

---

**From:** Belinda Crowe[IMCEAEX-  
\_O=MMS\_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29  
\_CN=RECIPIENTS\_CN=BELINDA+20CROWE79B93F11-569F-4526-A078-  
F5B4958A8917220@C72A47.ingest.local]  
**Sent:** Fri 22/08/2014 1:41:29 PM (UTC)  
**To:** Alwen Lyons [GRO] Mark R Davies [GRO]  
**Cc:** David Oliver [GRO] Belinda Crowe [GRO]  
**Subject:** Possible note for the Board re Second Sight's Part Two report

Alwen

As discussed, and to get a head start should it be needed, I would be grateful for your views on the following draft for the Board. Copied Mark as I have referenced comms quite a lot. It'll have to be tweaked according to where we get. However it is getting very late to send the reports now.

-----  
This note is to inform the Board that a "thematic" report produced by Second Sight [has/will] be sent to a number of Scheme applicants and their advisors and the steps we are taking to manage the potential fallout from the report.

Although the report is marked confidential we are assuming that it (or at least some of its findings) may be leaked.

### **Background**

Second Sight's "thematic" report (entitled Briefing Report Part Two – Part One being a "factfile" which describes branch operating procedures and Horizon functions) seeks to expand on the main common thematic issues that have been raised by Applicants in the Mediation Scheme. The Working Group agreed that such a report could be prepared as it would allow Second Sight to produce a short, focussed report for each individual application, which could be cross referenced to a more comprehensive analysis of the issues contained in the "thematic" report where one or more such issue had been raised by the applicant. We were given an opportunity to comment on a draft prior to the report being finalised

### **Current position**

Second Sight have now produced a final report. They have taken little account of the comments we made on the draft. We continue to lobby the Chair to allow a Working Group discussion on the report but so far he has been unsympathetic. His concerns are twofold:

- further delaying those cases requiring the report before they can be progressed further, and
- a discussion of the Working Group will not resolve matters – Post Office is, and would remain at odds with JFSA and Second Sight on the matter

At present it seems likely that the report will be issued as drafted.

### **Our concerns about the report**

As well as being badly drafted and of poor quality, we have a number of concerns about the report as drafted including:

- its scope goes beyond Horizon and associated issues, covering areas such as SPMR contracts and criminal investigations and proceedings – not only are these matters outside the remit of the scheme but second Sight have neither the qualifications nor expertise to opine on them
- it lacks evidence and analysis and is of a very poor quality generally – it is little more than a catalogue of applicants' untested allegations
- it contains a number of factual inaccuracies
- it is heavily biased in favour of the applicant

More generally, but more importantly, we consider that as drafted it does little to assist applicants, Post Office or a mediator in resolving individual cases. The expectation gap between applicants' expectations and Post Office's assessment of settlements/resolution and the report would undoubtedly increase that gap. Also, in our view, a

document that emanates from the Working Group, which this would (under cover of a letter from the Chair) which Post Office would have to rebut would undermine the integrity of the Scheme. That would, of course, also play out unfavourably for Post Office.

**Handling**

Our handling plan, worked through in detail with the Comms team, is to:

- write to the applicants/advisors who receive the report (only eight at this stage) to explain that we have not endorsed the report, why we consider it flawed and informing them that we will write again with more detail on the specifics of the report. Although there is a risk that this letter in itself creates a media story, it is important for the applicants to be clear at the earliest possible stage of the Post Office’s position in the interest of transparency and for us to get down a marker early.
- Follow this next week with our own detailed factual analysis of the matters raised in the report. We are not in a position to do that at this stage because some of the issues are new. And it is important that we get this right and checked with key people. The work has started but will take a few more days.

**Related risks**

The JFSA Working Group reps are aware that we have lobbied the Chair to delay the report pending further discussion (he has told them so). They also saw our letter and comments on the first draft of the report. They could, at any time, become frustrated and leak the report or our objections to it. Although we would not expect the media to be sympathetic, everything has been written assuming it could be leaked. We would, of course, have to consider the consequences of a leak on the operation of the Working Group.

**Potential ‘soundbites’ which could run as media stories**

The key points from the report which could make good cover are:

- Contracts are unfair on SPMRs
- SPMRs are not provided with a copy of their contracts so don’t understand the risks placed on them
- Horizon could not be described as fit for purpose (the preceding sentences in the report qualify that as being where an SPMR is unsuitable, inexperienced or inadequately trained)
- Inadequate investigation prior to suspension/termination/legal action against SPMRs

However, Comms advice is that all of the above is manageable and we are as well prepared as we can be.

If anything does arise over the weekend we will update you.

**Belinda Crowe**

148 Old Street, LONDON, EC1V 9HQ

**GRO** Postline **GRO**

**GRO**

**GRO**