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BIS Select Committee: Post Office mediation scheme explored: Business, Innovation and Skills Committee explore alleged issues with Horizon IT system on 3 February

The Scheme

It has been more than 2 years since the inquiry started and you have hardly managed to resolve a single case – postmasters have been endlessly waiting for the findings in their cases, meaning some of them might be too late to enter an appeal against their conviction. How can it take so long to get to the bottom of this?

- Important to allow sufficient time for people to come forward
- Each stage of process taken longer than anticipated (Applicants, PO & SS)
- Rigorous investigations & reviews
- 136 reports on individual cases – each typically 20 pages with 80 pieces of evidence
- Scheme does not affect anyone's legal rights

If the Scheme is working why are there so many complaints about it – it is being called a sham, there are claims you are preventing postmasters from actually using it in the way agreed and 140 MPs have withdrawn their support for it - what is your answer to all those people?

- no predetermined outcomes
- We agreed with SS, JFSA and MPs exactly what we would do and that is what we are doing
- We did not know what inquiry & investigation would find. Established Scheme with open mind & have done great deal to ensure impartiality (WG, Independent Chair)
- Listening to our critics and, in circumstances, we are considering how we move on

Cases made public

- Some cases being publicly discussed & PO criticised when they are still within Scheme
- Each case is different & must be assessed on its facts, as we are doing

Confidentiality

- Even facing unsubstantiated allegations, we have not & will not breach applicant confidentiality, which protects personal sensitive info of Applicants, e.g. re ill-health
- Mediation (always, not just this Scheme) is a confidential process, and it is required by CEDR
 - When SAH wrote to the Minister for Postal Affairs (Dec 2014) he attached letter from CEDR re confidentiality (this is also in the House Library)

Mediation

- Mediation is a two-stage process
 1. Investigation and independent review, shared with Applicant; SS recommend whether to mediate or not
 2. WG face-to-face discussion and vote
- It was never agreed all cases would be mediated (per original documentation)
- Out of 51 cases recommended for mediation by WG, we have declined to mediate 5

What MPs have been asking for

- To agree all cases should be mediated would deprive the WG of its important, independent vote
- We fund administration of entire Scheme and support Applicants to engage professional advisors to build their cases

But are you therefore suggesting that Second Sight's recommendation to mediate is irrelevant? Surely Post Office has significant influence – and a rather large number of lawyers from what we are told – in the Working Group that it is of course financing?

- Scheme operating as agreed
- Impartiality of Scheme
- PO does not decide which cases are mediated - WG vote, as agreed by all when Scheme was set up
- PO funds the Scheme because so keen to get to the bottom of complaints and difficult to see how else it could have been funded – but v careful to have impartiality built in

You agreed to include cases where people have been convicted of crime and pleaded guilty – so why have you reneged on that and now excluding them?

- Scheme is operating as agreed – not excluding cases
- All cases are investigated and reviewed in the same way
- PO and JFSA made it very clear that the Scheme does not have power to overturn convictions

Alleged unsafe convictions

- We take our duty of disclosure very seriously
- No evidence so far that any conviction is unsafe – if there were, POL is under a duty to disclose
- We write to everyone who has suggested they have seen evidence of unsafe convictions to disclose. We have received no evidence.
- There have been no appeals against convictions.
- Scheme does not affect anyone's legal rights

But are you ruling out mediation for criminal cases?

- Every case is different – treated individually
- Unless new evidence, prospect of resolution is unlikely in cases that have been decided by the Courts, but we have kept an open mind and considered cases individually

It is surely pointless having a mediation Scheme when Post Office refuses to mediate some of the most worrying cases, even when this is recommended by everyone else in the scheme working group?

- Declined mediation in 5 cases (out of 51 recommended by WG for mediation so far)
- We provide support funding for Applicants to engage professional advisors and build their cases

But James Arbuthnot MP says that you are objecting to mediation in 90 per cent of cases in the Working Group – even if they are proceeding to CEDR because you are out-voted. The Scheme documentation says mediation is “likely” in most cases – but haven’t you in fact been trying to prevent it behind closed doors?

- Declined mediation in only 5 cases (out of 51)

On what basis are you refusing to mediate cases that are recommended for it?

- For mediation to be successful there must be a reasonable prospect of resolution
- Where there is no evidence that Post Office is responsible for allegations in a complaint there is no reasonable prospect of resolution

Are you deciding not to mediate some cases because, as has been reported you told the Chair of the Working Group, the compensation claims are simply too high?

- Not a Compensation Scheme - no evidence Horizon has not worked as it should
- Every case is different and treated on merits
- When cases passed to CEDR from the WG, then PO – as a party to mediation – has to assess prospect of resolution. Applicant can do the same
- If Applicant has v high expectation of large financial pay out when there is no evidence of any fault on PO's part, mediation is unlikely to offer resolution
- But Post Office has only declined to mediate 5 cases of the 51 recommended for mediation by WG - ready and willing to take part in mediation in cases where justifiable

Isn't it true that even in cases you are mediating you are continuing to bully postmasters, refusing compensation and even claiming that some of them still owe you money?

- Impartiality/ independence of Scheme – including independent mediator
- Reputable mediation experts ensure mediations are in line with best practice
- We cannot discuss cases without breaching confidentiality of Applicants and of the confidentiality agreement with CEDR (fundamental part of their Codes of Conduct)

But are you, in any cases, still chasing or going to chase alleged debts?

- Scheme is about resolving complaints
- I cannot provide details of outcomes of mediation for reasons of confidentiality

Why is there so much secrecy? Individuals' details can be protected but surely you should be open about the general work of the Scheme. Even other parties to the Scheme are not being told whether mediation is proving successful in any cases.

- No secrecy – confidentiality to protect people as agreed by all parties
- Confidentiality of mediation is not particular to this Scheme but is inherent in all mediations

- Confidentiality in line with CEDR's Code of Conduct and European Code of Conduct which UK providers must observe to maintain accreditation
- Independent, well-established and reputable mediation experts appointed to ensure mediations follow best practice

Is it not true that MPs, who were instrumental in establishing the Scheme, have simply been kept in the dark whilst you have broken all the commitments you made to them?

- Scheme is working as agreed with MPs
- We have done what we said we would
- We have met James Arbuthnot and others on several occasions
- We have offered to meet MPs with constituents in the scheme to discuss their concerns.
- We can discuss with MPs the individual cases of their constituents, if their constituents consent.
- Proposition in Nov last year to mediate all cases was carefully considered by Chief Exec and Board – but would deprive WG of its independent role and restrict our decisions regarding a voluntary process (mediation)
- RE suggestion to broaden scope of Scheme – important to us to maintain focus on Horizon given SS's initial report (took 1 year, no problems with Horizon, some with training and support)
- PO established Scheme in good faith
- JFSA were principal drivers of its design, establishment of WG and recommendation for Independent Chair
- PO has now completed investigation of all cases in the Scheme and no fault identified with Horizon
- No need to seek to change scope – it's designed to cover every issue raised by Applicants

Your own independent consultants claim that you are being obstructive and preventing them from gaining the information they need – isn't this clear evidence you are trying to cover up the truth about these cases?

- Impartiality/ Independence of Scheme

- All information relating to the complaints is being provided
- Computer system used by 78,000 people and processes 6 million transactions daily
- We all need confidence in that system – if a problem was found we would be transparent about putting it right
- We have provided Second Sight with hundreds of thousands of pages of information (often at their request)

Part 2 Report

- August 2014 Part 2 report sent as confidential document to some Applicants, their advisers and the PO
- PO unable to endorse due to inaccuracies and omissions
- Within SS report, several issues were said to need further investigation
- From 109 of the latest questions we've been asked as a result (some about v complex issues) we have provided answers for the majority – we are still working with SS on 13
- Questions which are relevant to the Scheme are all being answered

We understand that you are saying to Second Sight that subpostmaster contracts are “out of scope” but how can this be when there are so many complaints about them?

- Scheme is to investigate individual complaints
- If an Applicant has raised an issue with their contract, we have addressed it
- But the inquiry is about Horizon – principles of contracts are outside the remit of SS as accountants

Second Sight say that you have changed their terms of engagement to narrow the scope of their investigations – is this true?

- No
- Scheme is to investigate individual complaints
- Scheme is operating as agreed between PO, JFSA, SS and with MPs
- No organisation can allow open-ended inquiries without limitation on time and scope

- PO subject to legal regulatory, commercial and compliance requirements scrutiny, employing other organisations e.g. auditors

There might have been miscarriages of justice so how can anything that could reveal that be out of scope in this inquiry?

- Scheme is to investigate individual complaints
- Provided huge amount of information to SS about Horizon and business processes
- PO has taken steps through the Scheme with duty of disclosure firmly in mind

There are apparently hundreds more potential cases but you closed the Scheme last November so these postmasters have no opportunity to raise their complaint and get an independent review – surely that is wrong and unfair?

- Inquiry started in 2012 - there has been 2.5 years for people to come forward
- We encouraged people to come forward in 2012 and when the Scheme was established, as did JFSA
- Very few people have come forward outside of the Scheme

How much money has actually gone missing and how much have postmasters had to pay you back from their own pockets?

- Horizon has been working as it should
- Every case is different

How much public money has been spent on this Scheme so far and how much is the whole inquiry and Scheme likely to cost by the time it ends?

- We took responsible actions to get to bottom of very serious allegations
- PO has spent £5m in the last 2.5 years on this
- Allegations are so serious, the integrity of our computer system so fundamental
- We would have been, rightly, heavily criticised if we had not taken the allegations seriously
- James Arbuthnot (in 2012) gave PO credit for funding the Scheme, acknowledging government would not have done so

What's the breakdown of the £5 million spent – how much has gone on lawyers' fees?

- £5m includes fees of Second Sight, Professional Advisors, Sir Anthony Hooper and the costs of running the working group
- We have spent money to ensure independence and impartiality
- We have supported scheme applicants with funding
- Cannot provide details without breaching commercial confidentiality

You committed to making sure that there would be an independent way for postmasters to get disputes resolved in the future – will you still do that?

- Horizon is working as it should
- No pre-determined outcomes – but assessment must be in context
- Context: 500,000 Horizon users; 150 complaints; all cases investigated and no Horizon flaw found
- 51 cases have been recommended for mediation so far
- We have acted quickly on findings, e.g. to improve training

Scheme Investigations and SS case reviews

You have clearly been trying to fetter the independence of Second Sight – you refused to endorse a much leaked confidential report designed to help people in the Scheme and are you not trying to prevent or at least heavily influence the final report they plan to publish in March?

- Independence and impartiality of Scheme
- We have worked on facts and substance – good and bad
- We would not have taken the approach and actions we have if we did not intend independence
- PO did not endorse the confidential document because it was inaccurate and it omitted information that is important for Applicants
- To correct inaccuracies and provide information SS omitted, we produced a document setting out our detailed position and this is also sent to Applicants

There is significant doubt that Post Office is truly revealing all the documents and evidence needed for these cases to be properly investigated and reviewed – is it true that documents have been and are still being destroyed?

- PO has taken great care not to destroy documents relevant to the Scheme
- Some cases date back many years
 - Retention policy is, generally, seven years
 - Some records going back further have been retrieved

What safeguards are in place to ensure that Second Sight can be confident that they are receiving all available material for each case to allow them to properly review? Post Office will be biased in their investigations.

- Independence/ impartiality of Scheme
- Scheme working as agreed
- Investigation process was agreed with JFSA and SS as part of the Scheme
- For every case there is a checklist of docs so that it can clearly be seen by SS, Applicants and their professional advisors exactly which docs have been searched for and retrieved

It seems that in many of the cases the conclusion being reached is that it is not actually possible to know where the money has gone – so how can you possibly keep asserting

that there is no problem with Horizon? The truth is that the investigations are not revealing the cause of these losses at all.

- 2.5 years of investigation – no evidence in any of the cases that Horizon has not worked as it should
- Each case is different but there is clear evidence in many cases about the most likely cause of loss

In almost every case you are challenging Second Sight's findings and conclusions in some way – do you have no confidence in the consultants you appointed?

- Independence/ impartiality of Scheme
- PO and Applicant can comment on SS draft report

Cases

Is it true that not only have Post Office actions led to people losing their jobs, being bankrupted and some going to prison, they have also been the cause of tragic suicides?

- No-one could be without sympathy – emotive subject, people have experienced very difficult times
- Does not follow personal events are consequence of Horizon

Do you accept that the Post Office has caused these postmasters rather more than “lifestyle” problems?

- No-one could be without sympathy
- Does not follow personal events are consequence of Horizon

What is your answer about at least 150 people, many of whom had worked for you for many years and had led unblemished lives, suddenly deciding to turn to crime?

- Minority of cases involve criminal convictions
- PO prosecutions are brought where the circumstances warrant

If there is insufficient evidence one way or the other in some of the cases is it not time to give those postmasters, who clearly did not take money for themselves and who have their lives ruined, the benefit of the doubt? You have spent millions on the investigations while some of these people have lost their businesses and their homes.

- Horizon is working as it should
- We voluntarily set up the Scheme
- Scheme is working as agreed
- Every case being investigated and treated on its merits
- We have to deal with the facts of each case

Horizon system

You have to accept that Horizon does not always work as it should – there are known instances of problems – is that not a fact?

- Like any large IT system there are incidents
- But after 2.5 years of investigation and review there is no evidence at all that Horizon is not working as it should and recording transactions correctly
- Thousands of postmasters are using Horizon successfully
- Six million transactions a day
- Growing business with banks and other clients.
- For example, we process 2.1 million POCA withdrawals totalling £120 million every week for the Department for Work and Pensions

Many postmasters say they struggle to check discrepancies because there is no proper audit trail – why can you not give them a proper explanation when they query losses?

- Thousands of postmasters use Horizon successfully
- If branch shows discrepancies then branch has access to range of reports including line-by-line transactions of the day

If Horizon is working so well, why are you replacing it?

- Would be unusual for any large organisation not to make continual upgrades and improvements

You're outsourcing to Manila – how can that be an improvement?

- Our internal IT helpdesk for postmasters and employees has been outsourced and feedback from staff is that it has improved..
- Like any other business we continue to improve our IT - it's part of the transformation of our business, supporting the modernisation of 11,500 Post Offices, creating more opening hours and significantly improving services.

Will you commit to no further outsourcing?

- No responsible CEO would make that sort of commitment.
- Our people, according to the surveys we've done, have found service has improved following the outsourcing of our internal helpdesk.
- We also have responsibility for getting best possible value for money.

Some postmasters appear to have panicked and just agreed with Horizon's figures to ensure they could trade the next day – isn't it the case that the system itself was pressuring some people to falsely account?

- Thousands of postmasters use Horizon successfully
- SPMRs can accept discrepancy if they are responsible for it or can dispute it for investigation
- SPMRs do not have to accept Horizon balance in order to continue trading

Horizon was introduced over a decade ago – even with upgrading it is surely no longer fit for purpose – but what incentive do you have for improving the situation when your postmasters take all the risk?

- Postmasters are not responsible for all losses
- Balance of risk and reward, similar to franchisee
- Postmasters are independent business people
- Postmasters are not liable for losses beyond their control (e.g. external fraud) if they follow correct procedure

There are very concerning stories about remote access to Horizon that might have contributed or been the reason for unexplained changes being made to postmasters accounts – how do you explain changes to accounts at times when postmasters could not possibly have had access themselves?

- There is very selective, misleading and incorrect information being put into public domain
- Transaction data in branch accounts can't be changed remotely
- No evidence of malicious tampering
- We cannot breach confidentiality even in the face of unsubstantiated or misleading allegations

- But there is no functionality in Horizon for either a branch, PO or Fujitsu to edit, manipulate or remove transaction data once it has been recorded in a branch's accounts
- There is also no evidence at all of any malicious remote tampering

Some of your more rural Post Offices have problems with telephone lines and power and find themselves having to try to run Horizon on mobile technology – how can this possibly be secure and is not the case that system crashes and interruptions could cause losses for postmasters?

- Horizon is working as it should and is secure
- System is capable of handling power and telecom problems, a risk faced by all IT systems
- SS specifically looked into recovery process and found it worked

How old is some of the hardware? If postmasters need replacement hardware is it second hand?

- Horizon is working as it should
- Industry standard practice on replacement
- No evidence that suggests Horizon did not accurately record transactions processed by applicants

Is it not the case that there are still regular issues with Horizon, but many postmasters are understandably afraid to raise it?

- Open communications – with forums and channels that provide feedback
- Nothing to suggest postmasters are afraid to raise issues
- Horizon processes 6 million transactions a day
- Horizon used successfully in all our outlets (e.g. WH Smith, Tesco, Asda)

We have had information that there is a current issue involving mailing labels and that there is CCTV evidence about it. Do you know anything about that?

- Investigate issues raised with us
- Safeguard built into Horizon but we are looking into improving the process

- If pressed re allegation that postmasters are fraudulently 'reclaiming' money they are losing from the issue: we have repeatedly requested evidence but it has not yet been provided

Training and Support

Your training and support for postmasters has obviously been pretty woeful – even if you have made improvements in recent times, you must surely take responsibility for the severe lack of it in the cases now in dispute?

- Thousands of postmasters operating successfully
- Provide comprehensive training and follow up support
- In a small number of cases, the standard expected was not provided – this is being addressed in the Scheme
- Continually improving training and support, with involvement of our people

Your own helpline was providing instructions and advice that simply made things worse for people – in some cases doubling their losses. It is not surprising that some of them gave up on it is it?

- Helpline used by thousands of postmasters
- Call logs are retained – no evidence that wrong advice was provided

Postmasters were continually told that things would be put right by the system and it would correct itself, but this never happened - how could you then possibly justify the actions you took to punish these people?

- This is likely a reference to TCs – if any issues cannot be resolved they can be escalated to higher level of support (Field Support Advisors or other managerial)
- Thousands of postmasters operating Horizon successfully

You now appear to be running the risk of making things even worse for postmasters – have you not cut back severely on training and support and outsourced your helpline abroad?

- Continually improving training
- Have put in place branch forum as we said we would
- Forum reviewing training and support
- Using digital channels to expand and improve training further

Criminal Investigations and Prosecutions

Postmasters claim that you act as judge and jury – if there are any losses found at audit you have no interest in finding the cause because they have to pay them, isn't that true?

- Not true
- Always in Post Office interest to find cause of losses and to support postmasters to protect this money
- If losses are not made good, PO bears that loss
- Postmasters not responsible for all losses
- Only postmasters and their employees know what happens day-to-day in a branch

You send in your own investigations team if losses are found, with their powers to interview people under caution – how can this possibly be fair and without bias?

- Post Office has no special powers of investigation
- Interviews are compliant with PACE
- Cases must meet CPS Code

Why do your investigators not allow people legal representatives to be present when people are questioned?

- Post Office carries out investigations fairly
- Legal representation always allowed in interviews under caution
- All potentially criminal cases are thoroughly investigated
- Decisions about appropriate courses of action are taken on the basis of the available facts and evidence and their application to the relevant legal principles following review by specialist legal advisors
- This includes being satisfied that the case meets the Full Code Test in the CPS's Code for Crown Prosecutors (i.e. that there is both sufficient evidence to provide a realistic prospect of conviction, and that prosecution is required in the public interest)

You seem to rarely be able to prove theft so instead pressure people to admit to false accounting, which is much easier to do – do you not accept that some of your postmasters are simply not in a position to be able to refute that even though they have done nothing wrong?

- Thousands of postmasters operate Horizon successfully
- No reason for anyone to commit a criminal offence - If there are discrepancies subpostmasters have clear choices to accept these or dispute them for investigation.
- This does not affect their ability to continue trading.
- Prosecution subject to scrutiny of defence lawyers and ultimately the courts
- Falsifying accounts cannot be justified and destroys the audit trail making investigation difficult / impossible

There seems to be a ‘one size fits all’ attitude to prosecuting people with no account taken of the circumstances in which they have had to try to operate - is it not therefore highly likely that some postmasters will have found themselves victims of miscarriages of justice, either wrongfully prosecuted, wrongly convicted or put in a position where they plead guilty simply through fear?

- Prosecutions are rare
- Every case is considered individually and subject to checks and balances
- Decisions on how to plead to a charge are not a matter for Post Office
- After 2.5 years of investigation we and SS have found no evidence of unsafe convictions
- In deciding whether to prosecute, PO and legal advisors consider whether the case meets the high standards of the CPS codes
- Defendant is entitled to legal advice
- PO takes duty of disclosure extremely seriously

Why did you start dropping prosecutions when the scandal about Horizon started to surface?

- Cases always continuously reviewed
- PO will not comment on specific individual cases

- PO keeps cases under continuous review all the way up to and during any trial to ensure it meets CPS Code for Crown Prosecutors

Is it not true that, because you go for false accounting and people are pressured to plead guilty because a lesser sentence is likely, that evidence about Horizon is actually therefore not tested much, if at all, in Court?

- Prosecutions are rare
- How an individual pleads to a charge is not a matter for Post Office
- All evidence is disclosed to defence and could be tested
- Evidence about Horizon has been tested in court

Some of the postmasters felt they were the only ones with problems with Horizon. Now it is clear that they are not – and there might in fact be hundreds more cases than we know about – should not every single criminal case be allowed an appeal? It is surely powerful new evidence that there are so many cases and that there have been serious glitches in the system, even if those glitches did not directly apply to these cases.

- There is no evidence in these cases – none at all - that Horizon has not worked as it should and Post Office cannot be asked to ignore this
- Every case is different and must be assessed on all of its facts and substance

Would you agree that there should be no time bar for these cases?

- Legal rights of applicants are not affected by the Scheme
- Post Office also has legal rights
- Limitation periods firmly established in law

Would you welcome the Criminal Cases Review Commission examining these cases?

- We are happy to share information with the CCRC, and we are doing so.
- The Scheme does not change anyone's legal rights
- No evidence by PO, SS or Applicant suggesting convictions are unsafe
- PO writes to everyone who has suggested they have evidence a conviction is unsafe asking them to disclose it – no such evidence has been brought forward
- No-one has appealed against their conviction.

What is your reaction to the challenge that you should no longer have prosecution powers and investigations and prosecutions should be carried out by police and CPS?

- Post Office has no special powers
- Statutory right to bring a private prosecution open under the Prosecution of Offences Act 1985
- Statutory right applying to every person and organisation in England and Wales
- PO is not unique in bringing its own prosecutions

Contracts

Aren't the contract terms completely unfair, making subpostmasters pay back any losses out of their own pockets in a way that employees would not have to do?

- Thousands of postmasters operate successfully
- Similar position to franchisees
- Contract terms negotiated with National Federation of SPMRs which represents 80% of postmasters
- Balance of responsibilities – postmasters not responsible for all losses

But the contract goes back decades and was in place before Horizon was introduced – how can your contracts still be fit for purpose?

- Agreed and regularly reviewed with NFSP (represent 80% of postmasters)
- Core principles remain and overwhelming majority of postmasters operate effectively within these terms as they have done for many years
- Broadly similar to franchise arrangements across UK
- Postmasters have responsibility for protecting PO money within the branch they control by following proper procedure, many of which required by law and compliance regulation
- Transactions and accounts are now computerised but this does not impact on the contract

Postmasters might well be independent business people but a lot of them are running village shops, not large companies but you don't even provide them with legal advice before they sign up to the contract – or even advise them to get some. How do you make sure they really know what they are signing up to?

- Postmasters are usually already running their own businesses
- Open to any postmaster to take legal advice
- In-depth appointment process
- Postmasters are free to take independent advice, as they are free to choose to enter into a contract with PO, or not

The British Franchise Association recommends that independent legal advice should always be taken before signing a franchise agreement – why does Post Office not comply with this best-practice recommendation?

- BFA recommendation is to franchisees (akin to SPMRs) not francisors (akin to PO)
- Reasonable for PO to assume an independent business person entering into a contract will take legal advice if they think they need it

Is it true you don't even show the contract to postmasters before they have started working for you and they are only asked to sign an acknowledgement document agreeing to its terms?

- No this is not true
- Contract is available to postmasters throughout negotiation
- It is issued with the offer of appointment
- Common practice for new subpostmasters to sign an “Acknowledgement of Appointment” document, rather than the full contract – but this is done after the contract has been provided and people have had the opportunity to go through it and seek any advice they wish
- A postmaster is also always able to ask for a copy of the contract if s/he so wishes

But was this always the case? Aren't there cases where postmasters have never seen the contract?

- It has been our practice since 2001 to send out the contract with the offer of appointment following successful interview
- It is always open to a postmaster to ask for a copy of the contract

How can it be fair for postmasters to be responsible under the contract for losses caused by their staff including when these have been caused by genuine and innocent mistakes?

- Postmaster is responsible for running his/her branch and that includes the employment of staff
- Responsible for hiring assistants and for their training. Postmasters' assistants are not employees of Post Office
- Postmasters assure themselves that assistants they employ are suitable for the role – they interview them, seek references and do necessary checks

But you don't make anyone you directly employ in your Crown branches pay money back and there are huge losses in those. Why is it different for postmasters?

- We are accountable for the people we directly employ, just as postmasters are for the people they employ
- If any of our employees cause losses we have to absorb those, and a postmaster has responsibility to do the same
- We investigate discrepancies in our Crown branches and we follow a performance and disciplinary process for our employees

Financial

There has been nothing in your financial Report and Accounts about any of this. Does that not demonstrate that you have clearly made no provision for compensation because you decided you simply were not going to pay any?

- PO prepares its Financial Statements in accordance with international accounting standards, which set out a clear definition of what constitutes a liability
- Potential liabilities are discussed with external auditors who agree whether they meet the definition and are required to be recognised in the Financial Statements
- Amounts claimed by third parties by way of compensation or recompense do not normally constitute a liability unless and until the basis of the claim is established with a reasonable degree of certainty.

CEO position

Are you considering your position as CEO? Surely you have to?

- No
- We have done everything we set out to do – what more could we do?
- We instigated an independent inquiry. We have acted on its findings. There is no evidence that Horizon is not working as it should but we established the Scheme to investigate each individual complaint.
- We have provided financial support for people to obtain independent professional advice. We have ensured independence and impartiality in the way the Scheme operates. We have, even in the face of allegations being put into public domain, stood firm on the assurances we gave people about confidentiality. It is difficult to think that most other companies would do as much but we have been right to do so – it is fair and proportionate to the allegations made