
From: Tim Franklin [GRO]
Sent: Mon 09/05/2016 9:36:13 PM (UTC)
To: Paula Vennells [GRO]
Subject: Re: Horizon issue

Thanks Paula. The important thing is that we responded speedily to the issue at hand. Good luck with the Fed tomorrow and speak soon.

Regards.

Tim

Tim Franklin

T: [GRO]
E: [GRO]

Sent from my iPhone

On 9 May 2016, at 22:33, Paula Vennells <[GRO]> wrote:

Tim, thank you for this.
I'm disappointed as we are usually better than this. I'm sorry and take full responsibility.
As I'm at the Fed conference tomorrow, I've a note to go to colleagues tomorrow am (not helpful to send tonight!), to pick up the lessons quickly.

As always, I'm grateful for your correct challenge and the helpful manner in which it is made.
Best wishes,
Paula

Paula Vennells
Chief Executive
Post Office Ltd

T: [GRO]
[GRO]

Sent from my iPad

On 9 May 2016, at 21:15, Tim Franklin <[GRO]> wrote:

Thank you for the further information Alasdair. These sound like good additional prudent steps. Much appreciated.

Kind regards.

Tim

Tim Franklin

T: [GRO]

E: GRO

Sent from my iPhone

On 9 May 2016, at 21:08, Alisdair Cameron <GRO> wrote:

Thanks Tim. I appreciate both your point and your very gentle way of making it...

We will be quicker in future.

Many transactions will simply not have been far enough advanced and will therefore never have been recorded or completed. Where a transaction was in mid-flow, on recovery of the system, the agent should be offered a recovery screen. If she or he follows the questions, the transaction should be completed successfully.

We had a very small weekend incident a few months ago and no agent impact was noted.

Given the scale of this incident, I have asked the relevant back office team to review the transactions where a recovery screen was offered and to make sure that no issues are left unresolved or unbalanced.

Does that cover your question?

Many thanks Al

Sent from my iPad

On 9 May 2016, at 20:59, Tim Franklin <GRO> wrote:

Hi Al and thank you for the update. I have deliberately not copied the rest of the board into this note.

Although the update is very helpful, it is very late. I was caught out earlier today when asked a question about the issue by a KPMG partner. I was embarrassed to say that I knew nothing about it and then got my update from the web and media reports. I fully appreciate that there is a lot to do when things like this happen, but please can we ensure that someone in Comms is on point to brief the board swiftly when coverage is as wide as it has been here.

In terms of the issue at hand, there is clearly an opportunity for this to be linked to Sparrow. How confident are we that reconciliation will not be an issue in this case and that SPMs

will be able to get proper timely support to ensure that discrepancies are quickly identified and resolved?

Kind regards.

Tim

Sent from my iPad

Begin forwarded message:

From: Alwen Lyons
<[REDACTED]>
Date: 9 May 2016 at 20:13:40 BST
To: Tim Parker
<[REDACTED]>,
"ken.mccall" <[REDACTED]>
<[REDACTED]>,
"carla" <[REDACTED]> <[REDACTED]>,
"virginia.holmes"
<[REDACTED]>, timfranklin1
<[REDACTED]>, "richard.callard"
<[REDACTED]>
Cc: Alisdair Cameron
<[REDACTED]>, Paula
Vennells <[REDACTED]>,
Alwen Lyons <[REDACTED]>
Subject: Horizon issue

Dear All

Please see below a message sent on behalf of Al.

Thanks
Alwen

Dear All

We are receiving media coverage over a failure of the Horizon system that caused queues and service disruption across many branches this morning. It will be carried in the newspapers tomorrow.

From 9am today a significant

number of branches were unable to enter transactions on Horizon or had the transactions rejected.

A recovery exercise - re-booting the system - was carried out at 9.45am and branches started to return to service from 10.10am, with full service restored from 10.30am. No further service disruption has been experienced and none is expected.

Horizon has been operating on its primary server for the last year without issue.

We were concerned, earlier in the year, around the robustness and availability of the back-up, secondary server capability supporting Horizon. This has been improved and required testing as part of our business continuity procedures.

Such tests are carried out after significant planning, out of standard hours and with the full awareness of the business.

On Saturday 30th April, Fujitsu moved the Horizon service from the primary to the secondary server. It ran without incident for a full week. On the evening of Saturday 7th May the service was transferred back to the primary server. It ran through Sunday successfully.

However, when transaction volumes increased this morning, the primary server became unstable and required a re-boot. This was successful.

There are a few points to make:

- this is wholly unacceptable
- we do not fully understand the issue that led to a re-boot being required and the priority is to identify and resolve the weakness
- we also have to learn lessons around the volume testing of change, which was demonstrably inadequate in this case
- we will not undertake any further business continuity exercises on Horizon until we are completely confident that this issue has been resolved
- we have escalated the issue and our disappointment with Fujitsu and will be following that up with a formal contractual communication
- we will undertake a careful review to ensure that postmasters are not caught out with incomplete or unbalanced transactions

I will of course keep you informed of any further developments. A formal review of lessons learnt will be carried out by the Group Executive.

Please let me know what other information you need. Many thanks,

Al

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