

From: The Rt. Hon. James Arbuthnot, M.P.



HOUSE OF COMMONS  
LONDON SW1A 0AA

### **Interim report welcomed – a step along the way**

James Arbuthnot MP today welcomed an interim report prepared by independent investigators, Second Sight, into a series of cases involving Sub PostMasters, the Horizon system, and Post Office work processes.

He said:

'I welcome this report. It does highlight some real issues of concern, some of which the Post Office has already addressed, some of which they are putting forward today to address, and some which remain unresolved. It is fair to say that in terms of the number of sub-Post Offices throughout the country and the sheer volume of the transactions they process each day, the proportion of sub-Postmasters affected by these problems is small. Nevertheless, we must never forget that some Sub PostMasters have had their lives devastated.

'I am impressed with the way the Post Office has behaved on this matter. Since the first approach from our group of MPs, it has acted with forthrightness and transparency and has agreed both to support and fund the investigations. It clearly wants to get to the bottom of what has gone wrong. I want to put on record my thanks to senior staff who have made this happen.

'At the moment the evidence seems to be that the Horizon software itself is working as it was meant to. I hope Sub PostMasters will welcome this news. However, the problems investigators have discovered point to the need for further work. These problems involve:

- The way the Post Office has previously investigated concerns
- Instances of unreliable hardware, although this needs bottoming out
- Processes for training and support that have found to be inadequate in some cases
- An exceptionally complicated system used within the Sub Post Office
- A business model which might be seen as unfair towards the Sub PostMaster in that any faults or issues with the system give rise to a liability on the Sub PostMaster rather than being a risk to be carried by the Post Office
- An unresolved question about alterations by the Post Office of cash balances in the back office accounting system and the consequences of such alterations

'The Post Office has proposed three solutions to these problems:

- The creation of a working party to work collaboratively to complete the review of cases already under investigation by Second Sight
- A review chaired by an independent figure to determine how an independent safety net might be introduced to adjudicate future disputed cases
- A new Branch User Forum to provide a way for Sub PostMasters and others to raise issues around business processes, training, and support

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'I welcome these solutions, and look forward to working with other MPs to review how each is progressing in the autumn. These solutions must address the concerns around the criminal and civil liabilities that some Sub Postmasters have incurred, liabilities which might have been avoided had the new procedures now being followed or proposed been in place.

'That said, I am keen to ensure that the proposals work and are seen to work independently of Post Office control. If this can be achieved, we are on the way to a fully transparent, new Post Office which will have the full support of its staff and the public.

Finally I would like to thank those many people who have been working tirelessly to reach a resolution of this truly difficult and sometimes heart-rending issue. Those people include Alan Bates of JFSA, Ron Warmington and Ian Henderson of Second Sight, Kay Linnell, an independent forensic accountant, Shoosmiths solicitors, a large number of Members of Parliament who have kept the pressure on, and very far from least, Alice Perkins and Paula Vennells of the Post Office and their staff, who have throughout done their best to reach the right answer. While we are not yet quite there, we are on the way.'

(ends)

8 July 2013: for immediate release.

For further information please telephone Janet Walker on **GRO** or email

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