



148 Old Street
London
EC1V 9HQ

T: [redacted]
E paula.venells@[redacted] GRO



Edward Leigh MP
House of Commons
LONDON
SW1A 0AA

Our Ref: AC 990

29 December 2009

Dear Mr Leigh

Thank you for your letter of 10 December addressed to Alan Cook, Managing Director, Post Office Limited. Alan is currently away from the office and as Network Director I am pleased to take the opportunity to reply.

I am sorry that your constituent, Mrs Shirley Rayner of [redacted] has had cause to write to you about the Horizon computer system used in Post Office[®], Glenthams branch.

As you will know from your visit to the branch, Horizon is a computerised accounting system. It has been very robust since its introduction ten years ago and currently operates in over 12,000 branches, processing up to 750 transactions a second at peak time. All new software releases on Horizon are subject to rigorous testing prior to going live in order to assure the accuracy of the accounting processes. Our ongoing monitoring and control processes ensure that any issues in a 'live' operation are quickly identified and resolved at no detriment to individual subpostmasters. Thus it is important that any problems are reported immediately to the Helpdesk, in order to allow us to identify the extent of a problem and action any remedial process as soon as possible.

In the case of Post Office[®], Glenthams branch, our records do not show any calls made to the Helpdesk to report problems with the Horizon system in the months leading up to Mrs Rayner submitting her resignation in August 2008 and withdrawing the premises for use as a Post Office[®] branch.

To date there has been just one case against Post Office Limited which actually progressed to a court hearing in the civil courts where a subpostmaster blamed the Horizon system for being faulty and causing them a financial loss, as referred to in a May article in the Computer Weekly. In this case the judge found in Post Office Limited's favour. The subpostmaster counter-claimed for a substantial amount of damages and both his claim and his defence to the action brought against him by Post Office Limited were dismissed.



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In his judgement, His Honour Judge Richard Harvey QC stated:

" I am satisfied that the substantial unexplained deficiencies incurred in weeks 42 to 51 and in week 52 up to the close of business on 22nd March 2004 are real deficiencies... the losses must have been caused by his own error or that of his assistants".

In the second case in which proceedings were issued, the claimant subsequently withdrew his claim following production of evidence and Post Office Limited successfully claimed its legal costs incurred from the subpostmaster concerned.

In both of the cases referred to above, Post Office Limited defended the claim vigorously and assistance was obtained from Fujitsu, who are the suppliers of the Horizon system, regarding the dates and times that the discrepancies were reported in each case. All of these reports proved that there was no problem with the Horizon system that would explain the discrepancies that were reported at these times.

I am satisfied that there is no evidence to doubt the integrity of the Horizon system and that it is robust and fit for purpose. I do hope that you are reassured but if you do have any further questions then please let me know.

~~Yours sincerely~~

GRO

Paula Vennells
Network Director
Post Office Limited