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## Communication Workers Union warns subpostmasters of flaw in Post Office Horizon accounting system

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The union that represents Post Office subpostmasters has warned of a problem with the Horizon accounting system at the centre of a long-running dispute

Post Office subpostmasters have been warned of a problem with the Horizon computer system they use for accounts, which can lead to cash shortfalls if undetected.



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An email to members of the Communication Workers Union (CWU) branch representing postmasters, seen by Computer Weekly, was sent to advise them what to look out for regarding the alleged fault, which incorrectly duplicates payments.

This is a small but potentially significant development in a dispute over the Horizon system that has been running for years. The finding, if proved, could call into question Post Office claims that Horizon has no systemic flaws.

Post Offices use an IT system developed by ICL/Fujitsu Services, called Horizon, for their accounts. In 2009 Computer Weekly first revealed the stories of subpostmasters who had received heavy fines and even jail terms for alleged false accounting – which they blamed on the Horizon accounting system. The Post Office has vehemently denied this claim. (See timeline below for more on the dispute).



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The alleged problem investigated by the CWU involves the process where subpostmasters transfer money from a core Post Office branch to a remote branch created to serve rural areas, known as an outreach, which is basically a branch on a laptop. These processes are known as remittances.

According to the CWU, branch payments can in certain circumstances be duplicated – in effect creating a record of money that does not exist, recorded by the system as being in the outreach branch. It would be the subpostmaster's responsibility to make up this sum unless the duplicated payments are removed.

The CWU said that, in a case documented by investigators, a core branch transferred cash to an outreach branch and Horizon reduced the accounts of the core by the amount transferred. The outreach transferred in the amount sent and Horizon accepted the correct amount.

But Horizon did this four times, causing a loss of three times the actual amount sent. The discrepancy was for money that did not exist.

"We have evidence that Horizon has duplicated the accepting in of a remittance (on at least three occasions). This is despite the [payment's] barcode having only been scanned in once," said the CWU email.

The Post Office helpline – the Network Business Support Centre – and the IT helpline were contacted, but neither was able to help the postmaster, said the CWU.

### **Post Office department recognises duplication problem**

Following a post on a web forum, another postmaster recognised the problem as something she had experienced in the past, and the financial department of the Post Office in Chesterfield was contacted on her advice.

According to the postmasters' branch of the CWU, the financial department recognised the issue and told the postmaster they would need to send a positive monetary change to the Horizon branch accounts to negate the non-existent loss that had been created by the duplication.

The alleged fault, if proved, would question the Post Office's continued claims that there are no systemic faults in Horizon.

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The Post Office denies system-wide problems with Horizon and stressed that no technical fault has been found to have been responsible for a postmaster being "wrongly held responsible for a loss".

"[We have] robust back-office reconciliation processes to identify and address account balancing issues when they arise," said the Post Office.

"The Post Office provides extensive support, including visits to branches, if postmasters need support about branch accounting or other aspects of running their branch, and we encourage them to contact us if they have any concerns," it added.

"It remains the case that more than three years of investigations have not identified any transaction caused by a technical fault in Horizon which resulted in a postmaster wrongly being held responsible for a loss."

Mark Baker, secretary of the CWU postmasters branch, said: "If we get complaints we have people with the skills to investigate the Horizon system on behalf of subpostmasters. In the process of doing this recently, we believe we have found another systemic flaw."

### ■ Horizon 'systemically flawed' says Second Sight's independent report

The CWU claims this is one example of a glitch that could happen anywhere across the network, and is not restricted to one type of transaction or branch.

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While the Post Office has said that occasional problems occur, it stresses there are no systemic glitches.

There have however been claims of alleged problems in the past by experts, but the Post Office has always denied they represent evidence of systemic flaws.

The results of an independent investigation, commissioned by the Post Office and carried out by forensic investigation company Second Sight, were published in April 2015. The report said there can be systemic problems for users: "As we have previously stated, when looking at the totality of the Horizon experience we remain concerned that, in some circumstances, Horizon can be systemically flawed from a user's perspective and Post Office has not necessarily provided an appropriate level of support."

When Computer Weekly put the claims to the Department for Business, Innovation and Skills (BIS) at the time of the report, the BIS press office said: "Systemic flaws would refer to errors or faults in the Horizon system capable of causing the accounting discrepancies that have been alleged."

"Rather, the sentence summarises the conclusions Second Sight reached, based on their findings having looked at not only the Horizon system but other directly and indirectly associated elements, such as training and support processes, and individual subpostmasters' circumstances."

Campaigners want an independent inquiry. "The only way we will get to the bottom of it is to have a truly independent inquiry, which Post Office is not involved in," said one.

The Criminal Courts Review Commission (CCRC) is currently reviewing subpostmasters' claims of wrongful prosecution.

The CCRC has set up a team to focus on the cases including subpostmasters that received suspended or non-custodial sentences, including community service, but others that received custodial sentences for between six and 18 months.

### Read Computer Weekly timeline of events

- May 2009: Bankruptcy, prosecution and disrupted livelihoods – postmasters tell their story

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- September 2009: Postmasters form action group after accounts shortfall
- November 2009: Post Office theft case deferred over IT questions
- February 2011: Post Office faces legal action over alleged accounting system failures
- October 2011: 85 subpostmasters seek legal support in claims against Post Office computer system
- June 2012: Post Office launches external review of system at centre of legal disputes
- January 2013: Post Office admits that Horizon system needs more investigation
- January 2013: Post Office announces amnesty for Horizon evidence
- January 2013: Post Office wants to get to bottom of IT system allegations
- June 2013: Investigation into Post Office accounting system to drill down on strongest cases
- July 2013: Post Office Horizon system investigation reveals concerns
- October 2013: End in sight for subpostmaster claims against Post Office's Horizon accounting system
- October 2013: Former Lord Justice of Appeal Hooper joins Post Office Horizon investigation
- November 2013: 150 subpostmasters file claims over 'faulty' Horizon accounting system
- September 2014: Fresh questions raised over Post Office IT system's role in fraud cases
- December 2014: MPs blast Post Office over IT system investigation and remove backing
- December 2014: Why MPs lost faith in the Post Office's IT investigation, but vowed to fight on
- December 2014: MPs to debate subpostmaster IT injustice claims
- December 2014: MP accuses Post Office of acting "dupliciously" in IT investigation
- December 2014: MPs force inquiry into Post Office subpostmaster mediation scheme
- January 2015: Post Office faces grilling by MPs over Horizon accounting system

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- February 2015: Post Office CIO would talk to any subpostmaster about IT problems, promises CEO
- March 2015: Post Office ends working group for IT system investigation day before potentially damaging report
- March 2015: MPs seek reassurance over Post Office mediation scheme
- March 2015: Retiring MP aims to uncover truth of alleged Post Office computer system problems
- April 2015: Post Office failed to investigate account shortfalls before legal action, report claims
- April 2015: Criminal Courts Review Commission set to review subpostmasters' claims of wrongful prosecution
- May 2015: IT system related to subpostmaster prosecutions under review by CCRC
- June 2015: Post Office looking to replace controversial Horizon system with IBM, says MP
- July 2015 Campaigners call for independent inquiry into Post Office Horizon IT system dispute
- October 2015 James Arbuthnot takes Post Office IT fight to House of Lords

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