

Post Office audio file 13015

CHRIS: In my pile of tricks we have the (inaudible)  
together with the comments to the (inaudible).

MR WARMINGTON: Yes, let's get that. POL figured this.

CHRIS: (interference) it was useful actually for POL to  
hear from you on certain roles. It was one of the  
(inaudible) being CEO is reading and writing, and  
actually when you came in she was able to keep an eye --

MR WARMINGTON: Sort of identify --

CHRIS: -- understand (interference) and I think when  
I talked to her afterwards she came out with a view sort  
of (inaudible) more solutions. So what way is there  
through this that meets the criteria of (inaudible) of  
(inaudible) certain officers.

The converse (inaudible) wrong is, I thought there  
was (inaudible) in that meeting that actually has  
a means of getting to, if you like, the absolute truth  
of the matter that mediation is probably not the best  
device actually. Mediation (inaudible) sort of  
mucking -- compromised process.

IAN: It was described in the last meeting as horse trading,  
a rather rough and ready process that sometimes depends  
more on the skill of the mediator and on one of the  
parties rather than that on the underlying submissions.

CHRIS: I'm not sure if it was Kay's expression or somebody  
else's (interference). It is almost (inaudible)  
I suppose (interference).

IAN: When I took over from (interference) maximum and  
I think it could have been --

MR WARMINGTON: (inaudible) I think it started with  
Arbuthnot and the Jo Hamilton case and then it became  
(inaudible). But the initial work was around about 25,  
pretty similar to 30, of which two were the original MP  
cases. And Angela was sort of dumped into the pool  
saying, look, it would have been handy to have two  
cases -- and that was the Jane Brewer case and one  
other.

CHRIS: So you did your interim report --

IAN: We had 27 MP cases and 19 JFSA cases and that is as a result of finding extensive publicity in the (inaudible) magazine that goes out and so on. And obviously (interference) applications. And Alan is still saying that people are getting in touch with him and saying, you know, they hadn't heard anything about it, they have only just found out about it. It is slightly odd.

MR WARMINGTON: Also the terminology, use of the word "case" was true with regard to the 27. They were cases with multiple events which were being reported, much of the ones we are looking at now, mediation of cases. But 19 were more likely events, that's why we referred them to spot (inaudible). People were reporting a particular situation the idea being --

CHRIS: This week's --

MR WARMINGTON: I would like to report something recent that we think is serious. This is what happened, so it was more of an event.

IAN: Yes the JFSA submissions (interference) investigation on possible problems with Horizon and that was one of the reasons why we contacted SPOT (interference). We weren't looking at the totality of their relationship with the Post Office in the same way that we had to for many of the SPM cases. But the intention was to sort of surgically drill into a specific issue or a small number of issues in fact, that would increase the likelihood of us finding some evidence on an underlying (inaudible).

CHRIS: So (inaudible).

IAN: Of course what we are now dealing with is a bit of a hybrid, and Ron and I sort of refer to the original terms of reference, the original agreements of job 1 and job 2 being sort of mediation, as we touched on with Paula. There is still a bit of a gap (interference) of our concerns is we mustn't lose sight of MPs as stakeholders in all of this, and we need to sort of make sure that we meet their requirements in terms of reporting and updates and everything else.

CHRIS: Meeting in March -- 24th.

IAN: Yes. What's still slightly up in the air on that is exactly what the (inaudible) what they will require.

MR WARMINGTON: But for you Chris, at the risk of repeating this, what we wanted POL or whoever goes to (inaudible) to be briefed on and I think probably has been, is that we know, we know that every time we face the MPs one question always comes out, have you found evidence of unsafe conditions? Which is why when the scope of it came out, (inaudible) keep away from that. We know how to answer that. We knew it was going to come up the first time it did come up. We rehearsed what we were going to say which was along the lines of the vernacular: who are we, we are accountants -- who are we to stand in judgment on the courts of the land, if verdicts have been reached, particularly if somebody has pleaded guilty to something, who are we to comment on that and why? However, if we have found during the course of our work or it has been produced to us something that might be relevant to the defence, then, we will not hesitate to put it forward. It is absolutely our position. And that usually gets us off the hook. And it is much cast (inaudible).

MALE SPEAKER 1: Indeed it is not in a position to --

MR WARMINGTON: And part of the rules of the answer so --

MALE SPEAKER 1: And in terms of the software (inaudible).

MR WARMINGTON: So all eyes on (interference) at that point.

MALE SPEAKER 1: I mean Tony's clear steer seems consistent with our own (inaudible) advice is that (interference) on going duty of disclosure for -- in respect of new matters, and I think the threshold is really low, it might have been relevant (inaudible). Not it would have been relevant, just it might be. Obviously there are boundaries around that. That's something that (inaudible) and Chris you will make sure (inaudible) keep your eye on. I think the organisation has very much seen to that (inaudible) make sure POL is --

MR WARMINGTON: The nearest we have got to that is an interim report is on (inaudible) 22, which was the Alison Ball situation. That was particularly germane because her MP was a guy called Mike Wood, a really effective hard working guy, who has been at every meeting and is frankly gunning for poll position.

So, what he -- what came up on that case is that she had pleaded guilty to false accounting but the backdrop to that, was she got in a hell of a mess,

probably of her own making, but possibly because of the problems she was having with the instruction manual because of the time [overspeaking] the Post Office was open within a short amount of time within a short space of development. So on a Wednesday night particularly, selling scratch cards, which if they are not really careful, get them out of sync (interference) Horizon (interference).

February 2010 (inaudible) change of procedure. February 2012 there was a change of software which closed the (inaudible) out and therefore after that there couldn't be an explanation. The point was in the build up to that time POL itself found a huge number of errors occurring (inaudible) report.

The issue in that case would be is our current knowledge of the problems that were then occurring germane to her situation at the time? Not germane to whether she committed false accounting, she did, but was it germane to why she did false accounting? Did she (inaudible) because of the scratch card problem?

IAN: Chris, the other thing you need to be sensitive to is the MPs I think were not sort convinced by the mediation proposals and I think it was James Arbuthnot.

CHRIS: What was their? I can sort of see the obstruction why.

IAN: I think they felt it was a bit of a soft option and it was a digression from the full army investigative mode that they sort of clearly wanted and thought that, you know, people had set it up and up to the point of the July 2013 sort of meeting, you know the way forward was to complete these investigations, complete this (inaudible) views and so on.

Mediation then sort of came up as a proposal and I think it was James Arbuthnot who sort of managed to sort of pacify them to a certain extent. But, I think that will only survive if we get a pretty successful sort of outcome to sort of the mediation. If a significant number of applicants fail to reach agreement in mediation, I suspect that that will infuriate the sort of MPs who feel -- it is a bit like you know Yes Minister when they set up a committee. It buys time but it doesn't actually sort of solve the problem.

CHRIS: Yeah quite.

IAN: I think that is something just to be alert to but if you want to carry the support of MPs you, as a party to the mediation, must ensure that wherever possible and appropriate you know every case reaches a successful outcome.

CHRIS: What I would suggest is this, and I think that is a very real sort of risk, we go through -- POL expressed (inaudible) there is money on it --

IAN: What's the point if we are not going to get --

CHRIS: Yeah. What is the point and particularly now as we go further into it, I don't know whether word gets around (inaudible) if you weren't involved in the scheme in any way shape or form (inaudible). How am I ever going to have a rational discussion with him about --

IAN: But if something happened ten years ago that resulted in them losing their livelihood, you can quickly easily work out how they can reach those sort of --

CHRIS: Yes.

MR WARMINGTON: Those three cases we have got cases 9, 14 and 1, Brewer and Castledon, we have gone right across the spectrum. We have got Beijage, whose father represented him. His father is a retired barrister, civil servant and his father said to me: how much do you think I should ask for? He came straight out. I said look I can't answer that. You need to have that conversation with (inaudible). I mean he is probably thinking of just horse trading. Jane Brewer, on the other hand, probably one of the most [overspeaking] extraordinary. Probably somebody said she's just trying to do it for her daughter. She wants to cash in her pension to pay the shortfall (inaudible) repair the damages. You could probably offer her a small amount, if it is appropriate and she would be very happy. She is a pretty reasonable person (inaudible) 5 million.

MALE SPEAKER 1: There is a network not just the JFSA, that are emailing me [overspeaking].

MR WARMINGTON: And Roger --

MALE SPEAKER 3: [overspeaking] there is not love between the NFSP and --

MR WARMINGTON: Baker is the one we are dealing with.

IAN: He is trying to get in on this. He has been batted off. But he has been appointed in a personal capacity by one applicant.

MR WARMINGTON: The venom directed towards the NFSP is almost universal among the population, they haven't got a good word to say about George (inaudible). They regard them broadly as lackeys who are taking POL'S money and representing -- (inaudible) to (inaudible) obviously, he couldn't have his cake and eat it. He couldn't represent employees of the Post Office if they were not employees, and legally they are not. But, on the other hand, if you can discipline them, suspend them without pay as though they were employees, that's sort of (interference).

IAN: The other potential sort of high value case, which I know we touched on in the meeting with POL, is these discontinued prosecutions because on the face of it, because of your policy that (inaudible) which is to suspend you know the beginning of a criminal sort of investigation, irrespective of the facts on sort of whatever, and if subsequently that has resulted in them losing their livelihood, which it almost always normally does --

MALE SPEAKER 3: -- no further balance, no further action goes out.

IAN: Yes, suspension is -- I see this a lot in some of the HR cases that I get involved in. Suspension is meant to be a neutral act and I'm afraid in Post Office terms, because of the nature of the contract and the relationship (inaudible) it is anything but a neutral act and where (interference) a subpostmaster loses their livelihood and potentially goes bankrupt and may lose their house and so on, and then, if six months later, that investigation doesn't lead to a prosecution, that's a pretty strong case for them to argue that something was done badly wrong.

MR WARMINGTON: Yes, in the corporate world -- the corporations I have worked at, I have suspended -- in fact I withdrew the power from my investigations to suspend or fire any employees. The way it worked was we all (inaudible) recommendation to the HR team and if the HR team did not do what we recommended, we would take it to the chairman of the company. So we would have

a right to appeal.

We withdrew the power (inaudible) to suspend them. But in every case in my entire history of suspension never once did we suspend a person without pay. We always took the view, even when we knew the person was guilty, and we knew that it might take four or five months to get to the bottom of it, we always continued to pay them because we always took it (inaudible) recover that money is part of the asset recovery exercise. And we always did. So it was heads we won and tails we didn't lose by continuing to pay.

IAN: I think the other point that again has the potential sort of impact across the board with this is the point that I made somewhere in here, that if the Post Office is operating rationally, it needs to evaluate the potential sort of cost of litigation, if an applicant mediator goes down the litigation route, and ensures that, as part of the mediation sort of proposals, that it (inaudible) is at least a significant portion of the outcome of the investigation.

CHRIS: It wouldn't surprise you to know that we have run the scenario analysis to see what the (inaudible) are. I will share with you, just for your ears at this stage, sort of where the legal analysis went to from our external (inaudible) is that the -- even in the very, very worst case scenario, the figures that we would be talking about at a civil level in the court are vastly smaller, vastly smaller than has been claimed. That does two things. You can see it is good news on the one hand, and sort of bad news on the other.

IAN: Because it is not bridging that gap.

CHRIS: So the challenge I have got is -- and this actually (inaudible) some of these things (inaudible) -- is actually how do we try and bridge that gap? I think Paula expressed it slightly differently that, in a sense more suitably. I think she said, when we set this up we were thinking (inaudible) -- an apology and a sort of small sum of money and that was -- I (inaudible) I'm terribly sorry, here's some money for your troubles, which would fit very well with a number of cases. Brewer absolutely perfect and there would be quite a few cases where it would work.

IAN: There is an argument for getting those cases dealt with relatively early or quickly. [overspeaking]

CHRIS: Hope you didn't mind that I was frank with you.

MR WARMINGTON: Delighted you are and we will be equally frank. There are at least two cases, more I suspect, where what the individuals have said is, look I am blacklisted. My wife is running (inaudible) the Post Office is (inaudible). I thank them for allowing my wife to continue to run the business. She is sick now, I was going to help her but I can't because I'm blacklisted. Were we to find that that person was innocent or could be forgiven, then just the lifting the blacklist for that person (inaudible) another problem further down, but it would certainly do (inaudible).

BELINDA: Just following that through in terms of the process, to what extent do you consider those sorts of issues when you are considering the (inaudible).

IAN: Not really at all. I mean our role is sort of fact-finding, not, you know, sort of interpreting those facts from the point of view (inaudible) to the applicant.

MR WARMINGTON: I tell you what did come in in the early draft of Jane Brewer, I wanted to say (inaudible) along the lines of: look, this person is -- it is unusual that she really does hold the Post Office in high regard and its people and Fujitsu and she says Horizon is a really lovely system. Here is a person you can do business with. That's really where I was coming from. It is a person who without a doubt, I don't even know if she is going to mediation, but she is already halfway across the bridge. [overspeaking]. And in that case, it is one of the two where frankly, as distinguished (interference) the investigation, the lack of investigation (interference). Angela and Lynne Norbury has really dug deep to find out what was going on (inaudible) discovered what was going on, but they had done a very credible job in doing that. And the other person recognised that and was respectful of it. And I think a somewhat reluctant applicant to wait for the scheme, I got the sense that's a gnat's whisker for closure and that actually is a common theme. Very often in these cases the Post Office has got within a gnat's whisker of closure for the person and then it didn't and then it got worse.

IAN: But there is an argument for clearing out some of the low hanging fruit, because you look at 147 applications as Paula clearly has done. She looked at calculations,

about length of time, reports (interference) bit unmanageable. If we can sort of reduce that 147 even by say 50%, it is probably going to be much easier to manage the (inaudible).

CHRIS: That's got to be right.

MR WARMINGTON: They are all overwhelmed. Alan was (inaudible) 150 in the (inaudible) when I estimated the rate we were going (inaudible) but it was a lot more than you know we were geared up to handle.

CHRIS: And that is cause for concern because whatever way you cut it, you follow the existing (interference), it could be years (interference) suggested this.

MALE SPEAKER 1: Certainly the view was expressed in the last (interference) that the earliest we see this getting (interference) is probably December/January and clearly Paula (inaudible) October. But as we mentioned in the meeting there is not any chance of achieving that at the moment.

IAN: Shall we work our way through your piece of paper.

MR WARMINGTON: Before we do, let me sort of (inaudible) most of us understand this, the nature of the majority coming in is sadly all over the place. We have got applications that vary from: I had all these differences and I haven't got the foggiest idea what caused them but I'm pretty sure it was Horizon; right through to: I had this problem and that problem and here's the application, quite detailed applications. On an individual scoring basis, 0 to 10, we have some coming in at quality 0 and some at quality probably 7 or 6. [overspeaking]

CHRIS: Some have crawled out of the woodwork having not made any claims at any point over the last --

MR WARMINGTON: I heard about this stuff and I thought perhaps that's why I had shortfalls. I can't remember what my shortfalls were but [overspeaking] there is a minor score. Minus 2 to plus 3.

But then in come the CQRs and there are two sorts. Those that do their own work and those that employ a professional adviser. The ones that come in on their own vary in quality, usually from about level 1 through to probably not higher than level 3 in terms of the easy

to understand (inaudible). Then you go to the CQRs prepared by the professional advisers that vary in quality from 0, the worst professional adviser are as bad as the worst ones that had no help at all. Beilage is a good example where he wrote about three pages of bullet points that were incoherent babble essentially and all his adviser did was add a covering note and deliver the same document.

In terms of (inaudible) and then presumably (inaudible). On top of that they vary in length from say (inaudible) people like that, quite succinct, six or seven pages through to the big stuff that comes in, 20/30 pages from Emma Porter, which is the best quality you get, through to this one, which is one CQR of 373 pages.

MALE SPEAKER 1: Whose is that?

MR WARMINGTON: This is 118. Generally what we are finding is there is a difference in approach between those prepared by lawyers and those prepared by accountants. But (interference) recommended (interference) which is that we go through that and instead of dumping is straight across to Angela, it goes into a buffer. We then look at it, go back and say, thank you for that, this is not clear or that is not clear; what do you mean by that; if you put the word "not" out of that sentence. Then they harden that off. That puts on a two or three week delay in the process but speeds things up (inaudible).

IAN: I think a further recommendation which really explains the work is, before POL start working on (inaudible) I think it would be very useful to have Second Sight and POL agree at that point what the ten issues are because some of the applicants, some of the CQRs are frankly so ambiguous that you know it does make a lot of sense possibly to agree upon (interference) and certainly as a minimum between --

CHRIS: Yes.

MR WARMINGTON: Just to reinforce that point. On the application, remember we did this spreadsheet, this one ticked only one box, box A. Foreign Exchange. Quite strange. It was a pretty unusual box. Only four people in the population could tick that box. So in comes this and this is going to obviously tick a few more but it is important that when this goes across to POL we say this

applicant raised these five issues. Then we kind of stick to the tramlines. We say this person raised point A and 13, trading as a (inaudible) and point 12, the help centre said to do one thing and then two weeks later said you should not have done that. That is point 12.

If he is raising those, we make it clear to POL that's what we are expecting to see answers to. Otherwise what we have found is we get an asynchronist result. They raised, the applicant (inaudible) raised those five issues. POL answers three of them and two more and then we are messing about trying to bridge those two.

MALE SPEAKER 1: It would be much more efficient to (interference).

MR WARMINGTON: We do.

MALE SPEAKER 1: I think (inaudible) but what I would hate to happen is for the applicant then to feel short changed because they think they have raised --

IAN: Which is why [overspeaking]

MR WARMINGTON: Sorry, we do identify the points.

IAN: -- is actually reach out to the applicant and get them to also buy into the identification of the key issues.

MR WARMINGTON: For example, on Castledon, he raised four points but the extra point, which is anonymous, is why did they hit me with such a big club; when in the space of three months, from four months, from the first shortage I had, I was in court? Why did they do that?

That's not a thematic issue but it is a point that we obviously have to -- he raised it, we have to -- his PA endorsed that being raised and we as POL have to respond to that. That's where the thematic. (inaudible) 17 with the super thematic. None, as it were, become a variable number because something can be added. But Ian's point is, if he has raised nine incidents in all and seven of them were thematic, two of them (inaudible), then that is what we would expect the Post Office to respond to and it is really helpful for us, and speeds up the eventual report if we all know that that's what's being dealt with. We have tried it out and it does work.

CHRIS: (inaudible) to take to Angela I suppose seeing whether her process can be biased in that direction.

MR WARMINGTON: One of the professional advisers actually did that, just off the top of her head and that was Emma. She attended the Birmingham session. We showed them that and one of those was in the training material, anonymised. She caught onto the fact it would be very helpful in her report to use the thematic pages.

CHRIS: (inaudible).

MR WARMINGTON: Correct, yeah.

CHRIS: Simplify things and speed them up and one way to do that is the synchronisation.

MR WARMINGTON: Yes. When I go through this I use two coloured highlighter pens and I will put simply T13 in the margin, T5. And I know now when I go through that again I can flick through and say now I'm writing up the subject of FX. I'm looking for anything that relates to T6 and I can go through that really quickly and say that's (inaudible). Otherwise I'm going through this, back and forth, with 17 different --

IAN: The thing however with the streamlined process is going to absolutely really (interference). On Friday, as we all heard on the telephone call last week, because Kay expressed some pretty strong (inaudible) views that she was expecting a much more substantive report from Second Sight. That is something that Ron and I have given a lot of thought to. We are convinced that we might call it the more minimal type approach is absolutely right. We do expect the mediator to read all of the material from the applicant and to read all the material from POL and therefore the Second Sight report stands on top of that and compares and sort of contrasts, highlights some issues, and also as he introduces any particular insights that Second Sight have.

But, one of the reasons for doing that was to address the point Paula made at the last meeting that if you are going to be producing 150 page reports, that's going to take a finite amount of time. If you multiply that by 147, whatever the number is, we are still going to be doing this in three years' time. We say that is the reason we decided to go for a more minimalistic approach. But certainly the shorter, more succinct

report is the more consistent with that approach than clearly the model, the (inaudible) style of report that Kay felt --

CHRIS: To be honest, I wasn't quite sure why Kay was coming from where she came from. [overspeaking]. Mediation background.

MR WARMINGTON: She is a mediator, she knows how to (inaudible). She knows that what she wants as a mediator is one document to read that summarises the whole situation. If she goes into mediation and what has been given to her is wait for it, a thematic report, a glossary, the applicants' original application file pages, one of those, a POL response with 100 pages of attachments and then our report as well to read, she thinks, I only want to read one report. I want one report that tells me everything and then, if I want to go into details, I will use that. I do not want to have to read (inaudible) which says -- which summarises, as it definitely will, what the applicant has said and how POL has responded. Using the tramlines you have laid out, which are great, is where have we got common ground, where haven't we? That's great. Where it falls down and Ian and I didn't quite come to blows over this, that is something we have to deal with, is the issue of -- probably best dealt with as a simple example -- in the Brewer case there were (inaudible) POL unsurprisingly in (interference). You rarely get the Horizon desk calls (interference). Kath I think it was who prepared that response or Shirley did, and said of the 116 calls, 26 plus one, call them 27, related to Horizon. They gave me the whole lot. They volunteered the whole lot. (interference) yellow highlighter. (interference) the yellow highlighter I was referring to. I went through 26 and 27 and there were 40. I don't know quite why. There may have been six plus one (interference) didn't say Horizon and clearly they were related to what the applicant hadn't raised.

So 41 of the calls were actually directed to (interference). One of those related to the (inaudible) which POL referred to, related to the famous customer who came in wanting £14,000 of premium savings and was charged £60,000. The reason for that was the first offering of a debit card went through and the second offering of the different debit card for the remaining 20,000 was rejected by Horizon. It said no, the card was declined but it had actually accepted the debit. Reoffered, the second time it went through. It has now

gone through three times. Three lots of 20,000. The customer went away, checked with their bank, didn't realise it happened. Suddenly realised it happened, she was 60,000, went away on holiday came back and (inaudible) unsurprisingly.

Now, there is a lot more detail but I won't go into this. Bottom line is this is what we call a one sided transaction. A transaction that because of the relationship between Horizon and the loop system, you can get a situation where there is four possibilities. Either both systems processed the transaction completely, or neither system does (inaudible) or one does and the other one doesn't. That one doesn't and that one does.

So you can either get a customer who gets something for nothing or nothing for something. In this case the customer got nothing for something on that third debit to her account. The help desk's view on that was, look, it is perfectly normal, business as usual, these things happen, tell the customer in four or five days she will get her money back. That's fine. But two points. One, that was not referred to by Jane Brewer in her application. It wasn't referred to by POL either by mistake or deliberately in its response.

IAN: And that specific event had not contributed to any of the losses --

MR WARMINGTON: No because it would have generated a surplus.

IAN: This whole story falls outside the scope --

MR WARMINGTON: So I (inaudible) it up and got to the bottom of it and then I put it in the report and Ian says, no, it is outside the scope. And unsurprisingly we had a bit of a row about it. My position was, hang on, it is germane in this case, she was only down 8,000. What I'm speculating, but it is not evidence based, is, if this half transaction to her benefit (inaudible) -- if the customer hadn't discovered it, she would have had a £20,000 surplus that month.

CHRIS: Or (inaudible) when --

MR WARMINGTON: No. She would have had a surplus because the system would have regarded her as having taken £20,000 more than she did. We don't know whether the

backlog reconciliation process would have picked it up. Probably it would and then a TC would have gone out. But the point is, it is evidence of that phenomenon occurring and we know that the opposite also happens where a customer finishes up not paying for something they did (inaudible) the opposite; where the telecoms interrupt affects Horizon but not the link system and then if they are paying then they will get something through Horizon for nothing through the link. Because we know that can happen, to me it was quite important but because of the narrowness of the scope or the limitations, we are in some quandary as to whether that should be in the report. That is the sort of issue we are dealing with.

CHRIS: Ian, I think the -- I think that (interference) clearly where an applicant has raised something with (inaudible) that ought to be explored obviously. I think (inaudible) something -- a few things well could be. They ought to be explored. If in those cases then there is an issue which may or may not actually be of relevance, my sense is that unless -- if the (inaudible) four points (inaudible) but it is raised in the report, my temptation -- my inclination I think then would be, nonetheless, to focus on the issues that they have clearly raised. Because the reasoning is that, it is a bit of a rough and ready job --

MR WARMINGTON: It is a grey area --

CHRIS: -- draw a line somewhere and the whole process --

IAN: But it is not something that the mediator is going to be able to make use of and frankly it is probably going to confuse the mediator.

MR WARMINGTON: But that's what we are trying to cover. In this case there was a further leap which made it germane to our report. But it is not in our report though. That is there was a really effective recorded interview between the lady and good people in POL and brought into that meeting was a systems expert, an IT expert. And Jane in that meeting said: are you suspicious that essentially what I just said had happened? She didn't refer to that transaction. She had probably forgotten it, but she said I have a feeling that some of these giro payments in the link system were getting out of whack.

She was reassured by the systems person that that

could not happen, that in fact there was no possibility that the Horizon could fail the process of transaction. It would either completely process it or completely fail. And that is true, but it is not true about -- if you are referring to Horizon that is true. If you are referring to the completeness of the processing of a transaction, using two systems, that is not true. And that was the point that was (inaudible) in my report.

So she kind of had raised it because she had raised it directly with POL but she hadn't put it in her CQR and she did not [overspeaking]. They would have picked up on that.

CHRIS: If the loss (inaudible).

MR WARMINGTON: And I had to say --

IAN: It is the evidence that the mediator will need to look at in order to understand -- consider the issues that are being raised.

MR WARMINGTON: Yes, and if I was a mediator I would say, hang on a minute, if that was in a report, if the bloody system can give a customer nothing for something, then it could also give that lady £20,000 of premium bonds for nothing. Put it that way round and if she had gone back and thought that is bloody good I have got 40,000 of premium when I only paid 20,000, that would have given the --

IAN: The risk of that is it is a bit like how long is a piece of string? If you start sowing seeds of doubt (interference) you can't actually nail down either the numbers or the [overspeaking]. There has got to be an evidential connection with the issues that are going to the mediator and part of our role is to simplify and structure that material because if we don't do that, I think mediators are going to be sort of overwhelmed with the --

MR WARMINGTON: But there is history of this. For example, when this had first come out, a year ago, I wrote to whoever it was then -- it wasn't Andy it was --

BELINDA: Simon.

MR WARMINGTON: Simon and said, look, I want to know if the investigation team or whoever has been told by customers, look, I completed this transaction and never

got charged for it. If you have a file of those, you need to disclose them because we do know of one or two. One was reported in the newspapers for example and is raised in evidence.

IAN: POL wasn't tracking that sort of evidence.

MR WARMINGTON: I was told there wasn't any. My point was that the last thing you want is the next time our report comes out, you have these people coming out of the woodworks saying, actually, POL sort of (inaudible) blue in the face of that; one lady said she got £5,000, something for nothing and she was told take a holiday with the money. Now, that's fine but it wasn't POL whose money was taken, it was the SPM's money one would assume.

If there are cases like that, the last thing we want is in another lot of splurge of publicity is people coming forward and saying: yeah, I wrote this email to POL and then POL is going to be embarrassed --

IAN: It is moving away from the individual application to the generality --

CHRIS: My guiding principle on this is simplify it because it is very -- a can of worms actually. If you follow the string then you can end up anywhere. So my guiding principle has always been to (inaudible) try to do fairness by the SMPs as quickly and efficiently as far as possible, so that's -- and so even before, I suppose, any issues arose about quantum loss or how much, whether or not -- my concern initially was this was building up to take a long time and I rather felt that was not right for obvious reasons.

Not right in general reasons for the SMP actually. Actually it could be nine months later. A lot going on, not writing -- but I do accept your point, it ends up being rough and ready because you are not -- in a perfect world, with the accessories resources you have got (inaudible) that's not the nature of --

MR WARMINGTON: We do find this, to reassure you, we do find it both extraordinarily helpful to reduce and simplify in terms of the production of the final report and to keep the tramlines as best we can.

CHRIS: I'm attracted by your idea to keep the mediator involved, (inaudible) It would be nice to say here are

the reports, what would you make of them professionally.

IAN: And how can we improve the process to the benefit of ultimately the applicant, the mediator? This is not to say that Kay's input isn't sort of helpful. It often is. But she's not going to be acting as a mediator in these cases and I think we are now at the point where we are quite close to having cases that could be sort of mediated and perhaps before we press that final button -- it is certainly something I have done on other occasions, when we have got everybody into a room like this, we have all got the packs, the application, the CQR, the Post Office report, the Second Sight report and we almost go through that as a sort of testing example, to test the case. And get the mediator to say, well, I don't find this very helpful or I really need this to be cross-referenced to this and so on. And then we can apply those lessons that are learnt to the rest of the cases.

MR WARMINGTON: You have quite sensibly raised the point about, the way you tackle this stuff is not quite random, but we just deal with stuff in the order they come in. There's nothing comfortable about that. That's why we struggle over the first report (inaudible). It is actually the most difficult one of the lot.

IAN: My comment was sort of tongue in cheek but it is almost the applicants who are managing the process, rather than the sort of Working Group.

MR WARMINGTON: You wouldn't necessarily want to deal with Castledon as the first case. It is a 5 million-pound claim. The big issue is why was he sort of -- why did they go after him for a £26,000 debt when they knew he didn't have two ha'pennies to rub together and why incur £21,000 in costs etc? There is a counter argument to that but that's where he is coming from (inaudible). Is it a representative case? No, it isn't. It is an odd one --

CHRIS: -- any process --

IAN: But also grouping cases together so similar cases are heard by the same mediator. There are lots of options. I think I have said in my introduction, this was an initial brain storming session just to sort of capture a few ideas and hopefully this will help.

BELINDA: I just wanted to make a couple of points (inaudible). In relation to CEDR, I met with them last week, (inaudible). The opportunity to get an idea of the (inaudible) looks likes and I think it is fair to say that CEDR have -- if you like -- this as a process, and also doing it on this sort of scale is not something they have encountered before. So they will bring their expertise to bear, but they consider (inaudible) I have got a letter from them in draft form to say these things that they would like to recommend in terms of (inaudible) this is a process-- and so I am sure they will be happy to do that.

One of the things that they said, when I met with them, their manager, said can you manage this process now we are getting a clear idea of the timescales? And this volume of cases (inaudible) for them too. Now they want to (inaudible) that they can manage the custody, I do not think they can but then (inaudible).

But one of the things that they said that mediators rely on is (inaudible) they will get (interference). But also then when it goes to mediation, what it actually comes down to is a mediation between the parties and they will anticipate getting a mediation statement from each of the participants.

So I think one of the things that we have to be a bit aware of is that, you know, the mediators will get your stuff, so it comes together through (inaudible), it comes together through your report and then it becomes in part, I suppose, separate. And they think that they will need that statement from each of the (inaudible) because that's where you start to position the mediation. So I think that's just something to (inaudible).

IAN: One of the potential problems with that -- I agree I think that makes sense -- is that we haven't built that into the cost element of the whole process and I think where there is a professional adviser, we probably clearly expect the professional adviser to be heavily involved in the preparation of that statement. I am sure we will get feedback quite quickly but that was not a requirement that was highlighted in the training session in Birmingham and therefore there are those sort of costs available to prepare that. Those funds available to prepare that statement.

BELINDA: I think that is probably part of a wider

discussion (inaudible). And I think it is something that will in the end be optional help to the mediators. The other thing I wanted to pull out is the suggestion, which they think is worth you to work through, are to a large extent predicated on getting the majority of cases in through the door, so that we can look at them because if what we have (inaudible).

MR WARMINGTON: We are about halfway at the moment. We have got 65 applications in of which I have got six in the hopper. So POL -- the Working Group hasn't had all those yet but we are a bit under halfway at the moment.

IAN: We are convinced however that if we stick to the -- what I was referring to a couple of times -- the minimalist format for the Second Sight reports, we think we can turn them round quite quickly in a day or less, purely because a lot of the work is then being reviewed by the CGR, which as one indicated we highlight the thematic issues from the start and it will become even easier if we also had this additional step in between with POL and possibly the applicant, what the key issues are, because that then (inaudible).

MR WARMINGTON: Believe me that is a tough target.

CHRIS: It is introducing an additional cost -- at the front it might say --

MR WARMINGTON: It is not incremental. Having had to go through this once takes the same amount of time whether I do it immediately or later after POL has gone through it. We definitely claw back the time that would otherwise be spent saying: Angela you didn't answer that point, now we have to go back to the bloody people and ask what they really meant. That's time consuming, all that stuff, both in chronology and cost. So we are definitely on a more efficient, faster process.

CHRIS: I am quite attracted to your, if you like, your rules based approach to prioritise the cases, to (inaudible) cases and the issue is, if you think that through logically, and you (inaudible) classic (inaudible) you almost get to the point where you say, it has these (inaudible) there are these boxes and this sum of money.

MR WARMINGTON: The step before that is you can probably boilerplate some of the debt. That was how we got to the (inaudible) report. If we are going to write

something on motor vehicle licenses because six people raised it, the issue is because sometimes the DVLA misprints the bar codes and misleads (inaudible).

Once you have written that up in one case, you write it up again because you see (inaudible).

CHRIS: (inaudible) which you end up in the --

IAN: [overspeaking] you could to some degree, for example, on that --

MALE SPEAKER 1: It is an interesting concept. It is a little way from arbitration. [overspeaking]

IAN: The suggestion was that that could be used as advice for the Post Office sort of team if only to force the consistency of approach and each case in mediation will be sort of dealt with sort of on its own. But clearly having some rationale behind any offer that may or may not be made, I think helps your audit trail and helps the (interference).

BELINDA: So I think, sort of, linking that together with what you said earlier (inaudible) cases, looking at (interference) that every time you produce your report, the postmaster deliveries (inaudible). So it is -- I think it is implicit in the scheme (inaudible) documentation that the Post Office might want to take things out as say Angela has been doing with the existence of subpostmasters but not with, thus far, on any cases where the (inaudible) there isn't already --

CHRIS: You are reminding me of a point I was going to make which is (interference), would you do that on a drip feed basis, as each case comes in one by one or would you do it in batches, with the first ten or 15 cases.

IAN: My view is we haven't applied this analysis to the total population. I think there would be a lot of benefit for having almost a brain storming session. Having a great big rig of 147 cases and categorising them into say five buckets so that you can actually start targeting cases with a view to sort of moving them out of the mediation --

MALE SPEAKER 1: It is the complex route of mediation.

IAN: Because the problem is, it is a bit like putting the brakes on a speeding train. There is so much momentum

in this sort of process, it is very easy to overlook the commonsense solutions and Jane Brewer is perhaps a very good example where if we actually paused the sort of process and in some way, I don't know what that way is, or what is the most appropriate way to do it, approached her with a view to saying, look, we actually have a lot of sympathy for the issues that you raised, can we talk to you about alternatives? Rather than completing the entire mediation sort of process and seeing if we can actually shortcircuit or short cut that process. (interference).

MR WARMINGTON: Stop getting the bush telegraph, sending some good news out. But you don't want that news to be: oh look, I managed to get £100,000 out of the Post Office. That's not what --

CHRIS: Yeah I particularly expect (inaudible).

MR WARMINGTON: The news you want is: I had a meeting with some really good people, they are really interested. They absolutely understood what I was talking about and we reached an amicable settlement. Thank you very much.

BELINDA: And to your point Ian as well, (inaudible).

IAN: Yes, yes, it is that momentum.

BELINDA: We see at the end of the day about, which is where Chris started, about hopefully finding some resolution and that ought to be the best way possible, as opposed to necessarily pushing people in one end and (inaudible) the other end.

MALE SPEAKER 1: I think there is a converse point which is sort of (interference). [overspeaking].

MR WARMINGTON: Sorry -- [overspeaking]

CHRIS: I have gotten minutes to ... [overspeaking]. (interference).

MALE SPEAKER 1: The good news story (interference) is there's also realistically a bad news story with some of these cases where you look at the size that's being claimed, you think actually how can we get in a room and agree?

IAN: The short answer is you are probably not and some of those high value ones are probably not suitable for that

short cut process.

CHRIS: My question is are they ultimately suitable for mediation.

MR WARMINGTON: Not if what you said earlier is true, which is that we would be nuts to voluntarily settle at 5 million if in a worse worst case scenario in a loss case is 1 million. Why would you do that? Unless you really feel that you want the world to know that you have done that. [overspeaking].

IAN: I have got a similar experience you may or may not know, I was the defence expert for -- Claimant's expert on 17 of the phone hacking suitcases and at a critical point in the civil litigation --

CHRIS: For the arbitration scheme?

IAN: Yes.

CHRIS: Adjudication scheme?

IAN: Which was controlled by the court but we had various decision points where you could actually put the litigation on hold and it was almost sort of mediation except the outcome was going to be binding, so maybe (inaudible) with our kind of arbitration. But it recognised that, as further information sort of came to light or as the case progressed through the system, it was entirely sensible to search out alternatives because going all the way through there was going to be some phenomenal expenses. Claimants said they wanted resolution of the issues. So it actually had many parallels with the SPMRs, but equally the very high cost claims, it probably is unrealistic to expect that someone who has put in an application for 5 million is going to settle for 5,000. And maybe we just --

CHRIS: (inaudible).

IAN: I think it is like the old sort of joke I suppose, which we are often asked as fraud investigators, well what is the minimum sort of value of a fraud (inaudible) commit so you can retire for the rest of your life? So even though people may feel that they have got a £5 million claim, they may actually be happy to settle for 25,000 or something like that. What I don't know is which is the most appropriate sort of point.

CHRIS: Yeah.

IAN: But I do think that classification, and looping and simplification is the answer, not accepting that every case is so unique that it just sort of moves forward on its own and I think that's one of the dangers of the Working Group's approach at the moment.

MR WARMINGTON: One of the things we haven't done and I personally (interference) critically important when making decisions, what would ordinarily happen if I were (interference), if I was working for CitiBank and I had the situation; you would go through a process of saying, right, let's actually now fess up to what the situation is. And I would say something outrageous like: I have to tell you in a lot of cases the investigation department operated in accordance with the contract, which is that it didn't have any responsibilities to investigate. But there was this enormous expectation gap because the SPM didn't realise that and was calling for the investigation work to be done and it wasn't being done and as a consequence (inaudible).

What is our position on that? And we would debate that answer. Our position on that is tough luck, we are going to tough it out, we are going to say the contract said we didn't have any responsibilities to do that, why should we have volunteered that? Where is the money going to come from? If every person in the network, 12,000 people called up at the weekend and said: I have £5,000 (inaudible) and I want the investigation team here tomorrow morning on the dot, it wouldn't be viable, we would not do it. And in many cases it is because one of the assistants had stolen the money and (inaudible).

So what is our position on that? We don't know that because we are at arm's length, we raise the stuff, we don't (inaudible) reaction. Similarly on things like scratch card (inaudible) ATMs, these big differences that were occurring, the shortages, (inaudible) surplus deficiencies, deficiencies coming up of £100,000 plus, in two cases a multiple of billions of pounds came up. Of course that was spotted as being (inaudible). You can't have a shortfall bigger than the amount (inaudible) contained and if you have a shortfall of 85 billion, guess what, it is probably a mistake. But if that shortfall comes up in a different branch two years later, then there's something in the mechanics that is driving the operation. (inaudible).

Now, what is that? Generically that is down to a gap between the (inaudible) and the Horizon. In the same way there was an air gap from February 2012 between Camelot and Horizon. That has been breached by a system called PNG which they introduced in February 2012. By the same token, a clearing bank wouldn't have that problem. Its ATMs is connected to its systems. There is no air gap. Therefore you can't have that phenomenon name, that asynchronistic situation occurring. It does get quite complex. (inaudible) they do it.

If they close early on a Saturday and then they do the closing, and they should not, they do it on Sunday and they shouldn't, it is all a bit complicated. Whereas if you like Angela, who is super bright, they are not going to make a mistake like that. But some of them are. They are going to make a mess.

Now what's -- we don't know what the corporate position is going to be on that (inaudible). Are we going to say, look (inaudible) therefore (inaudible) and we gave them some training, so we gave them training on that, that's why we got them (inaudible). If you like the difficulty we have got is we are raising this stuff in isolation against a pretty defensive response and I wouldn't ordinarily have that.

You would normally say actually there was a problem there, this is going to be our position. At that time somebody raised a problem in February 2011, we know that's how the system worked in that time. If they rose the problem in February 2009, we know that's how the system worked at that time. We are relying on that at the moment.

IAN: In terms of classification of cases, I mean another, to my mind anyway, obvious category are these cases that occurred outside of document retention period.

CHRIS: Yes. (interference).

IAN: Shouldn't we just sort of recognise that and apply some sort of short cut either into mediation or into some other maybe face to face engagement --

CHRIS: That is a very sensible idea because -- and I'm glad somebody has raised it because it is a little bit like the Emperor's New Clothes. It has been called first. We are in a ludicrous situation. People are going through enormous processes [overspeaking]

MR WARMINGTON: It all happened in 2004 ten years ago.  
[overspeaking].

IAN: The train is charging down the tracks at 100 miles  
an hour and it is not a sensible way to operate.

BELINDA: It is not and if you think of it from the point of  
view of the subpostmaster, chances are they will go  
through this process and then what they see coming out  
the other end, if I were them I might say --

MR WARMINGTON: Well, what was the point of that?

CHRIS: Castledon when he sees the whole response and when  
Emma aver on his behalf sees the whole response and  
reads for the 12th time in the same text: we can't do  
this, same (inaudible) same sentence, we can't do this  
because it is beyond our normal retention period, they  
will react in some way to that and that reaction point  
was never built into either the cost of this or the flow  
chart.

MALE SPEAKER 1: To write that sentence is quite expensive  
because someone has to interrogate the system in case  
something has been retained (inaudible).

MR WARMINGTON: We get that bridge in the response, it talks  
about the various repositories of information.

IAN: Because what we might find as we dig into the  
population of 147 cases, we may find other examples of  
commonality that, again, we may have this light bulb  
moment that there may well be an alternative solution  
and it is not necessary to go through the full whole POL  
investigation, Second Sight investigation, preparation  
for mediation and printing of packs and everything else.

BELINDA: So a good example of this and this is one you  
raised with the POL that (inaudible) in the system and  
there was one -- sorry I didn't (inaudible).

MR WARMINGTON: Yeah, you are anonymising in your mind.

BELINDA: That was the one that was (inaudible) 2006.

MR WARMINGTON: Yeah, bugger all.

BELINDA: The cost of [overspeaking]

MR WARMINGTON: Yes.

BELINDA: For some reason (inaudible). And that's neither for the case in point and I can't for the life of me remember why nobody didn't just dive in and grab it out and do something --

MR WARMINGTON: Yeah, sensible.

BELINDA: Because it costs the Working Group I suspect (inaudible) to discuss that one would be more.

MR WARMINGTON: When we were dealing with the 19 events that came through the JFSA, that was because we used out (inaudible) none of you were aware of. When we went into the meeting and the tigress leapt at my throat and I'm talking about Kay and she said something like, it is obvious to us, it is going to be a white wash, how do I know you guys are competent to do this work? And then we said, look, we have been hired to get to the truth and we will get to the truth, if there is any reason why I personally have stopped you getting to the truth, I will throw in the towel at that point. And then she said and Alan said (interference) Horizon is full of holes and you won't want those. And I said (inaudible). Regardless of the value (inaudible). If you have got (interference) on these old cases (inaudible) if you have got current stuff that you really (inaudible) we will want them and that's how (inaudible). So, in those cases we were interested in the principle whether the system could (inaudible) transactions regardless of the amount.

IAN: It does (inaudible) to go through the separate cases and to see how the confirmation cases can (interference). It may be that there is a suggestion of a number of different --

MR WARMINGTON: Yeah.

MALE SPEAKER 1:

IAN: As a natural sort of process (interference). What we do with that suggestion and process I suppose (inaudible).

CHRIS: Basically it is a variation of mediation scheme or whether it is just (interference).

MR WARMINGTON: (interference) not immediately I suspect their input on that may be useful.

IAN: I see CEDR as an external process providing sort of that -- I think some of these opportunities and I don't know exactly what the mechanisms could be. But I would hope that it might happen on a direct one-to-one basis without using sort of CEDR. It is not their area of expertise. [overspeaking]. Can I mention one other thing that you touched on and obviously it is incredibly sensitive to the material. But the advice that you had presumably from your external lawyers on the quality and so on, you may want to explore whether there is some way that either communicating those points, those principles, those sort of calculations, may in some ways sort of bridge the gap. Because you know we mustn't lose sight of the fact that if an external independent firm has come to this view, there must be at least some merit in that sort of process. And it is how you communicate that and whether indeed mediation is the appropriate sort of way to do that.

Once again they may be more suitable for you know one-to-one let's call them negotiations sort of face to face, just putting cards on the table on a WP basis.

CHRIS: As you rightly said it is a tricky message to get over actually, isn't it?

MR WARMINGTON: Yeah. This would be (inaudible) weapon, whether it would help you rather than us to meet with say Emma or I suspect with anybody from Howe & Co, just to get a feel for why they are coming with such big numbers [overspeaking]. Because they are pretty sensible people.

BELINDA: And it would be helpful to understand their processes. So if they say see this as a -- we come in high because then (inaudible).

CHRIS: Actually it is probably very simple. I have looked at some of those calculations. I have been involved in those calculations in other cases. I think the difference is fundamentally one of liability. You know no one is disputing that Castledon, for example, has been put in a catastrophic position. He was made bankrupt.

IAN: Tragic. So if there was a full liability for that lying with Post Office, the numbers would come out presumably in a similar sort of level. But what I suspect your legal advice is, is more on the liability sort of side rather than sort of quantum and that you

know the actions the Post Office took at the time were appropriate in the circumstances. I don't think re-performing those sort of calculations or understanding those calculations is going to assist because they are very, very straightforward.

MALE SPEAKER 1: They are. There is two types I think as I understand it. There's -- well, did the historic (inaudible) by the relevant standards of (inaudible) at the time, did the Post Office act appropriately? Yes/no. If it is yes then end of story. (inaudible). Even if it didn't, then you have got to follow down your strict: what was the cause, what was (interference) before you cease to be responsible for the loss. (inaudible) some of the claims (inaudible) case in point (inaudible) but seems to throw in lots of extra bits without any particular explanation.

MR WARMINGTON: No explanation at all. The truth of (inaudible) is that (inaudible) his father in law is quite wealthy and runs some supermarkets and the family has essentially been propped up by the father-in-law for the last ten years. And Castledon was an electrician, has gone back to doing that work, but he was precluded (inaudible) spoke to hi,m last night. He is working on a (inaudible) power supply for a hospital, but he finds it very difficult to get approval to work on his old -- he used to be in the Air Force -- to get clearance to work on high security sites. I don't see why he should because he received no conviction but he describes the problem is the fact that he was bankrupt.

I would think that's ever so easy to solve. He shouldn't be precluded from getting security clearance because he was bankrupt, why is that relevant? So I think probably clearing it for him to make a living, getting that out the way, I'm not getting involved in this stuff, is probably raising something which is -- which was a problem and probably isn't now. I can imagine if he wanted to get work immediately after declaring himself bankrupt in May 2007, he probably might have had a problem, but I can't see how that can (inaudible) now. But that's detail.

IAN: Chris, what I was trying to do with you was capture a brain storming session with you. And I think as I said in my introduction, not all of it is going to be practical or even sort of sensible but I think (interference).

I think the action for us is to take away these parameters and other ones that we (inaudible) in order to try to sift through the body of cases we have later on so far.

MR WARMINGTON: One thing that was raised -- and we didn't bottom it out in the previous face to face -- and it was to do with the length of time that investigations take to reach a decision whether or not to proceed, in one way or another, and whether that is communicated to the applicant or was communicated.

And Alan's opinion on that (interference) where it took a view and if you remember Angela was sort of shocked. [overspeaking]. Tony would be shocked at that. Why would it take you know more than two months to decide whether a case was worth pursuing? If at the end of it a decision is taken not to pursue, I can understand why they -- the investigation team might not feel ready to communicate that to the other side. And I suppose, once they haven't, then two years go past and somebody says: we never did speak to those people, did we? And there are the people at the other saying, I don't know, there's the bloody great sword of Damocles (inaudible) come back after you for the money or to prosecute you.

Now, that area is all pretty woolly. But it is woolly to the point that, Alan is talking about the worst case situation, which would be quite damaging to POL if the cases that Ian has described, where a person has been suspended without pay, ruination follows, and at the end of the day there was a deafening silence from POL and nobody knows what happened but actually it just got shelved and nobody went back to looking at it. Those are quite serious.

Suspensions that lead to nothing as opposed to what Ian was referring to, which was suspensions that lead to prosecution which is what (interference) both are in the more serious bucket.

CHRIS: -- suspensions are pulled is more understandable because (inaudible). You look again --

MR WARMINGTON: But what can come out in the press is going to be: look, POL put itself in a position of being, not mediators to the CPS, they had the power to prosecute, and it is not wielding that power appropriately. It is acting irresponsible.

IAN: Can I just check, in cases where there has been a suspension, it has been investigated, there may have been some civil recovery of the debt and then they are not informed they are going to be prosecuted (interference).

MR WARMINGTON: Suspended without pay and then there are people out there that don't know if the Post Office is ever going to come after them for the debts. Then the next one down the road is they have been dealt with civilly and they are waiting for a decision on prosecution. That's extremely rare because there is virtually no [overspeaking].

IAN: The process had always been [overspeaking]

MR WARMINGTON: I don't know of any case that's in that ...

CHRIS: Civil approval [overspeaking]

MR WARMINGTON: The biggest problem is on the civil prosecution side. It goes into what we had on the mediation cases. We can't progress mediation. Why? Because in the hands of the investigation team we have not made clear yet whether they are going to prosecute or not. [overspeaking]. Even if the person who is the target of the prosecution is not the applicant or the subpostmaster, that won't (interference).

IAN: It does beg the question as to whether or not you are suspending people prematurely or inappropriately.

CHRIS: It is a precautionary suspension. We are going to precautionary suspend you. That's the phrase.

IAN: We asked the question: why have you been doing that? And the answer was: because we can. It seemed to have fallen into a standard sort of approach.

MR WARMINGTON: Yeah, a more rational argument would be: there is thousands, scores of thousands of pounds worth of public money in the branch; we are precautionarily going to suspend you because we don't know whether we can trust you is what --

CHRIS: Which I thought was the argument all along.

MR WARMINGTON: And there ought to be a limit on how long we suspend you without pay. The way it is worded in the contract is it is more or less optional whether it is

without pay or not, and the statement is made that in the event you are cleared you will get back paid. But of course a lot of them are saying, I never did get paid.

IAN: It rather explains what the policy was (interference) -- an option available to POL presumably is to put in a temporary SPM to keep the whole thing ticking over.

MR WARMINGTON: If they do the suspended one has to pay for them.

IAN: Yes, but somehow you know be a bit more flexible in terms of the --

CHRIS: That's [overspeaking]

MR WARMINGTON: Angela is really tackling that problem.

IAN: It is outside the scope of the mediation exercise.

MR WARMINGTON: I think something probably got lost. Royal Mail has a -- you can read the history of investigations and the security team. It goes back to the 1600s and something and of course originally there would have been a lot of theft and interference with the mail, hence the (inaudible) and so on. So it is a bloody serious issue being a subpostmaster and being accused of manipulating the mail or the money. And you can see how it all evolved but if you take that now into the context of generally accepted corporate life, it doesn't fit somehow. It just doesn't fit with the way almost every other corporation would work in that scenario, certainly with its staff it wouldn't work that way. If you like, if you suspected us as subcontractors of defrauding you, you could, for example, say: I'm not going to pay you anything, I'm not going to pay your bills.

IAN: The tabloids would certainly pick up on the sort of dual role of Post Office as a prosecuting authority, which I think normally would require you to exercise some of those functions even more sort of carefully because you really are being (inaudible).

MR WARMINGTON: Then if, one or two of the EPAs, they have not done so in the reports yet, say we are in section 6 of the human rights, you are actually carrying out -- meeting out punishment before there has been any trial.

If you can effectively trash a person's life but then not bother to even investigate it; that's really what they are saying. That's the worst case scenario.

CHRIS: Personally I'm not aware of any cases where a decision has been taken to impose some form of suspension without there being a follow up. There is perhaps a separate question. Is the follow up fast enough?

MR WARMINGTON: But the wording is always the same. It has obviously been boilerplated, which is that the person is called in and presented with an opportunity "to tell us why you should not be summarily dismissed". That's the process.

So the person has an opportunity to talk in their own defence. Then you get an issue of: they are only allowed to bring in a friend who is an employee of the Post Office. So one or two of the professional advisers all wound up on that point saying, hang on, you are not allowed to bring a solicitor in, you are not allowed to bring somebody in who is not, if you like, already biased in some way. [overspeaking]

IAN: We are straying a bit from the point.

MR WARMINGTON: The purpose is to reinforce the notion that Ian has come up with, which is that let's look at the best case and worst case scenarios or situations and deal with them in a more structured way, rather than just dealing with them randomly as they come in.

CHRIS: I think this is a useful brief for this scenario. (inaudible) and set up a workstream internally to process the cases we know about in sufficient detail (inaudible) and see what the various classifications come up are looking like.

I think your point is a good one of having -- when that (interference) ask the question of (inaudible) you know why? Because on the face of it our analysis is that it looks like (inaudible).

MR WARMINGTON: Yes, yes.

CHRIS: And if the mediation is bound to fail because there is such a huge gap, we might as well take them out of the process right now, rather than wait three months and then --

IAN: I'm very conscious that puts you in a very difficult position because one of the things you are not asked to opine on, but perhaps you might like to opine on, is the process (interference).

MR WARMINGTON: I know taking just one of the advisers, Bill Clayhorn, I know that in two of his cases one client was moaning at him for not making the amount big enough and another was surprised at how big it was. So there is room for discussion on that side.

CHRIS: Do you think (inaudible) discussions.

MR WARMINGTON: (inaudible) two very, very sensible people, Emma Porter and Bill Clayhorn are eminently reasonable people, but they are accountants (interference) Howe & Co (inaudible) finance directors and accountants and the other is --

IAN: I think if you talk to the senior accountant at Howe & Co. Martyn Howe, is it? Martyn Howe I got the impression is quite sensible and he would welcome that opportunity to dialogue.

CHRIS: Dialogue in terms --

IAN: A good rapport in terms of the quality of work, but he is not necessarily the person to speak to because he has got this chip on his shoulder about his father. Some of the others are all over the place.

CHRIS: Belinda, at the moment I have only shared this with Post Office, there is possibly an argument that (interference). I mean my view at the moment is that I think it is more appropriate for the Post Office internally sort of considers these ideas. But you know at the appropriate point I will be more than happy to put these (inaudible) through as well. I do not know what your thoughts are.

BELINDA: I would agree with that and it seems to me that the constitution of the Working Group (interference) in actual fact is something that is thoughtfully worked through, as opposed to something that is rather conceptual which is [overspeaking] and that seems to me to be the best way forward.

In addition to that, I think that we have got -- we are getting to the stage where the Working Group is starting to see a package of documentation and I think

that might make it a little easier to see, if you like, the scale of the challenge into the (inaudible) at the moment and if they see the original CQRs but in actual fact (inaudible).

MR WARMINGTON: They have not seen the full responses.

BELINDA: I don't know what case it would be, about the content (inaudible) we discussed. But I do know from (interference) that when this original idea was conceived, Kay was very much in the camp, and was being quite vocal on the point, that this was about resolution and it was more in line I think with where POL's head is and all of a sudden this thing has sort of grown exponentially in terms of (inaudible) flames. I don't know where Kay's thinking is on that but I think (inaudible).

MR WARMINGTON: But it is important to realise and they probably do -- Ian and I were speculating once or twice after coming out of the working room, calls and particularly face to face just how amused Alan has been on various points [overspeaking]. (inaudible) I got to know Alan quite well. I said Alan what's your game? (interference). I can tell you what his game is. Alan's game is that he doesn't care about the state of the -- as far as he is concerned, he is not expecting a mediation process to be successful. He thinks it will be a committal. A complete and utter waste of time and that will emerge once half a dozen cases have gone through and not settled because of sort of apologies and token amounts being offered.

And he wants to -- he has his finger (inaudible) over a red button on his desk, which has the BBC and News of The World -- sorry -- and sort of Daily Mirror and so on next to it and I think he is almost -- it is a bit like Dr Strangelove, he kind of wants to press that trigger.

IAN: The impression I have got is that he is using mediation for the potential benefit that any new information that comes up through mediation can still be used in litigation and that he is expecting the mediation to fail, but the reason that he is going along with it is early disclosure basically of stuff that probably would come out in litigation and therefore, arguably, it would shorten the --

MR WARMINGTON: Yeah, he has gone so far as to say to me in

the past: I don't care about the individual cases, I really don't. I'm not interested in the individual cases. What I'm interested in is to have POL concede that there were issues along the lines described and maybe others with the system, which is what he had said 13 years ago, when he first encountered the system pre-Horizon 1, pre-Horizon, just as Horizon was launched.

That's what is his bee in his bonnet. It sounds as though I was speaking little of him, but I actually hold him really highly in regard personally. He has campaigned on this -- he is right on a lot of issues and actually POL could have saved itself an awful lot of money on our work if we had just taken the report that he wrote ten years ago because a lot of it is right. [overspeaking]. He wrote it (inaudible). But there are elements of that that are still true now and so I think, if he had been listened to more at an earlier stage, that could have ended quite a lot of (inaudible). Because I think there really were issues and some of them haven't been fixed. In fact my input from the coal face is that some of the things we have raised with the (inaudible) have resulted in fixes to the software, which nobody has told me about, I didn't know about, and in a sense that's an admission that there was a problem because it was fixed.

So, for example, the proximity of the ease with which it is possible to process a cash withdrawal as a deposit has been fixed and that's the sort of the thing where you know at one point --

BELINDA: Sorry, we are not exchanging (inaudible) notes.

MR WARMINGTON: No. I don't mind if you do. (inaudible) Those things at one point, when I realised this, I had composed -- and I haven't released it to you -- an email which said, right, what I need from you, in terms of the point I have always had that an investigations team ought to be a driving force in improving systems to reduce their potential for error as well as fraud.

Ordinarily an investigation team would have a stream of recommendations for a systems change. At one point (inaudible) I had an email saying, as part of what we are doing on job 1, I want to know all the changes that were made that emanated from your investigation. And I expected the list to be extremely short because I don't think that's going to happen.

My guess is that that's not going to happen and ordinarily that would have happened because, if 20 people said "I have a problem with deposits being processed -- withdraws being processed as deposits", the investigation team would, on receiving the 13th one would say: there is a problem here, let's have a look at it and (inaudible) there is a problem let's fix it. And the recommendation (inaudible).

I don't know whether that process takes place, but I suspect it doesn't or hasn't. It is now because I think Angela is on stop of that stuff.

IAN: Can I just touch on one issue that I mentioned earlier. On Friday, the face to face meeting, Angela had already put us on notice (interference) set aside the report. We think what we produced is right and Angela [overspeaking]. Sorry, Kay. We think what we are doing is the right investigation and clearly anything other than that is going to have quite significant sort of time and cost consequences.

Have you had a chance to sort of consider --

CHRIS: Very briefly. In the meeting pre lunch yesterday and pretty much all day --

MR WARMINGTON: It is probably better to triangulate once we deliver to you [overspeaking] there are different issues there and it is difficult to make a decision on 2. It would make a lot easier to make it on 3.

CHRIS: It is a general principle to -- let me go back and come back to you and consult you, but I don't -- I'm (inaudible).

MR WARMINGTON: When I said in the meeting with POL, I said I'm less worried about the bottleneck aspects in our team now than I was three months ago, that isn't just because of the arrival of Chris. It is principally because if we follow the recommendations in Ian's (inaudible), I'm pretty confident that we can produce these reports in one working day each. I'm not guaranteeing it, but originally I thought producing a report in less than 3 working days would be absolutely impossible, bearing in mind all the stuff we have to go through, do it then we have to go to POL again and you miss something and then sometimes you want to find you are writing something, where the hell is that? Where's the evidence of that? It is not uncomplicated. But

with the method that we are proposing, it is viable to do that and otherwise --

IAN: Also that the work can be spread over a longer period of time and in effect start writing the report as soon as we get the CQR which highlights the issues -- so it is not going to have the impact that POL was sort of concerned about, because of these internal changes we have made to the process that we will follow. So we are convinced we are not going to be in a bottleneck and that should be a concern, providing the Working Group support our recommendation to go for this more executive summary sort of style of report, that sits on top of the CGR, sits on top of the POL report. It doesn't attempt to replace it, which is pretty much what Kay was starting --

MR WARMINGTON: When people like us say, "No, we can handle it," even if we know we can't, we will always sound self serving, we are trying to (inaudible). the golden goose as it were. It isn't that. If we really thought -- that is in my company's corporate ethics -- we thought that PriceWaterhouseCoopers could do a better job for you on the stuff by relinquishing your cases, something like that, we would not hesitate to recommend that. But we don't at the moment. It is not easy to get into this stuff, to get enough knowledge of what's happened to be able to deal with this case.

IAN: We made (inaudible) last Monday that this is not a question (inaudible) the volume of cases --

MR WARMINGTON: The body that we have thrown now, Chris, is one of the brightest guys I have ever worked with. Again he catches up real quick. We have worked with the sort of investigators you get from big firms and they would not be able to cope with this stuff at all.

CHRIS: [overspeaking].

IAN: (inaudible) MPs, will require a separate engagement letter.

MR WARMINGTON: Or --

IAN: Our representatives have seen all the (inaudible). So my sort of (interference) was pretty much it remains (interference) but actually I'm not authorised, I have no capability of any other type of work you can engage with. I will make the obvious point, which is MPs are

individuals, they don't represent a collective (inaudible). Unless they (inaudible) the House. I think it is simpler that this just deals with mediation and POL has already given us some assurances in terms of what we may or may not (inaudible) particularly on confidentiality and so on. I think the sensible approach is use this just for the mediation and then --

CHRIS: Yeah --

MR WARMINGTON: We just want to make sure -- and I think Arbuthnot has been reassured of this point by Alison and POL -- I have got to be able to answer Arbuthnot when he says -- you know -- is there anything you haven't told us? Is there anything you are precluding from telling us by any constraints put you on by the Post Office? And you don't want to be saying: yes, there are things I can't tell you.

CHRIS: Right. I think if you do, that's not (interference).

IAN: My understanding is James is concerned about two issues. One is an undertaking that the Post Office will allow Second Sight to look at anything without restriction and (b) anything that we -- through this approach think is relevant can be communicated to MPs. Now James Arbuthnot thinks that he has had that assurance orally in previous meetings. The last message I had from Jeanette, which is about a week ago now, was that she had raised those issues and it was (inaudible). Those points came back as (inaudible). [overspeaking].

MR WARMINGTON: That is a separate issue but it is worth just checking in. The cover-up King output, in regard to cases where there had been a restriction of disclosure or something like that, and we had two different numbers, 11 or 21 cases involved.

CHRIS: 21 [overspeaking]. It was 21. [overspeaking]. Then it moved --

IAN: Because at one point I remember when I joined and you said (inaudible). I thought bloody hell.

CHRIS: -- it was definitely [overspeaking].

IAN: -- because you actually said, John Alan your typing is not one of your strong points. [overspeaking].

CHRIS: -- just to [overspeaking]. 6.2 is the  
(interference) against us.

IAN: Yes.

CHRIS: I'm a bit stuck on that because that is a mandate  
from the board. I can't really push that away.

IAN: What I felt was it needs to have a time period, else  
it could create a pretty sort of silly situation.  
I have mentioned the example of civil litigation and  
single joined experts as an example. I mean, I have  
spoken informally to a couple of others (inaudible)  
organisations and they told me that typically they would  
have a time limit of 12 months after the completion of  
the (inaudible) engagement. I don't know whether that  
would --

CHRIS: It is not my point [overspeaking] but I can take it  
up with I suppose POL in the first instance and then  
(inaudible). It is a board point.

IAN: If you think about that. Section 8, publicity.

CHRIS: Basically you want me to (inaudible).

IAN: We have already signed a confidentiality -- haven't  
we? The new confidentiality agreement. And I felt that  
that gave you all the protection that you needed and as  
section 8 is drafted at the moment, it is duplicated  
that, but also sort of extending it into areas which  
could potentially sort of, you know, cause us difficulty  
or frankly just silliness.

I mean the example I used was, if we did agree to  
this, either Ron or I on our professional CVs, could  
never refer to the work done with you, despite the fact  
that you have issued press releases about us and it has  
been mentioned in the House and so on.

CHRIS: But without the prior written consent of the Post  
Office and it was -- a bit like law firms or accountancy  
firms. A press officer could I put in our corporate CV  
(inaudible) the answer is verily no.

MR WARMINGTON: I think we also raised that on our website  
right now, the only reference we have is that there is  
a mediation link on it. We don't intend to -- and  
I would be perfectly happy not to put anything else up,  
except where we are asked to do that.

IAN: Again, even the press release from the Post Office, the link to our report on the Post Office website, it makes it all very sort of public and it just sort of struck me that this was sort of imposing, frankly, a rather sort of ridiculous situation that we couldn't even say that what the Post Office has published on its own website is correct.

MR WARMINGTON: I mean just being really -- for example, if I signed this today, tomorrow night I have a dinner party with a dozen or so people, with Teresa May, and for sure she is going to know about my involvement on this and she is going to say: how is the Post Office case going? And I'm going to have to say: I'm not allowed to tell you. I am not being facetious at all.

CHRIS: We are not [overspeaking].

MR WARMINGTON: -- I would not be allowed to say.

IAN: -- that we are doing work with the Post Office.

CHRIS: I understand. (interference).

MR WARMINGTON: I can tell you what our advertising budget is, zero. We don't advertise. I am happy to be constrained on that front but not to the point where we inadvertently fall over our feet on something.

CHRIS: It is probably the details on that. If you can say we are obviously engaged by the Post Office. Everybody knows that.

IAN: What about leaving 8.1.1 but deleting 8.1.2?

CHRIS: That's fine.

MR WARMINGTON: Yeah, I would be happy with that. It is only going to impact you because at the end of this I'm going to retire.

CHRIS: So this is... (reads to himself)...to be open and honest with James Arbuthnot.

IAN: It is mainly an MP point.

MR WARMINGTON: That was the key point. We wanted you to recognise job 1, the sort of primary investigation.

IAN: Or at least put us in the position where if James

calls us in for a meeting, which he does every few months and with all the people (inaudible) the meeting on March 24th, I don't want to be in a position of saying: I'm sorry I can't answer that question. And I think that potentially would cause a lot of harm.

CHRIS: The converse though is that you would never expect to discuss specifics of any individual case.

MR WARMINGTON: We are not allowed to. They have made it very clear that we are not to mention [overspeaking]. Hang on. Arbuthnot is expecting us---

IAN: It is a slightly different point. One of the principles is that we can discuss the specifics of the case, but we must do so on an anonymous basis, we cannot identify the constituent.

MR WARMINGTON: Which is the way we dealt with the interim report but originally and this has never been reversed Arbuthnot committed to the other MPs that they would have an opportunity to meet with us and their constituent when the dust had settled, so that they could close their books on each case.

CHRIS: My personal view, re-reading this is you have got all the protection in place that you need through the confidentiality paragraph and the section we have now just agreed on for publicity. I think section 9 should come out and separately we ought to have what I might call a side letter dealing with the MP sort of point, once you have finalised the minutes and reached agreement following the meeting of POL analysis.

MR WARMINGTON: I would be very happy with that. Notwithstanding just to make -- in the interests of clarity and cognizance of the fact we have signed an engagement letter, this is to make it clear to you that we understand that you will be dealing with the MPs and blah blah blah.

IAN: Let's not try and draft it -- [overspeaking].

MR WARMINGTON: Basically saying --

CHRIS: That sort of works.

IAN: The proposal is take 9 out and that has the advantage of leaving us only dealing with mediation, but recognise that there is still a need to deal with the MP point,

but we can actually do that outside of this contract and by way of side letter, once you have reached agreement with James Arbuthnot --

MR WARMINGTON: And on that basis we would be happy to sign it.

IAN: You had one more point actually. [overspeaking].

MR WARMINGTON: I would be happy to sign it.

CHRIS: I do not know what your internal corporate relationship is --

MR WARMINGTON: We are both directors of Second Sight, but it is Second Sight that's contracted with -- obviously we wanted to avoid the personally [overspeaking].

CHRIS: [overspeaking] you are both directors to sign.

IAN: Of course there are other directors of Second Sight. What we were told when I first queried this was that this was actually -- part of this was a hang over from the previous draft, with the intention throughout [overspeaking] personally and to be signed on behalf of Second Sight and Ron would normally sign that on behalf of Second Sight.

So that gives you more protection I think [overspeaking]. 6, 8 and 9 has gone. Well, we have individual confidentiality agreements with you and with each person who has access to confidential information. 8 has gone and 9 has gone.

CHRIS: Is it worth just annexing to this the fact that we have got the complete agreement -- [overspeaking].

MR WARMINGTON: If you want us to sign fresh ones [overspeaking].

IAN: [overspeaking] our word-processing they must be somewhere, a hard copy.

MR WARMINGTON: Produce that and we will sign at the same time. (interference).

IAN: On the side letter or further --

CHRIS: Yes. That would be fine.

IAN: Can I just mention two other points. Chris Hollyoak signed a confidentiality agreement saying that he has access to (inaudible). And we were proposing (interference) meeting on Friday just for the Working Group to meet and vice versa and also copying him in --

CHRIS: You will travel back --

IAN: I think we mentioned it to you Belinda.

BELINDA: One of my conversations --

IAN: (inaudible).

BELINDA: Why don't I just drop him a line --

IAN: Yes.

BELINDA: (inaudible) why don't I just drop Tony a --

IAN: The point is we would like to bring him along and as a courtesy we are notifying the Working Group.

CHRIS: He will be, not amused, but he is not going to be sort of jumping around and saying all sorts of stuff until (inaudible).

IAN: In the same way that the Post Office has brought various other people along at various times. Then, the other point, which I think Ron you wrote to Belinda about was getting Helen on board in terms of providing administrative support.

MR WARMINGTON: It does sound like I'm trying to employ (inaudible) as well.

CHRIS: (inaudible) which is my -- I do not think it is (interference).

MR WARMINGTON: And that is what we are doing.

CHRIS: But what we will need is a confidentiality agreement because we don't want to expose --

MR WARMINGTON: So I won't charge you for Helen 's time, all right? I will pick that up out of the company, which is what I have been doing, but I do need her to have access to -- you know if I'm going to get her help on issues, one is ...

IAN: So it would be access to Helen and have her sign a confidentiality agreement.

MR WARMINGTON: I will mention it to you, she has been the Vice President of CitiBank, she has handled --

CHRIS: It will be done. (interference).

MR WARMINGTON: I think that's partly (interference).

IAN: He has been very helpful in getting us to where we are, and it would be a shame to lose his goodwill. But equally maybe there is a communications issue in terms of, for example, in these matters we touched on, in terms of the external review of liability and so on.

The other thing we know he is going to be doing is he is waiting for your next annual accounts to come out, due at the end of this month, and he will be actively looking for any reference to contingent liabilities and so on. If he doesn't find those, he will probably raise that, but you know take it one step at a time.

MR WARMINGTON: I think that speaks volumes really about his mind set, what his mindset is. It is a pity that these issues weren't -- I'm not privy to the discussions which took place at the time (inaudible) the parties coming to wildly different expectations. But it sounds a little bit like Helen's expectation was this scheme would result in a forensic examination of every factor relating to the system.

CHRIS: Yes. Because he came in as part of job 1, as the primary investigation. The mediation process was bolted on the side of that.

IAN: Remember the JFSA agreement was signed by Second Sight JFSA and the Post Office. That was one of the objectives. Now, you know we had not rescinded that sort of agreement and I think there is generally real confusion as to the status of what we are calling --

MR WARMINGTON: That's why he said at the last meeting, and I heard him say, and I knew exactly where he was coming from, that the (inaudible) to do with scope was to be taken as incremental to what had already been raised.

IAN: It is why it was music to his ears that Kay said publicly in the meeting this is not designed to give the truth, this is about horse trading.

CHRIS: I was wondering the reference to the signed agreements --

MR WARMINGTON: Raising concerns with --

MALE SPEAKER 1: Do you mean the bit raising concerns with the Horizon documents that refers to the terms under the deal?

MR WARMINGTON: Yes.

MALE SPEAKER 1: You need to look at the totality of that document. [overspeaking] he had put together -- clearly spent a lot of time doing it and see my concern is I think there is genuine confusion about job 1 because the way it was pitched to me by (inaudible) was this supersedes -- this is the thing that came out of job 1 and job 1 has been put on the shelf.

MR WARMINGTON: To a certain extent that was how it was spun to MPs but the feedback we are getting is that they are beginning to sort of realise that some of the issues that they had raised, even if mediation is 100 per cent successful, the process is not going to address some --

MALE SPEAKER 1: Mediation almost never was going to get that is not the nature of the mediation.

IAN: I think a risk that you need to be aware of and this may come to a head on the 24th, is whether or not the MPs feel that they have been misled in some way because they were asked to take on trust almost the proposal for sort of mediation and I think they are only slowly waking up to the fact that it is actually not going to solve or address all of the issues that were raised by them --

MR WARMINGTON: That is right. And that's why I reacted so critically (interference) aggressively to the suggestion that there would be a gagging order effectively on each mediation settlement, which is fine, you don't want people going out and saying I got 500 quid. (interference). Obviously you don't want that to happen. But, effectively, what would happen is you have precluded the opportunity for people to talk to their own MP, that really would have been a red rag to a bull, people like Mike Wood. If Alison Hall had gone back to him and said: actually I'm not allowed to tell you how the mediation session went, he would go absolutely ballistic.

So when I -- Belinda, I do not think (interference) what I was reading into that was, you don't want to go down that route and you didn't go down that route but it looked as though there was a risk that, in the efforts to contain the results of a mediation within that mediation, that was going to preclude the opportunity for the applicants to talk to their own MPs. I'm not overreacting to it now, it is just that when I first saw it I thought that's not going to work.

BELINDA: So I suppose the relationship between a MP and their constituent is driven by the desire of the constituent.

MR WARMINGTON: Yes.

BELINDA: So I think that if a constituent entered into an agreement, then, it is a matter for them about whether or not they choose to --

IAN: I think where that argument falls down slightly is the MPs, rightly or wrongly, feel they are responsible for creating this process and putting Post Office under pressure to agree to (a) the concerns with Horizon, sort of issues, job 1, and (b) sort of mediation. MPs rightly or wrongly feel some sort of ownership of that process and I can't help feeling that any lack of disclosure to them is likely to sort of aggregate the situation slightly.

Mind you, I also feel that the Working Group meetings have (inaudible) feedback from mediation (interference). I think there is quite a strong argument that says if the Working Group is genuinely going to sort of manage the whole process, we do need better feedback from mediation.

MR WARMINGTON: The way I want to put it to reinforce that is, for sure people will find out (inaudible) secrecy, they will definitely tell them and we finish up with a situation that the only member of the Working Group that really knew -- Tony would know what the outcome was, we wouldn't know, that's okay, but POL would know, Alan would know. So the only one that wouldn't know would be the (interference). That probably isn't sustainable.

BELINDA: So Alan would know what anybody chose to tell him, which is not necessarily the same as --

MR WARMINGTON: What actually happened.

BELINDA: So CEDR would (inaudible) because there is a sort of fundamental principle of communication and what they (inaudible). And so CEDR even amongst themselves would not [overspeaking].

CHRIS: Kay said recently she argued against Alan quite vividly and (inaudible) --

MR WARMINGTON: Ordinarily if a settlement is reached then a settlement is reached and a contract is drawn up between the two parties and would binding otherwise you wouldn't pay the money. [overspeaking].

IAN: Let's assume a hypothetical mediation, agreement is not reached but one of the reasons for agreement not being reached was POL making a derisory sort of offer of £500 when the applicant was looking for 5,000 or 15,000.

I would argue that that information should be communicated back to the group because it actually has consequences in other cases.

MR WARMINGTON: We're probably not going to solve that today.

BELINDA: So what CEDR have suggested, which is what -- so CEDR had been drawing up their (inaudible) practice guidelines and to make it specific to the scheme because (inaudible). CEDR say what they do in the (inaudible) mediation scheme, which is different because there are a different parts of it, but, they report to (inaudible) people in terms of chunks of cases. So (inaudible) 30 cases, agreement is reached in X number and what they are looking at is what they think in statistical terms what they might be able to (inaudible) it is a Working Group to (inaudible).

MR WARMINGTON: The lesson we have learned from this process even dealing with these 30 cases is (inaudible).

IAN: We are all assuming that all parties are going to act in good faith. If, in the hypothetical example that I mentioned, that the Post Office was only offering a token 500 quid, I do think that that is something that we need to be aware of.

BELINDA: I suppose if you sort of even that out, we have been talking about expectations right at the other end

of the scale and I think, you know, there is the sort of outsourcing of the investigation and your layering on that and I think there has to be a degree of trust of all parties(interference). Especially with some of the challenges we are facing is (inaudible) principle on mediation. So you wouldn't go into the mediation if you didn't think that there was some reasonable --

CHRIS: (inaudible) cases where, after serious consideration and discussion with the adviser, we determined actually we are never going to --

IAN: (inaudible). This is the outcome that will happen and (interference). The mediation meeting will flounder on the following, the Post Office will say it is a ten year old case and we don't have any data. Sorry you haven't been able to produce any evidence that convinces us that the multiplicity of power failures and (inaudible), we can't associate the generality of the circumstantial events with the specifics of the loss suffered. And the individual is going to say, so basically the burden of proof is on my shoulders again to prove myself?

CHRIS: I generally think that is the most likely case (interference). [overspeaking]. We looked at this, we are terribly sorry (inaudible) circumstances, you are asking for 500,000 or so. We just don't -- with all (inaudible) we just don't feel we can (interference).

IAN: If what I was proposing was to happen and what will get out there is that POL is saying, look, we didn't investigate it at the time, couldn't be bothered to investigate it at the time, and we subsequently (inaudible). That's what the press will --

CHRIS: I don't think that is the most likely scenario.

MALE SPEAKER 1: (inaudible) the investigation reports, there is an element in the report that we have acted in good faith and you have seen more of that than --

MR WARMINGTON: But the argument is (inaudible). As the global head of security (inaudible) we do not exaggerate, I do not do that. What I'm saying is, if the individuals are saying: I cannot now hold this burden, carry this burden of proof because (interference) I don't have any data, POL has all the data, I don't have any. If the response was in mediation, what has sometimes happened in the past, which is you got to prove that you have got a good claim

but you haven't cleared that hurdle, therefore we are not going to do anything. That is what will back fire. That was the reaction.

BELINDA: I think if we separate out, so you mentioned a couple of times the press and the MPs. I think there is an issue about the fact that people will bring different views and I think it is incumbent upon everybody that's involved in this process to act in good faith and not to be influenced by what other people might do with that. Either making (inaudible).

MR WARMINGTON: Yes. I agree.

BELINDA: The story is the story.

MR WARMINGTON: The truth is the truth.

BELINDA: Yes but there is no pleasure for the press (inaudible) news story. I think there is something about, you might just have to back it up and do the best that you can and act in good faith. I think there is a -- I think the beauty of what you are suggesting here (inaudible) is that what we can start to do is to categorize those cases and --

IAN: Start to manage.

CHRIS: Start to manage them.

BELINDA: So that we don't get into a situation of --

IAN: Always being on the back foot and reacting.

BELINDA: We might take a generic approach to all of the really old cases. Now, until we have put these in their individual buckets, it is a bit difficult to know. I think, and I cannot envisage, this is with my Post Office hat on, I cannot envisage the Post Office knowing we are going into mediation with something, knowing that there is (inaudible) bridging that gap and I think that is the essence of what we have been over [overspeaking]

IAN: We are definitely on the same page. I think there is quite a strong argument for maybe clarifying the position on some of these very high cost claims and actually saying, look, this is not suitable for mediation, the gap is too big, you better sue us.

BELINDA: That is the beauty of your buckets because we can

start to break things down.

CHRIS: After discussion with the professional adviser. You can't necessarily assume that because the claims are --

MR WARMINGTON: That's why I recommend Bill and Emma because they are pretty reasonable people. They are very sensible, calm, highly experienced people that you can do business with.

IAN: And by extracting some of those categories you will get a much better result of mediation because you are dealing with, not the outliers which are going to be produce random or other representatives results, you are genuinely dealing with the middle sort of population where mediation is a much more suitable forum.

BELINDA: Yes and if there is another path, ie the Post Office take cases off (inaudible) and doing something that is mediation but not through the process (inaudible) and then, as you say, there might be some outliers at the end of it (inaudible).

MR WARMINGTON: One of the conversations we had, we are used to having this conversation, is that ordinarily as investigators our job is to get to the truth and communicate that truth to the company, to the client, if you like. Once you start to become overawed by the consequences of the investigation and we try to sort of deal with consequences, it gets horribly muddled. You don't want us doing that. We are trying to help on that but the truth is the truth and I think that's possibly where something has gone wrong in the past, where, in fear of what the consequences might be, the truth doesn't always get sought and therefore that's put the cart before the horse in a sense. First you get the truth and then you work out the legal consequences and manage it, there is no point wearing (inaudible) leave no (inaudible).

CHRIS: I actually have to go...

IAN: We are at 4.15. We are on course to disclose another (inaudible) report on Friday. However, we will not be in a position to disclose what we previously called the thematic report because there is some new issues that we think need to be sort of bottomed out before we can properly release that and I will be putting that in a note to the Working Group.

CHRIS: So Kay (interference).

MR WARMINGTON: We are all disappointed about that. We would love to -- we would like to have been able to do that even today, we saw bottoming out some stuff --

BELINDA: When might you add --

MR WARMINGTON: It's got to be soon. A couple of weeks.

CHRIS: [overspeaking].

[overspeaking]

MALE SPEAKER 1: The sun is shining --

BELINDA: It is. So on that basis --

IAN: Because these are the thematic reports (interference).

BELINDA: [overspeaking] (interference) might feel that in actual fact this meeting might be better held (inaudible).

IAN: I think already there is a lot of items on the agenda that we need to deal with face to face. There is the two letters from (interference). There's probably quite a lot of detail on the format style of our individual reports --

MR WARMINGTON: I would like a steer on this £20,000 issue. Is it going to go in the report or not?

BELINDA: Sorry, I thought you discussed that amongst yourself.

MR WARMINGTON: No, we need a steer from the Working Group on that. It is a choice whether it goes in. Here is an issue sort of tangential --

IAN: I thought we had bottomed that out, we agreed it was not appropriate for the individual report then it is a matter of how we deal with residual issues from what we have called job 1. And it is that that is slightly hanging in the air at the moment, but I'm not sure that is actually a question for the Working Group because the Working Group is looking exclusively at mediation.

MR WARMINGTON: Alan's position on that staff because he hasn't looked at that transaction of course, is that we

have a responsibility to act as primary investigators for the applicant by reason of what was in the original documentation. That is beyond what any of us think is correct. That means --

IAN: It is Alan therefore that needs to raise that.

MR WARMINGTON: Alan will raise that. It will either be raised --

BELINDA: You are not acting for -- there are two things in my mind. And it is probably too late in the afternoon to bottom them. But, you are not acting for the applicant and you are not acting for the Post Office, you are providing independent --

MR WARMINGTON: Yes.

BELINDA: You are providing an independent [overspeaking]

IAN: -- investigation service.

MR WARMINGTON: But Alan's (inaudible) it is in the document (interference) it is another document, he is quoting the original raising concerns with Horizon saying what will we do.

IAN: Well Alan needs to raise that with the Working Group.

MR WARMINGTON: And that is a face to face issue because it impacts the way we write the report and it impacts more because it impacts the way we deal with the applicants.

MALE SPEAKER 1: For me I was thinking how do you have a productive conversation which lands with an outcome that we can resolve and move on, for me that would be very difficult to do stepping back with the different hats people wear without the generic automatic reports.

MR WARMINGTON: What I have done is I have got a section -- in fact I can send it -- I have got it ready to go, Ian and I (inaudible). The bit on the £20,000 transaction. In fact I sent the text of it to Angela today to say, I have got to deal with this issue somehow. I need to know what your answer is.

IAN: But Ron we can't deal with that until we have got an answer to job 1 because that is a job 1 issue, not a job 2 issue.

MR WARMINGTON: I'm okay with that, what I'm saying is here is an item that has emerged. It is very simple. Here is an item that has emerged. Here is the description of that item, how does the Working Group want me to handle it? That's all I'm asking.

IAN: I'm not sure it is a question for the Working Group.

MR WARMINGTON: I do not need the Working Group's input with regards to job 1. I know how to handle job 1, that's within our remit.

IAN: But we have already decided this afternoon that it is not relevant to --

MR WARMINGTON: I do not think it is for us to decide. What I'm saying is here is a write up. It will be dealt with in job 1, does the Working Group expect me or us to put it -- how does the Working Group expect us to handle it or does it want --

IAN: No, it is not for them to answer that question --

MR WARMINGTON: We have got to deal with the issue concerning -- Alan's position is --

IAN: If Alan feels it must be raised, it is for Alan to raise it. It is not for us to raise it.

MR WARMINGTON: How will Alan know it exists (interference) he doesn't know that the point exists yet. I know that it exists.

IAN: With Alan we are going to have the discussion -- sorry --

MR WARMINGTON: Sorry. Here is the situation, (interference) to aver, one of the best investigators around, Emma is going to get POL's report and is going to say hang on a minute --

IAN: If she thinks it is relevant. She will include it.

MR WARMINGTON: Hang on. Hear me out. (inaudible) what about the £20,000, why didn't POL mention that in the response, it is relevant for the reassurance he was given. She is going to be able to say, why the bloody hell isn't that in Ron's report? And we are going to say, don't worry, it is going to be in the thematic report or whatever. She is then going to raise that

point and the issue then is --

IAN: When is she going to raise that point?

MR WARMINGTON: She is going to raise it in the Working Group, in the mediation. She is going to raise it in that process which doesn't exist in the flow chart --

IAN: The position that Belinda touched on which is the Position Statement to the mediator?

MR WARMINGTON: There's obviously going to be a step in the POL report because --

IAN: But why should she put it in that if she hasn't raised it in her report?

MR WARMINGTON: Because it wasn't in her report. Ian, you are one of the smartest guys I know but you are being bloody stupid.

IAN: I'm being very logical --

MR WARMINGTON: No, you are not. Why didn't she raise it because the only place she can find it is in POL's evidential report that it submitted to us, which she hasn't seen yet. She couldn't possibly have known about it because it wasn't in the material that she had. She would now get that material and although there is no budgeting or costing or any flow chart box for her to do that work, you can bet your sweet life she will.

IAN: She has the option to raise it either orally in mediation or either --

MR WARMINGTON: What I'm saying is how does the Working Group want to handle it? Do they want to get it as a surprise going into the mediator, because sure as hell that's how it will come up? Or do they want, here is the write up on that. Does the Working Group -- if we are -- if I showed that to Alan, he would say something like, the report should be for the board; should be in the case report.

IAN: We have already agreed it shouldn't be in the case report.

MR WARMINGTON: He hasn't had a say in that. He is a member of the Working Group.

IAN: But we are independent investigators, we decide what goes in our report not the Working Group.

MR WARMINGTON: But I'm saying I want a steer --

IAN: Hang on -- we agreed it is not going in the individual report.

MR WARMINGTON: You have agreed and POL has agreed it is not going in the individual report. I'm not convinced that I -- that that is not going to cause a problem with one of the members of the Working Group.

IAN: That is not relevant. Our report stands on its own. If a member of the Working Group doesn't like it, they can raise it. It doesn't affect the -- it is our report --

MR WARMINGTON: In that case, I'm going for the first time ever, I'm going to disagree with you. I'm saying that's going in the report.

IAN: The individual report?

MR WARMINGTON: Yes, because she was reassured by a POL systems guy that --

IAN: Who is she?

MR WARMINGTON: Jane Brewer was reassured and the documents are in the evidence pack, she was reassured that the system could not lose -- create a discrepancy. It did. And it was in the POL evidence pack that it did and I cannot ignore it. Now --

IAN: Let's wait and see what response we get back. Then we can reassess --

MR WARMINGTON: What I have said to Angela is, here is the situation, it wasn't picked up, it wasn't mentioned in your response, I need to know what POL's position is on that because it contradicts the reassurance given and in this sense it can't lock in on the decision on whether or not to (inaudible). Now I'm not being an awkward bopper on that I really -- in order to be able to handle issues like that that come up, not in every case, but we will have a hundred issues like that coming up. I want the steer that is backed by the Working Group.

IAN: It is not appropriate. As independent investigators

we should not be asking for a steer on investigative matters. We have got to decide what is relevant. It is not for the Working Group.

MR WARMINGTON: In that case you and I disagree. What I am saying is -- and the instruction that went out publicly to the world on what we would do, Alan's position on that --

IAN: Are you talking about job 1 or job 2?

MR WARMINGTON: I'm talking about job 1. No, job 2. I'm talking about the reassurance raising concerns with Horizon.

IAN: That is job 1.

MR WARMINGTON: Sorry. Right. What it said is that, if you raise any issues, the investigation may -- I can't remember the exact wording -- may well raise issues [overspeaking]

IAN: That was job 1 Ron. That was not mediation. We have not even considered mediation. At this point, that raising (inaudible). What we are now doing is operating under a different rules of engagement.

MR WARMINGTON: So what we would have is an investigative finding related to job 1 on a case going to mediation, which would have components which would -- went beyond those --

IAN: That is a separate issue and that's what we have raised with Chris this afternoon that we need to think about and hopefully will be reflected in the side letter by Paula, once you have reached agreement with the MPs.

BELINDA: So in actual fact you will end up in a dilemma if you put this to the Working Group because if Alan says one thing and Post Office says the other, so you --

MR WARMINGTON: I guess what I want is I want to be crystal clear in my mind how we are going to deal with issues like that, where the individual in the application and the professional adviser, if there was one, there wasn't in the Jane Brewer case, did not raise something that is screamingly obvious from POL's response.

BELINDA: I was hesitant -- I have been hesitant to raise it because I think we have got (interference) but I think

one of the difficulties is that there is no real clarity and there is an issue that's (inaudible) with my Post Office hat on, there is no real clarity (interference) and that the dilemma that the Post Office has to handle is, in actual fact, the Post Office is paying for job 1 and has no clarity or visibility about what it is. If you think (interference).

MR WARMINGTON: Yes.

BELINDA: -- that to me --

IAN: (inaudible).

BELINDA: So if I go back to my days in Government --

MR WARMINGTON: Yes, yes.

BELINDA: -- that is an incredibly unsatisfactory position and a very unsatisfactory position I would say for the Post Office.

MR WARMINGTON: Yes.

BELINDA: So I think there will have to be a conversation about what job 1 consists of --

MR WARMINGTON: And who the client is.

BELINDA: And who the client is because the client is the Post Office.

MR WARMINGTON: Well --

BELINDA: [overspeaking]

MR WARMINGTON: In a legal sense it is.

BELINDA: In a legal sense. Now there is a real dilemma here because no MP will take responsibility for --

MR WARMINGTON: And they don't have a contractual power --

BELINDA: -- so the Post Office has to be a tad careful because it will be damned if it does and damned if it doesn't and that is, if the Post Office (interference) trying to (interference) in some way (interference) of what independence means in this context. And I have been involved in setting up independent inquiries for Governments and the Government sets the terms of

references for managing the contract to ensure that that is delivered and that is very clear. It seems to me that for this to work there is a quite a bit of [overspeaking]

MR WARMINGTON: Yes and there was all sorts of vitriolic statements at the beginning from people like Andrew Bridgen and others which is that it is completely absurd that the Post Office should be the task master.

IAN: We have a meeting with MPs on 24th. We need to get this resolved by then because if the MPs feel there is a sort of a gap --

MR WARMINGTON: Exactly. I'm glad we -- (interference).

IAN: I have been saying for three months now, we need to resolve --

MR WARMINGTON: I cannot professionally tolerate or morally tolerate a situation where I have written a report on a case and it has a great hole in it relating to something really relevant to job 1. How do I feel about that? It stinks.

IAN: The way to do that, as we have done this afternoon, is to put pressure on POL to resolve that job 1 question.

MR WARMINGTON: That's why I cite this particular example of the transaction.

IAN: But trying to squeeze it in where it doesn't fit is not the way to deal with it.

MR WARMINGTON: Yeah, I'm not trying to --

BELINDA: [overspeaking] trying to resolve that job 1 issue, I think that, as Chris said, he was of the understanding that it had been subsumed (interference) being discussed is (interference) speak to James Arbuthnot and update MPs.

MR WARMINGTON: Yes.

BELINDA: But I'm not entirely sure that POL on its own can resolve the job 1 issue.

MR WARMINGTON: No, they can't.

IAN: I think you are right. I think the bigger point is

maybe the way to deal with it is for you to go back and revisit raising concerns with Horizon and look at that document because there is definitely unfinished business relating to that and to a certain extent we are almost like ostriches with our heads in the sand. We need to address that, we need to ask where does that unfinished business fit?

The options are either there needs to be a sort of separate engagement letter relating to that or we need to tell MPs: no, we are not doing any more raising issues with Horizon --

BELINDA: What's happening --

IAN: The example -- one quoted is a good example, we have come across **prima facie** evidence of single sided transactions. We formed the view it is not relevant to the individual sort of mediation but it does raise a fundamental -- potentially raises a fundamental question about the reliability of Horizon and that's what the --

MR WARMINGTON: Horizon in the broad sense.

IAN: Yes and that's what job 1 and raising concern for Horizon is all about, which is completely different from mediation which is resolving, in effect, disputes between individuals sort of (inaudible) and the Post Office. (interference) doesn't really lend itself or support that individual sort of case and therefore it is not going to form part of the individual sort of report. But it does potentially add something to the wider question of problems with Horizon and (inaudible).

Ron is right, we don't want to lose sight of it but we haven't got a bucket to chuck it in at the moment because we haven't got a clear answer on completing the unresolved issues from raising concerns on Horizon.

MR WARMINGTON: Job 1 was really 27 cases. It had 19 JSFA cases. Job 1. What I'm getting at is these 27 are subsumed within -- in fact it would be better if I put that 27 and that 19 because these 19 were separate. That is the 147. So, 120 others --

BELINDA: So why is (inaudible).

IAN: Some of them are.

MR WARMINGTON: Slightly. One or two of those are slightly --

IAN: Several (inaudible).

MR WARMINGTON: All the 27 MP cases made it into the cut of the mediation process. So is that job 1, dealing with those 27, or is job 1 all of that lot? Is that job 1? And then, within that, if in one of these cases, Jane Brewer, is therefore part of job 1, whatever definition you have of it, if I come across something which is germane to her -- if she has raised four issues in her -- in my report -- but there is one extra, which is this item. The one extra is part of job 1, it is not part of job 2 (interference). We are quite right to use the tramlines as I referred to it, which -- Ian's good idea of making sure that everything that comes through gets categorised as part of thematic issues and we keep it nice and simple. This item you could regard as not having been raised by her, but I could take the view that she did raise it. Mostly, it is the 60/40 she couldn't raise it. She raised it (interference) in a contextual way.

IAN: (inaudible) and it exceeds the value of her claim.

MR WARMINGTON: It negates it. But the argument would be, if it could lose a credit, if it could gain a debit, it is bloody obvious that it could lose £7,999 on another transaction.

IAN: I think the helpful way to look at it is just to say there is unfinished business in job 1. It is unsatisfactory not to have some sort of resolution of the issue.

MR WARMINGTON: And I cannot put my name to a report related to an MP case that is part of job 1 that also is part of job 2, that's got a big hole in it. That's the problem I have got. Especially if it goes to somebody as good as Emma who is going to say -- I know her very well, I've known her 30 years. What's Ron been doing? He can't see his hand in front of his face. This is the biggest issue in that case frankly.

IAN: But it is not part of the mediation.

MR WARMINGTON: I understand that. You and I are not that much different --

IAN: That is why you have got to (inaudible).

MR WARMINGTON: It is passion coming up not anger.

MALE SPEAKER 1: That must be absence of generic report yet.  
So when you set out [overspeaking]

MR WARMINGTON: This is covered in the generic report.

MALE SPEAKER 1: But this is what I mean --

MR WARMINGTON: One sided transactions is in the generic  
report.

MALE SPEAKER 1: It would be difficult taking a case on the  
call on Thursday, it would be difficult to get sensible  
engagement on structural [overspeaking]

IAN: No, it won't because the individual report stands on  
its own, keep them separate from the generic report.  
Ideally, yes, it would have been better arguably  
(interference). But already the issues that  
Helen raised I think there is an sufficient to debate  
the individual reports on Friday.

NEW SPEAKER: I wonder if we will end up rehearsing the  
argument from Thursday but then reserving the  
position --

MR WARMINGTON: We will just cope with it.

IAN: I think you have to separate the two. Because the  
individual report is looking at the issues that are  
specific to that sort of individual case. The thematic  
report is looking at other issues, some of which are  
completely irrelevant to that case but relate to a wider  
issue of our investigation.

MR WARMINGTON: So in the generic report, there is a section  
dealing with one sided transactions. The question we  
are dealing with is do we say, in the generic report  
this could happen. Yes, we have? Or do we say there is  
a very good example of that, we can't name it because we  
have to anonymise it, but here is a very good example of  
that happening. But hang on a minute, somebody could  
say, the person and she will, Emma, and Jane Brewer --

IAN: But we made the decision rightly or wrongly that it is  
not relevant to Jane Brewer's case --

MR WARMINGTON: I'm just trying to see it from their position. If we mention that in the generic report, that particular thematic report, if we mention it in the thematic report and they recognise that transaction and Emma and Jane say to each other "that's our item, that came up in my case, where is it in our report?" We need to have a very, very clear answer for why that is the case.

IAN: The answer is Second Sight who have got absolute discretion as to what goes in and what doesn't go into the individual reports, we collectively took the view that it was not relevant to mediation.

MR WARMINGTON: We have not got there because you have collected, and I haven't come to it yet.

BELINDA: So I think --

MR WARMINGTON: By the way, we don't disagree on very much but when we do disagree it is like two great pieces of concrete hitting the ceiling.

BELINDA: So having done a number of independent reviews myself, not in relation to specific (inaudible) you know and having been (inaudible) there is something for me about -- this is what I'm asked to opine on. A lot of other people might try to put pressure on me to include other stuff (interference). This is my (interference) and I make the decision and I sorted this out in the (inaudible) but at the end of the day, if I am worried about what anybody might say about that, bearing in mind that (inaudible) views, then you know I have to get my view and I have to stick with it. So I agree with Ian. I do believe, and this is (inaudible) point of view, some clarity around what job 1 entails because the Post Office [overspeaking]. I think that's (interference). And until we get to that point I don't know.

IAN: We probably need to close the lid to the MPs because we are probably further ahead and down the line than they are and what I don't want (interference) which the MPs are having (interference) having a go at the Post Office because we have ignored that job (interference).

MR WARMINGTON: And it would be helpful to get -- again we don't want to hold up the reports forever, but the reports are impacted by this particular (inaudible) the thematic report and the report on case 14. Angela has yet to respond to that. I actually sent them a letter

out a long time ago (inaudible). I reminded Angela about it today. Because in the two extremes, let's say Angela said to me, "Pity you noticed that, we left that out because we thought it was a bloody good example of the system screwing up and we didn't want you to find it." (inaudible) but at the other end she might say, "Well, actually, we noticed it there but we didn't raise it for this very reason." I don't have that input yet. I asked for it a long time ago. What we are saying today it is urgent and I need an answer on it. Until we get that we shouldn't (interference). It is a really good example of something that (interference).

BELINDA: (interference).

MALE SPEAKER 1: (interference). What Post Office, what would be (interference) should be acting in (interference). [overspeaking]

MR WARMINGTON: I will tell you how pleased I am you said that.

IAN: It is unfinished business from issues with Horizon and if you approach it in that way, I think dealing with unresolved issues with MPs will also be easier to deal with.

BELINDA: There was (interference) in that: how is that work being accounted for; delivered; and what's the timeframe for it? Because this can't be easy. This cannot be something that goes on forever. That is not to say --

MR WARMINGTON: We need a poll position on that.

BELINDA: That is not to say there is any desire to stop you getting there (inaudible) has to be --

CHRIS: Yes, we tried out for (interference).

MR WARMINGTON: Yeah.

BELINDA: So as a job it seems to me that (interference) who is paying for it --

MR WARMINGTON: Not much of lack of clarity on that.

BELINDA: That is right.

MR WARMINGTON: But you are right.

BELINDA: [overspeaking]. I get your invoice. I have to organise them and there is some work that you are doing that I'm totally blind to and that gives me (interference).

MR WARMINGTON: Of course. Yes.

IAN: I think the MPs' position is, if mediation (interference) all gone through, all the applicants were happy, that would probably be the end of the matter. We suspect that's not going to be the outcome for the MPs and that would then (interference) or remind the MPs of a (interference).

BELINDA: (interference) between the Post Office and the MPs. The Post Office (interference). We are doing our business improvement programme (interference). We have spent a considerable amount of money. (interference) JFSA have been involved (interference) there is then the (interference).

IAN: I agree that (interference) office and MPs need to close the loop on that.

MR WARMINGTON: We are still dealing with -- understandably, on a sort of contingent basis, that we are raising (interference) position. If we can save them money and a lot of agonising, if, for example, on that matter of the one sided transactions, if Angela came back and said -- and I don't know if she will -- you are right, we can actually lose a transaction, half a transaction in such a situation and --

BELINDA: Sorry, I know we had this --

MR WARMINGTON: Then we wouldn't have to keep proving [overspeaking]

BELINDA: [overspeaking] at the moment that the Post Office is being defensive. So I come to (interference) and I have seen the investigators and you know Angela, and I do know [overspeaking]. They are good. But I think that the fact that a business reserves the right to not defend itself, but to say this is it, this is the approach that we have taken and we stand by that approach, doesn't mean that it is automatically defending [overspeaking]

MR WARMINGTON: Perhaps I'm being clumsy with my words. What I'm getting at is I would like to think that you

and (inaudible) are sort of saying what are the generic issues, what are these thematic issues, what is our position on these within the Post Office? Has there been a problem? Is there a problem? Has there been a problem with the ATMs?

BELINDA: And we are doing that.

MR WARMINGTON: I had that conversation with the lady -- when I said I need to get to the bottom of this (interference) and I said show me evidence of multiple retractions, more than two on a day and she could, she was having shortages on Horizon with a multiple transactions. (interference). I had a £3 million ATM where it was all to do with (inaudible) and explain to you how you do it. I contacted the DCU and they said yes there is loads of (inaudible) with getting money out of ATMs. I said hang on (interference). Who do I speak to? This lady was put onto me. Now I spoke (interference). If I said (inaudible). Yeah, yeah. So if I needed proof of partial transactions (inaudible). Of course I'm an investigator, so I said to her, well, when was that? And she said two years ago. Now, at that point of course I'm saying, well, hang on, if the problem was two years ago, when was that fixed? 13 months ago. So I now need to know what it was that was being worked on and what the outcome of that was. Angela is going to send me that. But that --

BELINDA: (inaudible) send you a note on it. I think what you are dealing with and you will know this from your own experience, is a big organisation with loads of products and services and getting information from a number of people to say in actual fact (interference) but it is getting a position to say this is the latest --

MR WARMINGTON: Well, Angela has probably done all she could, which is to say that we fixed -- 7 years ago a document came out saying you can only have two partial transactions and the machine closes down. If that is the case how can you have people reporting 12 retractions in a day? So what was happening? Of course the user manuals, which I have read in detail, they are not going to say exactly what happens. I know what used to happen because I dealt with it. Put your credit card in --

IAN: You asked the question, the ball is (inaudible) and we have to wait for that answer and then we can deal with

it.

BELINDA: And I think we have got it.

MR WARMINGTON: What have we got?

BELINDA: I think Angela responded.

MR WARMINGTON: But I posed six questions and six more today.

IAN: If anybody can get to the bottom of it, it has to be Angela, and we just have to wait --

MR WARMINGTON: Some of it may have to go to the Bank of Ireland because it is technically [overspeaking]

IAN: Yes.

MR WARMINGTON: It is bloody horrible stuff this.

BELINDA: It can't be the worse thing you have ever worked on.

MR WARMINGTON: No, certainly not the worse thing. I had six cases involving witchcraft in Africa.

IAN: (interference). That was interesting.

BELINDA: (inaudible).

MR WARMINGTON: (interference). Great, all right, thank you. Much appreciated for that.

BELINDA: I will (inaudible) to Tony about this. I will leave you two to (interference).

IAN: Will you send me some (interference). I will send you all the details that we need on that.

BELINDA: (inaudible) to Chris.

MR WARMINGTON: Yes.

IAN: And change contractor to employee.

MR WARMINGTON: Fine, no problem. Thank you very much.

IAN: We will probably see ourselves out.