

OFFICIAL SENSITIVE: COMMERCIAL

To: Baroness Neville-Rolfe
From: Laura Thompson, Shareholder Executive **GRO**
Date: 9 March 2015
Subject: **Post Office Horizon: update letter from Tim Parker**

Purpose: You asked for advice on Tim Parker's 4 March letter to you regarding his review into Post Office's handling of complaints about the Horizon IT system, including whether a reply or meeting is required, and on briefing the Secretary of State on this matter.

Recommendation: That you note this update and that we recommend you next meet Mr Parker to discuss this in May/June, as part of your normal cycle of meetings with him, once his further investigations have concluded.

Timing: Routine

Summary

1. You met Tim Parker at the end of January to discuss his first few months in post as POL Chair and to hear an update on his review of Post Office's handling of complaints about the Horizon system. Mr Parker started the review on taking up his role in October and appointed a QC (Jonathan Swift, former First Treasury Counsel) to assist.
2. Mr Parker's letter provides a further update. As he explained in January, the headline finding from his review was that there remains no evidence of a systemic problem with the Horizon system.
3. His review has identified a small number of areas to explore further, with independent advice, to ensure that a definitive and final conclusion can be drawn on this matter with no need for any further enquiries.
4. These areas are:
 - a) To take further advice from a specialist in criminal law on the allegations that charges of theft had been brought by Post Office solely to secure a guilty plea to the charge of false accounting.
 - b) To investigate whether further detailed analysis of transaction logs for particular cases would be possible, noting this could potentially be a large and complex task.
 - c) To look further into a very small number of cases where specific complaints were made about advice received from helpdesk staff (as opposed to the more generic complaints about lack of training and support).

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- d) To examine whether there is any relationship between discrepancies in branch and balances in POL's suspense account, a claim previously raised by Second Sight.
5. You should note that all of these areas have previously been explored by Post Office's own team and advisors, including independent legal advisors – Mr Parker's additional enquiries are intended to put beyond doubt the issues raised.
6. These enquiries, particularly around the further detailed analysis of transaction logs, may take a few months to conclude. Mr Parker expects to complete his enquiries by May, and we recommend you meet Mr Parker to discuss these matters at that point, for example in your next regular catch up with him (currently scheduled for late June).
7. As Mr Parker noted at your last meeting, this matter has received significantly less attention in recent months, as POL have been completing the final mediations and the Criminal Cases Review Commission (CCRC) consider cases. The campaign group Justice for Subpostmasters Alliance (JFSA) have been reported in the press as having secured funding to bring a group action (civil claim) against POL, but to date no letter has been received by POL on this matter. Mr Parker notes that the JFSA declined to meet with him as part of his review.
8. We recommend therefore that while Mr Parker's review concludes and the CCRC investigations are ongoing, there is no need for a further meeting on this subject or a reply to Mr Parker's letter, unless you wish to send a short note thanking him for the update and proposing to discuss in May/June.
9. We suggest the Secretary of State should see Mr Parker's letter and this advice.

Annex: Letter from Tim Parker

Copied to: Ministers' offices, SpAds, Perm Sec, Mark Russell, Justin Manson, Patrick Kilgarriff, ShEx POL team

Advice received from:

Finance	SpAds	Press	Legal	Analysts
No	In parallel	No	No	No