

OFFICIAL SENSITIVE - COMMERCIAL

To: Baroness Neville-Rolfe
From: Laura Thompson, ShEx { GRO }
Date: 11 September 2015
Subject: Meeting with James Arbuthnot on Post Office Horizon
 Thursday 17 September 15.15-15.45

Meeting purpose: You have agreed to meet James Arbuthnot to discuss the Post Office Horizon matter. Mr Arbuthnot led the campaign among MPs from 2012 until he stood down as an MP at this year's election.

Meeting attendees: This will be a bilateral meeting between you and Mr Arbuthnot. Laura Thompson from the ShEx team will also attend.

Proposed handling

1. Mr Arbuthnot is well versed in this issue, having been involved since 2012. We expect him to be critical of Post Office's handling of the issue and of the organisation in general.
2. The aim of this meeting is for you to hear Mr Arbuthnot's concerns and demonstrate to him (and his colleagues such as Andrew Bridgen MP) that the Government is listening to their views. It would be helpful to ask Mr Arbuthnot what specific outcomes he is seeking, or what action he thinks is required from Government or other parties.
3. It is important to keep in mind the fact that to date, through extensive investigation, still no evidence has emerged that there are faults in the system or that any convictions are unsafe. Any suggestions for Government actions should be considered in the context of inflated expectations of compensation amongst some campaigners, that Government cannot repeal convictions or intervene in the Criminal Cases Review Commission's work, and that there are existing (and more appropriate) routes that negate the need for a Government or other inquiry.
4. A proposed agenda with lines to take is attached.

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A. Annotated agenda

Opening remarks

- I am keen to hear your views on the Post Office Horizon matter, particularly since you have been involved right from the outset.
- I am aware you had two cases within your constituency when you were an MP – I hope you will appreciate I am not able to comment on the details of either case, although I am aware of some of the elements which have been made public such as on Panorama.
- Clearly this matter has received a great deal of scrutiny and continues to do so. As Government our main objective is to ensure that the right and fair outcome is reached for all concerned.
- I would be interested in your reflections on the issue and what you feel the main problems are which need to be addressed.
- I would be particularly interested in your thoughts on what needs to happen which is not happening already.

What is happening already

[You could summarise to Mr Arbuthnot what is already in train]

- The Criminal Cases Review Commission are considering 20 cases on this matter. We do not know for certain when they will conclude those investigations but it may not be for a few months at least.
- A large number of individuals who raised cases with Post Office were offered and have accepted mediation. I understand around 20 cases have been mediated to date and the rest will take place over the next few months.
- I have written to Tim Parker, who becomes Post Office Chairman next month, to look at this with a fresh pair of eyes. He has a strong commercial background.

Closing remarks

- [If needed, you might encourage Mr Arbuthnot to make any additional points or provide further information in writing to your office]
- Thank you for a helpful meeting. I have mentioned that I have asked Tim Parker to look at this issue when he takes up his role and I will ensure he is aware of the points you have raised with me.

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B. Background

5. Mr Arbuthnot has taken a keen interest in this issue since bringing the matter to the Post Office CEO and Chair (Paula Vennells and, then, Alice Perkins) in 2012 along with a few other MPs (including Andrew Bridgen and Oliver Letwin). He called a Westminster Hall debate on this matter in December 2014 (where he observed this was the only time in his 28 years as an MP that he had done so) and also raised this issue at Prime Minister's Questions in March 2015.
6. We understand that Mr Arbuthnot's interest in this matter arose initially from his constituent, Mrs Jo Hamilton, who had a case in the mediation scheme and has raised her case with the Criminal Cases Review Commission. Mr Arbuthnot had one other constituency case, that of Mr Yogesh Patel. Some brief information on both these cases is attached.
7. Initially the relationship between Mr Arbuthnot and Post Office was a constructive one, with Mr Arbuthnot complimenting Post Office on their constructive approach and saying he was "very pleased indeed" with the proposals for the mediation scheme. Mr Arbuthnot spearheaded the group of MPs taking an interest in the matter and we understand he also played a role in appointing Second Sight as investigators. Mr Arbuthnot is also quoted as acknowledging that Post Office's approach of launching an investigation and paying for it themselves was "credible" and suggested they wanted to resolve the matter.
8. Into 2014, Mr Arbuthnot began to express concerns about the length of time the mediation was taking to review cases – concerns shared by others involved, including Post Office. During this time Mr Arbuthnot was in direct correspondence with POL CEO Paula Vennells regarding various aspects of the scheme. In December 2014 Mr Arbuthnot wrote to Ms Vennells expressing concern about the non-mediation of criminal cases, the scope of the scheme, and some aspects of operation of the working group. He releases his correspondence with Ms Vennells to the media and issues a press release stating that the group of MPs had "lost faith in the mediation scheme". Mr Arbuthnot stated:

"The [mediation] scheme was set up to help out constituents seek redress and to maintain the Post Office's good reputation. It is doing neither. It has ended up mired in legal wrangling, with the Post Office objecting to most of the cases even going into the mediation that the scheme was designed to provide. I can no longer give it my support. I shall now be pursuing justice for subpostmasters in other ways."

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9. Mr Arbuthnot then led a Westminster Hall debate on 17 December (Hansard attached). His main concerns are summarised below. Mr Arbuthnot also provided written evidence to the BIS Select Committee who held a one-off evidence session on this matter on 3 February 2015.
10. On 11 March 2015 following Post Office's announcement of the closure of the working group, Mr Arbuthnot bid for an Urgent Question in the Commons, which was turned down but instead Mr Arbuthnot was called at PMQs (Hansard attached) where he raised concerns about Second Sight's work being "suppressed".
11. In April 2015 Mr Arbuthnot called for a judge-led independent investigation to be launched into the matter. He drew parallels with a legal case involving Chinook helicopter crash pilots in 1994 (a case where he organised an all party meeting with the then-PM for the pilots to be exonerated) and suggested that Post Office was attempting to cover up miscarriages of justice.
12. Mr Arbuthnot has most recently appeared on the BBC Panorama programme on this issue, broadcast on Monday 17 August 2015. His comments are attached.

Summary of Mr Arbuthnot's concerns (see separate briefing from POL)

- 1) Post Office excluded criminal cases from the mediation scheme, having told MPs they would be accepted
- 2) Post Office have narrowed the scope of the mediation scheme
- 3) Post Office have not provided full disclosure, have suppressed or destroyed information, and have not provided Second Sight with the information needed to complete their investigations
- 4) Post Office have "sacked" and "gagged" Second Sight and told them to destroy all their papers. Post Office have prevented Second Sight from meeting MPs and is misrepresenting Second Sight's findings.
- 5) Post Office is spending millions of pounds of public money to cover up miscarriages of justice
- 6) Post Office have taken an overly legalistic approach to mediation
- 7) Post Office are a bullying organisation, compelling people to commit false accounting, and then threatening them with prison unless they pay back money
- 8) Post Office should not have the right to conduct its own prosecutions in-house
- 9) Post Office's CEO should resign
- 10) Post Office has used mediation to push cases beyond the statute of limitations

[We can discuss the position on these in our pre-brief]

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C. Constituency cases

As MP for North East Hampshire, Mr Arbuthnot had two constituents with cases in the mediation scheme. The new MP for these cases is Mr Ranil Jayawardena (Con).

Mrs Jo Hamilton

Current status

- Mrs Hamilton's case involves a previous court ruling (for false accounting) and she was informed by Post Office on 30 April 2015 that her case was not suitable for mediation on that basis.
- Mrs Hamilton has referred her case to the Criminal Cases Review Commission.

Background

- Mrs Hamilton has spoken about her case publicly on several occasions and was featured in the recent (17 August 2015) BBC Panorama programme.
- Mrs Hamilton pleaded guilty to 14 counts of false accounting in 2008 after an audit at her branch revealed a £36,000 shortfall.
- Mrs Hamilton says that she pleaded guilty as she was "fearful of going to prison if convicted".

Mr Yogesh Patel

Current status

- Mr Patel's case was found to be suitable for mediation by the Working Group (which existed to consider whether cases were suitable for mediation before 10 March 2015 and was chaired by Sir Anthony Hooper).
- Mr Patel was offered the chance for mediation and, following recent correspondence from Post Office, has now set a date.
- Mr Patel's mediation is due to take place in early November 2015.

We do not have any further details on Mr Patel's case. He was not featured on Panorama and we do not believe he has spoken publicly about his case.

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D. James Arbuthnot biography

Rt Hon James Arbuthnot

- MP for North East Hampshire (formerly Wanstead and Woodford) 1987-2015
- Stood down as an MP in May 2015 General Election
- Named a Life Peer in 2015 Dissolution Honours

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Parliamentary career

- Chair of House of Commons Defence Select Committee 2005-14
- Shadow Secretary of State for Trade 2003-05
- Opposition Chief Whip 1997-2001
- Minister of State for Defence 1995-97
- Parliamentary Under Secretary at Department of Social Security 1994-95
- Assistant Government Whip 1992-94
- PPS to Archie Hamilton (1998-90) and Peter Lilley (1990-92)

Before entering Parliament, Mr Arbuthnot was a practising barrister (called to the Bar in 1975).

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BBC Panorama programme 17 August 2015

Mr Arbuthnot made the following comments broadcast on Panorama:

“I don't think it is a criminal act which she [Jo Hamilton, former constituent] committed. I think it's much more likely to have been a fault in the computer itself and the fact that she was pressurised into admitting to a criminal act, I think, doesn't mean that this miscarriage of justice should stand. It needs to be overturned.”

“It is certainly an abuse of power. It [Post Office Limited] is a big organisation bullying individuals with no ability to cope in ways which sometimes see them sent to prison, made bankrupt, it is their livelihood. We own this organisation that is behaving in this way. It is disgusting.”

“I am afraid I think it is time she [Paula Vennells, POL CEO] went. It is one of the most shocking things that I came across while I was a member of parliament, and I am still utterly shocked by it.”

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Selected Hansard comments

Prime Minister's Questions 11 March 2015

Mr James Arbuthnot (North East Hampshire) (Con):

Is my right hon. Friend aware that in connection with the Post Office mediation scheme, the Post Office has just sacked the independent investigator, Second Sight, and told it to destroy all its papers? Does he agree that it is essential that Second Sight's second report should not be suppressed, but should be supplied to sub-postmasters and MPs, starting with the hon. Member for West Bromwich West (Mr Bailey) and the Business, Innovation and Skills Select Committee?

The Prime Minister:

My right hon. Friend makes an important point. I know that he has consistently raised the concerns of some sub-postmasters about the operation of the Post Office IT system and the matter of the Post Office mediation scheme. The Business Committee is currently taking evidence on this issue, and it should be given all the relevant information. The Government should not interfere with the independent mediation process, but I will ask the Business Secretary to write to my right hon. Friend about his concern and to ensure that the Business Committee can do its job properly.

Westminster Hall Debate 17 December 2014

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Post Office Mediation Scheme

[Nadine Dorries in the Chair]

2.30 pm

Mr James Arbuthnot (North East Hampshire) (Con): It is a great pleasure to serve under your chairmanship, Ms Dorries. I am new to this. In 28 years in the House, I have never needed to apply for an Adjournment debate, but the way in which the Post Office has treated sub-postmasters and Members of Parliament who have expressed concern about the matter is so worrying, and to my mind shocking, that in my final few months in Parliament it has become necessary for me to apply for an Adjournment debate. To the extent that I make mistakes, Ms Dorries, please correct me and appreciate that I am new to this game.

I am grateful to hon. and right hon. Members for turning up in considerable numbers, which shows the importance of this issue. The background hardly needs explaining. In 2000, the Post Office introduced the Horizon accounting system. A spate of concerns began to arise shortly afterwards. Sub-postmasters across the country experienced discrepancies in their accounts, which they had to balance at the end of each day. Some of those accounts were over what they ought to have been, and some were under what they ought to have been. Some sub-postmasters found themselves closing

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their post offices on a Saturday with one balance and opening on a Monday to discover that the balance was entirely different. All those discrepancies created such concern that Mr Alan Bates set up the Justice for Subpostmasters Alliance in 2009. He is the hero of this story because he has been working since 2009 for no pay and has been doing a fantastic job.

On the Horizon system, the jury is still out on the software itself, but the fact that no software fault of any major size has yet been found does not mean that none exists. I can give an example because last week Charles Goodwin, a retired computer programmer, wrote an e-mail to me setting out how collusion and fraud by unknown third parties could give rise to some of those cases. He set out how that could come about, which I will not repeat because I do not want to encourage people to do it. His hypothetical fraud, which fits some of the facts of these cases, would be very hard to disprove. If a sub-postmaster who had suffered such a fraud began to complain too loudly, the fraudsters could simply reimburse the sub-postmaster and move on to another victim. The poor sub-postmaster might have been told, as my constituent Jo Hamilton was told, that they are the only person suffering glitches. Such a sub-postmaster would then be tempted to help the fraudster by committing false accounting just to buy enough time to work out what on earth has happened. I am not saying that that did happen; it is just that we cannot prove that it did not happen. On the software itself, and on the possibility of fraud, the jury is still out.

The jury is not still out on the Post Office help system, which was inadequate, as the Post Office acknowledges. I know of two examples in my constituency, and the Post Office is addressing one of them. That reflects the position across the country. Other hon. and right hon. Members will have some cases that they know of and some cases that they do not know of.

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Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The case of Haji Abbas, who runs the Selsey Road post office in Edgbaston, was investigated. He was found not guilty but his post office was closed. There was an allegation of his having lost £90,000, and he feels that he has lost an additional £60,000, yet the Post Office is not reopening the branch. Someone has lost their livelihood following unfair allegations, and nothing is being done to redeem it.

Mr Arbuthnot: I suspect that during the course of this debate we will hear all too many stories exactly like that one, with awful things happening to sub-postmasters and nothing being done about it. I have already mentioned my constituent Jo Hamilton, who pleaded guilty. She first found that there was a discrepancy of, I think, £2,000. She rang up the help desk, which told her to press certain buttons, and immediately the discrepancy doubled to £4,000. Eventually the discrepancy rose and rose to more than £30,000. There was no proper investigation by the Post Office. She told the “Today” programme last week,

“they couldn’t prove I did it, but I couldn’t prove I didn’t.”

Mr David Jones (Clwyd West) (Con): Is it a matter of concern to my right hon. Friend, as it is to me, that all the Post Office prosecutions have been conducted in-house? The Crown Prosecution Service has not been consulted, and therefore there has been no element of independent scrutiny prior to the prosecutions’ commencement.

Mr Arbuthnot: My right hon. Friend was the instigator of my first meeting with the Post Office, which was during the previous Parliament. Unfortunately he was then translated to the Cabinet, so he

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was unable to pursue these issues as he had previously. He is absolutely right, and I will return to his point in my suggestions, which I hope the Minister will consider.

Sir Oliver Heald (North East Hertfordshire) (Con): The conundrum that one of my constituents had is slightly different. She was prosecuted and found guilty. Her claim is that that was totally unfair and wrong, but she put into the scheme too late for the deadline. Now, of course, she is being offered a review by the Post Office, but she is not very confident that it will do a thorough review. Does my right hon. Friend have any thoughts on that? If it is only a short period after the deadline, should it not be possible for her to go into the scheme?

Mr Arbuthnot: Three or four weeks ago I would have given a different answer to my hon. and learned Friend's question, but I am afraid that I no longer have faith in the scheme. Whether his constituent wishes to be in a scheme in which she may or may not have faith has to be up to her, but the Post Office certainly should not have an arbitrary cut-off point for examining such issues of injustice. I know that my hon. and learned Friend will continue to pursue the issue.

Huw Irranca-Davies (Ogmore) (Lab): I have three cases in my small constituency that are outside the mediation scheme, but many people, including me, had faith that the mediation scheme would progress well and give us some hope that there would be a silver lining at some point for those who are outside the scheme. The

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right hon. Gentleman's understandable lack of faith shows that there is no avenue for the many people who were outside the initial mediation scheme.

Mr Arbuthnot: I know that the hon. Gentleman was intending to have an Adjournment debate; I am very sorry that I pinched his idea and did it instead. I am grateful for his support on this issue. He has been making these points for some time. We must get to the bottom of these cases, and I am afraid that we cannot rely on the Post Office to see right.

My constituent, Jo Hamilton, pleaded guilty. She had a choice between risking prison for theft and pleading guilty to false accounting, and she decided that the risk was too great. I do not believe that that is the way our criminal law should work. Residents of her village, South Warnborough, do not believe that she is a crook any more than I do, so they paid thousands of pound towards the money that the Post Office was demanding.

Another sub-postmaster, Julian Wilson of Astwood Bank, gave an interview to Radio 5 Live last week. He had a similar story. His wife was convalescing from a tumour and her father had been diagnosed with terminal cancer. He therefore did not want to put his family under strain, so he pleaded guilty to false accounting to avoid the accusation of theft. Like Jo Hamilton, he now has a criminal conviction. Noel Thomas of Anglesey—it is good to see the hon. Member for Ynys Môn (Albert Owen) in his place—was found guilty of theft and sent to prison, as were many others up and down the country.

It may, of course, be that the trade of sub-postmastering was infiltrated by a sudden rash of criminals. I have met a lot of those people, and I personally do not believe it.

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Andrew Bridgen (North West Leicestershire) (Con): Will my right hon. Friend confirm that the Post Office is able to bring criminal prosecutions in cases that have already gone to the Crown Prosecution Service, even if the CPS believes that there are insufficient grounds for a prosecution?

Mr Arbuthnot: As my hon. Friend suggests, and as my hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald) suggested earlier, it is becoming increasingly untenable for the Post Office to act as its own prosecutor without the independent look that the Crown Prosecution Service would bring. My impression is that the Post Office shares that view, and the sooner it can get rid of its responsibility to prosecute—I believe it should happen today—the better.

In the light of all those cases, Members of Parliament got together. My right hon. Friend the Member for West Dorset (Mr Letwin) and I went to see the chairman and the chief executive of the Post Office, who then came to meet right hon. and hon. Members. They suggested that they should set up an independent forensic investigation, and they appointed Second Sight to do that work. Second Sight identified concerns that gave rise to the mediation scheme that we are discussing today.

Second Sight did not identify major software issues in its interim report. It must follow that the mediation scheme was set up to deal with the issues of support and the surrounding issues relating to the sub-postmasters. The Post Office agreed to a mediation scheme that was to include those who had pleaded guilty. It is almost too

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obvious to say this, but in view of what the Post Office has been doing I have to do so: I would never have agreed to a mediation scheme that excluded people who pleaded guilty, such as my constituent, Jo Hamilton. I would not have agreed to one, and neither would right hon. and hon. Members throughout the House.

That is what the Post Office agreed; let me turn to what it actually did. In the working group for the mediation scheme, the Post Office began this year to argue that the issues of concern that were identified by Second Sight should be excluded from mediation—for example, the absence or ignorance of contracts, and the failure of audits and investigations—despite its agreement with Members of Parliament that the scheme would cover the issues in the interim report. I understand that the Post Office has been arguing in recent months at the working group stage to exclude 90% of the cases coming before the working group, despite everybody's understanding that exclusion from mediation was to be the exception, not the rule. Extraordinarily, the Post Office argued to exclude people who had pleaded guilty, despite its express agreement to the contrary with me and other right hon. and hon. Members, and despite the fact that it knew that we would not have agreed to a mediation scheme otherwise.

Mr John Redwood (Wokingham) (Con): I am grateful to my right hon. Friend for leading on this issue and for bravely taking the case of many people in the postal sector to the management. From his discussions with the senior management of the Post Office, is there any sign that it now recognises that it made mistakes? Is there any willingness on its part to recognise that at least some of those people are completely innocent and deserve an apology and compensation for the way that their lives and businesses have been wrecked?

Mr Arbuthnot: That is a very difficult question to answer, because the Post Office pleads secrecy. It will not tell us what is happening in the mediation scheme. We asked in July how the mediation scheme was going, but it refused to tell Members of Parliament because it was all confidential.

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Mr Jonathan Djanogly (Huntingdon) (Con): I congratulate my right hon. Friend on securing this debate and on the huge amount of work he has done on this issue over many years.

Unfortunately, this saga has seriously affected the reputation of one of my constituents. I use the word “saga” because what I find so unacceptable—I think my right hon. Friend was just coming to this—is the delay. For year upon year, people’s reputations have been on the line and sub-postmasters have not known what their status or position is or how the issue is progressing. I find the Post Office’s foot-dragging, inefficiency, and years of delay absolutely unacceptable.

Mr Arbuthnot: My hon. Friend is absolutely right. When people’s houses are being repossessed, as is happening throughout the country, time really matters.

The Post Office has been arguing that these cases should be excluded. It has been doing it at a stage of the process when there is not professional representation in front of the working group, because no professional advisers have appeared before it. Even the sub-postmasters

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have not appeared in front of the working group when the Post Office is arguing that they should be excluded from mediation. Despite the Post Office’s heralding the payment of professional support for all those sub-postmasters, in practice it is a sham. It is doing it in the interests of the integrity of the scheme.

What conclusions must we reach, therefore? The Post Office has built up the hopes of sub-postmasters so the scheme has their support. It has broken its word to Members of Parliament in so many different respects that it is frankly bewildering. There are many ways to describe it, but I think the best is to say that the Post Office has been duplicitous. It has spent public money on a mediation scheme that it has set out to sabotage.

In the “Today” programme interview last week, the Post Office spokesman said:

“I am really sorry if people have faced lifestyle problems as a result of their having been working in Post Office branches.”

These are not “lifestyle problems”. Jo Hamilton had to get help from her parents as well as from her village. Her mother and her father then both had a stroke. Was that connected? I suspect that it was. Some sub-postmasters lost their businesses, their houses and their reputations; some went through divorces and lost their families; some had to live in their cars; some had health problems; and Noel Thomas and others went to prison. Those are not “lifestyle problems”.

The Post Office spokesman also said that, “It’s not yet over.” If it was up to the Post Office, it would be; the Post Office is trying to close down the mediation scheme. And for some who have been through mediation it is actually over, because they have experienced legal bullying and the Post Office has no intention of getting to the bottom of what went wrong. Documents have been destroyed or lost.

Annette Brooke (Mid Dorset and North Poole) (LD): I congratulate my right hon. Friend on the enormous amount of work that he has done on this matter. I, too, am concerned about the length of time involved and the lack of information. The mediation process requires information from both sides. My constituents make the point that they requested audit trails and they just have not been

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given them, which seems to confirm exactly what my right hon. Friend is saying at the moment. Can he confirm that that practice—people not getting the information they need so that they can defend themselves—has been fairly widespread?

Mr Arbuthnot: Well, yes, it has been. My hon. Friend has been working on this issue since the very beginning. Obviously, constituency cases are confidential to constituency MPs. All I can say is that my own constituent, Jo Hamilton, has been told that she cannot have a result until after Second Sight has produced its report in April. I first became concerned about her case in 2008, and this sort of time lapse is utterly unacceptable.

Not only is the Post Office doing this in breach of its word to Members of Parliament and in breach of its duties to the people it works with—the sub-postmasters—but it is undermining and belittling the work of the forensic accountants whom it chose. It is the independence of these accountants, which MPs initially questioned but which we now welcome, that the Post Office finds hard to take.

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The Post Office has accepted that its support systems left much to be desired, and as a result it has changed them. The sheer number of calls to the Post Office helpline is astonishing. The calls are from professional users, but tens of thousands of them were abandoned; they were not just made, but abandoned. Jo Hamilton encountered support staff who could not tell her what was going on. She herself had not been trained at all, let alone trained to deal with issues such as this. What has the Post Office done about the absence of such training? It has blamed Jo herself, and others like her, for not having asked for more training, despite the fact that it should have been clear to the Post Office itself, if it was not clear to Jo herself, that she needed such help.

Mike Wood (Batley and Spen) (Lab): Indeed, has the Post Office not done more than that, because as late as 24 November it announced that a quarter of the staff who provide advice and support to sub-postmasters and sub-postmistresses will be made redundant by the middle of February? So the very poor service that sub-postmasters can draw on at present will be reduced by the Post Office by 25%.

Mr Arbuthnot: My understanding is that the figure is something like that, but I hope that the hon. Gentleman, who has been a key member of the working group of MPs on this issue, will be able to expand on that point when he makes his speech, because I do not know the full detail.

The Post Office carried out no proper investigation into what had happened to Jo Hamilton. Julian Wilson, of the Redditch constituency, was told by Post Office staff that if there was money over at the end of the day, he should put it in an envelope and put that envelope in the safe, and then use that money to pay later shortfalls. It is so obvious that that amounts to false accounting, on the instructions of the Post Office itself, that it is bewildering. He kept asking for audits but the Post Office said, “We’ll audit you when we think you need an audit.” And yet he gets prosecuted and decides to plead guilty.

What allowance has been made by the Post Office for the fact that historically its support was so poor? So far as I can tell, none. What allowance has been made for the contract term that provides that the weakest links in the Post Office—the sub-postmasters—have to be found guilty unless they prove their innocence? So far as I can tell, none. This is not the way that our criminal law should work. What has happened to the money that the Post Office got from people such as Jo Hamilton via

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the South Warnborough village? Did it get taken into Post Office profits? This is, essentially, an issue of Post Office culture—the protection of assets at the expense of people.

Sir Oliver Heald: If there are problems with the software, or if the system is vulnerable to hacking of the sort that my right hon. Friend described, surely the Post Office would have taken steps to improve the software and/or made sure that it was more difficult to hack its system? Is there any evidence that it took such action, and if it did is that not in itself an admission that the system was vulnerable and that mistakes could have been made?

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Mr Arbuthnot: My hon. and learned Friend makes an interesting point. The thing that I am worried about most is that it is often impossible to find those flaws in the software that could have caused some of these problems. Second Sight's interim report did not find major problems with the software, but as I said at the beginning that does not mean that such problems did not exist.

To my mind, the Post Office's behaviour towards MPs gives some credence to the complaints that have been made by sub-postmasters about its behaviour towards them; if the Post Office can treat MPs like that, how will it deal with people who are frightened and bankrupt? Somehow in all of this saga, although it is hard to think that it would be possible, the Post Office has managed to tarnish its own reputation still further, while again tarnishing the reputation of sub-postmasters.

As right hon. and hon. Members know, I have handed on the mantle of this campaign to the hon. Member for North Durham (Mr Jones), and I am very pleased to see him in Westminster Hall today. That is partly because I will not be standing in the general election next year, but it is also because, frankly, I no longer trust the Post Office and I will not be negotiating with it further. I did not, as some newspaper reports suggested, withdraw the support of 150 MPs, because I have no right to do so. I withdrew my own personal support and what right hon. Members and hon. Members do now is, of course, up to them.

However, there are other avenues that need to be taken. We need a review by the Government, because we own this organisation. That review must be entirely independent of the Post Office, which has shown it cannot be trusted on the issue. Possibly there should be a special ombudsman.

In my letter to the chief executive of the Post Office, I asked for three things. I asked for no further destruction of documents, and by documentation I mean not only the documentation for those people who are within the mediation scheme but the documentation for those people who have not managed, for one reason or another, to get into the scheme. They have been mentioned already.

I hope the Government can prevent the Post Office from pleading the statute of limitations, because sub-postmasters' legal actions—some of them caused by the behaviour of the Post Office—should not be barred by the passage of time. I hope that the Post Office and the Government can agree that hon. and right hon. Members should be briefed by Second Sight, not on individual cases, but on the way the mediation scheme has gone.

I wrote a letter to the Post Office at the beginning of last week asking for these things, but I have had no response.

Tessa Munt (Wells) (LD): My right hon. Friend has already mentioned that evidence needed to investigate complaints by the applicants should not be destroyed. Might he, in his position as leader

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of this debate, make sure that the Minister asks that the Post Office guarantees that the material gathered and produced by Second Sight remains in Second Sight's possession and that control of it cannot be given up and that it cannot be destroyed if or when the Post Office instructs Second Sight to do just that?

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Mr Arbuthnot: My hon. Friend makes an interesting, worthwhile point. I hope that Second Sight will indeed have a role to play. It is meant to be independent: that is how my hon. Friend the Minister described it in last year's statement. I hope that its approach to documents will be equally independent. I hope that the Minister is able to assure us of that.

There may be a role for the Select Committee on Business, Innovation and Skills. I am pleased that its Chairman, the hon. Member for West Bromwich West (Mr Bailey) has been in his place today. There should be an investigation by the Criminal Cases Review Commission off its own bat, and even those who have pleaded guilty should be able to take advantage of such an investigation. There will be a role for the courts. I think, therefore, that there will need to be a fund to help sub-postmasters in those actions. It would be good to think that the Post Office itself could, of its own accord, modify its own behaviour. I wish I did think that, but I do not.