

Duncan Tait Briefing – Paula Vennells Call, 16th September 20141) Context

- Aware not spoken for some time.
- Wanted to check-in on a couple of areas.
- Some important events looming – Scottish Independence Vote
- Despite my new role, Post Office continues to be my most important customer.
- I understand we have now made some real progress on HP&BB and whilst there is still some way to go we continue to remain totally committed.
I also saw some of the recent coverage on the leaked Second Sight report.
- We continue to deliver great service day to date working with new partner Atos. Operationally there are no current material issues.
- Understands that they are on the verge of some very major decisions on Towers and should express desire that we are a partner to which she should feel comfortable placing new business.

2) Scottish Independence

- As yet, no substantive engagement between Fujitsu and Post Office teams.
- In the event of a 'Yes' vote we expect the future of the Post Office in Scotland to be determined as part of broader negotiations around Health, Defence, Education etc.
- Potentially reference our own contingency plans, our view on how it will go, and what some of our other customers have been doing.

3) Home Phone And Broadband

- It would be helpful to hear Paula's own view on this so we can tie this back to the view of the Post Office and Fujitsu teams; the story is reasonably positive.
- **HPBB Run.** Network Availability running at 99.999% for July with the Post Office quality legends in place achieving a score 80.3% thereby meeting contractual requirements. The 30/60/90 day quality plan has been successfully delivered and closed. Sales Conversion is running at almost 34% so, above the SLA of 30%.
- **HPBB Change.** The Unlimited Offer is being progressed, alongside developing proposals for HomeSafe and Next Generation Access. Turnaround times have improved.
- **Revenue Reconciliation Report.** The final report associated with the Revenue Reconciliation was delivered 21st August. There are a small number of outstanding points which are in the process of being addressed.
- **HPBB Key Focus Areas.** Complaints, root cause analyses, agent training and updates for the Post Office and Fujitsu Executive Teams.
- **We have asked Capita** to re work the resource model to see if we can come to a mutual agreement on the right amount of resource at an appropriate price.

4) Second Sight Report

- **Version 2 of the Second Sight report has been published to the Joint Federation of Subpostmasters and Subpostmasters** that have raised a case.
- This is on the instruction of the chair of the working group. We believe to 'chivvy' the process along as it has stalled.
- The document is a cleaned up version of the original document we saw last year and there is no material issue with Horizon, but the same inferences and unfounded points are raised mostly pointing to Post Office.

Extract from the BBC News Item - 9th September.

A confidential report has criticised the Post Office over its handling of computer problems which led to some sub-postmasters being accused of theft. More than 150 sub-postmasters claim they were wrongly prosecuted, or made to repay money, because of the [Horizon] system. The report - which the Post Office commissioned and has been seen by BBC News - said the technology was not fit for purpose in some branches. But the Post Office said there was "no evidence" of systemic computer issues. The report said investigators did not look for the root cause of the errors - and instead accused the sub-postmasters of theft or false accounting.

The report, which was carried out by investigators Second Sight, said training was not good enough for those without IT skills. It also claimed that equipment was outdated, and that power cuts and communication problems made things worse.

An interim report was published last year.

The vast majority of the 11,500 sub post offices have used the system without a problem, but the Post Office is now in mediation with those who say they were treated unfairly.

In a statement, the Post Office said: "Although we will not comment on the contents of any confidential documents, after two years of investigation it remains the case that there is absolutely no evidence of any systemic issues with the computer system which is used by over 78,000 people across our 11,500 branches and which successfully processes over six million transactions every day."

- General Question – Is there more you need from Fujitsu? Otherwise teams have been cooperating well, and our policy is and continues to be to make no comment, and refer questions to Post Office.

5) End User Compute

- This is a general update, and has been framed as such with Paula. EUC may come up opportunistically, though.
- **Emphasise how we can support growth of your business through the EUC Tower.**
- Did Paula get a chance to visit either EE or M&S branches following the meetings with HL and KS?

- The technology we're offering will significantly improve the experience for your staff and ultimately the customer experience. This will help grow the top line, as your **retail model matures**.
- We are very focused on the **Risk associated with updating the estate, ensuring continuity of service** and keen to mobilise quickly.
- As well as speed to benefit - Our proposal will deliver 26% savings on the current run rate at the point of signing which equates to £1m this FY.
- The successful retailers will be the ones who can harmonise the experience the online and physical experience – this is what we are supporting with Argos, and M&S.
- We are building on almost twenty years service, leveraging the very best of Fujitsu and its partners.
- Our approach is entirely in line with our mission of 'Shaping Tomorrow with You'
- We're very mindful of the current commercial pressures and social responsibilities of the Post Office and looking to support.
- Affordability - Savings on contract signature of the EUC Tower, for example.
- Enablement - A solution to sit at the heart of the Post Office's customer community.
- Assurance - The lowest risk solution, so protecting your service.
- Our people from Fujitsu are locally empowered and connected to the Post Office.