post Office response to judgment doesn't impact Payzone	(21)
Time tbc	Multiple Partners/WHS	Karl Oliver/Amanda Jones	Call / email	Post Office response to judgment (Retail partners)	(16) (17)
Time tbc	Retail Ops Team Branch Support Change Manager Onboarding & Training teams supporting branches	Pam Heap/ Amanda Jones	Call & email	PMR One story, Internal Q&A, PO &GLO Facts sheets, Media statement, link to intranet, reactive Postmaster talking brief, reopen branch brief	(6) (7) (8) (10) (15) (34) (35)
Time tbc	Retail Sales Team Area Managers	Andy Kingham/Amanda Jones	Call & email	PMR One story, Internal Q&A, PO &GLO Facts sheets, Media statement, link to intranet, reactive Postmaster talking brief, reopen branch brief	(6) (7) (8) (10) (15) (34) (35)
Time tbc	Loss Prevention Team	Tim Perkins/Julie Thomas	Call & email	PMR One story, Internal Q&A, PO & GLO Facts sheets, Media statement – link to intranet	(6) (7) (8) (10) (15)
Time tbc	Property Team	Steve Norris/Julie Thomas	Call & email	PMR One story, Internal Q&A, PO & GLO Facts sheets, Media statement – link to intranet	(6) (7) (8) (10) (15)
Time tbc	HRSC	David Higham	Email	Talking brief & Internal Q&A	(6) (37)
Time tbc	BSC	Kim Abbotts	Email	Talking brief & Internal Q&A	(6) (29)
Time tbc	ECT	Laura Tarling	Email	Customer and Postmaster brief, Internal Q&A, media statement	(6) (29) (28) (7)
Time tbc	Onboarding Team	Laura Tarling	Email	Talking brief & Internal Q&A	(6) (38)
Time tbc	National Consultation Team	Peter Johnson	Email	Customer Service brief & Internal Q&A	(6) (28)
Time tbc	Horizon Helpline (IT service desk)	Ben Cook	Email	Talking brief & Q&A	(6) (29)
Time tbc	GrapeVine/King Security Telco helpline	Julie Thomas	Email	Redirect enquiries to BSC	(22)

Time tbc	Customer Services	Kim Abbotts	Email	Post Office response to judgment (External), Q&A	(6) (28)
Time tbc	IT Supplier Management (exc Fujitsu)	Shikha Hornsey	Call & email	Post Office response to judgment (External)	(16) (19)
Time tbc	Procurement contacts	Barbara Brannon	Email	Post Office response to judgment (External)	(19)
Time tbc	Regulators	Jonathan Hill	Email	Post Office response to judgment (External)	(16) (18)
Time tbc	Clients	Owen Woodley (BOI) Martin Edwards (IDP,HO,DVLA) Chrysanthy Pispinis (FRES,Moneygram) Meredith Sharples (Telecoms), Ed Dutton (Insurance), Mark Siviter (One4all, Camelot, Royal Mail), Martin Kearsley (Banking, POCA), Russell Hancock (Bank of England) Andrew Goddard/Paul Wordsworth (Bill Payment)	Call & letter/ email	Post Office response to judgment (External)	(16) (18)
Time tbc	McKinsey	Lisa Cherry	Email	Post Office response to judgment (External)	(19)
Time tbc	NFSP	Amanda Jones /Nick Beal	Call/F2F briefing tbc	Post Office response to judgment speaking brief , media statement	(23) (7)
Time tbc	CWU & Unite (tbc)	Lee Kelly	tbc	Post Office response to judgment speaking brief , media statement	(24) (7)
Time tbc	MPs	Patrick Bourke/Alice Cookson	tbc	Parliament will be dissolved 6/11-12/12/19, media statement	(26) (7)

Time tbc	Citizens Advice	Patrick Bourke	Call/email	Post Office response to judgment, media statement	(26) (7)
Post Judgment Days 2-14					
When	Audience	Delivered by	Channel	Key messages/activity	Document number*
Day 2 - 14	Postmasters	Rina Patel	OBU posted to Postmasters (excl Mults)??	POL response, how we supports PMRs, One website link to video	(20)
Day 2 - 14	Postmasters	Communication Team tbc/Legal Teams	TBC – f2f events??	Reactive responses	tbc
Day 2 -14	POL Colleagues	Communication Team /Legal Teams	Update Intranet page, f2f events??	Reactive responses	tbc
Day 2 -14	Client Teams/Suppliers	Communication Team /Legal Teams	Email via Client/supplier teams	Reactive responses	tbc
Day 2 -14	UNITE,CWU	Communication Team tbc/Legal Teams	Email via Lee Kelly	Reactive responses	tbc
Day 2 -14	NFSP	Communication Team tbc/Legal Teams	Email via Amanda Jones	Reactive responses	tbc
Day 2 - 14	Media/Social Media	Communication Team tbc/Legal Teams	Media/Social channels	Reactive responses	tbc
Day 2 - 14	Political ext stakeholders	Communication Team tbc/Legal Teams	Email via relevant team	Reactive responses	tbc

Handling different stakeholders

This section sets out all of the Post Office's key stakeholder groups, and includes for each group:

1. The context in which the Post Office will be communicating with them
2. An engagement approach
3. Relevant collateral materials

Media

Context

Other than Nick Wallis, no journalists are following the litigation on a detailed, day-to-day basis. However, the Daily Mail is running an ongoing campaign to save local Post Office branches, and has dipped into the trial at times, with coverage usually written by Sam Greenhill, the paper's highly experienced chief reporter.

Broadly speaking, therefore, given that there is not a wide pool of journalists who have followed the trial in detail; those penning the coverage of the Judgment are likely to have little detailed knowledge of the issues at hand.

The Judgment is likely to be extremely long and detailed; too long for a journalist at a broadcaster or daily paper to read, digest and report on within the necessary timeframe. Journalists are therefore going to be particularly reliant on the parties (who are likely to have advanced sight of the document) pointing out key parts of the Judgment that support their case. Based on previous experience, Nick Wallis is likely to brief particular media outlets and offer himself for interview to some broadcasters.

Depending on the approach taken by the court in providing advance public warning about the timing of the Judgment, and subject to the claimants' approach to tipping off journalists, many newsdesks may learn about the Judgment for the first time when it breaks on another outlet's website (or, most likely, on the news wires). Given the time constraints set out above, this initial coverage is likely to frame the coverage of other outlets.

The claimants will be well advised to ensure that they catalogue the most damning parts of the Judgment and put them in front of the media at the earliest possible opportunity, to try to frame the coverage. Therefore it is vital that we consider carefully how proactive we should be in response to the judgment.

Handling approach

It will not be possible to formulate a precise handling strategy until the embargoed Judgment has been received and reviewed. However, the nature of our approach is likely to be conditioned by three key factors:

1. The Judgment: How bad/good it is for the Post Office, and the volume and content of key quotes that are likely to make headlines

Given we expect to have the chance to review the Judgment ahead of publication, we will have time to come to a view as to how bad the Judgment is for our position. Subject to the other criteria set out below, in general terms the worse the Judgment, the more proactive we will want to be. This is because there is likely to be a significant coverage of an extremely bad Judgment

– whatever approach we adopt – and therefore the need to try to control the story takes precedence over hanging back and hoping it passes unnoticed.

WBD will scope out the document during the embargo process to establish the key findings and legal ramifications.

2. The extent to which media are aware that the Judgment is coming, and are tee'd up to cover it

The extent to which the media are primed and prepared for a Judgment will have a bearing on how proactive the business should be. If it is clear that the media are fully aware of the publication date of the Judgment, and are primed and ready to cover it as soon as it lands, it will clearly be in our interests to be as proactive as possible, to try to shape the story in the key first hours in which the tone of the coverage will be set.

If it is clear that media are totally unaware of the Judgment, and depending on the other factors identified here, there may be some merit in taking a more reactive approach.

In advance of the Judgment, we will monitor media for any coverage foreshadowing the Judgment, as well as any social media comment referencing a forthcoming Judgment, and the tone of these.

3. Knowledge the business has of how the claimants - and other stakeholders - are likely to react

Intelligence on how key stakeholders such as NFSP, as well as the claimants themselves, are likely to react will help finalise our planned approach.

It will be important to keep open channels of communication with key stakeholders during the embargo period, to try to understand their likely approach. While the Post Office will obviously not be able to share details of the Judgment, it is possible that some stakeholders, if they are aware of a forthcoming Judgment, may draw up statements that will be essentially the same, regardless of the content of the Judgment, and so any intelligence we can glean as to how these stakeholders are likely to react will help us finesse our own approach.

Collateral

Draft media statement

DOCUMENT -- 7

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

POST OFFICE RESPONSE TO JUDGMENT IN THE SECOND TRIAL OF GROUP LITIGATION ORDER

The Honourable Mr Justice Fraser has delivered his Judgment in the second trial of Group Litigation brought against Post Office by a small proportion of former postmasters. The purpose of this second trial was to determine a number of technical matters about Post Office's Horizon computer system (the electronic point of sale system in branches). This trial forms part of the stages in the litigation which are designed to establish the context in which the facts and circumstances of the individual claims can properly be determined. Further hearings to determine other legal matters ahead of examination of individual cases, are currently scheduled through to 2020.

Post Office Chairman Tim Parker said:

"We take this Judgment, and the litigation of which it forms part, extremely seriously.

"It is another important stage in working towards resolving the individual cases involved, which we are of course keen to do.

"We are taking on board the lessons being learned by the litigation about the continuing improvements we must make but [WORDING SUBJECT TO DETAILED LEGAL ASSESSMENT AGAINST JUDGMENT: we are confident that overall the computer system in our network is robust, comparing well with systems used by other retail and financial services companies every day. This was confirmed by both the independent experts, on opposite sides of the litigation, during court proceedings.

"Clearly no system can ever be said to be perfect. That is why Horizon's performance is continually monitored and why we're working as hard as ever to make improvements wherever we can.

"Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every, month, every year, which includes the systems of major organisations we work with such as high street banks. This gives confidence in the many products and services we provide.

"As the Judgment underlines, the way in which we help our postmasters operate their Post Offices to deliver those services is absolutely central to our joint success. We're continuing to take firm action to improve that support, alongside further investment in our technology.

“Over the past 12 to 18 months, we have had a particular focus on building a stronger partnership with our postmasters to help them better serve their customers, earn more money, for less effort, and with improved support from us.

“We are committed to making it easier for our postmasters to deliver vital Post Office services our customers want and need and build thriving businesses for themselves at the same time.”

[Add in lines re potential next legal steps as appropriate]

-ends-

Notes to editors

[NOTE: MIGHT HAVE TO EXCLUDE THIS LINE, DEPENDENT ON JUDGE’S COMMENTS]
The products and services that Post Office’s provide every day to millions of customers are not affected by the litigation.]

The litigation is part of a long-running dispute between Post Office and a group of mostly former postmasters who have made allegations about technical, operational and contractual matters. A High Court claim was issued in April 2016 and in March 2017 the Court issues a Group Litigation Order (GLO), a procedural tool to enable the Court to manage litigation affecting multiple parties.

The case is complex and the Judge ordered that it will be heard as a series of trials. Two trials have been held to date: the first on contractual matters between Post Office and postmasters and the second on technical matters regarding Post Office’s computer system, Horizon.

Neither of these trials have or will determine liability or the individual claimants cases. Further Court hearings are scheduled through into 2020.

The Horizon system

Horizon is the electronic point of sale system used across all 11,500 Post Office branches to record and reconcile each transaction.

Horizon supports approximately 30,000 terminals in branches, with currently around 60,000 users. The system processes 47 million transactions a week.

Horizon was first introduced in 1995 on a pilot basis in a small number of Post Office branches, before being rolled out more widely. The current version – Horizon Online – was introduced in 2010 and has been continually improved and updated. Investing in technology remains a priority and in 2018/19 Post Office rolled out new equipment to all branches and transformed its back office systems.

Transactions in Post Office branches are undertaken on behalf of other large-scale organisations including high street banks, utility companies and Government departments. Around £60 billion worth of transactions are processed through Horizon every year.

Core media Q&A

DOCUMENT 2

CORE QUESTIONS AND ANSWERS – REACTIVE ONLY (FOR MEDIA AND EXTERNAL AUDIENCES)

TO BE REVIEWED AGAINST JUDGMENT

Horizon flawed

Topline

We are confident that the overall Horizon system is robust, processing 47 million transactions a week. While no system is perfect, independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with IT systems used by other retail and financial services companies.

Key Q&A

Q. The Judge has ruled that the Horizon system is fundamentally flawed and not fit for purpose. Do you agree with this ruling?

A. The Judgment is very detailed and we are studying it carefully. We are working with Fujitsu to make improvements and we take the comments made very seriously.

But it is important to underline that, whilst no large-scale IT system is perfect, independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with similar complex IT systems used by other retail and financial services companies.

Context is also important: Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every month, every year, including with the systems of major organisations such as high street banks.

NB For example, banking transactions are correlated back to banks' individual systems and have done so for years. It is the banks' own systems that issue authorisation to Post Office via an external company called VocaLink for each and every transaction. VocaLink issues a report each day called an LREC (Link Reconciliation) which tells Post Office and every bank who owes what to whom for settlement the next day. This is an industry-wide mechanism that mirrors the standard ATM networks, covering some 3-4 billion transactions a year.

Q. How many bugs have you identified?

A. Bugs exist in any large and complex IT system and the management of a system like Horizon involves processes for continuous monitoring, counter measures and improvements. We have

well established processes in place with our IT partner, Fujitsu, to identify and remedy any issues with the system, and all of the bugs discussed during the trial were resolved. [Note: There were 29 – these were various issues arising at different times over the past two decades].

Q. Do you accept that the IT failures identified in the trial could have been responsible for financial discrepancies at branch level?

A. The purpose of the Horizon Issues Trial was to establish the facts about technical matters concerning the Horizon computer system, and this Judgment does not determine the outcome of any individual claims. Independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with similarly large and complex IT systems used by other retail and financial services companies.

[NB: Post Office's position – as outlined in its closing submission at trial – is that whilst no large-scale IT system can be perfect, it is overwhelmingly unlikely that any significant amount of the overall shortfall claimed was caused by the matters the claimants complain of regarding the system.]

Q. How can you continue to use a system that has been exposed as containing numerous bugs and subject to other flaws?

A. Bugs exist in any large and complex IT system, and the management of any system like Horizon involves a programme of continuous counter-measures and improvement. We have confidence in the system and independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with IT systems used by other retail and financial services companies. We have well established processes in place with our IT partner, Fujitsu, to identify and remedy any issues with the system.

Context is important: Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every month, every year, which includes the systems of major organisations such as the high street banks.

NB For example, banking transactions are correlated back to banks' individual systems and have done so for years. It is the banks' own systems that issue authorisation to Post Office via an external company called VocaLink for each and every transaction. VocaLink issues a report each day called an LREC (Link Reconciliation) which tells Post Office and every bank who owes what to whom for settlement the next day. This is an industry-wide mechanism that mirrors the standard ATM networks, covering some 3-4 billion transactions a year.

Q. The PO highlights the large number of transactions it completes every day - but in the context of this Judgment doesn't that underline the scale of risk posed by Horizon?

Not at all. Horizon processes 47 million transactions a week with reconciliation which includes the systems of other major organisations such as high street banks.

Post Office trial conduct

Topline

This was an incredibly complex trial, examining highly technical questions spanning a period of around twenty years. The Post Office provided extensive disclosure of information throughout the trial, often in response to late disclosure requests made by the claimants. However, we respect the views of the Court and will ensure that we take this criticism on board as we prepare for the next stage of the litigation.

Key Q&A

Q. Why did the PO resist disclosure of so much material and/or provide it so late?

A. The Post Office provided extensive disclosure of information throughout the trial – often in response to late disclosure requests by the claimants. A lot of this material related to incredibly complex technical data, some stretching back 20 years into the past, which had to be extracted from systems.

At every stage of the disclosure process, we have sought to ensure that the claimants are provided with access to the documents required. The volume of disclosure is very significant, with searches through 17 million documents to date. Horizon documents are held and supplied by Fujitsu and we have worked with a specialist disclosure consultancy to assist with this major disclosure exercise which involves more than 80 classes of documents. In excess of 500,000 documents have been provided by Post Office to date, with around half of these directly related to Horizon.

[If asked about recent disclosure issue re Fujitsu: We take our continuing duty of disclosure very seriously. We were extremely disappointed recently to learn from our supplier, Fujitsu, that information provided earlier in the litigation regarding the availability of older versions of some specific technical documents was inaccurate. We immediately notified the claimants and the Court of this and we have, of course, now made the appropriate further disclosure. We are very sorry about this development and have apologised both to the Court and the Claimants, through their solicitors.]

Q. Why did the PO witnesses refuse to acknowledge the clear and obvious problems with Horizon?

A. While the experts from both sides of the litigation agreed on the fundamental issue that the Horizon system is robust, there were some areas in which they were unable to reach agreement. But this was an incredibly complex trial, examining highly technical questions

spanning a period of around twenty years, and it is not surprising that different witnesses on both sides expressed different views and perspectives.

Q. The Judge has described the PO as having a 'culture of secrecy' and going to extreme lengths to withhold or delay evidence. Why was that?

A. The events examined in the trial covered a period of around twenty years. At every stage of the disclosure process, we have sought to ensure that the claimants are provided with access to the documents required. The volume of disclosure is very significant, with searches through 17 million documents to date. Horizon documents are held and supplied by Fujitsu and we have worked with a specialist disclosure consultancy to assist with this major disclosure exercise which involves more than 80 classes of documents. In excess of 500,000 documents have been provided by Post Office to date, with around half of these directly related to Horizon.

Q. The Judge criticised Dr Worden as careless, saying that he was acting to a pre-ordained view that favoured the PO. Why is that?

A. We are disappointed that the judge came to this view. As an independent expert witness Dr Worden provided careful and balanced evidence and made every effort to provide assistance to the Court and to provide full and helpful answers in response to the questions posed to him about Horizon.

Post Office culture

Topline

There is nothing more important to our business than our relationship with our postmasters, the people delivering our services to customers day-in, day-out, and we are committed to making it easier for them to build thriving businesses. The events examined in the trial covered a period of around twenty years, and the culture and practices of the Post Office have changed significantly over this period. We are continuing to improve how we support postmasters – including onboarding, better training and communications, specific new help using Horizon, and the creation of a new field team to build closer links with branches. In addition we have taken steps to improve postmaster remuneration.

Key Q&A

Q. Was the PO engaged in an institutional attempt to cover up the failings of the Horizon system?

A. Absolutely not. The Horizon system has been a matter of public and political debate for a number of years and the PO has responded to numerous requests for information, including from Parliament. We have disclosed extensive information during the course of the litigation and will continue to do so.

At every stage of the disclosure process, we have sought to ensure that the claimants are provided with access to the documents required. The volume of disclosure is very significant, with searches through 17 million documents to date. Horizon documents are held and supplied by Fujitsu and we have worked with a specialist disclosure consultancy to assist with this major disclosure exercise which involves more than 80 classes of documents. In excess of 500,000 documents have been provided by Post Office to date, with around half of these directly related to Horizon.

Q. Do you accept that the PO has failed to exercise a proper duty of care towards postmasters?

A. Our relationship with our postmasters is of the utmost importance and we are absolutely committed to supporting them to operate their branches. We are working hard to improve, including taking on board criticisms made during this litigation. We are increasing the practical support that we provide to them centrally and in the field, as well as implementing measures that will increase their remuneration.

Q. Why did the PO deny for so long that it was possible to access the Horizon system remotely, when it turns out that both the PO and Fujitsu could do so?

A. Post Office regrets that fuller information on this point was not made available in the past. We have always tried to answer questions about this very technical subject honestly. We do now have more information about it.

To be clear – Post Office has ‘read only’ access to transaction histories and reporting to enable, for example, work in back office reconciliation.

Fujitsu, as the supplier of Horizon, has remote access capabilities for maintenance and support purposes. These capabilities, which are strictly controlled, are restricted to specialist personnel and in the rare and unlikely circumstances where work needs to be undertaken which could affect branch accounts, postmasters are contacted. Controls also include privileged access being temporary and revoked immediately after use and a secure audit trail retained which shows the detail of any Fujitsu intervention, with a record of the contact with postmasters. There is no functionality that provides the ability to remotely log on as a member of the support team and carry out any transactions at the branch.

The term ‘remote access’ is often used to refer to malicious tampering by people unauthorised to enter a system eg hackers. There is no evidence that this has ever occurred.

[NB: During the trial Post Office defined the term ‘remote access’ as the ways in which Post Office and/ or Fujitsu can access the Horizon system and insert, edit or delete transaction data in branch accounts without being physically present in a branch.]

**Q. Why did the PO helpline provide inadequate and inaccurate advice to postmasters?
Does it still do this today?**

A. The litigation is about resolving individual claims, which have not yet been examined in detail by the Court. These claims, spanning around two decades, represent a very small proportion of people working in our network and using our systems during that time. We do not accept therefore that our helplines and advice has been inadequate.

That does not mean we've been complacent and we are committed to improving our support for our postmasters. We've made changes this year that enable us to respond to concerns and enquires more quickly and effectively.

Q. Why did the PO refuse to fix some bugs for cost reasons?

There is no evidence to suggest that the Post Office or its IT partner, Fujitsu, refused to take appropriate action to fix bugs because it was too expensive to do so. The trial heard evidence of Fujitsu's dedication and professionalism in identifying and fixing bugs.

When considering how to remedy potential bugs, engineers always carefully analyse a range of factors including the significance of the bug itself.

Fujitsu relationship

Topline

Expert witnesses for both sides in the litigation agree that Fujitsu had good systems in place to spot and fix problems with Horizon. We have a strong and positive relationship with Fujitsu and today we are continuing working closely together to ensure postmasters are better supported, and improvements made to simplify aspects of Horizon

Key Q&A

Q. The Judge reserved some of his strongest criticism for Fujitsu's witnesses. What is the PO view on their evidence?

A. This is a detailed and lengthy Judgment covering a period spanning two decades and covering highly complex, technical matters. We will take time to examine it closely.

Q. Given the heavy criticism of Fujitsu during the period analysed by the Judge, will you be looking to recoup any damages awarded against you from Fujitsu?

A. The purpose of the Horizon Issues Trial was to establish the facts about technical matters concerning the Horizon computer system, and this Judgment does not determine the outcome of any individual claims. There are further hearings, currently scheduled into 2020. This is a

detailed and lengthy Judgment covering a period spanning two decades, and we will take time to examine it closely.

Q. What action have you taken to seek redress for some of the poor performance by Fujitsu revealed in the course of this trial?

A. This is a detailed and lengthy Judgment covering a period spanning two decades, and we will take time to examine it closely.

Q. Will you sever your relationship with Fujitsu, given the judge's damning comments about them?

A. No. We are confident that the overall Horizon system is robust, processing 47 million transactions a week through 11,500 Post Office branches. While no large-scale IT system is perfect, independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with IT systems used by other retail and financial services companies.

The Judgment covers a very long period of time, during which there have been significant changes. We are carefully considering its detail but it's important to underline that overall we have a strong and positive relationship with Fujitsu and we are working closely together on making improvements.

Q. Why does the Post Office still trust Fujitsu to provide this service?

A. Post Office has strong governance measures in place in working with Fujitsu.

While no large-scale IT system is perfect, independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with IT systems used by other retail and financial services companies.

It's important to underline the context of the litigation: Horizon processes 47m transactions a week through 11,500 Post Office branches.

Future of Horizon

Topline

We are confident that the overall Horizon system is robust, processing 47 million transactions a week. While no system is perfect, independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with IT systems used by other retail and financial services companies. As we continue to use Horizon we are strengthening the system through further investment in new equipment and in additional training and support for postmasters.

Key Q&A

Q. Will you now scrap this system?

No, we are confident that the overall Horizon system is robust, processing 47 million transactions a week through our network of 11,500 Post Office branches with reconciliation which includes other major organisations such as high street banks. While no large-scale IT system is perfect, independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with IT systems used by other retail and financial services companies.

We will be working closely with Fujitsu to continue to make improvements, alongside the actions we're taking to better support our postmasters with, for example, enhanced training.

Q. Could the problems identified in this trial be the tip of an iceberg?

While no large-scale IT system is perfect, independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with IT systems used by other retail and financial services companies. We are continuing to make improvements and there are numerous continuous countermeasures in place, audited on a regular basis, which prevent or detect technical issues.

Q. Are you expecting more victims to come forward?

The purpose of the litigation is to resolve the cases of the individual claimants included in the Group Litigation Order.

The Group Litigation Order was advertised and promoted by the claimants' legal team for eight months, as specified by the Court. There are [551] claimants with complaints which span the past two decades, representing a very small proportion of people who have worked in our network using our systems during that time.

Q. What steps are you taking to reassure postmasters that the system is robust?

We are communicating openly with our postmasters about the litigation and we are also ensuring that they can easily raise any concerns or queries they have.

While no large-scale IT system is perfect, independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with IT systems used by other retail and financial services companies.

We are continuing to make improvements to the way in which we work with postmasters, including to training and support.

Q. What will happen to any postmasters refusing to use the system?

We want our postmasters to feel confident about operating their branches. Independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with IT systems used by other retail and financial services companies. Nevertheless, we will have additional support staff on hand in the coming days, to complement the new measures we have put in place to better support postmasters. These include improvements to training, the creation of a new field team to build closer links with branches and changes which enable our helplines to respond to concerns and queries more quickly and effectively.

Q. What steps are you taking to address the problems with Horizon?

We are confident that the overall Horizon system is robust. It processes 47 million transactions a week, with reconciliation which includes the systems of other major organisations such as high street banks. We are focussed on continual improvements, working closely with Fujitsu and our postmasters.

In 2018/19 we completed a roll-out of new equipment to all our branches and transformed our back office systems. Our current plans include taking action to improve some of our transaction processes and system design to make life simpler for our postmasters and further reduce the risk of human errors. Some work is already completed or underway.

Alongside this we are improving our training and support and working hard, through structural changes we've made, to build a stronger relationship with postmasters.

Q. Will Horizon need to be replaced in the longer term?

Like any business, we constantly review our systems, but we have no plans to replace Horizon. We are focused on continual developments and improvements, working closely with Fujitsu and our postmasters. Over the past year we have completed a roll-out of new equipment to all our branches and transformed our back office systems.

Accountability**Topline**

This is a detailed and lengthy Judgment covering a period spanning two decades, and we will take time to examine it closely. The culture and practices of the Post Office have changed significantly over the two decades covered by the Judgment.

We're continuing to improve the ways in which we work with postmasters and we've made changes this year to provide better onboarding for new postmasters, better training, specific new help using Horizon, and the creation of a new field team to build closer links with branches. In addition we have taken steps to improve postmaster remuneration.

Key Q&A

Q. How much has/will this trial cost taxpayers?

A. We have set out in our ARA 2018/19 the position regarding costs relating to the litigation. Costs of £20m are included in exceptional items.

Q. Will the PO now move to settle cases with claimants to bring this saga to an end?

A. This is an incredibly complex piece of litigation, examining highly technical questions spanning a period of around twenty years. The conclusion of the Horizon Issues Trial represents a positive step along the pathway to resolving the individual claims that have been raised which have not yet been examined in detail by the Court.

[tbc if timings for mediation remain agreed and dependent on agreed public statement re the process: We have been keen to engage in mediation with the claimants and we are pleased that they have now agreed a process/ timetable for this. Mediation will begin on 27 November 2019. We believe that, by entering into mediation in good faith, both parties have the opportunity to resolve the individual cases underlying the litigation and bring them to a conclusion. The process provides for candid dialogue between the parties, facilitated by an impartial and experienced mediator in a confidential environment. Whilst we recognise the complexities of the issues involved we hope that, with the positive participation of both sides, we might be able to find a path to avoid further prolonging the litigation.

Both parties have agreed that the necessary confidentiality of mediation will be respected and will not be making public comments about its details during the process.]

Q. Who should take ultimate responsibility for this debacle?

A. The conclusion of the Horizon Issues Trial represents a positive step along the pathway to resolving the claims that have been raised but it should be underlined that there is no determination regarding the individual cases which have not yet been examined in Court. Given that proceedings are still live, it would not be appropriate for us to comment further.

Q. Will any senior executives of the PO be removed from their positions?

A. The conclusion of the Horizon Issues Trial represents a positive step along the pathway to resolving the claims that have been raised but it should be underlined that there is no determination regarding the individual cases which have not yet been examined in Court. Given that proceedings are still live, it would not be appropriate for us to comment further.

Reactive lines in case of network disruption

DOCUMENT - 27

NOTE: TO BE REVIEWED AGAINST OPERATIONAL POSITION [FRAMEWORK & COMMUNICATIONS PLAN FOR NETWORK DISRUPTION IN DEVELOPMENT]

REACTIVE MEDIA LINES TO TAKE IF DISRUPTION TO NETWORK EG SOME BRANCHES REFUSE TO OPEN

- The vast majority of our 11,500 Post Office branches are open for business as usual.
- We are sorry that a small minority of branches are closed but we're doing all we can to work with those postmasters to re-open as soon as possible. Customers are advised to use other branches in the area [contact xxxx].
- [NOTE – MAY HAVE TO EXCLUDE THIS LINE DEPENDENT ON JUDGE'S COMMENTS - Customers can continue to have confidence in Post Office products and services.] Around 47 million transactions a week are processed through Post Office branches on behalf of other large-scale organisations including high street banks, utility companies and Government departments.
- The litigation is part of a long-running dispute between Post Office and a small proportion of mainly former postmasters.
- The case is complex and is being heard in stages, currently scheduled through to 2020. The Judgment concerning the Horizon computer system covered technical matters relating to the 20-year period spanned by individual claims, during which time there have been significant changes, with some of the systems and processes referenced no longer in existence.

REFER TO MEDIA STATEMENT & Qs and As

Political audiences

Context

There is close interest in this issue within Whitehall, specifically within BEIS/UKGI. This will be heightened by the general election and concerns that this issue could become the subject of political controversy.

There has recently been limited parliamentary discussion of the GLO or the issues it raises. In a debate in April regarding Post Office, the chair, Dame Cheryl Gillan MP, reminded members that the litigation was still live and that therefore, in accordance with the House's sub judice resolution, there should be no discussion about the GLO. As a result, while there was criticism of postmaster remuneration and questions about the sustainability of the PO network, there was no consideration of the issues at hand in the GLO.

There were 13 PQs relating to the GLO in 2019. The overwhelming majority of these related to specific issues such as ascertaining the cost of the litigation, the number of meetings ministers have held with the PO, and the identity of the PO's lawyers. Similarly a few flag cases from MPs with constituents who are claimants have asked limited questions along the same lines.

Of the distinct pieces of national newspaper coverage relating to the GLO in 2019, none have featured quotes from any MPs or Peers (save for a limited comment from Lord Arbuthnot). So, overall, there has been limited parliamentary interest in the GLO itself in recent months - perhaps as a function of the fact that proceedings remain live.

However, there is significant broader political interest in the Post Office network and in issues regarding postmasters. Select committees have periodically examined these themes, most recently the BEIS committee under Rachel Reeves.

More generally, MPs across the political spectrum are highly exercised by any attempt to close or redesignate an individual Post Office and many on the Labour side have close links to the CWU. Many have in the past commented on the Horizon issue.

Given their general familiarity with the Post Office and their connections with third parties and in some cases campaigners, there is the potential for any adverse Judgment in the Horizon trial to become quickly politicised in the context of the current general election.

Handling approach

The handling with government stakeholders should be proactive and it will be very important to ensure that Whitehall networks, particularly within BEIS/UKGI, are fully aware of our general handling plan and messaging in response to the Judgment. Conversations and updates are continuing.

Wider political handling will depend upon the nature of the Judgment and immediate media interest in the story, but will ideally be reactive only. In the event of a highly critical Judgment and indications that there is likely to be strong press interest, it may be necessary to write to relevant members of the Labour and Liberal Democrat front bench teams, setting out our response, as well as to communicate with other key stakeholders including the former chair of the BEIS select committee, who may be asked for comment.

Collateral

Letter to relevant former MPs

DOCUMENT - 26

NOTE: TONE/MESSAGING/ POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

LETTER TO RELEVANT FORMER MPs (Patrick Bourke)

Dear

You may have seen reports about a High Court Judgment in relation to the Post Office, which was issued earlier today. I wanted to provide you with the Post Office position in relation to this.

This is the second Judgment in complex and long-running Group Litigation to resolve a number of individual claims by mainly former postmasters. Despite attempts to resolve this without recourse to the Courts, legal proceedings in this case have been underway since April 2016 and the case is being heard in phases through separate trials about technical, operational and contractual matters.

The claims span a period of around two decades, during which there have been significant changes in our business with improvements to our culture, processes and technology.

The latest Judgment in the litigation covers technical matters relating to Post Office's computer system, Horizon, including our legacy system which was replaced in 2010. It is another stage in working towards resolving the individual cases, which we are of course keen to do.

[NOTE – THIS LINE MIGHT BE EXCLUDED, DEPENDENT ON JUDGEMENT: The Judgment is detailed and it will take time to consider it fully but I want to provide reassurance that the Court's findings do not affect the products and services the Post Office provides for customers through its network of 11,500 Post Offices.]

[WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT: I can also reassure you regarding our Horizon system. We are confident that overall Horizon is robust, comparing well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this.]

Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every month, every year, including with the systems of other major organisations including high street banks, giving confidence in the many products and services we provide.

Of course no system can ever be said to be perfect and we're working as hard as ever to make improvements.

What the Judgment underlines [very strongly] is that we must continue to do better in the ways in which we support our postmasters to operate their branches. We need to make it easier for postmasters to avoid problems and we need to resolve any issues they do have more quickly.

For the past 12-18 months we have had a particular focus at every level of the business to build a better partnership with our postmasters. Measures we've taken include improvements to recruitment, training and operational support, alongside enhancements to our technology.

We're working closely with postmasters in making all these improvements. They are best placed to tell us what makes it easier for them to operate Post Office branches more effectively.

It's of the utmost importance to us that our postmasters receive the help and support they need from us in serving millions of customers throughout the UK every day. We're committed to continuing to improve.

If you would like more information please get in touch with me.

Postmasters

Context

The vast majority of postmasters have shown little interest in the GLO to date. Proactive communications following the Common Issues Judgment in March resulted in around 50 enquiries/ comments from postmasters (a proportion of whom are disaffected and frequent negative commentators). In recent postmaster forums and through other engagement led by the field team issues from the GLO are not registering as a concern and their priorities are around growing business and remuneration.

However, the Judgment from the Horizon Issues Trial will potentially increase interest, concern and queries, given that there will likely be greater media coverage about a Judgment which concerns a large-scale computer system. Postmasters will need to be reassured about the wider actions Post Office is taking to improve and help support the value of their businesses, as well as in the robustness of Horizon itself.

The programme of improvements that has been continuing this year – including the new field team structure and changes to the Branch Support Centre – provide evidence in our narrative that Post Office is listening to its postmasters and working more collaboratively with them. The recently announced improvements to postmaster remuneration further underline the business's commitment to the relationship.

Handling approach

There will be proportionate and measured communications directly to postmasters (eg Memoview and One). The communications will underline the programme of improvements and signpost to further information. Area Managers and other teams engaging with postmasters will be equipped with briefing and a process is in place for handling queries wherever they arise,

Collateral

Postmaster Q&A

DOCUMENT – 6

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

FOR INTERNAL USE AND INTERNAL AUDIENCES

Litigation/ Trial outcome and next legal steps

Q. What is the Group Litigation about?

The litigation is part of a long-running dispute between Post Office and a group of mostly former postmasters who have made serious allegations about technical, operational and contractual matters. The Judge has ordered that the case is heard in a series of trials. The first trial (Common Issues Trial) was primarily about determining the legal construction of the contract between Post Office and postmasters and the second trial (Horizon Trial) was about technical matters concerning Post Office's Horizon computer system. Further hearings are scheduled through into 2020.

Q. What is the cost of the litigation so far and where is the money coming from?

We have set out in our ARA 2018/19 the position regarding costs relating to the litigation. Costs of £20m are included in exceptional items (2017/18: £3m).

The Court has and will continue to review costs of both Post Office and the claimants through the litigation, which is complex.

The Post Office Board and Group Executive continue to keep the litigation under very close review. At the same time, the business has prioritised a programme of work to improve the ways in which we work with current postmasters, operating around 11,000 Post Office branches throughout the UK.

Q. What are the main findings of the Horizon Issues Judgment?

[tbc – from found/ not found document to be agreed when Judgment received]

Q. The Judge has ruled/ commented that the Horizon system is fundamentally flawed and not fit for purpose. Do you agree with this?

The Judgment is very detailed and we are studying it carefully. We are working with Fujitsu to make improvements and we take the comments made very seriously.

But it is important to underline that, whilst no large-scale IT system is perfect, independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and

compares well with similar complex IT systems used by other retail and financial services companies.

Context is also important: Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every month, every year, including with the systems of major organisations such as high street banks.

NB Banking transactions are correlated back to banks' individual systems and have done so for years. It is the banks' own systems that issue authorisation to Post Office via an external company called VocaLink for each and every transaction. VocaLink issues a report each day called an LREC (Link Reconciliation) which tells Post Office and every bank who owes what to whom for settlement the next day. This is an industry-wide mechanism that mirrors the standard ATM networks, covering some 3-4 billion transactions a year.

Q. Do you accept that the IT failures identified in the trial could have been responsible for financial discrepancies at branch level?

This Judgment does not determine the outcome of any individual claims. The purpose of the Horizon Issues trial was to establish facts about particular technical matters concerning the Horizon computer system.

[Post Office's position – as outlined in its closing submission at trial – is that whilst no large-scale IT system can be perfect, it is overwhelmingly unlikely that any significant amount of the overall shortfall claimed was caused by the matters the claimants complain of regarding the system. Independent experts on both sides of the litigation confirmed during the trial that Horizon is robust and compares well with similarly large and complex IT systems used by other retail and financial services companies.]

Q. Will you appeal the Horizon Issues Judgment?

We are studying the Judgment in detail and considering next steps.

Q. Why doesn't Post Office settle these claims now?

[tbc if timings for mediation remain agreed and dependent on agreed public statement re the process: We have been keen to engage in mediation with the claimants and we are pleased that they have now agreed a process/ timetable for this. Mediation will begin on 27 November 2019.

We believe that, by entering into mediation in good faith, both parties have the opportunity to resolve the individual cases underlying the litigation and bring them to a conclusion.

The process provides for candid dialogue between the parties, facilitated by an impartial and experienced mediator in a confidential environment.

Whilst we recognise the complexities of the issues involved we hope that, with the positive participation of both sides, we might be able to find a path to avoid further prolonging the litigation.

Both parties have agreed that the necessary confidentiality of mediation will be respected and will not be making public comments about its details during the process.]

Q. What does this mean for cases where people have been prosecuted?

The Criminal Cases Review Commission is investigating a number of cases. Post Office is of course fully co-operating with the CCRC but it is not appropriate to comment whilst their work continues.

Q. How will the individual cases in the Group Litigation be decided?

The case is complex and is being heard in stages, as a series of trials. The two trials held so far (Common Issues and Horizon Issues) do not determine liability or the individual claimants' cases, which have not yet been examined in detail. Further hearings in the litigation are scheduled through to 2020. [If mediation dates remain agreed: At the same time we have been keen to engage in mediation with the claimants and we are pleased that they have now agreed a process and timetable for this. Mediation will begin on 27 November 2019.

We believe that, by entering into mediation in good faith, both parties have the opportunity to resolve the individual cases underlying the litigation and bring them to a conclusion.

The process provides for candid dialogue between the parties, facilitated by an impartial and experienced mediator in a confidential environment.

Whilst we recognise the complexities of the issues involved we hope that, with the positive participation of both sides, we might be able to find a path to avoid further prolonging the litigation.

Both parties have agreed that the necessary confidentiality of mediation will be respected and will not be making public comments about its details during the process.]

Q. What is the position regarding the Post Office seeking to appeal the Judgment from the first trial (Common Issues)?

Post Office sought permission to appeal from the Court of Appeal on 18 June 2019 and the Court will hear this application on November 12 2019.

Q. Is Post Office now anticipating many further claims?

The purpose of the litigation is to resolve the cases of the individual claimants included in the Group Litigation Order.

The Group Litigation Order was advertised and promoted by the claimants' legal team for eight months, as specified by the Court. There are 555 claimants with complaints which span the past two decades, representing a very small proportion of people who have worked in our network using our systems during that time.

Q. If Post Office loses the litigation will all postmasters be potentially entitled to compensation whether they are part of GLO or not?

The purpose of the litigation is to resolve the individual claims that are part of the Group Litigation Order. It is also important to underline individual claims have not yet been examined / many legal matters concerning individual cases not yet determined, so it is not possible to predict the outcomes from the overall litigation.

Q. How are the costs of litigation – and potential compensation – going to affect remuneration of current postmasters?

We're committed to improving the remuneration of our postmasters and the litigation does not affect this. We announced the outcome of a six-month review on 4 November 2019 which increases postmaster remuneration by £37 million. This comprises a £20m increase during 2020/21 and £17m already announced in August 2019. This means that the fees postmasters receive for providing Post Office services in 2020/21 will be 10% higher than in 2018/19.

Q. Is Post Office likely to go out of business?

No. We've continued to increase our trading profits (from £25m to £60m over the 2018/19 period and we're making steady progress. We have a particular focus on improving support for postmasters who run our branches – all of our trading profit is invested back into improvements for postmasters and customers.

We have a strong foundation from which to move forward.

Regarding financial impacts from the litigation, we have outlined the current position in 2018/19 ARA and the Directors continue to keep this under close review.

Q. Will Government step in with financial support?

It's not appropriate to discuss/ speculate about potential outcomes of continuing litigation. We have outlined the current position in 2018/19 ARA and the Directors continue to keep this under close review.]

Postmaster Contracts

Q. What is happening to postmaster contracts, following the first (Common Issues) trial?

The Judgment from the first trial made criticisms of Post Office which we take extremely seriously. We are making changes that focus on improving the ways in which we work together with our postmasters.

We're working closely with postmasters as we make these changes, to ensure they respond to their needs as well as those of the business, making branches simpler to operate and to prevent or reduce risks.

A programme of change activities is underway and this includes incorporation of lessons learned from the litigation. With the involvement of postmasters, the business is reshaping its

support offer to them. A new support model has been created which increases face- to-face time with relationship managers in the field; a new loss prevention function with new leadership focussing on an early intervention approach to prevent losses from occurring in the first place; recruitment and onboarding is being improved through better pre-screening questions, a more user-friendly website and streamlined electronic business plan; a redesigned training offer for new and existing postmasters reduces the likelihood of operational errors; additional trainers and classroom capacity are in place; the new field team structure provides the support of an area manager to every Post Office branch regardless of size or location. Additionally, we're committed to improving the remuneration of our postmasters. We announced the outcome of a six-month review on 4 November 2019 which increases postmaster remuneration by £37 million. This comprises a £20m increase during 2020/21 and £17m already announced in August 2019. This means that the fees postmasters receive for providing Post Office services in 2020/21 will be 10% higher than in 2018/19.

Q. Does my contract need to change as a result of the findings of the second (Horizon Issues) trial?

We are studying the Judgment in detail. We will continue communicating with you about changes we're making or planning in the business as we continue to improve the way in which we work together.

Q. What has changed in the way branches are operated/ losses handled?

We're focussed on a more proactive and interventionist approach to prevent losses. We've established our new field team to build better relationships with branches and introduced the new Branch Support Centre (replacing NBSC) which works more closely alongside the IT Helpline team. We've introduced a tiered support system so that issues can be more quickly and effectively escalated, investigated and resolved. We are receiving good feedback from branches about the changes.

Our new Loss Prevention team is helping to better protect postmasters from external crime and security threats, while also refining processes to help reduce human errors and support postmasters to run compliant businesses. We are also making changes which improve the quality and transparency of our audit process.

For new postmasters, we are providing a single point of contact through their application and 'onboarding' process and Branch Support Managers have been introduced to support new postmasters for up to six months to help embed their training and ensure postmasters and their teams are set up for success.

Q. As a postmaster, am I still legally liable for the accuracy of my branch accounts?

Both the Post Office and postmasters have responsibilities and obligations to each other. The improvements we're making in the ways in which we work with postmasters are focussed on providing better support.

Accurate information from branches is essential to help us to do this. Because we cannot be present in every branch, it is only postmasters and their staff who can tell us how much cash

and stock they are actually holding, for example. It is therefore very important that accurate cash declarations are made each day. This can help identify any discrepancies more easily and effectively. The monthly branch trading accounts must similarly be completed accurately. If you have a balancing or other issue, tell us quickly via the branch support centre [contact xxxx].

If you have questions about your contract and/ or obligations you should contact your Area Manager.

Q. I now want indemnity against any losses – how can I get the assurance that I will not be held liable?

Postmasters are not responsible for shortfalls caused by Horizon.

Both the Post Office and postmasters have responsibilities and obligations to each other. It's very important that if you have a shortfall you are having difficulty investigating or explaining that you contact us as soon as possible. Contact the Branch Support Centre (formerly NBSC) [xxxx].

If you have technical issues contact the IT helpdesk on [xxx].

We know how worrying it can be if you have a shortfall that you don't understand. We are making significant improvements to better support you [point to latest communications].

If you have questions about your contract and/ or obligations you should contact your Area Manager.

Q. I no longer trust Horizon and don't wish to trade. Will I be in breach of contract?

We want our postmasters to feel confident about operating their branches and we're continuing to make changes focussing on support. If you have concerns about contractual or other matters you can raise these with your Area Manager who will work with you to try to resolve them.

Losses

Q. I have a loss which I can't explain – is this the fault of Horizon?

It's very important that if you have a shortfall you are having difficulty investigating or explaining that you contact us as soon as possible. Contact the Branch Support Centre (formerly NBSC) [xxxx].

If you have technical issues contact the IT helpdesk on [xxx]

We know how worrying it can be if you have a shortfall that you don't understand. We are making significant improvements to better support you [point to latest communications]

Q. Why should postmasters pay back any losses which can't be explained?

We know how worrying it can be if you have a shortfall that you don't understand. We are making significant improvements to better support you [point to latest communications]

It's very important that if you have a shortfall you are having difficulty investigating or explaining that you contact us as soon as possible. Contact the Branch Support Centre (formerly NBSC) [xxxx] who will help in finding the reason for discrepancies.

Both Post Office and postmasters have responsibilities and obligations to each other. If you have questions or concerns about these please contact your Area Manager.

Q. I have past losses that I have not been able to explain – how can I have these investigated?

[tbc] Contact the Branch Support Centre [xxxxx] who will assist in helping find the reason for a discrepancy. There is also a new team which can provide additional further support to investigate branch discrepancies if necessary.

Discrepancies that still remain unresolved are handled by the Support Services Resolution team.

Q. How do I claim historical losses back?

If you are disputing losses that you repaid you should contact us in writing explaining your issue and when it first arose. We will aim to respond as soon as possible [Insert contact address].

Q. Will historic transaction corrections be reviewed/ what's the process for raising concerns?

If you have a concern about losses contact the Branch Support Centre [xxxx]. Discrepancies that still remain unresolved are handled by the Support Services Resolution Team.

If you are disputing losses that you repaid you should contact us in writing explaining your issue and when it first arose. We will aim to respond as soon as possible [Insert contact address].

Q. How can Post Office be confident of reconciliation with clients?

Reconciliation takes place between our back-end accounting systems and those of clients. For example, banking transactions are correlated back to banks' individual systems and have done so for years. It is the banks' own systems that issue authorisation to Post Office via an external company called VocaLink for each and every transaction. VocaLink issues a report each day called an LREC (Link Reconciliation) which tells Post Office and every bank who owes what to whom for settlement the next day. This is an industry-wide mechanism that mirrors the standard ATM networks, covering some 3-4 billion transactions a year.

Postmaster training

Q. What is changing to postmaster training?

We've created an improved training offer for new and existing postmasters to reduce the likelihood of operational errors and improve the overall customer experience. In April we introduced a Business Support Management Team who support newly recruited postmasters for

six months and existing postmasters as needed. Post Office has 58 trainers overall, 18 classroom locations across the UK and 40 trainers providing in-branch training. New training modules have been developed and have been running from August 2019. These modules include back office and balancing to further support postmasters with branch accounting.

Q. I have staff who I think need extra Horizon training, how do I request this and is there a cost to me?

Staff training is the responsibility of postmasters but we very much want to help you deliver this. There is no cost to the Postmaster for training.

Training is not just available for new Postmasters and can be accessed by all postmasters and their teams if this is needed. Please contact [xxxxx](#) to discuss the training you feel would help with the operation of your branch.

Postmaster engagement

Q. What are you doing to make sure that postmasters' views and ideas are heard and acted upon?

Through our new field team, which provides the support of an Area Manager for every branch, we have been introducing and trialling a range of additional ways of ensuring increased contact with our postmasters. It's vital they are closely involved in planned improvements so that these properly reflect their needs. Since April our field teams have been using Whatsapp, individual email/ newsletters, networking events and business development workshops as well as making visits to branches. In August our regional managers started holding regular business update calls, drop-in listening sessions/ emails and in London we've started a Facebook trial.

We're continuing to respond to postmaster feedback: Postmasters told us they'd like more support on using and making the most of social media. Earlier this year we launched our new social media guidelines which include everything they need to get started on Facebook, Twitter, Instagram and Snapchat. The guidelines also cover best practice tips and guidance to help them stay on brand and professional.

They also told us they would welcome toolkits of ready-made images and text to save them time. In the coming weeks we'll be launching new product toolkits, thanks to great ideas and feedback from postmasters.

This is currently being piloted using an app of pre-loaded approved content that postmasters can use.

Postmasters also wanted better retail advice to help grow their business and improve their store. We have developed new retail basics training which we are trialling in three regions. This will be rolled out across all regions between now and February. We have also partnered with food and grocery industry leaders IGD, and all of our Area Managers will be completing the online training programme.

For members of the NFSP, its Retail team is also available to provide personalised support and the NFSP will also work with the Area Managers to identify further opportunities for retail support.

Postmasters have said they want more opportunities to share ideas, discuss issues and also meet other postmasters to learn about how they run their branch. We have been holding

networking events across the country. More than 80 have been held or are planned before the end of 2019, and 41 are already planned for 2020.

Horizon robustness & reliability

Q. Will you be replacing Horizon?

There are no plans to replace Horizon - we are focussed on continual developments and improvements, working closely with Fujitsu and our postmasters.

In 2018/19 we completed a roll-out of new equipment to all our branches and transformed our back office systems. Our plans include taking action to improve some of our transaction processes and system design. Examples include the new standardised approach to reversing Parcelforce transactions that we communicated in August; additional reminder prompts to postmasters for aspects of banking transactions; simplifying reversal process for Scottish Power Smart Metering.

Q. What does Horizon being generally robust/ not robust actually mean?

SUBJECT TO JUDGMENT: Judgment likely to provide a 'definition'

[tbc: Robustness refers to the ability of a computer system to operate accurately and cope effectively with errors. Both independent expert witnesses in the trial agreed that Horizon is robust, comparing well with similar systems across retail and financial service sectors which have to be highly reliable.]

Remote access

Q. What remote access is possible, why is it needed and how is it controlled?

Post Office has 'read only' access to transaction histories and reporting to enable, for example, work in back office reconciliation. Fujitsu, as the supplier of Horizon, has remote access capabilities for maintenance and support purposes. These capabilities, which are strictly controlled, are restricted to specialist personnel and in the rare and unlikely circumstances where work needs to be undertaken which could affect branch accounts, postmasters are contacted. Controls also include privileged access being temporary and revoked immediately after use and a secure audit trail retained which shows the detail of any Fujitsu intervention with a record of the contact with postmasters. There is no functionality that provides the ability to remotely log on as a member of the support team and carry out any transactions at the branch.

[NB: During the trial Post Office defined the term 'remote access' as the ways in which Post Office and/ or Fujitsu can access the Horizon system and insert, edit or delete transaction data in branch accounts without being physically present in a branch.]

Q. What is the risk of remote access being used maliciously?

There's no evidence that there has ever been malicious tampering. There are stringent security measures, controls and audits in place.

Q. How can I be sure that my accounts have not been/ are not being changed remotely?

There are strict controls in place and there is no functionality that provides the ability to remotely log on as a member of the support team and carry out any transactions at the branch.

Fujitsu, as the supplier of Horizon, has remote access capabilities for maintenance and support purposes. These capabilities, which are strictly controlled, are restricted to specialist personnel and in the rare and unlikely circumstances where work needs to be undertaken which could affect branch accounts, postmasters are contacted. Controls also include privileged access being temporary and revoked immediately after use and a secure audit trail retained which shows the detail of any Fujitsu intervention with a record of the contact with postmasters. Post Office has 'read only' access to transaction histories and reporting to enable, for example, work in back office reconciliation.

[NB: During the trial Post Office defined the term 'remote access' as the ways in which Post Office and/ or Fujitsu can access the Horizon system and insert, edit or delete transaction data in branch accounts without being physically present in a branch.]

Software bugs

Q. What is a bug, why do they occur, is it normal for IT systems to have bugs?

A computer 'bug' is a fault in the software (computer programmes) of a computer system which causes an unintended result. Many computer bugs do not cause significant issues or problems and there are numerous effective ways of monitoring and fixing them – one of the reasons, for example, we receive regular 'software updates' on our mobile phones and other devices. No IT system is perfect and there is always the possibility of bugs. That is why effective countermeasures which prevent or detect and fix them are important and form a central part of the robustness of a system.

System problems are tracked and focussed on in priority order and, if there is the possibility that they could cause significant postmaster difficulty, they are treated with high priority as you would expect. Our Branch Major Incident process is invoked to enable the technical solution to be worked through more quickly, whilst concurrently the Branch Operations team prepare communications to branches and ensure the Branch Support Centre team are aware and able to help.

There is a 24/7 IT service desk for postmasters to raise problems and, additionally, if postmasters are unsure of anything the Branch Support team are available to help 'walk through' transactions over the phone. Additional training can also be provided.

Both independent experts, for the claimants and Post Office, on opposite sides of the litigation, agreed that Horizon is robust overall, comparing well with systems used by other retail and financial services companies each day.

Q. How many bugs has Post Office identified – what is the extent of them?

Bugs exist in any large and complex IT system and the management of a system like Horizon involves processes for continuous monitoring, counter measures and improvements. Many bugs do not cause significant issues or problems and there are numerous effective ways of fixing them – one of the reasons, for example, we receive regular software updates on our mobile phones and other devices. Both independent experts, for the claimants and Post Office, on opposite sides of the litigation, agreed that Horizon is robust overall, comparing well with systems used by other retail and financial services companies each day.

All of the [29] bugs discussed during the trial were resolved. These were various issues arising at different times over the past two decades.

If you have queries or concerns about an issue you are experiencing you should contact the Branch Support Centre].

Q. What is the monitoring process for bugs?

There are numerous continuous countermeasures in place, audited on a regular basis, which are prevent or detect technical issues, including bugs.

Counter measures include continual detailed analysis of system performance and of reports from branches themselves. Many bugs do not cause significant issues or problems and there is a dedicated team at Fujitsu which investigates any suspected problems. Those investigations are documented and appropriate fixes rolled out.

System problems are tracked and focussed on in priority order and, if there is the possibility that they could cause significant postmaster difficulty, they are treated with high priority as you would expect. Our Branch Major Incident process is invoked to enable the technical solution to be worked through more quickly, whilst concurrently the Branch Operations team prepare communications to branches and ensure the Branch Support Centre team are aware and able to help.

Q. Where can I find published information about the various bugs – including the 29 discussed in Court - so that I know what to look for in my branch?

All of the [29] bugs discussed during the trial were resolved. These were various issues arising at different times over the past two decades.

If you have a technical issue please contact the helpline so that they can help you resolve it. If you have discrepancy you do not understand please contact the branch support centre.

We're committed to informing postmasters of issues that could have the potential to impact their accounting.

Q. What is the Known Error Log that Fujitsu hold and what does it contain?

Known error logs (KELs), now called Knowledge Based Faults (KBFs), are guidance notes for helpline staff that document known issues, with their workarounds and fixes. They are 'living'

documents that are not designed to provide a history of a particular system or support process but rather to provide knowledge that may be applicable to potential reported issues (Peaks) being addressed by Fujitsu.

'Known errors' are detected by Fujitsu, through their incident and problem management processes and additionally through reports from Post Office branches via Post Office helplines/ support functions.

System problems are tracked and focussed on in priority order and, if there is the possibility that they could cause significant postmaster difficulty, they are treated with high priority as you would expect. Our Branch Major Incident process is invoked to enable the technical solution to be worked through more quickly, whilst concurrently the Branch Operations team prepare communications to branches and ensure the Branch Support Centre team are aware and able to help.

Q. What are the current Known Faults that are logged?

Issues included in Knowledge Based Faults vary and do not, of course, remain static as they are investigated and appropriate actions taken. So it's important to call the IT helpline if you have a technical issue or the branch support centre for other help.

Q. How confident is the Post Office that bugs are picked up and fixed?

We are confident in the overall robustness of the Horizon system and that is compares well with systems used by other retail and financial services companies every day. Both independent experts, for Post Office and the claimants, on opposite sides of the litigation confirmed this. Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every month, every year, including with the systems of major organisations such as high street banks, giving confidence in the many products and services we provide.

Of course no system can ever be said to be perfect and we're working as hard as ever to make improvements.

Q. How can I be sure that my branch accounts are not affected by bugs?

We are confident in the overall robustness of the Horizon system and that is compares well with systems used by other retail and financial services companies every day. Both independent experts, for Post Office and the claimants, on opposite sides of the litigation confirmed this. Effective countermeasures which prevent or detect and fix bugs are important and form a central part of the robustness of a system.

But of course we understand that it can be very worrying if you experience an issue in your branch. If you have a discrepancy in your branch accounts that you do not understand you should contact the Branch Support Centre as quickly as possible so that they can assist you in finding the reason.

Q. Will you now publish detail of all new bugs when they arise?

We are committed to informing postmasters of issues that could have the potential to impact their accounting.

Q. What Horizon improvements postmasters working with POL and FJ on? Are the NFSP involved?

We are continuing to make improvements to reduce the risks some human errors can create. Fujitsu are delivering these changes and further changes as appropriate. Recent examples: the new standardised approach to reversing Parcelforce transactions that we communicated in August; additional reminder prompts to postmasters for aspects of banking transactions; simplifying reversal process for Scottish Power Smart Metering.

Q. Who do I speak to if I think I have a technical problem at my branch?

If you believe there is a technical problem with Horizon in your branch you should call the [IT helpline on xxxxx]. For other branch queries contact the [new Branch Support Centre on xxxx].

Q. Who do I speak to if I have an idea on an improvement/ want to get involved in improvement work?

We welcome postmasters sharing ideas and working with us to improve. You can raise this with your Area Manager.

Q. If the media approach me what should I do?

As usual, please notify the Post Office press office [contact details] / refer media directly to the press office.

Relationship with Fujitsu

Q. Will Post Office continue to work with Fujitsu?

Yes. Post Office and Fujitsu have a long-standing relationship. Under their contract, Fujitsu works closely with Post Office maintaining and continually improving Horizon, the electronic point of sale system which is used by all 11,500 Post Office branches throughout the UK. Since the system was introduced, two decades ago, there have been not only major developments in technology but also significant changes in the Post Office's business. This includes moving into financial services, expanding our range of Government services and expanding to cover everyday banking through agreements with the UK's High Street banks. Post Office and Fujitsu have developed, improved and adapted Horizon throughout these changes. The system currently processes around £60 billion worth of transactions a year. Both Post Office and Fujitsu are very alive to the fact that no large-scale IT system is perfect, hence the importance of our strong counter-measures to prevent, detect and fix technical issues, as well as reducing the risk of human errors.

In 2018/19 we completed a roll-out of new equipment to all our branches and transformed our back office systems. We are also taking action to simplify some of our transaction processes.

Q. Fujitsu and its witnesses in Court have been heavily criticised by the Judge, including about keeping important information from Post Office. How can you trust FJ now?

We are considering the Judgment – which covers a very long period of time, during which there have been significant changes – in detail. Overall we have a strong and positive relationship with Fujitsu, with shared ambitions. Both Post Office and Fujitsu are working more closely with postmasters to better support them.

Q. Will Post Office take any legal or other action against Fujitsu for matters that they are/were responsible for?

The Judgment covers a very long period of time, during which there have been significant changes. We are carefully considering its detail but it's important to underline that overall we have a strong and positive relationship with Fujitsu and we are working closely together on making improvements.

Q. How much is the contract with Fujitsu worth and how long is it for?

The contract is until [xxxx]. Its details are commercially confidential.

Business changes

Q. You're now making changes – so how can you still defend the litigation?

We have been continually improving, recognising the need to change the ways in which we work with our postmasters and improve our technology. Criticisms made by the Judge have brought some of this work into sharper focus.

The purpose of the litigation is to resolve a number of individual claims which span a period of around two decades. The case is being heard in stages and the details of the individual cases have not yet been examined.

Q. What is the detail of all the various changes being made?

There is a programme of change activity across the business, including:

Better support for postmasters:

A new field team provides every postmaster with access to an area manager. The field teams can, for example, help identify and provide access to additional training if needed or advise on issues or concerns raised. Area teams are arranging face to face sessions with postmasters – so far around 12,000 branch visits have taken place to 85% of the branch network.

Regional managers are holding regular calls and there are also networking events and business development workshops. For new postmasters, we are providing a single point of contact through their application and 'onboarding' process and Branch Support Managers have

been introduced to support new postmasters for up to six months to help embed their training and ensure postmasters and their teams are set up for success.

The new Branch Support Centre, replaces NBSC and works alongside the IT Digital Service Desk. BCS uses a tiered support system so that postmaster concerns and queries can be more quickly and effectively escalated, investigated and resolved. A new team has been established to handle disputes relating to transaction corrections.

We've created an improved training offer for new and existing postmasters to reduce the likelihood of operational errors and improve the overall customer experience. Post Office has 58 trainers overall, 18 classroom locations across the UK and 40 trainers providing in-branch training. New training modules have been developed and have been running from August 2019. These modules include back office and balancing to further support postmasters with branch accounting.

Loss prevention:

The new Loss Prevention function are using more root cause analysis and data analytics to look ahead and make interventions that prevent losses. This provides benefits for branch operators as well as Post Office, with interventions such as troubleshooting guides through to targeted training and support to improve compliance and performance. Post Office will use a redesigned set of KPIs, processes, risk assessment tools and case management software to ensure a clear, robust and transparent end to end processes.

Horizon improvements:

For example, the new standardised approach to reversing Parcelforce transactions that we communicated in August; additional reminder prompts to postmasters for aspects of banking transactions; simplifying reversal process for Scottish Power Smart Metering.

Q. How is my branch affected by the changes?

Our aim is to make operating your branch simpler and to better support you. We're making some of our processes faster and easier; we're making changes to Horizon to make some transactions more straightforward and we're improving the support, help and training we provide (see previous answers for details).

Branch customers

Q. My branch's customers are asking if the system is safe and whether their transactions will be accurately processed – how can I reassure them?

[NOTE – MAY NEED TO EXCLUDE THIS LINE, DEPENDENT ON JUDGE'S COMMENTS: It's really important to reassure our customers that the products and services we provide for them are not affected by the Group Litigation].

[WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT - Customers can be assured they can depend on our branches and have confidence in the

system. As both the independent experts for the Claimants and the Post Office, on opposite sides of the litigation confirm, Horizon compares well with systems used by other retail and financial services companies every day.]

Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every, month, every year, including with the systems of major organisations such as high street banks, giving confidence in the many products and services we provide.

Q. What is Post Office doing to prevent loss of business to branches as a result of customers losing confidence?

We are communicating widely to reassure our clients and customers. [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT - Our statement to the media makes it clear that independent experts agree that Horizon is robust, and compares well with systems used by other retail and financial services companies every day.

Customers can continue to have confidence in the reliability of our branches.]

Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every, month, every year, including with the systems of major organisations such as high street banks, giving confidence in the many products and services we provide.

The litigation involves a small proportion of mainly former postmasters with individual complaints spanning the past two decades so it is important to understand the context.]

Speaking brief for colleagues speaking to postmasters (pre-judgment)

DOCUMENT: 33

PRE JUDGMENT SPEAKING BRIEF FOR POSTMASTERS/ POL COLLEAGUES – VERBAL ONLY – NOT FOR EMAIL

POST OFFICE GROUP LITIGATION

Background

- The Group litigation involving Post Office is part of a long running dispute between Post Office and a group of mostly former postmasters who have made serious allegations about technical, operational and contractual matters. It covers a long period of time, dating back to 2000 in some cases – much of which relates to a period before we became an independent business.
- It is complex and the case is being heard in stages, with a series of trials. The first trial was about determining the legal construction of the contract between Post Office and postmasters and the second trial was about technical matters concerning Post Office's

Horizon computer system. The second trial concluded on 2 July and the Judge has retired to consider his Judgment.

- Neither of these trials will determine liability or the individual claimants' cases. Further trials are scheduled into 2020.

First Trial (Common Issues Trial)

- The focus of the first phase of the legal action was to establish the correct meaning and interpretation of the contract between the Post Office and postmasters.
- The principal finding was that the contract between Post Office and the postmasters is a relational contract which includes numerous additional obligations that have been implied into the contract.
- Beyond the legal finding, the Judgment also made criticisms of Post Office behaviours, and we've taken these extremely seriously.
- It's really important to underline that the Court's findings do not affect the products and services we provide for our millions of customers through our UK network of 11,500 Post Office branches
- We have also made huge improvements in the culture and practices of the business in recent years, but the Judge's comments remind us that we must always continue to do better. We have taken the criticisms on board and we're taking action throughout our organisation
- Our first priority is to improve the management of our relationships with postmasters. This work is already underway with every Postmaster now being supported by an Area Manager, further improvements are being made to training, ongoing support and a full review of Postmaster remuneration which is expected to be completed by the autumn.
- Our postmasters are the backbone of our business, their involvement is key to the changes we're making. Area Managers hold regular drop in and phone in sessions to update and share information and a forum (Branch User Forum) with postmasters and colleagues takes place monthly to review product design and changes.
- We're also making changes within the Branch Support Centre to enable faster investigations and responses and improve prevention and resolution of any problems.

Second Trial (Horizon Trial)

- The second trial, about technical matters concerning Post Office's Horizon computer system concluded on 2 July. The judge has retired to consider his Judgment. This is not expected to be handed down until the Autumn

- We don't know what the outcome of the Judgment will be and we do not expect to be notified by the Court of the date it will be made public until very close to that time.
- It is important to underline that all the indications are that Horizon is robust, comparing well with similar systems across retail and financial service sectors which have to be highly reliable - this is the view of both independent expert witnesses who have given evidence in the litigation and is further supported by the fact that the system has been used successfully by 500,000 postmasters and colleagues since its introduction and around 47 million transactions every week are successfully processed for customers.
- These transactions are undertaken on behalf of other large-scale organisations, including high street banks, Royal Mail, Government Depts and major utility companies. The accuracy of transactions is subject to numerous checks, including reconciliation with other systems such as those of the banks
- In recent years we have improved and invested in technology and this remains a priority -we've installed new IT equipment in every branch and transformed our back office systems which handle £60 billion a year in financial transactions.
- But no large IT system is perfect and we accept we need to do more work with postmasters when problems do arise. Changes we're making include measures to further reduce human errors in branches (such as mis-keying) and to respond more quickly and transparently to concerns raised by our postmasters. Our improved training will also focus on Horizon and back office processes.
- When the Judgment is handed down we will contact you with our response.
- You might see media coverage about the trial around this time which may cause concern, please be assured we will have plans in place to respond.

Appeal (reactive only)

- Post Office sought permission to appeal the Common Issues Judgment at a hearing on 23 May 2019 where the Managing Judge refused permission. On 18 June we made an application to the Court of Appeal for permission. We haven't yet received a response.

Speaking brief for colleagues speaking to postmasters (post-judgment)

DOCUMENT - 34

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

REACTIVE BRIEF FOR AREA MANAGERS

KEY MESSAGES

- This Judgment is another stage in working towards resolving a number of individual claims by a group of mainly former postmasters.
- We understand the concerns that everyone working in our business might have about some of the issues [and criticisms] the Judgment raises. But [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT] we can have confidence in the overall robustness of Horizon and that it compares well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this].
- Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation which includes the systems of major organisations we work with, such as the banks. So we can and should have confidence in the products and services we're providing.
- But of course no large scale IT system can ever be said to be perfect and we're working hard to improve. This year we've made some Horizon design changes - for Parcelforce and banking online transactions for example – to make things simpler and there's more of this to come.
- The Judgement underlines [very strongly] that we must continue to do better in the ways in which we support you to operate branches. We need to make it easier for problems to be avoided in the first place but if there is an issue we need to help get it resolved more quickly. You will already have seen, I hope, communications about improvements underway to do this including:
 - I. Our new field team structure building stronger relationships with you.
 - II. Changes to the NBSC, now the Branch Support Centre, working more closely with the IT helpline team, and structured so we can investigate concerns more quickly and escalate them if needed.
 - III. Better training – classroom, online, in branch , including refresher training
 - IV. Our new loss prevention team improving protection of branches from external crime and security threats and refining some of our processes to help avoid human errors

- If you have any questions or want further information you can email [xxxxxx] and we will we be happy to help.

INTERNAL REACTIVE QUESTIONS AND ANSWERS TO BE INSERTED

Branch closures: Asking a Postmaster to re-open

DOCUMENT - 35

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

REOPEN A CLOSED BRANCH BRIEF (FOR AREA MANAGERS TALKING TO POSTMASTERS WHO HAVE CLOSED THEIR BRANCH)

POST OFFICE GROUP LITIGATION – HORIZON ISSUES TRIAL JUDGMENT

I'm sorry to hear that you've closed your Post Office. I want to help you and make sure that we provide the support you need, so can you let me know the reasons for closing your branch?
(Note the Postmaster's concerns)

If the Postmaster is concerned about losses that have occurred in the branch.

Confirm what has happened - when and how much loss has occurred, what action has the postmaster taken to seek support from Post Office, have they contacted the Branch Support Centre. Make sure that the Branch Support Centre has all the information they need to help the postmaster. Make a note of the branch support reference number so you can track progress. Reassure the Postmaster we will support them through this process. Share a copy of the Branch Support Guide with the postmaster.

If the Postmaster has lost confidence in Horizon or is concerned about using Horizon, bugs in the system and /or remote access to system.

Explore and note what the issue is. If appropriate refer to the IT FAQs to reassure the postmaster. Identify any training needs – reassure that you will arrange for additional training/support. If there are losses have they notified the Branch Support Centre and make sure that the Branch Support Centre has all the information they need to help the postmaster. Make a note of the branch support reference number so you can track progress. Reassure the Postmaster we will support them through this process.

Key Messages to reassure Postmaster

The Judgment recently handed down by the court focuses on our Horizon system and it's another stage in working towards resolving a number of individual claims by a group of mainly former postmasters.

I understand that everyone working in our business may have concerns about some of the issues [and criticisms] the Judgment raises. But I want to reassure you that [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT : we can have confidence in the overall robustness of Horizon and that it compares well with systems used by other retail and financial service companies each day.

Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this.

[NOTE: THIS LINE MIGHT BE EXCLUDED DEPENDING ON JUDGE'S COMMENTS: It's also important to know that the products and services that we provide every day to millions of customers are not affected by the litigation].

Horizon processes around 47 million, more than £60 billion worth a year. There is also reconciliation with the systems of major organisations that we work with, such as the banks. So we can and should have confidence in the products and services we're providing.

But of course no system is perfect and we're working hard to improve. This year we've made some Horizon design changes - for Parcelforce and banking online transactions for example – to make things simpler and there's more of this to come.

The Judgement underlines [very strongly] that we must continue to do better in how we support you to run your branch. We need to make it easier for problems to be avoided in the first place and if there is an issue we need to help get it resolved more quickly.

You may already have seen communications about improvements underway to do this:

- Our new field team structure building stronger relationships with you.
- Changes to the NBSC, now the Branch Support Centre which has been restructured so we can investigate concerns more quickly and escalate them if needed.
- Better training – classroom, online, in branch, including refresher training
- Our new loss prevention team improving protection of branches from external crime and security threats and refining some of our processes to help avoid human errors

Our relationship with you is extremely important, you deliver our services to customers day-in, day-out, and we want to make it easier for you to build a thriving business.

Reopening the branch

It's important that your customers can continue to get the essential services they need from your branch, understandably they will be worried about the situation.

We will provide you with the support we've discussed and I'll contact you (frequency) to make sure that you're happy with the support you're receiving.

Do you feel confident and reassured enough to reopen your branch? If so when do you think you might want to do this? If yes confirm when branch will reopen.

Postmaster is unwilling to reopen the branch

What else can we do to help you so that you are confident and reassured enough to run your branch? *(note the issues to report back to Regional Manager)*

Can we display a poster in your shop so that we can reassure customers and let them know where the alternative Post Offices are that they can visit? And are there any other places in the local area that we can display a poster?

Can we arrange for a temporary postmaster to run the branch until we have worked through these concerns/issues with you? This may take some time to put in place but could be an option for you to consider so that customers can still visit your Post Office. If yes confirm that you will contact them again with further details and explain that the postmaster will need to agree the arrangements directly with the temporary postmaster.

We will contact you again in the next few days to agree next steps with you.

Memoview

DOCUMENT: 11

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

MEMOVIEW

MBS GLO Judgment

Audience: All Post Office branches

You may see news today about a legal Judgment concerning Post Office in the High Court.

Xxxxxxx our xxxxxxxx (GE member) provides more information on a video on One
<https://www.onepostoffice.co.uk/>

You can also listen to an audio message from xxxxx by calling 0845 601 1022, option x and then option x.

We take the Judgment extremely seriously and lessons being learned through the litigation are being taken on board. There is nothing more important to our business than our relationship with you, the people delivering our services to customers every day and we are committed to making it easier for you to build thriving businesses.

[NOTE THIS LINE MIGHT BE EXCLUDED, DEPENDENT ON JUDGE'S COMMENTS: It's important to underline that the Courts findings do not affect the products and services we provide for our millions of customers everyday]

We will communicate any changes to current branch processes and procedures that are made. Otherwise, please continue as normal.

We'll be sharing further information with you in the coming days and if you have any questions or concerns, please email xxxxxxxx-or contact your Area Manager.

Branch hub message

DOCUMENT – 12

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

BRANCH HUB MESSAGE TO POSTMASTERS AND LINK TO ONE WEBSITE

Audience: All postmasters signed up to Branch Hub (approx 1200)

Email subject: Important message from xxxxx: Court findings in the second phase of Group Litigation

You may see news today about a legal Judgment criticising Post Office in the High Court.

I want to assure you that we take the Judgment extremely seriously and lessons being learned through the litigation are being taken on board.

There is nothing more important to our business than our relationship with you, the people delivering our services to customers day-in, day-out and we are committed to making it easier for you to build thriving businesses.

Please take a moment to read the story on One [link].

[NOTE – THIS LINE MIGHT BE EXCLUDED, DEPENDENT ON JUDGE'S COMMENTS - It's important to underline that the Court's findings do not affect the products and services we provide for our millions of customers through our UK network of 11,500 Post Office branches]

We will continue to keep you updated on any developments and the actions we are taking following this Judgment.

You can also ask us questions xxxxxxxx/ or talk to your Area Manager.

Thank you for everything that you and your teams do every day to serve our customers and communities up and down the country.

Signature tbc xxxx

IVR message

DOCUMENT - 13

**NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND
FOUND/NOT FOUND DOCUMENT**

IVR MESSAGE

You may see news today about a legal Judgment criticising Post Office in the High Court.

I want to assure you that we take the Judgment extremely seriously and lessons being learned through the litigation are being taken on board.

There is nothing more important to our business than our relationship with you, the people delivering our services to customers day-in, day-out and we are committed to making it easier for you to build thriving businesses.

Please take a moment to read the story on One.

[NOTE – THIS LINE MIGHT BE EXCLUDED, DEPENDENT ON JUDGE’S COMMENTS - It’s important to underline that the Court’s findings do not affect the products and services we provide for our millions of customers through our UK network of 11,500 Post Office branches]

We will continue to keep you updated on any developments and the actions we are taking following this Judgment.

You can also ask us questions xxxxxxxx/ or talk to your Area Manager.

ONE update email

DOCUMENT - 14

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

ONE UPDATE EMAIL TO POSTMASTERS AND LINK TO ONE WEBSITE (email from DS)

Audience: All postmasters registered on One, c 6000 postmasters

Email subject: Important message from xxxxx: Court findings in the second phase of Group Litigation

You may see news today about a legal Judgment criticising Post Office in the High Court.

I want to assure you that we take the Judgment extremely seriously and lessons being learned through the litigation are being taken on board.

There is nothing more important to our business than our relationship with you, the people delivering our services to customers day-in, day-out and we are committed to making it easier for you to build thriving businesses.

Please take a moment to go one the One website where you can find more information. (*link*)

[NOTE: THIS LINE MAY BE EXCLUDED DEPENDENT ON JUDGE'S COMMENTS - It's important to underline that the Court's findings do not affect the products and services we provide for our millions of customers through our UK network of 11,500 Post Office branches]

We will continue to keep you updated on any developments and the actions we are taking following this Judgment.

You can also ask us questions xxxxxxxx/ or talk to your Area Manager.

Thank you for everything that you and your teams do every day to serve our customers and communities up and down the country.

Debbie Smith

Chief Executive Retail

ONE story

DOCUMENT - 15

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

ONE STORY (POSTMASTERS)

POST OFFICE GROUP LITIGATION – SECOND JUDGMENT

The second Judgment in the Post Office Group Litigation [link?] has been handed down by the High Court today. This Judgment focuses on our Horizon system and it's another stage in working towards resolving a number of individual claims by a group of mainly former postmasters.

We understand the concerns that everyone working in our business might have about some of the issues [and criticisms] the Judgment raises. But I want to reassure you that [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT : we can have confidence in the overall robustness of Horizon and that it compares well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this].

[NOTE: THIS LINE MIGHT BE EXCLUDED DEPENDING ON JUDGE'S COMMENTS: It's also important to make clear that the products and services that we provide every day to millions of customers are not affected by the litigation]. Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation which includes the systems of major organisations we work with, such as the banks. So we can and should have confidence in the products and services we're providing.

But of course no system can ever be said to be perfect and we're working hard to improve. This year we've made some Horizon design changes - for Parcelforce and banking online transactions for example – to make things simpler and there's more of this to come.

The Judgement underlines [very strongly] that we must continue to do better in the ways in which we support you to operate branches. We need to make it easier for problems to be avoided in the first place but if there is an issue we need to help get it resolved more quickly. You will already have seen, I hope, communications about improvements underway to do this including:

- Our new field team structure building stronger relationships with you.
- Changes to the NBSC, now the Branch Support Centre, working more closely with the IT helpline team, and structured so we can investigate concerns more quickly and escalate them if needed.

- Better training – classroom, online, in branch , including refresher training
- Our new loss prevention team improving protection of branches from external crime and security threats and refining some of our processes to help avoid human errors

There is nothing more important to our business than our relationship with you, the people delivering our services to customers day-in, day-out, and we are committed to making it easier for you to build thriving businesses.

You can find today's media statement on the Judgment here [link]. If you have any questions or want further information you can email [xxxxxx] and we will be happy to help.

Branch support guide

DOCUMENT 3

From: one post office

Sent: 28 October 2019 08:56

To: Communications Team <communications.team@GRO>

Subject: a message from Julie: branch support guides

28 October 2019 | Reading time 2 minutes | Please talk to your teams about this

Hello,

As you know we are all working to be better for postmasters and improve their experience with us.

In Operations, we have been making a number of changes, including:

- Reviewing and improving the support we give branches, based on the type of calls we get into the Branch Support Centre and the reasons for Transaction Corrections has been a key focus for us. An early practical improvement was to introduce a dedicated team as part of the Helpline who can support branches with balancing issues. This team is now up and running and easy to access via the usual Branch Support contact number.
- Most transaction discrepancy or balancing issues are caused by customers changing their mind or by a keying mistake at the time of the transaction, but to identify what went wrong to enable us to correct it, it is always easier for branches if the day-to-day basics such as cash declarations, balancing and compliance are followed. The Branch Insight Tool will flag issues or instances of failed cash declarations or balances. It's important to encourage branches to get the basics right and any potential issues can be dealt with quickly, avoiding future discrepancy issues.
- We're also making changes to some Horizon screens to make it easier to avoid mistakes. We've started with the Parcelforce process and will be moving onto banking screens next. We will continue to improve screens based postmaster feedback.

New Branch Support guides

An important aspect we have learnt through our dedicated balancing team is that often branches are unsure how to resolve issues when they face them.

To support postmasters and branch teams, we have created some important guides which cover information to help them with:

- Running an efficient Post Office branch
- Branch Balancing
- Branch Discrepancies and Transaction Corrections

These guides will give you an overview as well as some helpful reminders and useful tips.

As you support postmasters and branch teams, it's important you make yourself familiar with this too. You can view these guides on the attached document.

This will also be available to branch teams from Branch Focus this week, and we are sending a printed copy to each branch so it's easier for them to refer to.

If you have any questions or feedback on this, or any other aspect of our support for postmasters, please let us know. Also, please encourage branches to feed back to us directly using the One website.

Thank you for your ongoing support.

Julie

ONE business update special (worst case scenario)

DOCUMENT - 20

NOTE – TONE/ POSITIONING/ MESSAGING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/ NOT FOUND DOCUMENT

CORE NARRATIVE FOR ONE BUSINESS UPDATE SPECIAL [FULLER ADDITIONAL CONTENT TO DEPEND ON TIMING OF JUDGMENT] - CENTRAL NARRATIVE BY [DEBBIE TBC]

We've issued this One Business Update Special because we understand concerns and questions you may have about issues raised in the latest Judgment in the Post Office Group Litigation, which focuses on our Horizon system. I hope you have seen our communications about this [insert how to find them] but I wanted to set out more detail.

Firstly, it is very important to understand the background to the Group Litigation. It involves a very long-standing dispute with mainly former postmasters with claims which span a lengthy period, some dating back around 20 years. It's extremely complex but is, essentially, about resolving those individual claims being made, which we very much want to do.

We already do many things differently to the ways in which we operated in the past, during the time periods of many of the claims. We've continued to improve our culture, processes and technology. But we know we have to do much more – and much faster.

I want to ensure you are confident about the operation of your branch and the Horizon system. [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT: It's been confirmed by the latest Court Judgment/ both independent experts in the litigation that the Horizon system is, overall, robust. It compares well with systems used by other retail and financial services companies. It is generally reliable in processing transactions - more than £60 billion worth a year and there is reconciliation which includes the systems of clients such as high street banks.

Of course it is not perfect - no large-scale IT system can be. That's why its performance is continually monitored and we are working as hard as ever to make improvements. If you have an issue you want to get to the bottom of it quickly – or better still prevent it in the first place – and we're acting on that.

This year we've made some Horizon design changes - for Parcelforce and banking online transactions for example – to make things simpler and there's more of this to come.

The Judgement underlines [very strongly] that we must continue to do better in the ways in which we support you to operate branches. You will already have seen, I hope, communications about improvements underway to do this including:

- Our new field team structure building stronger relationships with you.
- Changes to the NBSC, now the Branch Support Centre, working more closely with the IT helpline team, and structured so we can investigate concerns more quickly and escalate them if needed.
- Better training – classroom, online, in branch , including refresher training
- Our new loss prevention team improving protection of branches from external crime and security threats and refining some of our processes to help avoid human errors

In this Business Update Special you'll find further information of what we're doing to better support you, how you can get involved in working with us on continued improvements and what's next in the months ahead.

[additional content on key points re support/ technology/ involvement – plus potential case studies]

Corporate clients

Context

Our relationship managers have continued to keep clients updated on the litigation. There have been no significant concerns raised. Clients will continue to want to be reassured that Post Office's plans minimise impact on reputation and that their customers are not affected.

Handling approach

Relationship managers have been in touch with clients to provide an update on the litigation, to prepare the ground for the HIT Judgment. When the Judgment is made public, clients will receive a personal call from relationship managers, with follow up email if necessary. Relationship managers will also handle any queries or concerns (flagging/ escalating these if necessary).

Collateral

Email to clients

DOCUMENT – 18

CLIENT- EMAIL [to be adapted by client relationship managers referencing conversations they will have had in advance]

NOTE – TONE/ MESSAGING/ POSITIONING TO BE REVIEWED AGAINST JUDGMENT

SUBJECT: POST OFFICE GROUP LITIGATION UPDATE

As you may have seen, the second Judgment in the Post Office Group Litigation has been handed down by the High Court today. This is another stage in working towards resolving a number of individual claims by a group of mainly former postmasters.

This Judgment, which focuses on our Horizon computer system used across our network, raises some issues [and criticisms] so I wanted to reassure you about improvements we're continuing to make.

[WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT:

Firstly I want to underline why we can have confidence in the overall robustness of the Horizon system and that it compares well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this.

Horizon processes around 47 million transactions a week, more than £60 billion worth a year, with reconciliation which includes the systems of major organisations we work with such as high street banks.

Of course no large-scale IT system can ever be said to be perfect and we're making continual improvements, including design changes which simplify some transactions for our postmasters.

The Judgment underlines to us the importance of better supporting our postmasters to operate their branches and over the past 12-18 months we have had a particular focus on making changes at every level of the business to build a better partnership with our postmasters. These include very improvements to recruitment, training and operational support.

I hope I have reassured you about how we are responding to the matters the litigation raises – if you would like any more detail about the considerable improvement work underway then I will be very happy to provide this. I also attach our response to the media about today's Judgment which I hope is helpful.

[As you know from our recent conversations about the litigation itself] we expect the case to take some time to be resolved as there are many legal matters still to be determined. The individual claims themselves span a very lengthy period, with some dating back around two decades. Currently there are Court hearings scheduled through to 2020 and I will keep you updated on relevant developments.

Again, please contact me at any time with any concerns you may have.

Speaking brief for colleagues engaging with clients/commercial partners/colleagues
(pre-judgment)

DOCUMENT: 1

**PRE-JUDGMENT SPEAKING BRIEF FOR CLIENTS/ COMMERCIAL PARTNERS/ POL
COLLEAGUES – VERBAL ONLY – NOT FOR EMAIL**

POST OFFICE GROUP LITIGATION

Background

- The Group litigation involving Post Office is part of a long running dispute between Post Office and a group of mostly former postmasters who have made serious allegations about technical, operational and contractual matters. It covers a long period of time, dating back to 2000 in some cases – much of which relates to a period before we became an independent business.
- It is complex and the case is being heard in stages, with a series of trials. The first trial was about determining the legal construction of the contract between Post Office and postmasters and the second trial was about technical matters concerning Post Office's Horizon computer system. The second trial concluded on 2 July and the Judge has retired to consider his Judgment.
- Neither of these trials will determine liability or the individual claimants' cases. Further trials are scheduled into 2020.

First Trial (Common Issues Trial)

- The focus of the first phase of the legal action was to establish the correct meaning and interpretation of the contract between the Post Office and postmasters.
- The principal finding was that the contract between Post Office and the postmasters is a relational contract which includes numerous additional obligations that have been implied into the contract.
- Beyond the legal finding, the Judgment also made criticisms of Post Office behaviours, and we've taken these extremely seriously.
- It's really important to underline that the Court's findings do not affect the products and services we provide for our millions of customers through our UK network of 11,500 Post Office branches
- We have also made huge improvements in the culture and practices of the business in recent years, but the Judge's comments remind us that we must always continue to do

better. We have taken the criticisms on board and we're taking action throughout our organisation

- Our first priority is to improve the management of our relationships with postmasters. This work is already underway with every Postmaster now being supported by an Area Manager, further improvements are being made to training, ongoing support and a full review of Postmaster remuneration which is expected to be completed this Autumn.
- Our postmasters are the backbone of our business, their involvement is key to the changes we're making. Area Managers hold regular drop in and phone in sessions to update and share information and a forum (Branch User Forum) with postmasters and colleagues takes place monthly to review product design and changes.
- We have also made changes within the Branch Support Centre to enable faster investigations and responses and improve prevention and resolution of any problems.

Second Trial (Horizon Trial)

- The second trial, about technical matters concerning Post Office's Horizon computer system concluded on 2 July. The judge has retired to consider his Judgment and has indicated it will be provided in November.
- We don't know what the outcome will be but it is important to underline that all the indications are that Horizon is robust, comparing well with similar systems across retail and financial service sectors which have to be highly reliable. This is the view of both independent expert witnesses who have given evidence in the litigation and is further supported by the fact that the system has been used by 500,000 postmasters and colleagues since its introduction and around 47 million transactions every week are successfully processed for customers.
- These transactions are undertaken on behalf of other large-scale organisations, including high street banks, Royal Mail, Government Depts and major utility companies. The accuracy of transactions is subject to numerous checks, including reconciliation with other client systems for some types.
- In recent years we have improved and invested in technology and this remains a priority -we've installed new IT equipment in every branch and transformed our back office systems which handle £60 billion a year in financial transactions.
- But no large IT system is perfect and we accept we need to do more work with postmasters when problems do arise. Changes we're making include measures to further reduce human errors in branches (such as mis-keying) and to respond more quickly and transparently to concerns raised by our postmasters. Our improved training will also focus on Horizon and back office processes.

Speaking Note on our contingency planning (reactive only)

- Since May we have been working with external consultants, who have relevant experience in crisis preparedness and response work, to prepare an effective immediate and short-term response to the Judgment from the Horizon Issues trial. .
- Through a series of workshops we identified the operational, commercial and reputational risks which could crystallise on an adverse Judgment. A response plan was then built around a core response playbook which includes the key messaging, materials and briefings to be used ahead of and in response to the Judgment.
- Where possible, mitigation actions are taking place ahead of Day One. The response plan also addresses anticipated actions from Day One, e.g. surge resourcing our call centres and the creation of new processes to monitor and manage branch closures, re-distribute cash and stock accordingly etc.
- A Rapid Response Team (RRT) has been established to execute and manage Post Office and stakeholder response to the Judgment. It will act as the central hub of information and is charged with coordinating business impact data and relaying this to the organisation, by the hour, with escalation points into the GE as / if required.
- Ultimately, the response from Day one will be determined by what the Judgment actually says, and how our stakeholders (government, corporate clients, retail partners, customers, postmasters, employees etc.) react to it. Central to this will be 'isolating' the findings just to the issues actually tried. The focus now therefore, in addition to tracking the discharging of actions by the business, is establishing the MI required to determine and respond at pace to the impacts / risks which do indeed crystallise and to 'stress test' both the established and new processes to understand what uplift in calls, lack of compliance or refusals to open branches we can sustain, and over what period of time.

More Detail on the 15 Horizon Trial Issues

- The Horizon Trial consisted of 15 "Horizon Issues". These can be grouped together under four categories:
 - A. Reliability of Horizon.** This question also encompasses the extent to which Horizon was the root cause of shortfalls in postmaster branches.
 - B. Remote access.** This question seeks to determine the capability of Post Office and / or Fujitsu to access, edit or delete transaction data recorded in branches.
 - C. Reconciliation and transaction corrections.** These questions seek to determine how Horizon compares its own transaction data against other data sources.

- **Issue 5:** How, if at all, does the Horizon system itself compare transaction data recorded by Horizon against transaction data from sources outside of Horizon?
- **Issue 15:** How did Horizon process and/or record Transaction Corrections?

The comparison of Horizon data against third party data is called "reconciliation". The identification of discrepancies in branch accounts through reconciliation is a key control in the operation of Post Office's accounting systems. Where a discrepancy is identified it can give rise to a transaction correction being sent to a branch. The transaction correction should neutralise a previous accounting error but can, in theory, cause a loss in a branch.

These issues were designed to be **uncontroversial factual questions about how Horizon conducts reconciliations and processes transaction corrections**. Their aim was to lay down a foundation on which to determine more specific issues in particular cases, at future trials

The claimant's IT Expert did however question the quality of the reconciliation processes. Our view is that this opinion is outside the scope of his work given the wording of the **issues to be addressed are purely factual and do not invite comment on adequacy or sufficiency**. However, there is the possibility that the Judge will stray into assessing the quality of the reconciliation processes and finds vulnerabilities in them.

D. Information available to Post Office and postmasters. These questions will help inform later trials when looking at the responsibilities and actions of Post Office and postmasters when dealing with shortfalls.

- When the Judgment is handed down we will contact you with our response.
- You might see media coverage about the trial around this time which may cause concern, please be assured we will have plans in place to respond.

For Clients and Commercial Partners with PR Teams

- We can work with you/your PR/Media colleagues to support you with information you might want to share within your company or when responding to media enquiries.

Appeal (reactive only)

- Post Office sought permission to appeal the Common Issues Judgment at a hearing on 23 May 2019 where the Managing Judge refused permission. On 18 June we made an

application to the Court of Appeal for permission and there is an oral hearing concerning this on 12 November 2019.

Speaking brief for colleagues engaging with clients/commercial partners etc (post-judgment)

DOCUMENT – 16

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

CLIENTS/ COMMERCIAL PARTNERS/ SUPPLIERS (ACCOUNT AND RELATIONSHIP MANAGERS TO DELIVER)

CORE VERBAL BRIEF

KEY SPEAKING POINTS

- The Judgment in the second trial of a Group Litigation brought against Post Office by a number of mainly former postmasters was today handed down in the High Court. This Judgment focuses on our Horizon system and it's another stage in working towards resolving a number of individual claims by a group of mainly former postmasters
- We take this Judgment and the overall litigation extremely seriously. We are continuing to make significant improvements, at pace, to both our technology and the way in which we support our postmasters
- [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT: We can be confident that overall Horizon is robust, comparing well with systems used by other retail and financial services companies every day. Both independent experts for the claimants and the Post Office, on opposite sides of the litigation confirm this
- [NOTE – THIS LINE MIGHT BE EXCLUDED, DEPENDENT ON JUDGE'S COMMENTS - It's also important to underline that the products and services that Post Offices provide every day to millions of customers are not affected by the litigation]
- Clearly no system can ever be said to be perfect. That's why Horizon's performance is continually monitored and we are working hard to make continual improvements
- Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation which includes the systems of major organisations we work with - we have confidence in the products and services we're providing.
- But the Judgment underlines to us very strongly the importance of the way in which we help our postmasters operate their Post Offices to deliver those services We're continuing to take action improve that support, alongside further investment in our technology

- Over the last 12 to 18 months, we have had a particular focus on making changes at every level of the business to build a better partnership with our postmasters
- These include improvements to recruitment, training and operational support, as well as changes which further reduce the risk of human errors in branches.
- We expect the Group Litigation to take some time to be resolved as there are many legal matters still to be determined and the individual claims themselves span a very lengthy period, with some dating back around two decades. Currently there are Court hearings scheduled through to 2020
- We know that the Judgment's criticisms may be unsettling for our people. We have a comprehensive programme of communications to ensure we are speaking with everyone in the business and providing people with every opportunity to raise questions and concerns.

BACKGROUND [insert updated GLO fact sheet]

Client Q&A

FROM DOCUMENT 6

QUESTIONS & ANSWERS FOR CLIENTS

Q. What is Post Office planning/ doing to reassure customers?

We are communicating widely but proportionately. We are making the context of the Judgment clear – it is part of complex litigation involving a small proportion of mainly former postmasters with individual complaints on a range of matters.

Our statement to the media [\[link\]](#) makes it clear that independent experts, on both sides of the litigation, agree that Horizon is robust, comparing well with systems used by other retail and financial service companies every day. - WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT

We are closely monitoring customer enquiries. Our customer research has not, to date, showed that the litigation has any significant effect on customer sentiment or behaviour regarding our brand and we are of course keeping this under close review.

Q. What is the Post Office doing to improve its technology?

We're continuing to prioritise investment in technology. In 18/19 we completed a roll-out of new equipment to all our branches and transformed our back office systems which handle £60 billion a year in financial transactions. And our plans include taking action to improve transaction processes to reduce the risk of potential errors e.g. creating a standardised approach to reversing Parcelforce transactions which was communicated to branches in August 2019.

Involving postmasters is key to the changes we're making. Area Managers hold regular drop in and phone in sessions to update and share information and a forum (Branch User Forum) with postmasters and colleagues takes place monthly to review product design and changes.

Q. Are any process changes being planned for the way we work together?

There's no changes planned for the way we work with clients.

Q. Given the recent Judgment why should I remain confident about the partnership/contractual relationship we have with POL?

It's important to underline the context of the Judgment - it is part of complex litigation to resolve long-standing issues involving a small proportion of mainly former postmasters with individual complaints. As confirmed by independent experts on both sides of the litigation, the Horizon system is robust and compares well with systems used by other retail and financial services companies every day.

We take criticisms made of our business extremely seriously and we're continuing to improve the ways in which we work with postmasters to make it easier for them to operate their branches and build thriving businesses. We're improving training, support and communications alongside our technology infrastructure.

Customers

Context

There has been very little customer interest in the litigation to date outside a small number of social media comments, the majority in support of the claimants. The results of our insight research undertaken for the GLO have to date evidenced no negative impact on customer sentiment; this tracking is being continued for the Horizon Issues Judgment.

With the focus of the litigation moved to technical aspects of Horizon, a negative media narrative around system reliability could raise customer concerns about products and services and specific reassurance messages on these are included in our core narrative.

Handling approach

Customer service teams are being briefed and will be updated when the Judgment is made public. A process is in place to monitor the numbers of GLO-related calls and includes relevant escalation.

Communications for scenarios such as branch closures are aligned to operational contingencies which include include local posters, rapid Branchfinder updates and dedicated customer phone line.

Collateral

Customer Service team brief

DOCUMENT - 28

CUSTOMER BRIEF – REACTIVE FOR CUSTOMER SERVICES [KIM ABBOT]

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

MESSAGES FOR CUSTOMER SERVICES TEAM

GROUP LITIGATION UPDATE – HORIZON JUDGMENT

You'll have seen the communications today about a High Court Judgment in the Post Office Group Litigation.

This Judgment, which focuses on our Horizon system, is another stage in working towards resolving a number of claims by mainly former postmasters. It raises a number of issues [and criticisms] which could cause concern.

Comprehensive communications being deployed across the business, including of course to everyone in the network. We have also issued a media statement and you can find that, together with further information on our intranet [\[link\]](#).

It is possible of course that customers might ask questions about it.

If we do get queries, we can reassure our customers:

- [NOTE: MAY HAVE TO EXCLUDE THIS LINE DEPENDENT ON JUDGE'S COMMENTS - The products and services that Post Offices provide are not affected by the litigation]
- [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT: We can be confident that overall Horizon is robust, comparing well with systems used by other retail and financial services companies every day – this was confirmed by both independent experts in the litigation]
- Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every month, every year, including with the systems of major organisations such as high street banks
- Horizon's performance is continually monitored and we continue to work hard to make improvements wherever we can

Customer Q&A

FROM DOCUMENT 6

QUESTIONS AND ANSWERS FOR CUSTOMERS

Q. Is my money safe with Post Office products and services?

[Yes.

[NOTE – THIS LINE MIGHT BE EXCLUDED DEPENDENT ON JUDGE’S COMMENTS: The products and services that we provide to customers are not affected by the Group Litigation.]The litigation concerns a small proportion of mainly former postmasters with individual complaints concerning a range of complex matters.

Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every, month, every year, including with the systems of major organisations such as high street banks, giving confidence in the many products and services we provide.

Q. How can I trust Horizon for financial transactions?

Horizon processes around 47 million transactions a week, more than£60 billion worth a year. There is reconciliation every day, every, month, every year, including with the systems of major organisations such as high street banks, giving confidence in the many products and services we provide.

Post Office colleagues

Context

Many colleagues are familiar with the litigation through previous communications and/ or their involvement in aspects of it. There have been no significant concerns raised.

The HIT Judgment may cause more queries and concerns because of likely higher media profile and additionally among colleagues working in branch using Horizon.

Handling approach

All colleagues will receive an email from the CEO. There will also be tailored communications for colleagues depending on their role (eg briefings to enable colleagues to communicate with specific audiences they have responsibility for). The GLO intranet pages will be updated and a process is in place for feedback and enquiries, including escalation where necessary.

Collateral

PO fact sheet

Updated 24/10/ 2019

DOCUMENT 8

Post Office Facts and Figures

Our role and reach

- The Post Office has provided vital services at the heart of communities across the UK for around 370 years. There are around 11,500 Post Office branches across the UK, 98% of these are run with retail partners on an agency or franchise basis. 99.7% of the population live within 3 miles of a Post Office and nearly 93% live within 1 mile. Along with a significant online business, we are the biggest retail network in the UK, with more branches than all the banks and building societies combined
- Publicly owned following separation from Royal Mail in 2012, Post Office has modernised 7,700 branches, with over 200,000 extra opening hours. Thousands of Post Offices now open early in the morning until late in the evening, with around 4,000 branches open on Sundays, making Post Office services more accessible and convenient
- The Post Office continues to evolve and adapt to meet the ever-changing demands of customers. In the last few years, as part of a modernisation and investment programme, more than 200 communities now have a brand new Post Office branch. In 2018, Post Office also acquired Payzone's bill payment business, providing customers with around 25,000 Payzone and Post Office locations to pay their bills
- 95% of the population say they use Post Office at least once a year and more than 850m customer transactions are undertaken every year
- In 2011/12, the Post Office was making a loss of £120 million. For 2018/19 Post Office reported a trading profit of £60 million, its third consecutive year of trading profit.
- As a commercial business the Post Office is driven also by its social purpose. As the hub of many towns and villages across the UK it understands the important role the local Post Office branch plays within communities, especially for older and more vulnerable members of society
- For many, the Post Office remains an important source of their customers' social interaction as well as providing important access to their essential needs. Postmasters up and down the country offer more than just a range of services - in many cases they are integral to their local community, making a meaningful impact to society within their towns and villages

Our Services

- Post Office offers over 170 different products and services, spanning financial services including savings, loans, insurance and mortgages; as well as Government services; broadband and home phone; foreign currency; travel insurance; LocalCollect, Drop and Go mail services and much more
- It's the UK's largest contactless payment network with over 30,000 terminals
- Millions of bill payments from council tax payments to electricity and phone are made at Post Office branches every year. In addition, Everyday Banking services mean customers are able to access High St bank accounts at any Post Office branch, meaning that both personal and business banking customers can withdraw cash, deposit cash and cheques, check their balance and get change at their nearby Post Office. There are more than 100m banking transactions a year
- Post Office has provided savings accounts to customers across the UK for over 150 years and also supplies travel currency to more people across the UK than any other provider
- Mail services offered at Post Office branches help deliver cards and presents to and from millions of consumers each year, and support the nation's booming online shopping industry. Drop & Go mail services for thousands of business and e-tailers allow them to simply drop off their parcels and we make sure they are ready and priced for posting

Horizon factsheet

NOTE: TO BE REVIEWED AGAINST JUDGMENT AND SUBJECT TO REVIEW BY FJ

**FACT SHEET – HORIZON – FOR USE ON INTRANET AND TO BE PROVIDED TO
RELEVANT EXTERNAL/ INTERNAL STAKEHOLDERS**

DOCUMENT - 25

The Horizon system

- Horizon is the electronic point of sale system used across all 11,500 Post Office branches to record and reconcile each transaction.
- Horizon supports approximately 30,000 terminals in branches, with currently around 60,000 users and 47 million transactions a week.
- Horizon was first introduced in 1995 on a pilot basis in a small number of Post Office branches, before being rolled out more widely. The current version – Horizon Online – was introduced in 2010 and has been continually improved and updated. Investing in technology remains a priority and in 2018/19 Post Office rolled out new equipment to all branches and transformed its back office systems.
- Transactions in Post Office branches are undertaken on behalf of other large-scale organisations including high street banks, utility companies and Government departments. Around £60 billion worth of transactions are processed through Horizon every year

GLO factsheet

DOCUMENT – 10 updated 24/10/2019

GLO COMMUNICATIONS – HORIZON ISSUES JUDGMENT

NOTE: TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

Audience: POL colleagues/intranet/ external as required

- Group Litigation is where a group of people with similar or shared complaints join together to make a claim in the Courts against a person or organisation
- The litigation involving Post Office is part of a long running dispute between Post Office and a group of mostly former postmasters who have made serious allegations about technical, operational and contractual matters
- Between 2012-15 Post Office performed independent investigations and engaged in mediation for some individual complaints
- In February 2016 it was reported that some former postmasters involved had obtained funding for litigation against Post Office
- In April 2016, a High Court claim was issued against Post Office and in March 2017 the Court issued a Group Litigation Order, a procedural tool to enable the Court to manage litigation affecting multiple parties
- As is usual practice in group litigation, the Group Litigation Order was advertised and promoted for a time specified by the Court to enable potential claimants to seek to join the claim. This was done by the claimants' legal representatives between 17 March 2017 and 17 November 2017. There are now 555 claimants, with individual complaints that span the past two decades. They represent a very small proportion of people who have worked in our network using our systems during that time
- The case is very complex and the Judge ordered that it will be heard as a series of trials.
- The first trial, which finished on 5 December 2018, was about determining the legal relationship between Post Office and agents – the Common Issues trial. The Judgment from this trial was handed down (made public) on 15 March 2019.
- The principal finding from the first trial (Common Issues) was that the contracts between Post Office and postmasters are “relational” contracts which have implied into them additional obligations on Post Office.
- Post Office has applied for permission to appeal the Common Issues Judgment. There will be a hearing on this application on 12 November 2019.
- The second trial, about technical matters concerning Post Office's Horizon computer system – the Horizon trial – started on 11 March 2019, and concluded on 2 July 2019. The Judge has retired to consider his Judgment.
- A third trial, to determine in principle the losses the postmasters can recover and how they should be quantified, has been scheduled for March 2020 - the Further Issues trial.

- None of these trials will decide liability or the individual claimants' cases. Further hearings and trials will be required for that.

Email to colleagues

DOCUMENT - 9

POL COLLEAGUES – EMAIL [FROM DEBBIE SMITH]

NOTE – TONE/ POSITIONING/ MESSAGING ALL SUBJECT TO DETAILED REVIEW AGAINST JUDGMENT AND FOUND/ NOT FOUND DOCUMENT

GROUP LITIGATION UPDATE – HORIZON ISSUES JUDGMENT

As you may have seen, the second Judgment in the Post Office Group Litigation [\[link?\]](#) has been handed down by the High Court today. This Judgment focuses on our Horizon system and it's another stage in working towards resolving a number of individual claims by a group of mainly former postmasters.

We understand the concerns that everyone working in our business might have about some of the issues [and criticisms] the Judgment raises. But I want to reassure you that [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT : we can have confidence in the overall robustness of Horizon and that it compares well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this].

[NOTE: THIS LINE MIGHT BE EXCLUDED DEPENDING ON JUDGE'S COMMENTS: It's also important to make clear that the products and services that we provide every day to millions of customers are not affected by the litigation]. Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation which includes the systems of major organisations we work with, such as the banks. So we can and should have confidence in the products and services we're providing.

But of course no system can ever be said to be perfect and we're working hard to improve. This year we've made some Horizon design changes - for Parcelforce and banking online transactions for example – to make things simpler and there's more of this to come.

The Judgement underlines [very strongly] that we must continue to do better in the ways in which we support postmasters to operate branches. We need to make it easier for problems to be avoided in the first place but if there is an issue we need to help get it resolved more quickly. You will already have seen, I hope, communications about improvements underway to do this including:

- Our new field team structure building stronger relationships with our postmasters.
- Changes to the NBSC, now the Branch Support Centre, working more closely with the IT helpline team, and structured so we can investigate concerns more quickly and escalate them if needed.
- Better postmaster training – classroom, online, in branch , including refresher training

- Our new loss prevention team improving protection of branches from external crime and security threats and refining some of our processes to help avoid human errors

There is nothing more important to our business than our relationship with our postmasters, the people delivering our services to customers day-in, day-out, and we are committed to making it easier for them to build thriving businesses.

You can find today's media statement on the Judgment here [link]. If you have any questions or want further information you can email [xxxxxx] and we will be happy to help.

Email invite to L300 call

DOCUMENT – 4

GLO COMMUNICATIONS – HORIZON ISSUES JUDGMENT

EMAIL INVITE TO L300 CALL [From Patrick/ Martine]

Dear all,

I appreciate this is short notice, but please join me on an L300 call for a short but important update on the Group Litigation.

To join the call:

1. **Dial: xxxx**
2. **Enter participant passcode: xxxx**

Or one click participant dialling:

Copy and paste into your mobile phone: xxxxxx

Best wishes,

L300 call script

DOCUMENT – 5

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

L300 CALL SCRIPT [Shared GE members – script to be revised to accommodate this]

Thank you for joining the call this morning/afternoon.

- There is an important update to share with you about the Group Litigation and the Judgment from the second trial that has been handed down today.
- Most of you are of course well aware of the background: This Judgment focuses on our Horizon system and it's another stage in working towards resolving a number of individual claims by a group of mainly former postmasters
- Before I talk about our response, it's important to remember that a lot of what you might hear about the trial relates to the ways in which we operated in the past, dating back to 2000 in some cases –before we became an independent business.
- Over the years we've changed and improved our culture, processes and technology. But we are reminded through the litigation that we must do better. We know there is still a lot more to do and we need to be much faster at doing it.
- Add specific Judgment issues here and our response.
- [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT: We should be reassured that the view of both independent expert witnesses who gave evidence in the litigation is that all the indications are that Horizon is robust, comparing well with similar systems across retail and financial service sectors which have to be highly reliable]
- But of course no system can ever be said to be perfect and we're working hard to improve. This year we've made some Horizon design changes - for Parcelforce and banking online transactions for example – to make things simpler and there's more of this to come
- But what the Judgment underlines [very strongly] is that we must continue to do better in the ways in which we support postmasters to operate branches. We need to make it easier for problems to be avoided in the first place but if there is an issue we need to help get it resolved more quickly. You will already have seen, I hope, communications about all the improvements underway to do this
- Our new field team structure is helping to build stronger relationships with our postmasters. We've also made changes to the NBSC, now the Branch Support Centre, working more closely with the IT helpline team, and structured so we can investigate concerns more quickly and escalate them if needed. We're getting good feedback from branches on this.
- We're improving our training –making sure it's better aligned to the needs of postmasters – classroom, online, in branch , including refresher training

- Our new loss prevention team is in place to help better protect branches from external crime and security threats and they're also refining some of our processes to help avoid human errors
- We're getting the input of postmasters for improvements and this is incredibly important. Serving customers every day, handling millions of transactions, they are best placed to tell us what makes it easier to operate branches effectively
- I hope that I have given you confidence that we are learning lessons, we are listening and we are improving
- We are communicating throughout the business today – and there is also information on the home page of our intranet. Keeping our postmasters updated and informed about any changes is extremely important at this time. Our Area Managers will be talking to postmasters and answering their questions over the coming weeks, postmasters can also email us directly.
- We will keep you updated of developments and there will also be information available on the intranet to share with your teams which we will send out after the call.
- This news may be unsettling. You will probably see criticism – some of it very strong – in the media and beyond. Please don't hesitate to ask questions of anyone in the senior leadership team or you can email our Communications Team
communications.team

GRO

Postmaster onboarding team - email & call script in case of PM queries

DOCUMENT – 38

EMAIL & CALL SCRIPT FOR ONBOARDING TEAM (PAM HEAP/JAYNE BRADBURY)

Audience: ONBOARDING TEAM

Email to Onboarding Team

Email subject: Group Litigation Order – important information

Dear Jayne

Today there has been a High Court Judgment about the Post Office and attached is some information to share with your team which is for internal use only.

It's possible that your team may get questions from postmasters and potential applicants relating to the High Court Judgment and below is a script for your team to use in response to any calls received.

Call script for Onboarding Team

Thank you for contacting us. I'm sorry but the Onboarding team is not able to respond to your question(s).

So that the relevant Post Office Team can help you please email

PostmastersQuestions **GRO**

Branch Support Centre/IT helpline brief

DOCUMENT - 29

NOTE: TONE/MESSAGING/ POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

BRIEF FOR BRANCH SUPPORT CENTRE (BSC) AND IT HELPLINES – KIM ABBOTTS

MESSAGES TO BRANCH SUPPORT CENTRE AND IT HELPLINE TEAMS

- You'll have seen the communications today about a High Court Judgment in the Post Office Group Litigation.
- This Judgment, which focuses on our Horizon system, is another stage in working to resolve a number of individual claims by mainly former postmasters. It raises a number of issues [and criticisms] which could cause concern
- Comprehensive communications are being shared across Post Office including of course to everyone in our branch network. We have also issued a media statement which you can find, together with further background information on our intranet [link]
- You might receive questions about the Judgment and the litigation from postmasters. If you need help with these you can refer them to PostmastersQuestions [GRO] who will respond back to you – they will aim to respond within 48 hours.
- Operational questions, including postmasters contacting BSC because they have had a loss when balancing, should be handled in the normal way but do of course raise any concerns you have to PostmastersQuestions [GRO]
- Postmasters may call about a loss in their branch that has already been made good but they now believe that Horizon was at fault – this should be handled in the normal way (link to process)
- Exceptionally a Postmaster may decide to close their branch because they have concerns about using Horizon. In these scenarios please contact the branch Area Manager who will contact the postmaster.
- If you have any concerns or queries from postmasters that you may need help to answer, please contact the Communications Team who will be happy to help. Contact PostmastersQuestions [GRO]

KEY MESSAGES TO POSTMASTERS

- [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT: It is important to reassure you about the overall robustness of Horizon and that it compares well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this.]
- Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every month, every year, including with the systems of major organisations such as high street banks, giving confidence in the many products and services we provide.
- Of course no system can ever be said to be perfect and as you know we're working hard on improvements. We're working with Fujitsu and postmasters on a programme of actions
- What the Judgment underlines [most/ very strongly] is that we must continue to do better in the ways in which we support postmasters to run branches and our new ways of working, together with the many other actions being taken at all levels of the business, are at the centre of this
- If you want more information about all we're doing to support postmasters you can find communications about it on the Postmaster One website <https://www.onepostoffice.co.uk/secure/latest-news/> , Branch Focus and One business Update Magazine (link if this is available)

Customer Service team brief

DOCUMENT - 28

CUSTOMER BRIEF – REACTIVE FOR CUSTOMER SERVICES [KIM ABBOT]

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

MESSAGES FOR CUSTOMER SERVICES TEAM

GROUP LITIGATION UPDATE – HORIZON JUDGMENT

You'll have seen the communications today about a High Court Judgment in the Post Office Group Litigation.

This Judgment, which focuses on our Horizon system, is another stage in working towards resolving a number of claims by mainly former postmasters. It raises a number of issues [and criticisms] which could cause concern.

Comprehensive communications being deployed across the business, including of course to everyone in the network. We have also issued a media statement and you can find that, together with further information on our intranet [\[link\]](#).

It is possible of course that customers might ask questions about it.

If we do get queries, we can reassure our customers:

- [NOTE: MAY HAVE TO EXCLUDE THIS LINE DEPENDENT ON JUDGE'S COMMENTS - The products and services that Post Offices provide are not affected by the litigation]
- [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT: We can be confident that overall Horizon is robust, comparing well with systems used by other retail and financial services companies every day – this was confirmed by both independent experts in the litigation]
- Horizon processes around 47 million transactions a week, more than £60 billion worth a year. There is reconciliation every day, every month, every year with the systems of major organisations including high street banks, utility companies and Government departments
- Horizon's performance is continually monitored and we continue to work hard to make improvements wherever we can

Email to Grapevine, King Security, Telco helpdesk

DOCUMENT - 22

EMAIL TO GRAPEVINE, KING SECURITY, TELCO HELPDESK

Audience: Grapevine, King Security, Telco Helpdesk

Email subject: Group Litigation Order – important information

Today there has been a High Court Judgement about the Post Office – it's therefore possible that you may get some questions from postmasters and colleagues relating to this. Please refer any questions to BSC on 0845 6011022.

HR Service Centre email brief

DOCUMENT - 37

Audience: HRSC

EMAIL TO HRSC (DAVID HIGHAM)

Email subject: Group Litigation Order – important information

Dear David

Today there has been a High Court Judgment about the Post Office and attached is some information to share with your team which is for internal use only.

It's possible that HRSC may get questions from postmasters and colleagues relating to the High Court Judgment and below is a script for your team to use in response to any calls received.

CALL SCRIPT FOR HRSC:

Thank you for contacting us. I'm sorry but HRSC is not able to respond to your question(s). So that the relevant Post Office Team can help you please contact:

Postmasters - Branch Support Centre on 0333 345 5567

Post Office colleagues - Communications Team one

Unions & NFSP

Context

The CWU and NFSP could have a critical role in shaping the way any media coverage of the Horizon Judgment is played out. In the event that this story gains significant press interest, it is likely that journalists will quickly seek comments from CWU and NFSP representatives.

The danger in this is that the CWU, which sees an opportunity in this area to usurp the NFSP, will quickly provide media reaction that escalates the story and increases the risk that it will attract adverse political and consumer attention. The NFSP meanwhile has been stung by criticism in the Common Issues Trial Judgment that asserted it was not operating independently of the Post Office. They may feel under pressure to criticise the Post Office for fear of being attacked by the CWU.

Handling approach

It will be important to contain criticism from NFSP and CWU as much as possible. Nick Beal and Lee Kelly will verbally brief and follow up as appropriate.

Collateral

NFSP - Core verbal script

DOCUMENT - 23

NOTE: TONE/MESSAGING/ POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

NFSP – CORE VERBAL BRIEF (NICK BEAL)

KEY SPEAKING POINTS

- The Judgment in the second trial of a Group Litigation brought against Post Office by a number of mainly former postmasters was today handed down in the High Court.
- As you know, we take this Judgment and the overall litigation extremely seriously and we are continuing to make improvements at pace to the ways in which we're working with postmasters.
- [INSERT MAIN FINDINGS]
- We know that the Judgment's criticisms may be unsettling for people. We have a comprehensive programme of communications to ensure we are speaking with everyone in the business and providing people with every opportunity to raise questions and concerns.
- [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT : We are reassuring postmasters that we are confident that overall Horizon is robust, comparing well with systems used by other retail and financial services companies every day. Both independent experts for the claimants and the Post Office, on opposite sides of the litigation confirm this.
- We know of course that can be little comfort to a postmaster who experiences an issue he/ she can't get to the bottom of. The Judgment underlines to us very strongly the importance of the way in which we help our postmasters operate their Post Offices.
- We are continuing to make changes at every level of the business including in recruitment, training and operational support. We need to make it easier for problems to be avoided in the first place but if there is an issue we need to help get it resolved more quickly. Our approach is becoming more proactive:
 - i. Our new field team structure is building stronger relationships with postmasters

- ii. Changes to the NBSC, now the Branch Support Centre, mean working more closely with the IT helpline team, and it's been structured so we can investigate concerns more quickly and escalate them if needed.
 - iii. Better training – classroom, online, in branch, including refresher training
 - iv. Our new loss prevention team is improving protection of branches from external crime and security threats and refining some of our processes to help avoid human errors
- We're also continuing to work on Horizon design changes to make things simpler for postmasters. This year we've done this for Parcellforce and banking online transactions for example and there's more of this to come.
 - I will keep you updated on this of course and also on the next steps in the litigation. We expect this to take some time to be resolved as there are many legal matters still to be determined and the individual claims themselves span a very lengthy period, with some dating back around two decades. Currently there are Court hearings scheduled through to 2020
 - I will send you our media statement responding to the Judgment and also the communications that have been issued to postmasters.

CWU/Unite core verbal script

DOCUMENT – 24

NOTE: TONE/MESSAGING/ POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

CWU – CORE VERBAL BRIEF (LEE KELLY)

KEY SPEAKING POINTS

- The Judgment in the second trial of a Group Litigation brought against Post Office by a number of mainly former postmasters was today handed down in the High Court
- As you know, we take this Judgment and the overall litigation extremely seriously and we are continuing to make improvements, at pace, to the way in which we support our postmasters.
- [INSERT MAIN FINDINGS]
- We know that the Judgment's criticisms may be unsettling for people. We have a comprehensive programme of communications to ensure we are speaking with everyone in the business and providing people with every opportunity to raise questions and concerns
- [WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT] We can be clear that we are confident that overall Horizon is robust, comparing well with systems used by other retail and financial services companies every day. Both independent experts for the claimants and the Post Office, on opposite sides of the litigation confirm this. And the fact remains that Horizon is processing around 47 million transactions a week, more than £60 billion worth a year
- But no large-scale IT system can ever be said to be perfect - we are working hard to make continual improvements
- We need to make it easier for problems to be avoided in the first place but if there is an issue we need to help get it resolved more quickly. Our approach is becoming more proactive:
 - i. Our new field team structure is building stronger relationships with postmasters
 - ii. Changes to the NBSC, now the Branch Support Centre, mean working more closely with the IT helpline team, and it's been structured so we can investigate concerns more quickly and escalate them if needed.
 - iii. Better training – classroom, online, in branch, including refresher training

iv. Our new loss prevention team is improving protection of branches from external crime and security threats and refining some of our processes to help avoid human errors

- We're also continuing to work on Horizon design changes to make things simpler for postmasters and staff. This year we've done this for Parcelforce and banking online transactions for example and there's more of this to come.
- I will keep you updated on this of course and also on the next steps in the litigation. We expect this to take some time to be resolved as there are many legal matters still to be determined and the individual claims themselves span a very lengthy period, with some dating back around two decades. Currently there are Court hearings scheduled through to 2020
- I will send you our media statement responding to the Judgment and also the communications that have been issued to postmasters.

Suppliers

Context

The Horizon Issues Trial poses a challenge to the Post Office's relationship with Fujitsu that will require specific handling.

However the trial Judgment may also impact on other suppliers who may lose confidence if the result is a major story that suggests a fundamental basis of the network is flawed. It will therefore be necessary to ensure that all major suppliers are contacted with the Post Office's top lines and given reassurance that there will be no interruption to the everyday business of the network.

Handling approach

Fujitsu

Our core Q&A underlines the Post Office's ongoing commitment to operate and improve the Horizon system in partnership with Fujitsu and this will be one of the core messages in response to the Judgment.

However, at the same time our core messaging will avoid making any firm commitments around future redress that the Post Office might seek.

Other Suppliers

For other suppliers relationship managers will proactively email information to update on the trial proceedings and provide reassurance around the Horizon system and the work of the network.

Collateral

Supplier email (excluding Fujitsu)

DOCUMENT - 19

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

SUPPLIER EMAIL (EXCLUDING FJ) – TO BE ADAPTED AS APPROPRIATE RE SUPPLIER

SUBJECT: POST OFFICE GROUP LITIGATION UPDATE

As you may have seen, the second Judgment in the Post Office Group Litigation has been handed down by the High Court today, as part of the preliminary stages of the complex, long-running legal case to resolve a number of individual claims by mainly former postmasters.

This Judgment, which focuses on our Horizon computer system used across our network, raises some issues [and criticisms] so I wanted to reassure you of the firm measures we [have taken/are taking] which address these.

[WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT: But firstly I want to underline why we can have confidence in the overall robustness of the Horizon system and that it compares well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this.]

[NOTE THIS LINE MAY BE EXCLUDED DEPENDENT ON JUDGE'S COMMENTS - It's also important to make clear that the products and services that we provide every day to millions of customers are not affected by the litigation.]

The vast majority of our 11,500 Post Office branches operate without problems and Horizon processes around 47 million transactions a week, more than £60 billion worth a year.

Of course no system can ever be said to be perfect and we're making continual improvements. Working with our Horizon supplier, Fujitsu, we have taken actions which include strengthening the ways the system is monitored and issues identified and fixed when they do arise. We're also implementing some design changes to further reduce the likelihood of human errors.

What the Judgment underlines to us most strongly is the importance of better supporting our postmasters to operate their branches. Actions we're taking on this will both help prevent problems and improve the support we provide to postmasters.

Over the past 12-18 months we have had a particular focus on making changes at every level of the business to build a better partnership with our postmasters. These include very improvements to recruitment, training and operational support.

I hope I have reassured you about how we are responding to the matters the litigation raises – if you would like any more detail about the considerable improvement work underway then I will be very happy to provide this. I also attach our response to the media about today's Judgment which I hope is helpful.

[As you know from our recent conversations about the litigation itself] we expect the case to take some time to be resolved as there are many legal matters still to be determined. The individual claims themselves span a very lengthy period, with some dating back around two decades. Currently there are Court hearings scheduled through to 2020 and I will keep you updated on relevant developments.

Again, please contact me at any time with any concerns you may have.

[VARIOUS SIGNATURES AS PER PLAN]

Commercial Partners

Context

Commercial partners are aware of the litigation from previous communications and have not raised significant concerns.

In the context of the HIT Judgment it will be very important to provide reassurance about what we are doing to minimise reputational damage and maintain confidence among customers.

Handling approach

Immediately after the Judgment is made public, relationship managers will contact commercial partners with an update about the litigation and our core messaging.

Collateral

Retail partners email

DOCUMENT – 17

COMMERCIAL PARTNERS RETAIL - EMAIL

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

SUBJECT: POST OFFICE GROUP LITIGATION UPDATE

As you may have seen, the second Judgment in the Post Office Group Litigation has been handed down by the High Court today. This is another stage in working towards resolving a number of individual claims by a group of mainly former postmasters.

This Judgment, which focuses on our Horizon computer system used across our network, raises some issues [and criticisms] so I wanted to reassure you about improvements we're continuing to make.

[WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT:
Firstly I want to underline why we can have confidence in the overall robustness of the Horizon system and that it compares well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this.

Horizon processes around 47 million transactions a week, more than £60 billion worth a year, with reconciliation which includes the systems of major organisations we work with.

Of course no large-scale IT system can ever be said to be perfect and we're making continual improvements, including design changes which simplify some transactions for our postmasters.

The Judgment underlines to us the importance of better supporting our postmasters to operate their branches and over the past 12-18 months we have had a particular focus on making changes at every level of the business to build a better partnership with our postmasters. These include very improvements to recruitment, training and operational support.

I hope I have reassured you about how we are responding to the matters the litigation raises – if you would like any more detail about the considerable improvement work underway then I will be very happy to provide this. I also attach our response to the media about today's Judgment which I hope is helpful.

[As you know from our recent conversations about the litigation itself] we expect the case to take some time to be resolved as there are many legal matters still to be determined. The individual claims themselves span a very lengthy period, with some dating back around two

decades. Currently there are Court hearings scheduled through to 2020 and I will keep you updated on relevant developments.

Again, please contact me at any time with any concerns you may have.

Payzone

Context

Payzone have been included in previous communications and no concerns have been raised.

Handling approach

Payzone employees and agents will receive an email with an update about the Judgment.

Collateral

Payzone employees and agents email

DOCUMENT - 21

NOTE: TONE/MESSAGING/POSITIONING TO BE REVIEWED AGAINST JUDGMENT AND FOUND/NOT FOUND DOCUMENT

PAYZONE EMPLOYEES AND AGENTS – EMAIL (ANDREW GODDARD)

POST OFFICE GROUP LITIGATION UPDATE

As you may have seen, the second Judgment in the Post Office Group Litigation has been handed down by the High Court today. This is another stage in working towards resolving a number of individual claims by a group of mainly former postmasters.

This Judgment, which focuses on our Horizon computer system used across our network, raises some issues [and criticisms]. Although Payzone is not affected, I wanted to make sure that you were aware of the Judgment and how we are responding.

[WORDING SUBJECT TO FURTHER DETAILED LEGAL REVIEW AGAINST JUDGMENT: Firstly I want to underline why we can have confidence in the overall robustness of the Horizon system and that it compares well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this.

It's also important to make clear that the products and services that Post Offices provide every day to millions of customers are not affected by the litigation]

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I will keep you updated on relevant developments but please do contact me if you have any questions or concerns.