

V8 19-8-2019

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DRAFT – IN STRICTEST CONFIDENCE AND SUBJECT TO LEGAL PRIVILEGE

GLO COMMUNICATIONS – HORIZON ISSUES TRIAL JUDGMENT

DRAFT MEDIA STATEMENT

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 preliminary stages in the litigation designed to establish the context in which the facts and circumstances of the individual claims can properly be determined. That examination, determining cause and liability issues, will not take place until well into next year (2020).^{A1}

Post Office Chairman Tim Parker said:

“We take this judgment, and the litigation of which it forms part, extremely seriously.

“As both the independent experts for the Claimants and the Post Office, on opposite sides of the litigation confirm, we can be confident that overall Horizon is robust, comparing well with systems used by other retail and financial services companies every day.

“But 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. Overall more than [100?] changes are being/ have been made earlier this year in a comprehensive programme, closely involving our postmasters.

“Horizon processes around 47 million transactions a week, more than £60 billion worth a year. These are reconciled every day, every, month, every year, with the systems of major organisations including high street banks, utility companies and Government departments, giving 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 taking/ we’ve taken firm action to 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 to help them better serve their customers, earn more money, for less effort, and with better support from us.

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A1 Could be 2021. The trial next March is about loss, not liability.
AP6, 28/08/2019 02:38 PM

1 | “These include **significant** improvements to recruitment, training and operational support, as well as changes which further reduce the risk of human errors in branches.

“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]

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Notes to editors

The products and services that Post Office’s provide every day to millions of customers are not affected by the litigation.^[A2]

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.

The case is complex and being heard as a series of trials. The Horizon issues trial concluded in July 2019. It 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.

No hearings have yet taken place to determine individual claimants’ cases and the litigation is scheduled to continue 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 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. The accuracy of transactions is therefore subject to reconciliation checks with their systems, as well as with those of Post Office systems. Around £60 billion worth of transactions are processed through Horizons and reconciled every year.

[Horizon, which is supplied by Fujitsu, is subject to regular comprehensive and independent reviews, testing and audit procedures – top line details XXXXX]

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A2 See comment in doc 2
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Track Changes

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