

Monday, 18 March 2019

(10.30 am)

Housekeeping

MR DE GARR ROBINSON: My Lord, good morning. It is my turn to be leading evidence. There are a few housekeeping matters for me to raise with your Lordship and there might be some your Lordship would like to raise with me.

My points for your Lordship. On Day 2 Mr Latif and Mr Tank gave evidence. Your Lord will recall that Mr Latif referred to some memo views that he received in January 2018. My Lord, those have now been found and disclosed.

My Lord, secondly in relation to Mr Latif there was a reference to an audit that was done at his branch, the Caddington branch. That audit report has now been disclosed and indeed it is now in the trial bundles.

MR JUSTICE FRASER: Are any of the memo views in the trial bundles?

MR DE GARR ROBINSON: Not yet, my Lord. They were found and disclosed over the weekend.

MR JUSTICE FRASER: Are they going in, do you know?

MR DE GARR ROBINSON: Yes, my expectation is that they will go in unless --

MR JUSTICE FRASER: I in particular would like to look for

and look at at least one or two of them, so ...

MR DE GARR ROBINSON: My Lord, yes.

My Lord, Mr Tank, your Lordship will recall that he was shown a Horizon Online quick reference guide and suggested he had never seen a document like that before, the version he was used to was much shorter. The reference guide which was in force at the time of the events in question had already been disclosed but it is now in the bundle, my Lord, at {F/691.1}.

MR JUSTICE FRASER: And that's the one that was in force at the time Mr Tank --

MR DE GARR ROBINSON: Yes. It is dated 11 August -- I say dated, when it was disclosed it was disclosed with the date 11 August 2010.

MR JUSTICE FRASER: And that I think related to a passage of evidence where I observed that the court had seen a different version of the reference guide.

MR DE GARR ROBINSON: Yes, I think your Lordship had seen perhaps a shorter one in the common issues trial. This is the long version. There is no real, as far as I can see, substantive difference between the one that was put to Mr Latif and the one that's now in the bundles.

MR JUSTICE FRASER: Does that deal with all your housekeeping?

MR DE GARR ROBINSON: Those are mine, my Lord.

MR JUSTICE FRASER: Mr Green, do you have any?

MR GREEN: My Lord, there is the Royal Mail application in the background but I don't want to trouble your Lordship with it now.

MR JUSTICE FRASER: That is something on my list and I would like to raise it now, not in respect of that but in respect of the correspondence at the end of last week.

MR GREEN: My Lord, yes.

MR JUSTICE FRASER: Mr De Garr Robinson, obviously you know about this because you communicated it to the court as soon as you found out.

MR DE GARR ROBINSON: My Lord, yes.

MR JUSTICE FRASER: My understanding and do correct me if I'm wrong but I'm pretty sure that this is correct, is that what the court was told on Thursday about the Royal Mail have the E&Y pre-2011 audit reports and being unwilling to disclose them was incorrect, is that a correct understanding?

MR DE GARR ROBINSON: My Lord, yes, subject to this important clarification. My Lord, there had been -- there's a confusion on my side of the court. Audit related documents had been requested from Royal Mail and Royal Mail had indicated that they were reluctant to

provide anything without the protection of a court order. Then the confusion was that it was thought that the audit related documents that had been requested and had met with that response were the actual audit reports prior to 2011 and that was the mistake and that was not the case. There had not actually been a discussion with Royal Mail about those specific documents, which is why it's only right that my instructing solicitors have apologised to Freeths and I have apologised to your Lordship.

MR JUSTICE FRASER: Yes. The situation vis-à-vis the Royal Mail seems to me to fall into two categories, one of which we can come on to deal with later, the other one of which I want to deal with now.

The part we can come on to deal with later relates to the third party disclosure application that I made an order in respect of on Thursday and you have now confirmed my understanding. There are some documents that the Royal Mail has relating to audit in respect of which an order may prove to be necessary. That tributary can meander along or not in line with the proper procedure in the CPR which was initiated at the end of last week. I assume that that application was served in accordance with my order.

MR GREEN: My Lord, yes. I think the deadline for service is today.

MR JUSTICE FRASER: The second point is the actual pre-2011 Ernst & Young reports. My updated understanding of that derives solely from what I was told last week, the letter of correction from Freeths on 15 March and what you have told me and it seems to me that the position is as follows, that the Post Office still has not disclosed those reports because it does not believe it has got them, is that correct?

MR DE GARR ROBINSON: Yes, it hasn't been able to find them. It has looked for them and not been able to find them, my Lord.

MR JUSTICE FRASER: I am therefore going to order a witness statement please from your solicitors and I'm just going to identify what that witness statement has to deal with, because at the moment it seems know there is a bit too much generalism in these letters of explanation that say "The Post Office believed" or "The Post Office asked for", so I'm going to condescend to particulars. I'm just going to read out what the witness statement -- and we will come on to the time and date that this has to be served at the end of this little passage.

I would like a witness statement from the

Post Office, and I imagine that will be from Mr Parsons, which deals with the following: 1, the steps taken by reference to the specific individuals who have instructed or directed those steps, in order to obtain copies of the pre-2011 Ernst & Young reports; 2, if those steps have led to a conclusion that the Post Office does not have those reports in its custody, possession or control, an explanation as to how that can be the case; 3, identification of what requests, if any, have been made to Ernst & Young before today's date --

MR DE GARR ROBINSON: Does your Lordship mean Royal Mail?

MR JUSTICE FRASER: Well, I have just said identification of what requests have been made by the Post Office --

MR DE GARR ROBINSON: To?

MR JUSTICE FRASER: To Ernst & Young, who produced them, before today to obtain copies of those reports.

4, exactly the same in respect of Royal Mail, in other words identification of what requests have been made to Royal Mail. 5, if no such requests have been made either to Ernst & Young and/or Royal Mail, an explanation of how that comes to be the case. And then 6, which is effectively the catch-all, which is a copy please of an immediate request that will be made today in writing to Ernst & Young and to the Royal Mail for

copies of these documents.

Now, just pausing there, the explanation for that, Mr De Garr Robinson -- and I know I don't have to give the explanation for your purposes, but just to be clear -- I can't conceive of a situation whereby copies of those reports are not available in this litigation. If for some reason due to the corporate reorganisation in 2011 it is the case that they are unavailable, well, then steps are going to have to be taken to produce them.

I would like that order drawing up today please. Would you like to tell me of a suitable time and date by which that witness statement has to be -- or ought to be provided?

MR DE GARR ROBINSON: My Lord, could I glance back and take instructions?

MR JUSTICE FRASER: Of course you can.

(Pause).

MR DE GARR ROBINSON: Would your Lordship be happy with 10.30 on Thursday morning?

MR JUSTICE FRASER: I am happy, subject to the following observation: depending on what the outcome is, it may be necessary to recall witnesses in respect of this, but for the moment 10.30 on which ..?

MR DE GARR ROBINSON: Thursday morning.

MR JUSTICE FRASER: I'm going to make it 9.30 on Thursday morning so that if there's anything arising out of it it can be dealt with on Thursday morning. So that is the 21st.

Right, so that's that. There are a range of other housekeeping type matters but they can all wait until the end of today.

Right, so ...

MR DE GARR ROBINSON: My Lord, I call Angela van den Bogerd.

MS ANGELA VAN DEN BOGERD (affirmed)

MR JUSTICE FRASER: Do have a seat, Mrs Van den Bogerd, please.

Examination-in-chief by MR DE GARR ROBINSON

MR DE GARR ROBINSON: Mrs van den Bogerd, there will be file that you have in front of you. Could I ask you to go to tab 5 of that file please and you will see on the first page of the document in front of you is a witness statement that is said to be made by you. Is that your name and address on page 1 of that statement? {E2/5/1}

A. Yes, it's mine.

Q. If I could ask you to go to the last page of the same tab, page 44 {E2/5/44}, is that your signature?

A. It is, yes.

Q. And still in the same bundle I would like you to go please to what I hope is tab 16 {E4/16/1}.

A. Tab 16?

Q. Yes.

A. Empty.

Q. It is empty.

MR JUSTICE FRASER: It might be at the front of the tab.

That's where mine was.

MR DE GARR ROBINSON: If I could ask you to go back to tab 5, Mrs van den Bogerd. I'm misleading you horribly, I do apologise. Is there a series of corrections to your statement at the front?

A. Yes.

Q. Have you seen those corrections before?

A. Yes, I have.

Q. Subject to those corrections, is this witness statement true to the best of your knowledge, recollection and belief?

A. It is.

Q. You will be asked some questions now, if you could wait there.

Cross-examination by MR GREEN

MR GREEN: I think the statement on the screen is the one from the column issues trial, so probably the one we

want up is {E2/5/1} please.

Mrs van den Bogerd, this is a statement that you made in November 2018, isn't it?

A. It is, yes.

Q. And if you look at page 44 {E2/5/44}, it is signed on 16 November 2018?

A. That's correct.

Q. Can we go to page 2 of that statement please {E2/5/2}. Now, at paragraph 5 you will see there you have explained a common theme in your responses in this witness statement and you say that the common theme:

"... is that the evidence put forward by the claimants does not concern a bug, defect or error in Horizon (ie a Horizon generated shortfall as defined in paragraph 41.6 of Post Office's generic defence)."

And then you say this:

"They often appear to assume that alleged losses, shortfalls or other problems must have been caused by Horizon."

Do you see that?

A. Yes, I do.

Q. So that's a part of the common theme of your witness statement, isn't it?

A. It is, yes.

Q. And then you say:

"Given the unspecific nature of many of the allegations made and that some relate to things that are said to have occurred years ago, it is not now possible in this statement for me (and may not be possible for anyone else) to definitively state what may or may not have happened in each case."

And then you say:

"Instead, my evidence aims to give the court a balanced view of the range of possible causes behind each allegation ..."

Now, was that your aim in November 2018, to give the court a balanced view?

A. It was, yes.

Q. Do you feel you have succeeded?

A. Well, I made some references and set out alternative explanations to causes of the losses.

Q. So you feel you did broadly succeed, do you?

A. Broadly.

Q. And then you explain the reason for that. You say:

"... because I believe that, assuming the basic facts alleged by the claimants are true, there is a plausible and much more likely explanation than the problem being caused by Horizon."

And you say:

"The most common alternative explanation is that there may have been an accounting mistake or a user error by the subpostmaster, his assistants or Post Office."

Correct?

A. Correct.

Q. There is one particular example we will come to where you say it is a data entry error by Post Office, but it is fair to say, isn't it, that broadly your witness statement is actually pointing to the likelihood of errors made by subpostmasters or their assistants?

A. Yes.

Q. Now, you have made some corrections which we've got in the document that you were referred to and can we just look at the types of corrections you have made. There are some corrections which relate to matters that you probably realised some time ago. If we look at paragraph 128 of your witness statement on page {E2/5/30}. Just to give you context, this is in the passage that begins on page 28 dealing with Pam Stubbs' case and if we go back to page 30 and look at paragraph 128 you see there it says:

"The FSC customer account (ie the record of all

branch discrepancies, TCs, credits and debits on the subpostmaster's account) confirms that Mrs Stubbs chose to settle ..."

Is what you originally said:

"... this shortfall centrally and so this does not appear to be a problem with Horizon as I would expect Mrs Stubbs to dispute this shortfall if Horizon was thought to be the cause."

Yes?

A. That's correct.

Q. Now, taking it in stages, let's just look carefully if you can first of all at two aspects of what you have chosen to correct now. If we look at -- I'm sorry we're going to have to go back between the documents because we haven't got it all in one place, but if we look at {E2/16/4} and the second box down relates to paragraph 128 of your witness statement, doesn't it?

A. Yes.

Q. And that's the paragraph we have just been looking at and what you now say is that Mrs Stubbs settled this shortfall centrally, full stop.

A. Yes.

Q. And you have deleted:

"... and so this does not appear to be a problem

with Horizon as I would expect Mrs Stubbs to dispute this shortfall if Horizon was thought to be the cause."

Yes?

A. Yes.

Q. And you must have realised that -- at the latest you must have realised that that correction was necessary after the common issues trial and you had heard her evidence?

A. Yes.

Q. And the reason it was necessary -- two important points of correction there. The first one is that the words "chose to settle" are very misleading, aren't they, in the context of accepting the transaction correction?

A. Yes. Because she did actually dispute it via the contracts (inaudible), which I didn't know.

Q. Well, yes, let's take it in stages. There are two different points. The phrase "chose to settle centrally", the choice is pay or settle centrally effectively, isn't it?

A. Yes.

Q. And there's no dispute button, as we have already established in the previous trial. So there's no dispute button on Horizon and that's why you have amended what you previously said, that she chose to

central centrally, you have taken the word "chose" out because it is not a real choice for the subpostmaster, is it?

A. So the reason I took it out here is because when I wrote this I said she chose to settle it because she didn't dispute it at the time and that's why I wrote it as I did. What I subsequently found is that she did dispute, albeit later, so therefore it was incorrect, as I had stated.

Q. Right, well, I will take it quite quickly because we have already dealt with this in the previous trial but the short point is however much you dispute something, the maximum you can do on Horizon to dispute it is to press "settle centrally"?

A. Yes.

Q. Now, that's an example of a correction you have made from something you would have known a long time ago. There's another one at paragraph 145 of your witness statement on page {E2/5/33}. This relates to Mr Abdulla's case. You see paragraph 145 there?

A. Yes, I do.

Q. This is talking about transaction corrections in the sum of £1,092 for two consecutive months and you will remember that in fact what we found was there were in

fact three successive entries of 1,092 on the spreadsheet, weren't there?

A. Yes.

Q. Do you remember? So what you have done is you have corrected the word "over" in the fourth line down just after "relevant" to "under" and you have nonetheless decided to maintain Post Office's position that although there were three identical items, month after month, for £1,092, it's only the third one that was in error?

A. Yes.

Q. So you don't accept that the second one was in error?

A. No.

Q. So the second one is a coincidence, two 1,092. The third coincidence is a coincidence too far, is that right, because that's the one you corrected?

A. So the first two were the same figure for two months.

Q. Two months running.

A. Yes. And the third one was issued mistakenly and that's why the correcting TC was issued to correct that, from the evidence then there's two on there that should stand.

Q. I see, and so that's a correction of the word but not the outcome in terms of where you would lay the blame for that?

A. Yes, that's correct.

Q. And then the other sort of correction we've got is corrections of evidence that you have only recently heard -- you were in court, weren't you, for the evidence of Angela Burke?

A. I was, but actually for Angela Burke I had already made that correction to my solicitors before I heard that evidence.

Q. So hold on a second, you had already decided to make the correction you have made in relation to Angela Burke before she gave evidence?

A. Yes.

Q. Okay. But let's just have a look at that, if we may. So it is paragraph 104 of your witness statement, which is {E2/5/25} and there you are dealing with the fact that there were two other items left in the stack.

A. Correct.

Q. And it says, four lines up from the bottom:

"Mrs Burke did not do this [ie clear the stack] and bundled together two customers' transactions into one basket ... from Horizon's perspective this would have looked like a set of transactions relevant to a single customer."

Yes?

A. Yes and that's still correct.

Q. And the addition that you have made, if I can just read it out, it is -- thank you very much, very efficient. We can see the addition that you have made on paragraph 104 at the bottom {E2/16/3}.

A. Yes.

Q. "However this had no bearing on the failed recovery of the £150 cash withdrawal."

A. That's correct.

Q. Now, did you think it was odd then that Mrs Burke was extensively cross-examined on the basis of your evidence that you had already decided required modification?

A. So my understanding of the way that Mrs Burke was cross-examined was that that was not actually put to her in those words but that Mr Draper did say to her that he understood that that didn't have a bearing on the 150, that's my recollection.

Q. Let's take it in stages. We've got the reference to the transcripts, but very briefly, the point that was being made to Mrs Burke was if you leave transactions in the stack for longer you are leaving a longer period during which an error might occur in relation to that basket.

A. And that is --

Q. That's the thrust of it.

A. And that is correct, yes.

Q. But the point was completely obvious from her own witness statement on a fair reading of it, that it was the last transaction that had gone astray so it had no bearing whatever, did it?

A. In this situation it didn't because it was a failed recovery.

Q. And you accept that your original witness statement as drafted did not make clear that you were not suggesting that any error by her had any effect on it?

A. That's correct. When I put my witness statement together I did say that I hadn't done all the detail I would ordinarily have done, I didn't have as much time to do that and I have looked at other evidence in relation to Mrs Burke and what was very clear to me is that Mrs Burke had done absolutely nothing wrong in that situation.

Q. You didn't say that, did you? The reason I'm asking this a little bit carefully is because you introduce your witness statement and focus on the likely reason being user error and that's the tenor of what we're then expecting to read about?

A. Yes.

Q. So when you don't point out she has done absolutely

nothing wrong, the natural way of reading your witness statement is that she had done something wrong in some way?

A. I agree, which is why --

Q. And that's why you have corrected it now?

A. Absolutely, yes.

Q. But it was completely clear from her witness statement, wasn't it, that it was the last transaction that failed?

A. Yes.

Q. And the reason it was clear was she actually exhibited a copy of the receipt so when you looked at her witness statement there was an exhibit with a copy of the receipt and you could see it was the last transaction?

A. Yes.

Q. Then if we just look at the change made to paragraph 72 please, back one page on that document on Opus {E2/16/2}, this is in relation to Mr Patny and his difficulties with MoneyGram:

"Mr Patny is correct that on 23 February 2016 he processed a MoneyGram transaction for £3,100 and the customer's debit card payment for the transaction was declined by the customer's bank. At this point the transaction was committed and could not be removed from the stack, therefore Mr Patny had to settle to cash.

Process is that the MoneyGram transaction should have been cancelled on Horizon followed by a reversal of the transaction. The data shows that Mr Patny cancelled the transaction, however did not complete the reversal. This would result in the £3,100 loss."

Now, what you said at the time was a little more doubtful, you just recite what he is saying he did rather than accepting it.

A. Mm-hm.

Q. And --

MR JUSTICE FRASER: Can I just ask you to pause there just for a technical reason. I have been working off the hard copy of Mrs van den Bogerd's corrections, which seems to be different to the one that's on the common screen. Are there two different versions?

Mrs van den Bogerd, the clip of documents which Mr De Garr Robinson took you to, is that three sheets in length?

A. It is three sheets I have in front of me.

MR JUSTICE FRASER: It is three sheets?

A. Yes.

MR JUSTICE FRASER: Can we just scroll to the end of {E2/16/4} and see how many pages long that is.

MR GREEN: My Lord, I'm using the one that is the common one

for all witnesses. We have one for each witness and --

MR JUSTICE FRASER: That's a perfect explanation. As long as there is only one version of the document.

MR GREEN: There is only one version.

Because what you actually said in your witness statement was that you were assuming the facts that the claimants alleged were true.

A. Yes.

Q. And it is only after hearing Mr Patny's evidence and the fact that the helpline did tell him to settle to cash that you have changed this, isn't it?

A. No, so again my corrections were made in advance of the claimants giving their evidence last week. So I put this in to my solicitors before the trial started.

Q. Right, so we have only found out about it after they have been cross-examined?

A. Yes.

Q. I see.

A. I did put it in before.

Q. I understand, thank you very much.

Can we move on to the first section in your witness statement please where you respond briefly to points made by Mr Henderson. Now, you were familiar with Mr Henderson's role with Second Sight?

A. I was.

Q. You were the programme director of the branch support programme?

A. Correct.

Q. You were involved in preparing reports in response to Second Sight?

A. Correct.

Q. You were involved in decisions about what information was provided to Second Sight?

A. Correct.

Q. And at paragraph 9 of your witness statement on {E2/5/3}, you say:

"At paragraph 2.4, Mr Henderson says that he analysed some transaction data provided to him. I do not know what transaction data he is referring to or what he means by him being able to 'reverse engineer' this data."

Now, paragraph 2.4 says that he was provided the information by Mr Jenkins, Gareth Jenkins, in his witness statement?

A. Mm-hm.

Q. You know who Mr Gareth Jenkins is, don't you?

A. I know who he is, yes.

Q. Have you ever met him?

A. No.

Q. Because there are quite a lot of references in the Fujitsu witnesses' witness statements in particular to Mr Jenkins, aren't there?

A. Yes, that's correct.

Q. And particularly in Mr Godeseth's witness statement?

A. Yes, I understand.

Q. And you in turn refer to Mr Godeseth's witness statement in your witness statement?

A. I do.

Q. Did you make any requests for clarity from Mr Jenkins about what that transaction data was if it was provided by Fujitsu?

A. No, I didn't.

Q. Because presumably Post Office would have had to agree for Fujitsu to provide it if it was to Second Sight?

A. So I wasn't involved in all of that as part of the programme. I was aware that Mr Henderson had met with Gareth Jenkins, but I wasn't fully aware of all the detail of that at the time.

Q. Okay. Let's move on to transactions outside working hours. That's on {E2/5/3}, paragraph 12 of your witness statement and you would agree on the face of it, if Mr Henderson was concerned about transactions outside

working hours that that's a reasonable thing for him to be at least interested and curious about, isn't it?

A. Yes.

Q. On the face of it?

A. Yes.

Q. And paragraph 13 of your witness statement gives what you explain are a number of plausible and legitimate explanations which you set out below, do you see that?

A. Yes, I do.

Q. First line. {E2/5/4} and you say:

"For the sake of clarity, I categorically confirm that I am not aware of any improper conduct by Post Office or Fujitsu like this, or of any reason why Post Office or Fujitsu would engage in such conduct. I am informed by Post Office's solicitors that in the course of investigating this matter ..."

So that's for this trial, isn't it?

A. Yes.

Q. "... Fujitsu have advised that 'phantom sales' were reported in around 2000 which appeared to be caused by hardware issues."

Now, pausing there, were you aware prior to being told that in relation to these proceedings that there had been phantom sales problems on the Horizon system?

A. Not that I can recall.

Q. So if a postmaster had said that to you at the time, prior to this litigation, you would have assumed it was actually more likely to be user error, is that fair?

A. I would have and then an issue would have been raised and would have been investigated from the Horizon logs to see what was there.

Q. And it is fair that you explain you have had quite a lot of experience looking into discrepancies with subpostmasters?

A. I have.

Q. So it's against the background of that experience that you nonetheless weren't aware of even the existence of a problem with phantom sales having happened?

A. Yes, that's correct.

MR JUSTICE FRASER: Can you just give me an approximate either month or year when you became aware of phantom sales?

A. I don't recall, my Lord, the approximate year. I mean -- so when I got involved with the mediation scheme that's probably when we started to hear claims of phantom transactions and that's -- when we investigated some of those claims and we could see no evidence of that throughout that, so that would have been a few

years back. I can't remember exactly when.

Q. Just to make sure I correctly heard your answer, you investigated and you could see no evidence of that?

A. So I can't remember exactly -- so when we were doing the mediation scheme then we had people saying to us they were phantom sales. Some of the mediation ones that I looked into is, as I set out in here, when we have looked into that it was transactions being done after the system had automatically logged somebody off, so if they had been dormant for 59 minutes it would actually complete what was in the basket and produce the receipt and one of the instances I can remember was that was after they had closed the branch and that they thought that was a phantom transaction and we could explain that from the evidence on the transaction logs to how that happened.

Q. Just going back, just looking at paragraph 13 again, four lines down on the right-hand side:

"I am informed by Post Office's solicitors that in the course of investigating this matter, Fujitsu have advised that 'phantom sales' were reported in around 2000 ..."

So that information appears to have come to you for the first time from Post Office's solicitors, is that

right?

A. Yes, I wasn't aware that we had had phantom sales in 2000. I wasn't aware of that.

Q. So up until that point you would have assumed it was user error?

A. Yes, I would have.

Q. Let's have a look, if we may please, at the phrase that you have used, "plausible and legitimate explanations". If you focus on paragraph 13 for a second, you see that after the bit about phantom sales having been reported "which appeared to be caused by hardware issues" it says:

"This is dealt with in the witness statement of Fujitsu's Steve Parker, but I understand the key point to be that such matters, provided they relate to stock sales, should not cause a discrepancy in a branch's accounts."

Now, pausing there, are you saying that a phantom stock sale is a plausible and legitimate explanation for a phantom transaction? What are you saying exactly there?

A. So if stock -- so say stamps had been put into the basket and it wasn't by the user, then that's what I'm referring to in terms of a phantom sale, so it would be

put in as if it was being sold and hadn't been sold.

Q. But what if the stamps were self-declaring without input from the user? That's a bit of a problem, isn't it, if you're the subpostmaster?

A. Yes.

Q. If a ridiculous value of stamps was self-declaring, it's not the stock you've got, that's a big problem for the subpostmaster, isn't it?

A. It would be in that -- putting into the stack, yes.

Q. Okay. Let's have a look if we may at the phantom sales master PEAK. Now, you know what a master PEAK is, don't you?

A. The main one.

Q. It is the main -- where there are a number of iterations of a problem what Fujitsu do is they pull together a number of PEAKs into a master PEAK to collect the cases of different people who have had the same problem?

A. Yes.

Q. And let's look please at {F/97}. This is the master PEAK for phantom sales, PEAK number 0065021, dated 17 April 2001. That's when it is actually initiated in the main box and the target date in the PEAK you will see is the 13 June 2001, do you see that?

A. I do.

Q. Have you seen this PEAK before?

A. Not that I recall.

Q. So --

A. I certainly didn't see this back in 2001.

Q. So there are a number of different FAD codes for different SPMs in this PEAK, but can we just look -- is there any way we could slightly increase the size of the text?

A. Thank you.

Q. Mrs van den Bogerd, can you see that all right?

A. I can, yes.

Q. That's perfect, thank you very much.

So if we just look at 14/04/01 at the top there, do you see:

"New complaint call as previous ... closed WITHOUT permission from PM."

Do you see that?

A. I see that.

Q. And the reason that "WITHOUT" is in capitals is because the call shouldn't be closed without the agreement of the subpostmaster; that's right, isn't it?

A. Yes.

Q. And the next one done:

"PM wishing to complaint about ongoing system

problems, see call 0104 [et cetera] ... for details."

Then:

"PM had previous complaint open ... that PM was under impression (correctly) that it could only be closed with his permission. It would appear Ki Barnes gave authorisation to close that call. PM VERY unhappy about this."

Do you see that?

A. I do.

Q. Then the next one down, 12.58:

"Information: PM extremely unhappy about the problems with his counters. He says he has had to pay out over £1,500 in losses that are due to these problems. He has informed POCL ..."

Post Office Counters Limited, which was then the name of the Post Office, yes?

A. Yes.

Q. "He has informed POCL they can suspend him because he is refusing to make good any further losses."

Yes?

A. Yes.

Q. "PM wants a face-to-face meeting with someone in authority from Pathway/POCL to discuss the issues. PM feels very strongly about this and says he is willing

to take POCL to a tribunal/court because of the stress he has suffered because of the problems."

Yes?

A. Yes.

Q. Then halfway down the page you can see "JULIAN HALL", in capitals, and:

"Information: THIS CALL IS ONLY TO BE CLOSED WITH THE EXPRESS PERMISSION OF JULIAN HALL."

Who is this particular subpostmaster who seems to be one of the main complaints in this PEAK, yes? And that's the correct procedure, it shouldn't be closed without his position, yes?

A. That is the correct procedure, yes.

Q. Then 14/04/01:

"PM has lost all confidence in system and Ki Barnes as he feels she has misled him over previous calls."

Then underneath that:

"The system seems to lose transaction and PM is concerned that for every transaction error he notices there is the probability that there are ones he misses, leading to discrepancies. The PM is at present finding the whole scenario very stressful and is suffering sleepless nights due to these problems. In the light of what has gone on the PM is prepared to break his

contractual obligations with POCL and refuse to pay any more discrepancies and will take legal action if required."

So it is clear, isn't it, here that before we get into the detail about what the root cause is, which we will come to in a moment, the PM has had a call closed wrongly that should not have been closed.

A. Yes.

Q. Is extremely distressed about it, yes?

A. Yes.

Q. And there are significant sums of money involved?

A. Yes.

Q. Is that fair? And you can understand why it's a fair complaint to make about Ki Barnes that she has authorised the closure of a complaint that should not have been closed; that's fair?

A. That is fair.

Q. Right, let's look at what we find under 17/04/01 at 9.48:

"Contacted: I have left a message on Ki Barnes voicemail as the PM is now complaining about her. I was speaking to her about the last complaint call and we both feel that this PM is complaining unjustly. She has been in contact with him and I feel he is complaining

because the feedback has been advising it is user error, whereas the PM thinks it is software."

Now, pausing there, let's leave to one side for a moment the PM supposedly complaining unjustly, it is clear from this that the feedback the subpostmaster is getting is that this is user error, yes?

A. From -- yes, yes.

Q. And the PM thinks it is software?

A. Yes.

Q. So this is a good example of the competition which you have referred to in your witness statement --

A. Yes.

Q. -- of the subpostmaster saying it is software and effectively what appears to be the feedback he is getting that it is user error?

A. Yes.

Q. The fact that the feedback says it is user error, do you think that might have contributed to the closing of the call by Ki Barnes, or is that not in your experience? You may not be able to answer.

A. No, it would depend on whether other investigations had taken place.

Q. Okay. Let's have a look. If we go down to the bottom of this page, 10.17:

"As I was on the phone to the PM, he advised that three first class stamps that were on the screen just 'dropped off'. PM had three first class stamps ..."

A. Sorry, I have lost that.

Q. I'm so sorry, it is just at the bottom there. Just under "Contacted".

MR JUSTICE FRASER: Hold on one second. We have just jumped down to the second part but it is the same page.

I shared your slight concern we had gone somewhere else. Can you now see the entry?

A. I can see that now, thank you.

MR GREEN: So you see "Contacted" there.

A. Yes.

Q. "As I was on the phone to the PM, he advised that three first class stamps that were on the screen just 'dropped off'."

That's while he is actually on the phone he is reporting something that appears to happen either during the telephone call or had just happened:

"PM had 3 first class stamps and other stamps for 30p. When the other stamps 30, went on, the first class stamps disappeared. They have since put the 3 first class stamps again. The first transaction (that disappeared) was put on as 2 first class stamps and

1 normal first class stamp."

And the transaction IDs follow. So he is clearly having a problem with the stamps.

If we go on to the next page of this PEAK {F/97/2} you will see there:

"PM advises that the transactions taken after this one ... which basically skips out transaction [number 77]. We were unable to find out the transaction ref of the 1 first class stamp that was taken with the 2 ... can SSC please investigate why he has had disappearing transactions again and perhaps a recommendation as to what action can be taken."

Now, there is quite a lot of content in this and I'm just going to take you to a couple of points if I may. Let's go forward to page 4 of this PEAK please {F/97/4} and about halfway down, just more about two-thirds of the way down, about an inch below the Dell on the side of the screen can you see 01/05/01, 9.36?

A. Yes.

Q. This is actually a different FAD number. It says:

"PM wants to speak to someone face-to-face and is fed up with things getting passed back and forth to and from different departments and nothing ever happening. PM is willing to travel if he has to in order to speak

to someone face-to-face."

So we have had Mr Hall wanting to speak to someone face-to-face and we appear to have a different subpostmaster wanting to speak face-to-face. You will have encountered, won't you, in your experience when these problems happen subpostmasters just eventually get to a point where they get fed up with dealing with the helpline and they just want to talk to someone face-to-face to get it sorted out?

A. Yes.

Q. And that doesn't always happen, does it, when they want to and some of them get quite frustrated?

A. And I can understand that frustration, yes.

Q. Let's look at page 5 please --

MR JUSTICE FRASER: Just before you -- are you moving off that one?

MR GREEN: I am.

MR JUSTICE FRASER: A little bit further down,

Mrs van den Bogerd, there's an entry -- I just wondered if you understood what it is and if you don't, please don't worry. There's an entry 1 May 2001 at 10.56, do you see that?

A. Yes.

MR JUSTICE FRASER: It says:

"Information: ROMEK are contacting the site to let them know that they will be attending site ... to fit suppressors and double sheet flyleads, in order to help the enviromental fault."

Do you know what ROMEK do?

A. ROMEK were Royal Mail engineers --

MR JUSTICE FRASER: Royal Mail engineers?

A. In-house electricians and engineers.

MR JUSTICE FRASER: All right, thank you very much.

Mr Green.

MR GREEN: My Lord, I was just about to pick up --

MR JUSTICE FRASER: That's fine.

MR GREEN: If we look at page 5 of this PEAK {F/97/5}, if we go down to the bottom do you see 3 May 2001?

A. Which time?

Q. 15.34.

A. Yes.

Q. So:

"ROMEK have been to site and have done all they can do. There is no more UKSS2 can do for this site."

What is UK SS2?

A. I'm sorry, I don't know.

Q. Not sure. And then underneath that, 04/05:

"Information: Ki Barnes has called in. I am unsure

as to what to do with this call now. ROMEK [which is Royal Mail engineers] have been to site and state that they have actually seen the phantom transactions, so it is not just the PM's word now. They have fitted suppressers to the kit ..."

Which is the reference his Lordship took you to:

"... but the PM is still having problems. As yet there has been no recurrence to the phantom transaction but there still may be problems."

Now, pausing there, that is independent site visit corroboration of the problem by Royal Mail's own engineers at the branch, isn't it?

A. Yes.

Q. That's clearly not user error any more?

A. No.

Q. Let's look at page 7 {F/97/7}, and if we go down to 19 June 2001 at 3.17, do you see that?

A. Yes.

Q. "I now have pressing evidence to suggest that unwanted peripheral input is occurring, the likely source being the screen.

"This has been seen at Old Isleworth ... and Wawne ... with OI being the best site; when the PM has been asked to leave the screen on overnight I have

observed system activity corresponding to screen presses happening with no corresponding evidence of either routine system activity or human interference ..."

So on the face of it there's unwanted peripheral input occurring into the system?

A. Yes.

Q. Can we go to page 9 {F/97/9}, top of page 9, 7 August 2001 please, do you see that?

A. Yes.

Q. Halfway across "Repeat call":

"PM Mr Julian Hall back online - has just been speaking to Becky - insists that he would like this call updating with this information. When the transaction ... was entered the cheque for £75 did not appear in the stack, but then turned up on the cheques listing. This information was not mentioned when he initially spoke to Becky and would like it including in the call."

Yes? So he still seems to be having difficulties and he is trying to make sure that he is giving full and precise details of what's going on, isn't he?

A. Yes.

Q. And then if we look down at 24 September 2001 -- this is just slightly outside the main stream of the items

I have been asking to you look at -- we can see this is a different SPM. You can see there it says:

"PM called as her system said that it was printing a report for 20 minutes and she wasn't even printing a report. She tried to settle a transaction to cash and that came on screen. Advised PM to reboot and told her I would update the call. PM happy."

Yes?

A. Yes.

Q. So there are some things which appear to be actual phantom transactions and then there are other things which are phantom events that we might find in the events log?

A. Yes.

Q. Like printing a report, when she is there; it is not printing a report for 20 minutes at all, yes?

A. Yes.

Q. And then there's a repeat call about a monitor and then if we look at the bottom of the page, 12 November, this is basically the conclusion to all this:

"Phantom transactions have not been proven in circumstances which preclude user error. In all cases where these have occurred a user error related cause can be attributed to the phenomenon."

And over the page {F/97/10}, "No fault in product".

It doesn't suggest, does it, a great willingness to acknowledge what appear to be independently observed faults with aspects of the Horizon system, does it?

A. Not from this, no.

Q. Now, if we go please to {F/773}. This is PEAK 0208335 and if we just quickly look in the summary it will give us -- this is February 2011:

"Branches will be forced to declare stock when they don't want to. Apparent reappearance of withdrawn stock may cause spurious discrepancies."

Do you see in the summary box across the middle?

A. Yes.

Q. "Avoidance action taken so far is only appropriate in the short-term while very few branches are affected; over the next few months it could be affecting around 10 branches per week. NBSC aware of problem."

Do you see that?

A. Yes.

Q. Just if we go over the page please to {F/773/2}, if you look at the top -- just go halfway across the line at the top:

"The office went into the declaration and confirmed it showed the PO saving stamps and other stock items,

some showing as minus stock amounts, that were not correct to the branch."

So the problem with negative stock appearing in -- this is in 2011:

"It somehow seems that the system has somehow picked up this declaration and this is the cause of the discrepancies appearing on the system. The SPMR was told to declare the correct stock figures but is reluctant to do this as this will cause discrepancies when she next balances that are not relevant to herself at the moment."

So that's a matter that would concern any subpostmaster, isn't it, because they are effectively having to declare something that they don't agree with?

A. Yes.

Q. And enter into the account on the Horizon system effectively an account which accepts a discrepancy that they completely disagree with?

A. From reading that, yes.

Q. Yes. So had you seen this PEAK before?

A. No.

MR JUSTICE FRASER: Before today, or before your witness statement?

A. No, I don't recall seeing this at all.

MR GREEN: So is it right that if you had heard that story from a postmaster in any of the many conversations you have had about difficulties they faced, you would have assumed it was user error, wouldn't you?

A. Without -- yes, so without them ... with the situation being referred to the Horizon service desk and Fujitsu looking at it, without that happening then yes I would have, if there was nothing to support ... but what I would have done is looked at what's happened in branch to determine whether there was a plausible explanation in branch and if not if there's anything -- I mean this is quite specific around -- I have seen this happen at this time, I've got the reference -- the number of the session ID, so this is quite specific.

Q. In a sense this subpostmaster was quite lucky that what was being thrown up was stock that wasn't in use any more because it's a lot easier for them to say "Well, hold on a second, I don't even have that --"

A. Yes.

Q. -- "that item shouldn't even be there". So that's really luck that that was the problem for this subpostmaster, isn't it?

A. In that it was obvious, yes.

Q. Much easier for them?

A. Yes.

Q. But if what's thrown up is a stamps discrepancy for first class stamps that they do stock, it's much harder for the subpostmaster?

A. Yes, it would be.

Q. Yes. And what we see there is that whilst the previous PEAK appears to be a hardware problem of phantom transactions, this one appears more like a software problem, does not it?

A. From this, yes, it does.

Q. And we can see at page 7 of this PEAK {F/773/7}, we can see that this is closed on 10 September, final "Administrative response" is the category for that PEAK. It doesn't really give a hint of the trouble that's been caused, does it, that category?

A. No.

Q. Mr Parker very fairly accepts in his witness statement that the categories assigned were somewhat subjective.

A. Mm-hm.

Q. And were not ever actually audited to ensure consistency.

A. Yes.

Q. I think that's a pretty shining example of that, isn't it?

A. Yes.

Q. Now, can we go now to {F/1286.2/2}. This is a 9 December email and it is from the NBSC admin team to the branch support team. Now, in 2014 you were head of the branch support team, weren't you?

A. Yes.

Q. And what we see there is:

"Branch reporting that he has found sensitive issue with Horizon when the system put a phantom cheque on the cheque line in July 2013. Claims to have evidence to support his claim."

Do you see that?

A. Yes.

Q. That would be pretty interesting to see, wouldn't it, the evidence, if someone claims to have it?

A. Mm-hm.

Q. "Although he himself did not suffer a loss, thinks that Horizon is flawed. Did not ask to be contacted about this. Just wanted to say that he had this information and threatened to go to MP as a result."

Do you see that?

A. Yes.

Q. Now, can we go back to page 1 please and just follow this through {F/1286.2/1}. This is sent up by

Nigel Allen to Andrew Winn, Andy as he is known, yes?

And you know Andrew Winn, don't you?

A. Yes.

Q. And you have worked with him?

A. Not for very long; not directly.

Q. Okay. And what we see there is in the middle of the page, Nigel Allen is saying:

"Given the current media and in particular the BBC's attention on Horizon, do you think it is worthwhile looking into this 'alleged flaw' with Horizon that this SPMR has highlighted to preempt any enquiries from his MP?"

And what comes back is:

"Hi Nigel,

"There is nothing I can investigate given the level of detail provided unless he only accepted one cheque in July 13. Even then I don't have the level of detail needed and would need Fujitsu support. Without a date/value we can't really raise a request.

"I don't really understand what the purpose of the call is. Does he want it investigated or not? My instinct is that we have enough on with people asking us to look at things.

"I can't figure out how if a phantom cheque appeared

on Horizon he could avoid a loss unless another phantom transaction took it away again!!!!"

Yes? So let's just unpack that, if we may. The first point is that information which might be relevant if you had an interest in knowing the truth about the reliability of Horizon has been offered --

A. Yes.

Q. -- by a subpostmaster who has rung up, and the subpostmaster has said they've got evidence, as we saw, yes?

A. Yes.

Q. And if one had any interest whatsoever in knowing the truth about the reliability of Horizon, you would say "Well, can you please get him to send the evidence", wouldn't you?

A. Yes, you would.

Q. And that's not what happened?

A. No.

MR JUSTICE FRASER: Do you consider that that reaction from Mr Winn is an adequate reaction --

A. No.

MR JUSTICE FRASER: -- or an inadequate reaction?

A. That's a totally inadequate reaction. The fact that we had the details from the branch on there -- you know,

the name of the branch, the FAD code, it would have been very easy for Mr Winn to have contacted to get further information and I would have expected him to have done so.

MR GREEN: There is one final point on this email, if I may, just quickly. The last bit of Mr Winn's email where it says:

"I can't figure out how if a phantom cheque appeared on Horizon he could avoid a loss unless another phantom transaction took it away again!!!!"

And the point about that is that shows, red in tooth and claw, that if a phantom cheque comes up into your account you're going to suffer a loss, aren't you?

That's what he's saying?

A. That's what he is saying there, yes.

Q. And that's right, isn't it?

A. Well, it depends -- you know, it would come in as a payment for something, so if he has had -- I'm not sure actually and this is why it would have needed to have been investigated because if a phantom cheque came in then it would come in as a method of payment.

Q. Well, if a phantom cheque -- if you're supposed to have received money that you haven't actually had, you are not going to have the money in your branch, are you?

You're going to be short of something if on the system you are supposed to have had a payment for something and you haven't actually received it?

A. He is saying he has had a phantom cheque appear on Horizon.

Q. Yes.

A. So to me that means he's got a cheque there that -- oh, I see, he's got a cheque there that he hasn't actually got.

Q. Yes. Horizon is showing a cheque he hasn't actually had?

A. I think that is the classic example of why that needed to be investigated.

Q. Yes, because -- let's put it very neutrally -- at the very lowest, on the face of it there's a risk that he may have had a loss --

A. Yes, absolutely.

Q. -- in that type of situation; is that fair?

A. Absolutely. And even though he has said he didn't have a loss it could have meant that he made an error somewhere else and he could have had a loss after all.

Q. Quite. Yes.

So this doesn't seem to have been drawn to your attention at all, as far as we can see?

A. I don't remember this at all.

Q. No. Were you aware of that sort of problem being discussed?

A. No. I mean if I had become aware of that I would have requested an investigation to be done on that, absolutely.

Q. Because people have had quite a lot of problems with cheques over the years, haven't they? Subpostmasters, one of the things that --

A. Yes, there have been errors with cheques.

Q. Yes. Let's have a look, if we may please, at the next topic in your witness statement, transactions not associated with SPM user IDs, which we see on page 6 of your witness statement {E2/5/6}. If we go to paragraph 18 {E2/5/6} and this is you responding to Mr Henderson's suggestion that there may be transactions associated with the user ID that the subpostmaster didn't conduct.

A. Mm-hm.

Q. Leaving aside for a moment the husband or wife who have moved over while the other one has logged on and used the log in or something like that, just leave that aside for a minute, but one possibility is that an auditor has accepted a TC on behalf of a subpostmaster, isn't it?

A. An auditor whilst in branch?

Q. Yes.

A. Yes, that is a possibility.

Q. Yes, because if we look at {F/499}, this note is actually in Mr Abdulla's case:

"Call from auditor on 08.04.09 - postmaster not present at audit so this TC was accepted and settled centrally by auditor."

A. Okay.

Q. Is it your understanding that that's how things should proceed in the absence of a subpostmaster at a branch?

A. Not normally. If a postmaster isn't available when there's an audit then it is usually whoever they have left in charge that we would ask to process anything that would need to be processed on the day.

Q. Okay. Let's look at paragraph 18.4 {E2/5/6} where you go on to deal with what you describe as a:

"... further very rare scenario in relation to Legacy Horizon only, involving the insertion of a transaction at the counter by the SSC."

A. Yes.

Q. "In this instance Horizon would associate the transaction with the user ID of the individual logged on at that counter. If nobody was logged on at the time

the transaction was inserted then the user ID would be missing. These transactions would be clearly identifiable in the audit trail as having been inserted by SSC."

Now, taking it in stages, in the records where the log in ID was shown, if the subpostmaster is logged on at the time, the subpostmaster's own ID would show, wouldn't it?

A. Yes.

Q. And you made this witness statement in November 2018. This was something that you were aware of when you made this witness statement, isn't it --

A. Yes.

Q. -- the possibility of inserting transactions?

A. The possibility but I've never actually seen this happen. The possibility of it, yes.

Q. How long have you known about that possibility?

A. This is something I have not -- because I have not experienced it myself, I have not known of it that long actually.

Q. Could you give the court a rough idea of how long you have known it was possible?

A. In terms of inserting transactions, last year or so.

Q. Who told you about it?

A. Anything to do technically with Horizon I would get the information from Fujitsu.

Q. And was it Gareth Jenkins or was it someone else, can you remember?

A. I have not got this directly from Gareth Jenkins.

Q. Do you know if it originally came from him?

A. It probably did.

Q. Probably from Gareth. When you say it would be visible in the audit trail at the end of 18.4 {E2/5/7}, what are you referring to as the audit trail?

A. So on the transaction log in branch.

Q. You say it would be visible on the transaction log --

A. In the branch.

Q. -- in the branch?

A. It would be visible to the branch that somebody other than that user had done a transaction. That's my understanding of how that works.

Q. Do you -- or do you in fact mean -- if you don't actually know and you are having to sort of slightly do your best for the court --

A. Yes.

Q. -- that's not a fair thing for you to be asked to do, because you are on oath.

A. I've never see --

Q. Perfectly okay to say you're not sure.

A. I've never seen this so I can't speak on it from a working knowledge of actually seeing it.

Q. And you don't actually know whether it would be on the transaction log or actually in the audit store data in the audit, do you?

A. So my understanding was it would be in branch that it would be visible, but as I say I've never seen it so I couldn't actually ...

Q. Okay.

My Lord, would that be a convenient moment for a break?

MR JUSTICE FRASER: Yes, it would.

Mrs van den Bogerd, you will recall this from last time but you are now in the middle of your evidence so you are not to talk to anyone about the case. We are going to have a short break for the shorthand writers. We will come back in at 5 to.

(11.45 am)

(Short Break)

(11.55 am)

MR GREEN: Mrs van den Bogerd, can I just ask you to have a quick look at page 45 of the transcript just before the break.

We see at line 7 I said:

"Question: And you know Andrew Winn, don't you?

"Answer: Yes.

"Question: And you have worked with him?

"Answer: Not for very long; not directly."

A. Mm-hm.

Q. Just to clarify, could we look please at {F/1114}. This is 7 August 2013.

A. Yes.

Q. This is the branch support programme terms of reference and this was the programme that you were in charge of, wasn't it?

A. That's correct.

Q. And at this stage Post Office had decided to try to address the concerns raised by some postmasters over recent years and at this stage Post Office commissioned the independent review and so forth and we see the scope there, first bullet point is:

"Post Office's attitude to subpostmasters which is often defensive and unsympathetic, with a focus to recover assets rather than to identify the root cause of the problem."

A. Yes.

Q. This is what the interim report had identified,

isn't it, as we see in the introduction to those bullet points?

A. Yes.

Q. And then the third one, for example:

"Lack of timely, accurate and complete information provided to subpostmasters to support them in resolving issues."

Yes?

A. Yes.

Q. And then the approach is then explained and if we could go over the page please {F/1114/2} you will see there the governance and key stakeholders are then set out and Alice Perkins -- who was Alice Perkins?

A. She was the chairman at the time.

Q. She was the chairman. And Paula Vennells was the CEO until very recently?

A. Yes.

Q. And they have requested the establishment of the programme, which will be led by you?

A. That's right.

Q. With Gayle Peacock accountable for running it on an operational level?

A. That's correct.

Q. Then if we look down to the underneath table in terms of

finance, on the programme board was Mr Ismay and then working group level, Mr Winn, Alison Bolsover and Paul Lebeter?

A. That's correct.

Q. That was the context, was it, in which you worked with Mr Winn on these issues?

A. Yes. When we set up the mediation scheme as well, a number of the queries -- when we were investigating some of the issues then Andy Winn had been involved in some of them previously and had worked with Second Sight on some of the spot reviews as well, so I did -- that was the first time I had come across Andy Winn, and he -- FSD at the time was run by Rod Ismay and he was part of that team.

Q. And his responsibility and the reason why he was included in that group is in the right-hand column, isn't it?

A. Yes.

Q. The right-hand column is headed "Reason for inclusion within the group".

A. Absolutely, yes.

Q. And if we look at the right-hand corner it says:

"Responsible for branch accounting and client settlement. Also responsible for resolving specific

branch accounting issues."

A. Yes.

Q. So in terms of that, that was sort of front and centre of what he was properly supposed to be dealing with, isn't it?

A. The second part of that, yes, the issues. Not the branch account and client settlement.

Q. Okay, so Mr Winn was responsible for the specific branch accounting issues?

A. Yes, he did the dispute resolution, yes.

Q. So in context, he was the right person for that email we looked at before the break to have gone to, wasn't he?

A. Yes, he was.

Q. That doesn't improve the unsatisfactory response, does it?

A. Sorry, doesn't improve?

Q. Well, the fact that he is the very person who is supposed to be dealing with it doesn't make it any better, it makes it look worse?

A. No, it makes it worse actually, yes.

Q. Okay. Can we now look at lottery transactions, which you deal with at paragraph 23 and following in your statement at {E2/5/8}.

Now, you refer to the introduction of PING in 2012,

paragraph 25.

A. Yes.

Q. So you then explain how the system worked before the introduction of PING and after the introduction of PING.

A. Yes.

Q. Before PING, 26.1 {E2/5/8}, SPMs had to activate scratchcards on the lottery terminal and rem them in on the Horizon terminal completely separately?

A. Yes.

Q. So if there was any difference between the two activities that would create a problem or a discrepancy of some sort?

A. Yes, it would.

Q. And at the end of 26.3 you say:

"There are many explanations as to why the two figures do not match, the simplest of which is that the branch had (i) activated a pack without remitting it into Horizon or (ii) remitted a pack into Horizon without activating it."

A. Yes.

Q. Now, if an SPM activated on a lottery terminal but didn't rem it in on the Horizon terminal, if reconciliation worked correctly there should ultimately be a transaction correction sent to the Horizon

terminal, is that right?

A. Yes.

Q. And that in itself depends on the reconciliation process working correctly, doesn't it?

A. Yes.

Q. And that in turn depends on the integrity of the client data being provided by Camelot?

A. Yes.

Q. And the process for determining whether a TC should be issued within Post Office?

A. Yes.

Q. And at 26.4 you say:

"By around 2010, the level of TCs from lottery scratchcards had begun to grow. A practice had developed in some branches whereby they would activate the scratchcards but wait for the transaction correction a few days/weeks later rather than actively remitting in each pack on Horizon. They did this because it saved them a little bit of time, but it caused their accounts to become confused (because they would be selling scratchcards without first having recorded the inbound scratchcard stock)."

Now, pausing there, you are suggesting there that that was a sort of conscious decision, yes? But it

could have been through a lack of understanding, or
a simple mistake, couldn't it?

A. Yes, it could have.

Q. And there were, as we have seen -- we saw in the common
issues trial there was a problem with very large lottery
TCs arriving weeks later.

A. Yes.

Q. Some of which were in error.

A. Yes.

Q. Some credits, some debits.

A. Yes.

Q. Both unsatisfactory?

A. Um ...

Q. When they are in error?

A. Oh, I see: yes.

Q. So that was why the policy we looked at during the
common issues trial was introduced, to try and cater for
that, not do them immediately before the end of
a trading period?

A. Yes.

Q. Amongst other things. And SPMs effectively became used
to quite a lot of lottery TCs coming in, didn't they?

A. From the numbers that we were processing, yes, I would
say that would be fair.

Q. And what about if a subpostmaster remmed in on the Horizon terminal but didn't activate on the lottery terminal, what would happen then? You would get a TC as well?

A. Yes.

Q. And what changed when PING was introduced, which is paragraph 26.7, is that lottery scratchcards were actually activated on the lottery terminal and there was no need to rem them in on the Horizon terminal any more?

A. It was an automatic, so the TA would come.

Q. So the information would go from the Horizon terminal back to Camelot and be sent to Post Office?

A. No, it would go from the Camelot terminal.

Q. Sorry?

A. The Camelot terminal. It would go -- so the activated pack would go to Camelot and then come into Post Office and then it would come back to us.

Q. Exactly, yes.

A. Yes.

Q. So the SPM activates the pack on the lottery terminal?

A. Yes.

Q. That tells Camelot it has been activated?

A. Why he.

Q. Camelot tell Post Office?

A. Yes.

Q. And Post Office send an automatic TA?

A. That's right.

Q. And that's generated automatically?

A. Yes.

Q. To avoid manual reconciliation difficulties?

A. Yes.

Q. And provided that the data coming back from Camelot is correct and there are no problems in the data transmission from the lottery terminal, that should be correct?

A. Yes.

Q. And overall it was an improvement for SPMS?

A. Yes.

Q. And simplified the process?

A. Absolutely.

Q. And PING was not limited to scratchcards, it also applied to lottery online sales as well?

A. Yes.

Q. It did take quite a long time to implement, didn't it?

A. I can't remember exactly how long from when it was first suggested.

Q. Well, I mean lottery had been in branches since before the introduction of Horizon?

A. Yes.

Q. So before 1999/2000.

A. I can't remember exactly when, but ...

Q. For example, Mr Bates, you might remember, was actually required to have a lottery terminal in a prominent position in his branch and then built it up and then Post Office told him he couldn't have it any more?

A. What I'm saying is I can't remember when we actually started Camelot business.

Q. I understand. Have a look if we may at {F/506}. And if we look at page 3 {F/506/3} we can see on the version control, the document history, at 2.2, the initial version of this document is 2008, isn't it?

A. Yes.

MR JUSTICE FRASER: Where are you looking at?

MR GREEN: 2.2, my Lord, "Document history", 0.1.

MR JUSTICE FRASER: Yes.

MR GREEN: 10 October 2008. And if we look at page 9

{F/506/9}, we have the context of that document. The background is:

"In line with the commercial contracts with clients, a number of settlements made by product and branch accounting are based upon data provided by the client. Such an example is Camelot, where settlement is based

upon data captured by the Camelot terminal in outlets rather than the data being captured at transactional source by [Horizon]."

HNG-X, yes?

A. Yes.

Q. And it then explains:

"The client data is uploaded into POL FS, [Post Office Limited Financial System] and compared with the equivalent [Horizon] data which has to be manually input ..."

That's into the old system:

"... by the agent/counter clerk. Ideally the data, when compared, should be the same but a number of conformance issues have been identified where agents/counter clerks do not perform end of day routines correctly ..."

And so forth:

"This difference may require the issuing of a transaction correction."

That's what we have just covered. Then if you go down to the paragraph that begins "Although", do you see that?

A. Yes.

Q. "Although client based settlements are not a preferred

settlement option it is recognised that the data being provided by clients such as Camelot is robust, controlled by reference data, and more accurate than the [Horizon] data stream due to the conformance issues mentioned previously."

Yes?

A. Yes.

Q. So this was a big vote of confidence in the accuracy, or in fact robustness as it is termed there, of the Camelot client data stream?

A. Yes.

Q. "The solution is to automate a process that converts the client data file (eg Camelot) into a data feed into the branch ... the branch will then accept the data and thus avoid the issues described above."

Yes?

A. Yes.

Q. So the whole point of this is that it is robust data from Camelot, with automatic TAs that are issued which then come into the subpostmaster's account effectively the next day, yes?

A. Yes.

Q. And they automatically have to accept those?

A. Yes.

Q. And you then explain this isn't in fact implemented until 2012, if we look at paragraph 25 of your witness statement please {E2/5/8}. Yes?

A. Yes.

Q. If we look please at {F/1539}, on page 5 -- you probably noticed on the first page it is authored by Gareth Jenkins.

A. Yes, I saw that.

Q. And at 2.5 it says:

"It would appear that PING has gone live for Camelot (at last)."

Yes?

A. Yes.

Q. And this was an internal recognition that it had taken rather a long time, hadn't it?

A. Yes.

Q. This document is dated 9 August 2016.

A. (Nods).

Q. And it is clear -- if we look at {F/506/11}, just to confirm I think what you have accepted, this is the PING project interfacing client data into POL's systems document. We can see that there is no provision there at all for anything other than acceptance, yes?

A. Of the --

Q. Of the TA?

A. -- transaction, correct. Acceptance, right, okay, yes.

Q. The transaction acknowledgement as opposed to
transaction correction?

A. Yes.

Q. So if you look at number 3 it says:

"The branch will be presented with the value to
'accept' only ... no opportunity to write off or ask for
evidence due to the inherent robustness of the Camelot
data provided."

Yes?

A. Yes.

Q. So that was how it was intended to work and we will have
a closer look at that with some of the specific examples
with individuals at the minute, but that's the
background.

Let's look at Mr Latif's situation. If we look at
paragraph 98 of your witness statement please on page 24
{E2/5/24}. Now, in that paragraph the explanation you
have given there is essentially that there was a data
entry error by Post Office?

A. Yes.

Q. Now, can you see that clearly in paragraph 98?

A. Yes.

Q. And it is prefaced with the words:

"To be clear, this was a data entry error by
Post Office and not an issue with Horizon."

A. Yes.

Q. Now, the point about that sentence is that sentence
tells the court that there's no problem with Horizon at
all, it's just someone manually entering the wrong
figure at Post Office, doesn't it? That's what that is
saying?

A. It says it is by Post Office, yes.

Q. So it's suggesting it is a manual error and not a system
problem?

A. Mm-hm.

Q. But we have just established from looking at the
documents, and you have agreed, that this process was
completely automated, wasn't it?

A. Automated, yes.

Q. So what you have said there cannot possibly be right,
can it?

A. No, from that, yes, it's --

Q. It's wrong?

A. The TA is automated. The TC is manually uploaded into
the system. Yes.

Q. Yes. So would it be fair to correct that part of your

statement --

A. It would be actually, yes.

Q. -- to say "To be clear, this is an issue with Horizon and not a data entry error by Post Office"; is that a fair correction to make?

A. I have made a mistake in that the way I have worded that, absolutely, yes. So, yes, it is fair.

Q. Would you agree with the formulation I have given, or would you prefer something slightly different? What would you want the court to note as your evidence?

A. So the automated -- my understanding is the transaction -- the TA is the information that comes from Camelot to us and then it is passed through into Horizon, so in that respect Horizon just conveys it, is my understanding, and the information that's come from Camelot in that respect would be incorrect.

Q. So the point is that either way, it is not a manual data entry by Post Office?

A. No, it's not.

Q. Whatever it is, it's definitely not that, you agree with that?

A. Yes, absolutely not. Agree, yes.

Q. What it could be is some problem with the information somewhere between the terminal in the branch --

A. The lottery terminal, yes.

Q. The lottery terminal in the branch and the matters showing up on the face of the Horizon terminal in the branch?

A. Yes, I agree that.

Q. Somewhere there?

A. Yes.

Q. So it's definitely not a user error, is it?

A. No, that's not user error.

Q. Right. And on the face of it, it at least suggests some doubt as to the robustness and integrity of the Camelot data coming through in that automated system, doesn't it?

A. I would say yes.

MR JUSTICE FRASER: Is it also the case that the branch could have challenged the TA? Because I understood the previous document to say they couldn't.

A. So they have to accept the T on the system, but if they see something wrong on there they can actually get in touch with FSC.

MR JUSTICE FRASER: On the helpline?

A. Or direct to FSC, because you can go to the helpline -- you can always go through the helpline NBSC into the finance service centre anyway.

MR JUSTICE FRASER: So looking at your final sentence of paragraph 98 ...

A. Yes.

MR JUSTICE FRASER: I understood the previous document to say that the TA had to be accepted by the branch?

A. It does have to be accepted --

MR JUSTICE FRASER: It does have to be?

A. On the system, yes.

MR GREEN: And that's just a straight acceptance, isn't it?

A. That's my understanding of that, yes. If I recall correctly, on the screen that comes through it does say to make sure it is right and if not then you would get in touch with FSC. I don't know the exact wording but that's my recollection, on the TA.

Q. You are aware that some people had problems with TAs quite a few times?

A. Yes, from looking at the transaction corrections.

Q. Some people had duplicate TAs, some people had all sorts of problems with the TAs coming through, yes?

A. I would also say it is fair that most branches would just accept it anyway.

Q. They would just accept it anyway some of them?

A. Because they -- you know, on the understanding that it is an automatic pull-through from what they have

activated, I would -- my working assumption is most people just hit the button and accept it.

Q. Well, you have to accept it, don't you?

A. Yes, but what I'm saying is they would do it --

Q. And you wouldn't do anything more --

A. -- yes, without even really looking at it.

Q. I mean in fact we can see that in -- slightly ahead, I was going to take you to some of the documents that show that that was actually internally anticipated by Post Office, that what was anticipated was there would be a basket and people would generally just hit "enter" to accept all?

A. Yes.

Q. That's what was anticipated, wasn't it, and I think you very fairly volunteered that just now?

A. Yes.

Q. Let's just have a little look at the helpline log please at {F/1223/1}. It is 12 June 2014. I think that is a native file so we just need to download that and it will come up in a second. If we look on I think the "Individual incidents" tab and then if we go to row 431 -- if we perhaps just type 431 in the top left-hand box.

At row 431 you can see there National Lottery in

column H, transaction corrections is column I. If you scroll to the right slightly please, "Lottery TA issue", "PM says has still got a discrepancy due to the TA problem."

Yes?

A. Yes, I see that.

Q. If we go down to row 2375 and you see "TC for National Lottery", you can see in column L:

"TC not received for the TA that was duplicated from last Saturday for National Lottery. Printed off TC report and on there as processed."

So there's an issue there and if we just look at 3176:

"Lottery TAs: PM still not received TC for the TA problem."

These are helpline call logs for the week of -- we just looked at entries for 9 June, 10 June and 11 June. These are the sort of problems that you fairly accepted people had from time to time?

A. Yes.

Q. And if we look at the document at -- well, I might be able to take it more quickly. There were also problems that people were receiving TCs when they didn't know what it was for in relation to National Lottery. That

was internally acknowledged, we saw it in the common issues trial?

A. Yes, the lack of explanation on the TC.

Q. Yes. And then people were raising queries about errors relating to the downloaded duplicate TA files in June.

A. Yes.

Q. 2014. Do you remember that?

So there was a problem with duplicate TAs, wasn't there, from time to time?

A. From time to time, yes.

Q. Let's look please at {F/965/22}. TAs were later introduced for Post and Go and Paystation transactions, weren't they?

A. Yes.

Q. And if you look on page 22 there you will see:

"Crowns have incurred discrepancies as a result of missing TAs ..."

Do you see the second box down, "Post and Go TA missing or duplicated"?

A. Yes.

Q. This is under "Current issues". This is an integral fraud and conformance report.

A. Okay.

Q. So that's Crown offices, that's not SPMs, is it?

A. No, that's directly ...

Q. Yes, so they were experiencing them too?

A. Yes.

Q. And if we look back -- let's look at {F/1228} please and what we're going to here is a branch user forum record of input from users of Horizon and once we have loaded it we're going to look at line 74. If we can go down to line 74 and you can see there -- go slightly to the right so we can get the whole ...

"Lottery and Paystation: why can't I sell lottery on Horizon as other retailers do and similarly why is not the Paystation functionality contained on Horizon - saves messing around with separate tills or pots of cash with TAs the following day or even later."

And so forth. And he makes the point about the costs being borne by the subpostmasters at the bottom.

Just pausing there, the lottery terminal and Paystation were not within the original design of the Horizon system, were they?

A. No, they weren't.

Q. Even though lottery, for example, was in use prior to the introduction of Horizon?

A. Yes, but it has always been Camelot's.

Q. So they were added on and that introduced the pre-PING

issue of mistakes between the terminals?

A. Yes.

Q. And then questions about whether it is user error or something else that's gone wrong, there's an opacity there, and post PING it introduced the issue of duplicate TAs and difficulties with the integrity of the data stream all the way through?

A. Yes.

Can I just say, when -- so when we brought in Horizon very early on, the format of a post office was very much that the post office was behind a counter, screened counter, and the lottery terminal was always designed to be on the retail counter and the Paystation was -- it was more of an out of hours, so it was never built as one, it was literally a very different part of the post office itself and the retail, so it was very different.

Q. It's a fair observation, but equally I think you would accept it is a fair observation to remind oneself that one of the conditions of appointment that Mr Bates had to agree to, from Post Office, was that he would operate a Horizon terminal from which Post Office would profit -- not in his shop for him to profit from it, but on behalf of Post Office --

A. Yes.

Q. -- he would operate a Horizon terminal in his branch.

It was actually a contractual requirement for him, yes?

A. Run through Post Office, yes.

Q. So that --

A. I'm just explaining why it wasn't part of the -- you couldn't add it on to Horizon, it was very -- physically very different, that was what I was saying. That was my point I was making.

Q. He was required to have it in a prominent position at his counter, wasn't he?

A. In some post offices it was. All I was explaining was that in the vast majority it was physically apart from, distanced from the main counter, which was behind a screen. That was the only opponent I was making.

Q. I understand. Let's have a look at what you say about failed reversals please. This is paragraph 154 of your witness statement {E2/5/34}. Now, here you have moved on to respond to go what Mr Coyne says. Do you see that? It is on page 34.

A. Yes.

Q. E2/5/34, paragraph 154. It is under the heading just above 153 "Mr Coyne's report", just to orientate you where you are in your witness statement.

A. Yes.

Q. And you say:

"I address below a number of factual points raised
by Mr Coyne in his report."

Just pausing here. Mrs van den Bogerd, you
obviously took a lot of care over this witness
statement, yes?

A. Yes.

Q. That's fair?

A. Yes.

Q. And probably had even greater focus perhaps and greater
time to devote to this than someone dealing with an SPM
ringing up might have?

A. Sorry, what do you mean?

Q. You had more chance to look into all these things you
have dealt with, a greater opportunity to research and
look into these things, to provide this witness
statement?

A. In some areas, yes, I have, yes. Not in all because of
the way things were changing.

Q. But where you have been able to comment on a document
you have been able to consider it carefully and so
forth?

A. I have tried to, yes.

Q. And let's look at what you say about failed reversals.

You say:

"At paragraph 5.175 of his report, Mr Coyne has referred to a report prepared by Helen Rose dated 12 June 2013 in the context of failed reversals. The extracts taken from the report by Helen Rose referred to by Mr Coyne are taken out of context and mistakenly claim that the relevant reversal was issued in error by Horizon not the subpostmaster. The Rose report makes it clear that:

"The concerns were based on the fact that reversal were not being shown on the particular data sets reviewed/reports typically run by subpostmasters in branch on Horizon;

"Transaction reversal data can be extracted from Horizon ... the issue was therefore surrounding how the transaction reversals were displayed/accessible in branch and that there was no issue with Horizon itself."

Now, just pausing there, that is not something that you have changed, is it?

A. No.

Q. Let's have a look please if we may at the underlying document, the Helen Rose report itself, which is {F/1082}. It is dated 12 June 2013. Can you see that?

A. Mm-hm, I can.

Q. Is this the document you looked at?

A. Yes.

Q. Now, if we look at page 2 of that document please {F/1082/2}, it is obviously headed "Confidential and legally privileged" and it is "Horizon data - Lepton", the subpost office, yes?

A. Yes.

Q. Executive summary:

"A transaction took place at Lepton [subpost office] ... for a British Telecom bill payment for £76.09; this was paid for by a Lloyds TSB cash withdrawal for £80 and change a given for £3.91. At 10.37 on the same day the British Telecom bill payment was reversed out to cash settlement."

Looks pretty suspicious, doesn't it, so far? Yes?

A. The running order of the times, do you mean?

Q. Does what we just read there look a bit suspicious?

A. Sorry, is this --

Q. Does it make it look as if it something strange has happened?

A. Oh, right, yes.

Q. The bill payment has been reversed out for cash?

A. Yes.

Q. "The branch was issued with a transaction correction for £76.09 which they duly settled ..."

So all that means is that they press "settle" centrally, doesn't it? They can't dispute it -- we have covered this lots of times. They can't dispute it on Horizon, so all the postmaster can do is ring up and deny --

A. I'm not sure that he actually settled in this one, I think he made it good. I can't remember actually. In terms of the way she is referring to language.

Q. Let's have a look.

A. Because it doesn't say settle centrally.

Q. Okay, maybe settled it in cash.

A. Yes, that's my understanding.

Q. One way or the other, what we then see is:

"The postmaster denied reversing this transaction and involved a forensic accountant as he believed his reputation was in doubt."

So he is having to instruct a forensic accountant to help him over £76.09, is what we've got so far in the story, isn't it?

A. As telling in the first review, yes.

Q. Let's look at reviewing the Credence data. Now, just pausing there, we know, don't we, from Tracy Mather's

witness statement that the Credence data records the actual key strokes that have been used?

A. Yes.

Q. So that's a really important source if you are in doubt about what's actually been done by the postmaster, if they say "I had help from the helpline and I did a complicated set of key strokes", look at the Credence data, that will tell you, yes?

A. Yes.

Q. And so Helen Rose very sensibly looked at the Credence data and said:

"... it clearly indicates that the reversal was completed by JAR001 (postmaster) ..."

Yes?

A. Yes.

Q. At 10.37.

"... and was reversal indicator 1 (existing refersal) and settled to cash. An existing reversal is where the session number/automated payment number has to be entered to reverse the item."

Yes?

A. Yes.

Q. "The Fujitsu logs were requested for this branch, but whilst waiting for these to arrive communications took

place with Gareth Jenkins at Fujitsu for more details to gain an understanding of what had occurred at this branch."

And then we get questions and extracts in various emails in response. It doesn't come up very clearly, but black is the question and blue is the answer.

A. I can see that on here, yes.

Q. "Question - I am requesting Fujitsu logs for Lepton ... to look at a reversal that the postmaster denies transacting, do I need to request further details and also could you explain what happens when the system fails. (Gareth looked at data at his end prior to me receiving the Fujitsu logs ...)

"Answer - this shows that session 537803 was successfully saved to the [branch database] ..."

Yes?

A. Yes.

Q. "... but when the user JAR001 ..."

Which we know is the subpostmaster:

"... logged on again recovery reversed the session in session 537805."

Yes?

A. Yes.

Q. So what the Credence data showed was it had been an

actual reversal by the subpostmaster, but in fact when Mr Jenkins got into it he found it was actually a system recovery that had reversed the session, didn't he?

A. Yes.

Q. And so he then goes on to say:

"It isn't clear what failed, but if it was a coms error, then the system would have printed a disconnected session receipt and the clerk should have given the customer £80 and told him his bill was unpaid. The fact that there is no indication of such a receipt in the events table suggests the counter may have been rebooted and so perhaps may have crashed in which case the clerk may not have been told exactly what to do."

Yes?

A. Yes.

Q. "The reversal was due to recovery (Counter Mode Id = 118) so this was not an explicit reversal by the clerk. This scenario is fairly rare so it is certainly quite easy for the clerk to have made a mistake and either he or the customer could be in pocket/out-of-pocket (depending on exactly what happened!)."

Then this:

"The system is behaving as it should."

So there were issues, weren't there, where a problem

could arise for a subpostmaster by design of the system; were you aware of that? There was a whole category of PEAK codes for faults which are agreed between Fujitsu and Post Office to just stay like that as part of the design?

A. Okay.

MR JUSTICE FRASER: You actually put two questions there.

MR GREEN: I'm sorry.

MR JUSTICE FRASER: On the second one you went on to codes, so you really need to split them.

MR GREEN: That's entirely my fault. I'm sorry, Mrs van den Bogerd.

Let's take it in stages. You can see there it says "The system is behaving as it should"?

A. Yes.

Q. That would be problematic for a subpostmaster, wouldn't it?

A. The way Gareth describes it here would be, yes, because what he says is that it would have printed the session receipt but it doesn't seem as if it did, when actually disconnection transaction receipts were actually printed in this example and a recovery receipt was printed. But that's not referred to in here.

Q. Well, let's just have a look at that. Let me just ask

you my second question and then we will go on to probe that with more care. The second point is are you aware of a closure code for Fujitsu for PEAKs which refers to faults which are known in the Horizon system but agreed between Post Office and Fujitsu to stay there?

A. I'm not aware of a closure code.

Q. You didn't know about that?

A. No, I don't know about that.

Q. Okay.

Let's look at the question at the bottom of {F/1082/2} which we are on. This is Helen Rose:

"I can clearly see the recovery reversal on the Fujitsu logs received, but would this have been clear had we not previously discussed this issue?"

That's her question. And the answer comes {F/1082/3}:

"Note that the standard ARG spreadsheet may not make it easy to confirm that the reversal was part of recovery, but the underlying logs used to extract them can show it."

A. Yes.

Q. So what Gareth Jenkins is pointing out to Helen Rose is that the standard ARQ data would certainly not make it clear but the underlying logs used to extract the ARQ

data can show it, has the capability of showing it, yes?

A. Yes.

Q. And then he then talks about the Excel spreadsheets of what appear to be the underlying data and he says they are part of the standard ARQ returned and it says:

"Rows 141 ..."

In the second line of that paragraph:

"Rows 141 to 143 of 4 to 25 October ... clearly show a reversal. Also row 70 of [the events data] shows that session 537803 ... has been recovered and this event has the same time stamp as the reversal session. Also row 71 ... shows that a receipt was generated from the session ... (not explicitly, but it was the only session at that time). This receipt would have told the user that a roll back had taken place (but the logs don't make that explicit). If that is sufficient for [your] purposes then you do have all you need in the standard ARQ."

Then he says:

"However what I was able to confirm from my look at live data a couple of weeks ago and is also held in the underlying raw logs is confirmation that the reversal was generated by the system (and not manually by the user). What might also be available in the underlying

logs is whether or not the system was rebooted - I suspect it was but have no evidence one way or the other (and it isn't in what was extracted this time either). I can confirm that the user did log on again ..."

And so forth. Now, just pausing there, you would agree, wouldn't you, that if we go back to paragraph 154 of your witness statement at page 34 {E2/5/34}, let's look at what you say there, top of page 35 if we may {E2/5/35}:

"... mistakenly claim that the relevant reversal was issued in error by Horizon, not the subpostmaster."

Do you see that?

A. Yes.

Q. Well, we can see from what Gareth Jenkins has actually said in the actual document you are looking at, that that's wrong, can't we, the reversal was not done by the subpostmaster, it was done by the system?

A. It was done by the system absolutely, yes.

Q. It was done by the system and not by the subpostmaster?

A. Yes, it was done by the system, yes.

Q. So it's fair to say that what we have at paragraph 154 is wrong, isn't it?

A. "... the relevant reversal was issued in error by

Horizon ..."

It wasn't issued in error, it was actually issued by Horizon. So I am obviously not be making myself clear, but yes, there's no question that that was done as part of that recovery and it was system generated.

Q. Well, look, Mrs van den Bogerd, be fair, what you have written there looks to a natural reading as suggesting that Mr Coyne has mistakenly claimed that the relevant reversal was issued in error by Horizon, not the subpostmaster. The contrast is who has issued the relevant reversal.

A. I understand. That wasn't what I was saying. There's no question that it was issued by the system, it was definitely generated by the system and if that's -- and I have obviously not explained myself very clearly.

MR JUSTICE FRASER: So what was the mistake then that you refer to at the top of page 35?

A. That the reversal was an error, because the reversal itself wasn't an error and the receipts were printed. So in fact it was part of the recovery, the system did go down and the BT bill actually was reversed at part of that. So I have just misread and misexplained that then, because I was -- there was no doubt in my mind what had happened there -- because this was part of the

spot review by Second Sight, so I was familiar with the detail at the time and from Helen's report what she is saying is that it is not obvious that that reversal has been done by the system because it is against the Horizon user's ID and clearly it would be better if it was obvious and I fully agree with that.

Q. But to be fair, Mrs van den Bogerd, the point that this Helen Rose report makes is almost exactly the opposite point to the one you were making in your statement. The point that this report makes is that it might appear to have been done, on the initial logs -- yes? If you just read the beginning it shows -- look at page 2, let's go back to page 2, {F/1082/2}. Do you see the first answer:

"This shows that session 537803 was successfully saved ... but when the user JAR001 logged on again recovery reversed the session ..."

Do you see that?

A. Yes.

Q. So it was the system that reversed the session not the subpostmaster, wasn't it?

A. Yes, it was.

Q. And that's the opposite to what you are saying at the top of page {E2/5/35}?

- A. Okay, but that's not what I meant, because I clearly have always known that that was a Horizon system generated recovery and the reversal was part of that recovery.
- Q. But you were suggesting there that Mr Coyne, the expert, had mistakenly claimed something. You weren't just casually saying it in your witness statement, you were pointing out that Mr Coyne had got it wrong and positively suggesting the reversal had been done by the subpostmaster, weren't you?
- A. That wasn't my intention and I'm sorry -- clearly I have not explained myself very well there at all, because I was in no doubt at all that that had been generated by the system.
- Q. Well, let's go back, if we may, to F/1082 and look at page 3 please {F/1082/3}. Halfway down there is a question:
- "I can see where this transaction is and now understand the reason behind it. My main concern is that we use the basic ARQ logs for evidence in court and if we don't know what extra reports to ask for then in some circumstances we would not be giving a true picture."
- Do you see that?

A. Yes.

Q. And that's effectively what happened at the top of your witness statement -- on that page in your witness statement, isn't it? You were not giving a true picture because you had got the wrong end of the stick?

A. Re-reading that, yes, that's correct.

Q. And then Helen Rose says:

"I know you are aware of all the Horizon integrity issues ..."

Can you tell his Lordship what those were?

A. At this point it would have been the fact that Second Sight were working with us investigating some of the cases. That's all I can think that Helen means at that point.

Q. Did you have any particular ones in mind at that point?

A. It would have been this one particularly, because as I said this was one of the spot reviews, which is one of the early ones that Second Sight investigated before we actually went into the mediation scheme.

Q. Okay. And it says:

"... and I want to ensure that the ARQ logs are used and understood fully by our operational team who have to work with this data both in interviews and in court."

And she says:

"Just one question from my part - if the reversal is system created but shows as an existing reversal, could this not be reflected with a different code ie SR (system reversed) to clear up any initial challenges. My feelings at the moment are not questioning what Horizon does as I fully believe that it is working as it should, it is just that I don't think that some of the system based correction and adjustment transactions are clear to us on either Credence or ARQ logs."

That's what she is saying, yes?

A. Yes.

Q. And that was a fair observation, wasn't it, by her?

A. That was a fair observation, yes.

Q. About the shortcomings of Credence and ARQ logs, yes?

A. Yes.

Q. And Gareth Jenkins' answer:

"I understand your concerns. It would be relatively simple to add an extra column into the existing ARQ report spreadsheet, that would make it clear whether the reversal basket was generated by recovery or not. I think this would address your concern. I'm not sure what the formal process is for changing the report layout. Penny, can you advise as to the process: is this done through a CR?"

Do you know what a CR is?

A. Change request.

Q. Change request, okay. Then at the bottom:

"I do believe that the system has behaved as it should and I do not see this scenario occurring regularly and creating large losses. However, my concerns are that we cannot clearly see what has happened on the data available to us and this in itself may be misinterpreted when giving evidence and using the same data for prosecutions.

"My recommendation is that a change request is submitted so that all system created reversals are clearly identifiable on both Fujitsu and Credence."

Do you know if that change request was acted on after that?

A. I don't believe it has been acted on.

Q. You don't believe it has been?

A. I don't believe so.

Q. Can we move please now --

MR JUSTICE FRASER: I have just got a question on this document which I'm going to ask now rather than at the end. Could we go back one page please to page 2 {F/1082/2}. You will see at the bottom of that page there are three paragraphs in blue and then a paragraph

in black. In the bottom paragraph in blue it says:

"This scenario is fairly rare so it is certainly quite easy for the clerk to have made a mistake and either he or the customer could be in pocket/out-of-pocket (depending on exactly what happened!). The system is behaving as it should."

Do you see that?

A. Yes.

MR JUSTICE FRASER: Am I right that the alternatives are --

"he" meaning the subpostmaster.

A. Yes.

MR JUSTICE FRASER: So the subpostmaster being in pocket,

that's one of the alternatives, is that right?

A. Yes.

MR JUSTICE FRASER: The subpostmaster being out-of-pocket.

A. Yes.

MR JUSTICE FRASER: Is that the other alternative?

A. Yes.

MR JUSTICE FRASER: And the other side of those two coins is

either the customer being out-of-pocket or the customer being in pocket.

A. That's correct.

MR JUSTICE FRASER: Are those the options?

A. Yes, those are the options.

MR JUSTICE FRASER: Do I appear to have missed any out?

A. No. That would have been -- on the disconnected session receipt it would have said on there whether to -- on the recovery whether the payment should have been made to the customer or not and that's what the person in branch would use to guide them with that printed receipt. But you haven't missed any options, that's --

MR JUSTICE FRASER: I haven't missed -- I have covered the basics?

A. Yes, you have.

MR JUSTICE FRASER: And those are examples of the system behaving as it should?

A. Yes. With the disconnected session and then the recovery receipt it would be, yes.

MR JUSTICE FRASER: Over to you, Mr Green.

Just to clarify one point, you look at -- if we look -- let's do it from here while we are on there. We are on this page. Can you see the paragraph three up from the bottom:

"It isn't clear what failed ..."

Do you see that?

A. Yes.

Q. "... but if it was a coms error, then the system would have printed a disconnected session receipt ..."

A. Yes.

Q. And then the next sentence:

"The fact that there is no indication of such
a receipt in the events table ..."

That suggests that the receipt you are talking about
isn't recorded in the events table, doesn't it?

A. It does and that's the bit I don't understand on this,
because the receipts were printed.

Q. But look at 155 of your witness statement {E2/5/35}.

You say:

"There is therefore no indication that the reversal
was not notified to the subpostmaster."

A. Yes.

Q. But that's exactly the point that's being made,
isn't it?

A. No, no. The point is that he had the receipts.

Q. Well, I will give you one last -- I'm not going to press
it too long, but let's go back to {F/1082/2}. I just
afford you the opportunity to reconsider that answer.
You are on oath. Have a look please --

A. Sorry, sorry. So from this what he is saying is that
the receipts would have been printed.

Q. Well, just look at the third paragraph up from the
bottom. If it is because you have misunderstood what it

says let's clarify it now. Third paragraph up from the bottom, I have just shown you the third line of that:

"The fact that there is no indication of such a receipt in the events table suggests the counter may have been rebooted and so perhaps may have crashed in which case the clerk may not have been told exactly what to do."

Do you see that?

A. Yes, I do see that.

Q. Right. Now, just to be fair to you let's go back to your statement please, page 35 {E2/5/35}. Let's take the context very carefully and let's look at 154.3 please:

"The issue was therefore surrounding how the transaction reversals were displayed/accessible in branch ..."

Yes?

A. Mm-hm.

Q. Now, that is correct in part, isn't it, because there was an issue about what the subpostmaster could see in the branch, yes?

A. Okay, yes.

Q. Right, and you then say there is no issue with Horizon itself. Let's just park that. Look at 155. You then

say:

"There is therefore no indication that the reversal was not notified to the subpostmaster. When recovery was carried out a discontinued session receipt would have been printed and messages would have been clearly displayed to the user in branch during the recovery process."

Now, go back please, having that in mind, to what I have just shown you, {F/1082/2}. Third paragraph up from the bottom, three lines down:

"The fact that there is no indication of such a receipt in the events table suggests the counter may have been rebooted and so perhaps may have crashed in which case the clerk may not have been told exactly what to do."

So it's fair to say, isn't it, that there is an indication that the reversal may not have been notified to the subpostmaster?

- A. So from reading that then absolutely. All I'm saying is I know that those receipts were printed because I have seen them on an email between Second Sight and the postmaster, so I know they were actually printed. That's my only -- that's what I'm saying. From reading what you said, absolutely agree, but all I'm saying here

is -- and clearly Helen Rose and Gareth at this point didn't know that those receipts were actually printed.

Q. So you are actually giving evidence that contradicts the document that you have referred to?

A. So all I'm saying is I know -- I know that these receipts were printed in this scenario.

MR JUSTICE FRASER: Do you mean in this particular instance?

A. Yes. So the Armstrong -- Mr Armstrong is the postmaster, Lepton is the branch. This was -- it was a spot review undertaken by Second Sight early on before we went into the mediation scheme. Now, when they did the initial investigation with the postmaster he didn't know he had the receipts, so it was written in that way and then when Second Sight went back to him before and said -- and he actually found the receipts.

MR JUSTICE FRASER: Understood.

A. Sorry if I have misled, I didn't intend to, but it's just that I know those receipts were printed and it's --

MR GREEN: I'm glad we took it carefully to work out precisely what you are saying.

MR JUSTICE FRASER: But as far as this document is concerned, if I understand what you have just said is your knowledge is wider than shown on this document alone --

A. Yes.

MR JUSTICE FRASER: -- because of the other documents you have mentioned.

A. That's what I'm saying, yes.

MR JUSTICE FRASER: Is that a useful place to stop and you perhaps --

MR GREEN: I've got --

MR JUSTICE FRASER: All right, put your question, but it sounded to me as if there was some documentary assistance stage right which you just might want to look at.

MR GREEN: I can understand.

But, Mrs van den Bogerd, just two separate points in relation to this. It may be that the subpostmaster was notified that a reversal had taken place, yes?

A. Yes.

Q. From a receipt which they don't refer to?

A. Disconnected session and the recovery receipts.

Q. But there's nothing in that documentation or what would have been displayed at the branch to have shown the subpostmaster how that was being recorded as who had done it, whether it was the subpostmaster or the system, is that fair?

A. I'm trying to recall the receipts. I think that's fair.

Q. Thank you.

A. Yes, it -- the receipt would have shown it happened, but not --

Q. At whose behest?

A. I believe that's correct but I would need to check the receipt, but I do believe that's correct.

Q. And we have now seen it was a system recovery not a subpostmaster recovery?

A. It was always a system recovery.

Q. I'm grateful.

My Lord, is that a convenient moment?

MR JUSTICE FRASER: Yes. We will actually come back at 5 past 2 just in case you need to pursue some documents.

Same form as before, break until 5 past 2, please don't talk to anyone about the case and we will resume then.

(1.00 pm)

(The luncheon adjournment)

(2.05 pm)

MR GREEN: Mrs van den Bogerd, could you look please at {E2/5/35}, paragraph 156 of your witness statement. You will see there you deal with changes to improve Horizon in branch and you make a reference to the fact Mr Coyne has picked up on the phrase "relatively small changes to

Horizon could avoid errors/mistakes made in branch", do you see that?

A. Yes.

Q. Could we look please at {F/1258} and this is a document with a 1 October 2014 Opus date but "September 19" written on the front. It is, as far as you remember, a 2014 document, isn't it?

A. Yes.

Q. And look at page 2 please {F/1258/2}:

"There are five staff related wave 1 initiatives within finance with a cumulative run rate impact of 51 FTE and £4.8 million ..."

That's 51 full-time employees, isn't it?

A. That's correct.

Q. Let's just look at the initiatives. "Near-term process improvements", and then "Demand reduction - make small change in Horizon to reduce errors in branch", 3 "Demand reduction - reduce housekeeping and other losses, 4~"Demand reduction - negotiate Santander contract to remove manual transcription". That fourth one is a reference to not manually transcribing data provided by Santander, isn't it?

A. Yes, moving away from paper based.

MR JUSTICE FRASER: Could you keep your voice up.

A. Sorry.

MR GREEN: And if we look at number 2, which is the one I'm inviting you to focus on, this is making a small change in Horizon to reduce errors in branch, yes?

A. Yes.

Q. If we go a few pages forward to page 18 please {F/1258/18}, do you see there under the "Executive summary":

"A significant proportion of demand at FSC is driven by errors/mistakes made in branch with entering in data into Horizon. Part of these errors can be avoided with relatively small changes to Horizon (eg related to two part transaction for bureau pre-order, mismatches with AEI third party kit ..."

AEI is auto exchange information, isn't it?

A. Yes.

Q. That's automatic exchange of information with third parties?

A. Yes.

Q. "... top up and redemption ..."

And just look at the end of that box:

" ... the 'quantity' field for cheques and miskeys in general ..."

Then:

"Ease of implementation: medium. There exists an interdependency on IT for changes in Horizon to reduce errors coming from upstream."

Yes?

A. Yes.

Q. And so there is an interdependency with upstream data errors because if you have got problems in the data for example coming in from Camelot, that's not something that the miskeying problem is going to deal with on its own, but it is right, isn't it, that pretty much since Horizon was introduced it had been noted that miskeying did represent a source of errors in the branch --

I think you even said that in your witness statement for the first trial?

A. That's correct.

Q. And we can see that the changes that were being contemplated in October 2014 are said to be relatively small changes, yes?

A. Yes. From this, yes.

Q. And could we look please at {F/476/1}. Now, this is a "Summary of IS review". What does IS stand for?

A. I would assume information security.

Q. And who was Peter Laycock?

A. I don't know. I've never come across him before.

- Q. The document itself says it is dated 2008. The first item he deals with there, number one, "Deliberate/accidental miskeying (clerk)", that's a reference to a subpostmistress or subpostmaster, isn't it?
- A. Yes, somebody in branch, yes.
- Q. Or their assistant?
- A. Or their assistant, yes, but it could also include a Crown branch as well.
- Q. It could be a Crown branch. And the recommendation is:
- "Double entry and cross-validation of freeform transaction values at the counter for all financial products ..."
- So that would be one a way of dealing with it, wouldn't it?
- A. Yes.
- Q. An alternative might be simply to say any transaction which is over £500 you just have to click "confirm" or "enter" twice?
- A. On the --
- Q. That's another way of doing it?
- A. On the Horizon system you mean, do you?
- Q. Yes, on the Horizon system?
- A. Yes.

Q. That would avoid some quite large losses potentially,
wouldn't it?

A. Yes.

Q. And the operational impact:

"May add some time to process at counter (minimal)."

Yes?

A. Yes.

Q. "System impact":

"Change to Horizon required to prompt for double
entry and cross-validation should not be overly
complicated or expensive ..."

And then "Opportunity" --

MR JUSTICE FRASER: What does "PL" mean in brackets? If you
don't know, don't worry.

A. I don't know exactly what that means in this context.

MR GREEN: I think, my Lord, we have read it as possibly
referring to comment by Peter Laycock himself, but we're
not sure.

MR JUSTICE FRASER: Fine.

A. Yes.

MR GREEN: Then "Opportunity":

"c.80% reduction in disputes and claims - saving
800k per annum in compensation, agent debt and business
write-off for bill payments ..."

Etc and then:

"Staff reduction potentially at P&BA."

And if we go over the page, "Other business
benefits":

"Major improvement of point of transaction data
integrity."

That would be a good thing, wouldn't it, to improve
point of transaction data integrity?

A. Yes.

Q. "Double entry, customer sight and validation ... will
minimise balancing issues ..."

That's a good thing?

A. Yes.

Q. Deter fraudulent behaviour, that's a good thing?

A. Yes.

Q. And help to target investigations where there's lower
volume of those sort of problems?

A. Yes.

Q. And then "Operational efficiency", you see fourth bullet
point:

"Less balancing errors, productivity savings, less
calls to NBSC and partner banks."

Yes?

A. Yes.

Q. Good thing?

A. Yes.

Q. "Increased confidence to the customer, partners,
clients, agents ..."

Et cetera. Yes? All pretty sensible and good
ideas?

A. Yes.

Q. And then we say -- we just note at the bottom there:

"Please Note - financial savings may have increased
since 2008."

So that tends to suggest the document had been
updated. Is this a document you had ever seen before or
not?

A. No.

Q. But you were aware of miskeying as an ongoing issue?

A. Yes.

Q. And if we look at {F/994/4} please. In fairness to you,
Mrs van den Bogerd, sorry, could we look at page 1
{F/994/1} so Mrs van den Bogerd can see what it is.
This is the miskeyed project feasibility study in 2012,
do you see that?

A. Yes.

Q. And if we go please to page 4 {F/994/4}, you will see
under the background section at 3.1:

"As part of the P&BA centre of excellence drive, one of the areas of concern is the number of instances of mis-keyed transactions that occur and much to the detriment of P&BA. A mis-keyed transaction occurs when an incorrect value is input by the counter clerk, which causes a poor customer experience. The mistake can have a significant impact on the branch and resource is required in P&BA to manage the client and address the error. A very large value mis-keyed transaction will put the viability of a branch in doubt."

Yes?

A. Yes.

Q. And we've got some statistics about how much it is costing a year in terms of total of investigations and so forth.

So on any view, that had potentially a pretty serious impact for a branch, didn't it, and that was internally recognised in that document?

A. Miskeying, yes.

Q. And on page 10 {F/994/10}, there's a risk and issues section at 5.5:

"If nothing is done to prevent miskeying within Horizon the current bill of £10 million will spiral out of control."

"Recommend resolve.

"Make it happen to improve the situation where miskeying occurs."

Then:

"Many of the workforce is not aware of the miskey situation. It is part of this project to get the message across to the network ..."

Et cetera. And if we then go forward -- I'm not going to take you to them, but just looking at sample helpline logs, if I can deal with it generally -- I'm happy to show you them if you want but they are those Excel ones which take a while to download.

A. Yes.

Q. But in the NBSC call logs, in the helpline call logs in the week of 13 April 2014, which we've got in the bundle at {F/1201}, we've got, for example, 10,789 rather than 1,089.37; in the 16 August 2015 {F/1368} we've got 19,400, should have been 1,940, that's row 1171. We've got row 1578, 14,000 instead of 1,400.

At {F/1429}, 7 February 2016, we've got 3,400 keyed in as 34,000 and 4,428.58 entered as 44,298.58.

Pausing there, I'm not going to show you but those are the sorts of numbers you recognise --

A. Yes.

Q. -- as the sorts of miskeying problems that people were encountering, is that fair?

A. Yes, that's fair.

Q. In your first witness statement you identified miskeys as a cause of shortfalls, which I think you fairly accepted earlier?

A. Yes.

Q. And can we look please now at {F/1449}.

Now, this document is from 31 March 2016 and the heading is "Overkeyed online banking cash deposit customer present - end of procedure" and then it says:

"Is the amount of the miskey greater than £150?" and there is "No" on the left and this is what to advise branch, it looks like the helpline:

"Advice the branch that if the discrepancy is still apparent when balancing they must make the amount good ..."

And then:

"If deemed necessary a transaction correction will be sent at a later date to counteract against the initial discrepancy."

Then "Yes":

"Advise branch that if the discrepancy is still apparent when balancing they must make the amount good

(loss or gain)."

Yes?

A. Yes.

Q. So in some of the examples we have seen, if it is a very substantial sum, ie greater than £150, the right-hand branch of that would see a branch being advised that if the discrepancy is still apparent when they are balancing they must make it good.

A. Yes.

Q. And that could be a very large number and that's why we saw the previous -- the document we saw from 2014 was saying that a large discrepancy could put the viability of a branch in issue?

A. Yes.

Q. And the suggestion -- if you come down the middle of the flowchart, the first box in the middle says:

"Open word document ie 'miskey A&L' or miskey non-A&L."

That's miskey Alliance & Leicester or non-Alliance & Leicester, isn't it?

A. Yes, that's right.

Q. Because I think Alliance & Leicester inherited the Girobank?

A. Yes.

Q. "Complete the appropriate sections of the form by using the information included within the incident log."

And:

"To find the miskey form follow the file path
P:\Core K Base\Miskey Forms\Miskey A&L or Miskey Non
A&L."

And then "Save a copy of the completed form to 'my documents' and paste a copy into the incident log."

And so forth.

So that fairly reflects what's actually happened with miskeys since the documents we have been looking at, does it?

A. That looks like what you have read out off the NBSC.

Q. Let's now move to your examples of changes that have been introduced, which are found at paragraph 156 and following {E2/5/35}. These are other other changes. If we look, for example, at the three you have chosen to identify in paragraph 158 -- so just for some context, you have obviously been in charge of branch support and latterly improvement?

A. Yes.

Q. So you are the person to go to for this evidence, aren't you?

A. For some of it, yes.

Q. And you have chosen these as -- are these good examples of the sorts of improvement that have been made?

A. They are some examples, yes. These are the ones that were affecting the customers and postmasters in particular.

Q. Okay. Well, let's take them in turn, if we may. Let's start please with Drop & Go, that's at 158.1 and 158.2 in your witness statement {E2/5/35}, isn't it?

A. Yes.

Q. So you point out in 158.1 that:

"In November 2014 as a result of some branches settling Drop & Go sessions to cash instead of the customers pre-paid account, a screen prompt was added to the Horizon journey advising branches to not press settle at the end of the session before they had pressed end mails."

Then two and a half years later:

"... this was taken further as a new Drop & Go transaction was introduced which prevented users pressing the settle button before end mails ... the screen prompt was removed at the same time as it was now redundant."

A. Why he.

Q. That sounds all quite a happy experience, doesn't it, on

the face of your evidence there? It sounds as if it all went quite well?

A. It took a while and there were quite a few problems with Drop & Go actually. It did take a while. So there was a first fix but a recognition at the time that it needed to have a complete review of the transaction.

Q. Yes. That extra bit doesn't leap off the page, does it?

A. No, it doesn't.

Q. The problems and the difficulties?

A. But it was -- yes, it has been which is why it was two stages in here, the first and then the second, but I take your point.

Q. Let's have a look, if we may please, at {F/1346}. So here we're looking at 2 June 2015 and this is the ATOS presentation and if we go over the page to page 2 please {F/1346/2} it is referring to the online mails project, yes?

A. Yes.

Q. "... to introduce a new online channel for customers looking to send parcels via the Post Office by use of a service called Click & Drop. The project was also scoped with the task of aligning this new service to the existing Drop & Go service and offering an online channel for those SME customers. As the project

progressed, Click & Drop was descope
during September 14 and the Drop & Go changes were
deployed on 5 November 14."

Yes?

A. Yes.

Q. That's the deployment of the changes you are referring
to in your witness statement, isn't it?

A. Yes.

Q. And then it says:

"The enhanced Drop & Go service introduced a new D&G
database hosted on CDP ..."

Do you know what CDP is?

A. Core digital platform.

Q. The core digital platform:

"... and aligned the Horizon Drop & Go basket
behaviour with the standard Horizon basket
functionality."

If we just go down to the bottom of that paragraph:

"This reinstated the existing known issue of locking
customer accounts if the correct counter processes are
not followed."

You see that?

A. Yes.

Q. "Since go live a number of issues have been encountered

that have resulted in a large number of blocked customer accounts, a resultant high volume of calls into NBSC and dissatisfaction within branches and for impacted customers."

If we look over the page please on {F/1346/3}, you can see the fifth bullet point there is:

"Lessons learned that have been a captured to ensure that other similar projects don't suffer from the same pitfalls."

Yes?

A. Yes.

Q. And if we go over the page {F/1346/4-5} we can see what was effectively happening. There is a timeline there. And if we can just go please to the "Lessons learned" at page 12 {F/1346/12}, "Commercial decisions over customer experience" is the heading, "Summary":

"The decision was taken to allow a known design flaw to continue to enable customers to use their D&G accounts to purchase other mails products."

And then under "Limited and non-effective communications":

"Limited training and communications were issued to branches as this was assumed to be an incremental change to an existing product."

And the recommendation there is:

"Branch staff should be engaged during user acceptance testing to provide a user's view on the scale of the change to inform the type of training and communications approaches that should be applied."

These are the sort of things that you were referring to in your answer that added to the text of your witness statement, the sort of difficulties that were encountered?

A. Yes. I wasn't aware of the exact details of what, but I knew there were problems.

Q. Okay.

A. I can't remember the date but at some point Drop & Go came to the branch user forum for feedback.

Q. Yes. If you want to see that I can show you where that is. That's at {F/1194}. There's a branch user forum on 20 March. Is this the one you are thinking of, halfway --

A. No, I wasn't at this one. So the product manager for Drop & Go, I invited her to come and take the input from the branch user forum whilst they were looking at the design of the improvements going forward, so she came a couple of times, but I wasn't at this particular one and I usually chaired this.

Q. Will you forgive me if we just sort of press on.

A. Yes, certainly, yes.

Q. What I was going to say is you will understand why I suggested to you that the difficulties with Drop & Go hadn't leapt off the page?

A. Yes.

Q. And it is fair to say that it gives -- what you had actually written included, gave a slightly rosy picture, is that fair?

A. Without going into all that detail, yes, that's fair.

Q. And if we look please now at {F/1549}, so we're now looking at the June 2017 changes and what was anticipated for those changes on 7 October 2016, let's just have a look at that please. You will see that's the front of the document and if we look please at page 3 {F/1549/3}. You will see there "Summary", "Issues and options", and the box at the top says "Money out of thin air upon timeout (introduced by prototype". Were you aware of this difficulty that was encountered at the time?

A. I've never heard of that terminology before.

Q. You haven't?

A. Not creates money out of thin air, I've never heard of that.

MR JUSTICE FRASER: I'm really sorry, I'm having great difficulty hearing what you are saying.

A. Sorry. What I said is I've never heard of that terminology: creates money out of thin air.

MR GREEN: Had you heard of the problem by another name?

A. No, not that I can recall. As I say, I knew there were problems, but not to that detail.

Q. And what type of document is this, if we just go back to the front? {F/1549}. Is this an operational document, does it look like, or ...?

A. No, there would normally be another facing sheet to a presentation, but if it was to existing prototype it typically would be part of the project, the project --

Q. Right, an IT document?

A. Yes.

Q. I'm just asking because if we look at page 3 again {F/1549/3}, there is a redacted column on the right.

A. Yes. It's not something I have seen before so ...

Q. Okay. If we go to page 5 please {F/1549/5}, just to sort of take this in stages, can you see on page 5 we've got the same heading at the top: A money out of thin air upon time out", do you see that?

A. Yes.

Q. And then number one in the table is "Do nothing", 2 is

"Post settle script to detect", 3 is "Monitor available balance outside of basket", 4 is "Operate Horizon in Drop & Go mode disabling Fast Cash and allowing settle only against D&G account."

A. Yes.

Q. And the various risks and so forth are identified there.

Then look at number 1:

"Excess cash in till, compared to Horizon, incentivises fraud. Remedy by FSC involves a debit 'transaction correction'."

Have you ever heard of a discussion of a debit transaction correction being used in quotes in that way? Is there anything ...?

A. No. That doesn't make any sense to me.

Q. Okay. Let's see -- if we go over the page to 6 {F/1549/6}, number 3 says:

"A new mode like 'back office' mode. This mode would remove 'Fast Cash' and constrain 'settle' to just the D&G account; also to be used by time out."

Are these things you understand or is this not something you can really speak to, this document?

A. No, this is something I wasn't involved in, so it's not something I can actually talk to.

Q. Just have a look if you would very kindly -- I will go

more speedily on this then. Page 10 please {F/1549/10}.
There is a diagram of what would happen and I should say
this appears to be the prototype that's being proposed:

"Start mails looks up - but does not debit - the
customer's account balance."

And then on the right:

"And credits that amount to the basket, effectively
creating cash out of thin air."

Do you see that?

A. Yes, I see that.

Q. So what we can see from this is that even reasonably
well thought through proposed changes to Horizon could
at least potentially have unintended effects. We can
see that, can't we?

A. Sorry, in the prototype you mean?

Q. Yes.

A. Okay.

Q. I mean it is obvious that this prototype has been
developed as a proposed prototype which is being
discussed fairly carefully and we can see from that that
tweaking one aspect of one function might trigger
something in another aspect of Horizon?

A. Yes.

Q. That's what we can see?

A. Yes.

Q. And if we go please to page 13 {F/1549/13}, this is "Proposed detection and correction" with Chesterfield effectively investigating and then at (e):

"A matching credit to a 'write-off' account so that the cash that appeared out of nowhere returns to nowhere."

That seems to be sort of getting the imaginary cash to vanish out again out of the account?

A. Yes.

Q. On the face of it, doesn't it?

A. It does.

Q. Then just look over the page, last point on this, page 14 {F/1549} if you would:

"1. The reason for the transaction correction is ..."

This is the critique:

"The reason for the transaction correction is opaque to the branch ..."

For a reason that perhaps we can't see. That would obviously be undesirable, wouldn't it, to have --

A. Yes.

Q. And then 3:

"The initial credit to the basket offends against

the conventions of double entry bookkeeping."

Yes?

A. Yes.

Q. Because you are getting a figure pop up without a corresponding figure. And then:

"Routine use of write-offs is inappropriate and unacceptable to Ashley Hall's team."

So that's the critique. Having seen that, there were clearly not only some problems with Drop & Go that you were aware of and its development, but also some others, is that fair?

A. That would be fair.

Q. If we just look very quickly at {F/1640}. That's an email chain and if we can look at page 3 where it begins {F/1640/3}, if you look at the bottom message, you will see:

"Hi,

"This is to get feedback from model office and for POL to confirm the release to the 54 pilot branches with the pilot to commence on Friday 28.04."

Do you see that?

A. Yes.

Q. And then "Minor fix is required" in the next message up on the right-hand side, "Currently in progress for the

pilot"?

A. Yes.

Q. And then 27 April at 11.26:

"From discussions with Jeff Smyth due to the negative impacts of 15.92 on other projects the POL recommendation is that the Reference data for Pilot is NOT to be released on Friday."

And then at the top:

"After having had a conversation between yourselves on the below impact ... it now transpires that the code cannot be released ... as per the agreement yesterday.

"Can you please have a discussion and let me know what has been decided and as a result the retrospective action be taken in the next 30 minutes. Note the code has gone into MO and we are planning to move ahead to pilot tomorrow unless someone lets me know in the next 30 minutes."

And if we go to page 2 {F/1640/2} at the bottom we see:

"My understanding is that the live code that is deployed in the MO has broken the existing live code for telecoms that is already live in the rest of the network estate. If we were to deploy it (beyond MO) we will create a P1/P2 issue in the live network estate which is

a crazy thing to do."

Do you see that?

A. Yes.

Q. And then if you just look at the penultimate paragraph:

"I've already checked with Rob H and Mick M on this one - we cannot consciously put code live if we know it will break the bigger network, especially on the run-up to a bank holiday."

A. Yes.

Q. Did you ever hear about the fact that there was a risk of a break to the bigger network in the run-up to a bank holiday, sort of 30 minutes away?

A. No.

Q. Did that -- no?

A. No. I mean the whole point of testing the model is obviously to see what the impact of it would be and obviously that's what they said will be the impact if it were to go live.

Q. So it's fair to say, isn't it, that there's quite a lot that goes on in the background that maybe doesn't get quite up to your level, would that be fair?

A. This would be routine. To go into the model office for testing, it would be routine, yes.

Q. But it was going beyond the model office to the pilots,

that's the point. That's what they're about to do,
isn't it?

A. But once it got the go ahead from the model office --

Q. Yes.

A. And I haven't read all of it, but just reading what you
have taken me to, what I read from this is that it found
that it would break something else.

Q. So they stopped it just in time?

A. That's what I would anticipate from this, yes.

Q. Okay. Let's look at cheque rem out, the cheque rem out
problem, that's paragraph 158.3 of your witness
statement at page 36 {E2/5/36}. Now, errors in relation
to the remming out of cheques go back pretty much to the
beginning of Horizon. They have been an issue over
time, haven't they?

A. They had been an issue, yes.

Q. And you have pointed here to an improvement that's made.

A. Yes.

Q. And you say there:

"This was a change to bring all the steps in the
cheque rem out process onto a single screen and automate
the calculation of the cheques total for the counter.
This was prompted because branch staff occasionally
forgot to complete the process fully due to

interruptions, allowing extra cheque transactions to occur mid-process from other counter positions."

Now if we look please at F/1129 and have a look at page 4 of that document please {F/1129/4}. This is the Horizon improvements workshop and 1.5 is "Rem out for end of day cheque processing", "Summary":

"Customer cheques accepted during the trading are processed at end of day. The clerk performs the following process ..."

You see remming them out and then over the page {F/1129/5} we have got:

"This is a lengthy process and unnecessarily runs the report twice. It also increases the potential for the clerk to enter an amount which does not match the report total amount."

And then just below the diagram:

"Having reconciled the results against the physical cheques they then navigate to back office, rem and transfers, out to cheques, cheques and enter the total amount to rem out and settle ... they then have to navigate again to back office, reports, cheques and preview or print the report. Finally they have to cut off the report.

"Suggested improvements.

"An improvement could be to provide an additional button on the counter daily cheques listing screen to invoke the cheque rem out process and return when complete."

So it is quite a good idea, yes?

A. Yes.

Q. So that fairly indicates what the problem was and what the proposed solution was going to be. If we look at -- so that's 5 September 2013. If we go to {F/1225} please, 25 June 2014 and you will see if we go to page --

MR JUSTICE FRASER: This has got August 2013 in the middle and September 2013 in August writing at the bottom. It doesn't seem to have June 2014. I'm not saying it isn't June 2014, I just can't see June 2014.

MR GREEN: My Lord, in fact if I can just deal with the version control. If we go -- we've got the wrong document up there.

MR JUSTICE FRASER: Do you want 1125 or 1225?

MR GREEN: We want 1225.

MR JUSTICE FRASER: That's probably the explanation.

MR GREEN: I probably called it out wrong.

MR JUSTICE FRASER: No, no -- it doesn't matter. Is that the one?

MR GREEN: That's the one, 25 June 2014. And this is branch support programme. So this is June 2014; you were involved in the branch support programme at this time?

A. Yes.

Q. And we can see at the bottom KPIs, key performance indicators.

A. Yes.

Q. "The programme will track performance against the following key performance indicators ..."

And then your name is alongside Gayle Peacock's at the bottom there.

A. Yes.

Q. If we go over the page please we see there is "Programme progress" and if we go forward a page to item 4.4 on page 3 {F/1225/3}:

"Horizon system transaction improvements ... the end of day cheque remittance process has been reviewed and a new solution to drive out errors has been identified. This will be scheduled for the next software release in October 2014 will reduce the calls into NBSC and the transaction corrections issued by [the FSC]."

Yes?

A. Yes.

Q. So that was what the intention was, was October 2014.

Then if we go forward please to {F/1323}, this document is -- at the very bottom of it says 9 March 2015, do you see that?

A. Yes.

Q. And if we go to page 4 please {F/1323/4} we can see that the first draft of the document was actually 3 February 2015, yes?

A. Yes -- sorry, yes.

Q. And if we go forward one further page {F/1323/5}, "Associated documents", we have the change proposal for cheque rem out just there at item 7 in the top box, do you see that?

A. Yes.

Q. So it hadn't actually come in in 2014 October, had it?

A. No.

Q. And in fact your witness statement confirms it was brought in in August 2015?

A. Yes.

Q. And when it did come in it made things a lot easier for subpostmasters?

A. Yes.

Q. Was there any reason why that couldn't simply have been done within a couple of years when the problem had been noticed?

A. So when I picked it up in the branch support programme --

Q. I'm not criticising you, I'm just saying is there any reason why that change could not have been made in say 2002?

A. Well, it depends what else was going on at the time, but I mean on the face of it --

Q. There isn't any real reason, is there?

A. On the face of it that was quite a straightforward ...

Q. Yes.

A. And it did take -- it took me longer to get it introduced than I would have liked anyway. It didn't cost an awful lot of money to get it sorted either, so ideally I would have liked it --

Q. Ideally it would have been better to do it a long time ago?

A. Yes.

Q. If we can move forward now please to bureau de change at paragraph 158.4 in your witness statement which is back on page {E2/5/36}. Do you see there:

"Bureau de change automated 2nd receipt. This was a change to Horizon in September 2014 to introduce a function defining the number of copies of a receipt for a transaction which will automatically be printed.

This was prompted because some branches were being defrauded by the use of fraudulent debit cards for bureau transactions. If the counter clerk did not print a second receipt for the branch to keep (showing 4 digits from the card number ... (a fraudulent transaction would not be refunded by the card issuer."

A. Yes.

Q. So from a practical point of view what was going to be proposed was that there would be assistance to try and help avoid the problem of a second receipt not being printed?

A. Yes.

Q. Shall we just look at how that actually happened. If we look at {F/1129} and you can see this is back in the Horizon improvements workshop in 2013.

A. Yes.

Q. And if we go to page 5 of that document please {F/1129/5}. That is effectively -- if we just look at "Travel money debit card branch receipt" at the bottom, do you see that?

A. Yes.

Q. 2.1:

"When a clerk sells travel money to a customer, and the customer pays by a debit card, the security check

responses performed by the transaction and card details are printed on the session receipt at settlement.

"The clerk can request a duplicate session receipt, but if they do not and proceed with another customer, then the reprint is no longer available to the clerk."

So a moment's inattention and they are at risk of underwriting any fraud which otherwise the bank would bear?

A. Yes.

Q. And that has always been like that?

A. Yes.

Q. For years?

A. Yes.

Q. And it says there -- it explains:

"If the bank subsequently challenges the transaction, the postmaster needs to provide proof that the security checks were performed. They cannot do this without a receipt and may therefore have to make good the transaction and be out-of-pocket."

Then the suggested improvement is to print a duplicate branch receipt when the travel money is paid for by debit card:

"In order to be consistent with other receipts this should probably indicate it is a branch copy."

That's pretty straightforward, isn't it?

A. Yes.

Q. And it avoids that risk of a moment's inattention taking literally one key press beyond where they can get back to get what they need, yes?

A. Yes.

Q. And if we look please at {F/436} you can see there this is an old document, this is a 2008 document, and we can see on page 57 of that, if we may, {F/436/57} that the system automatically prints the customer receipt for the transaction, yes?

A. Yes.

Q. At the bottom. Then if we go over the page {F/436/58}, this is the point about subpostmasters being told:

"You must print a duplicate ...(Reading to the words)... information is mandatory ..."

MR JUSTICE FRASER: Where are you reading from?

MR GREEN: Just at the top, my Lord "Please note".

MR JUSTICE FRASER: Yes.

MR GREEN: So press the "feed" key on the printer, so you have to remember to print the "feed" key on the printer and then request a duplicate receipt as a branch copy, that's what they have to remember to do.

A. That's right.

Q. So that was the old system. The short point is that was actually quite a simple thing to change again, wasn't it?

A. Yes it was.

Q. It was a good idea which was fairly simple to execute which you brought in?

A. Yes.

Q. And there wasn't really any big reason why that couldn't have been done ages ago?

A. My view was -- when I learned of the problems that people were having with it, is that -- if a receipt is required as part of the transaction my view was it should have always been automatically produced.

Q. Yes.

Now can we move forward to one of your responses to what Mr Coyne has said in relation to MoneyGram please. If we look at paragraph 161 of your witness statement {E2/5/36}, you say:

"Turning to the MoneyGram example referenced by Jason Coyne, in October 2015 MoneyGram and Post Office agreed jointly to introduce debit/credit card acceptance for payment ... this change was aimed at making MoneyGram at Post Office more attractive for customers ..."

And then at 162:

"Accepting debit/credit cards as a method of payment is familiar to branch staff, however, processing a refund for MoneyGram card payments is different so the instruction given to branches is to liaise with NBSC to ensure the branch is walked through the correct process."

A. Yes.

Q. "This was an added step check to prevent the branch making an error."

So one way of reading that is to suggest that when this was brought in branches were told to liaise with NBSC. That's what it naturally reads, is that right?

A. Yes. It did have instructions of what to do, but the fallback was ring NBSC, because it didn't happen very often anyway.

Q. Okay, well, let's just look at that in a tiny bit more detail, if we may. Let's look please at {F/1382}. This is a 1 October 2015 document, "New and improved MoneyGram service", and it says in the highlighted passage:

"The Horizon transaction screens have been designed to help you transact these services simply and compliantly. Please refer to Horizon Help for

operational instructions and further information."

Yes?

A. Yes.

Q. And then over the page {F/1382/2} on the back it says:

"Important note - the refund/cancellation process for MoneyGram has changed.

"If a customer wants to cancel their transaction and obtain a refund on the same day, you must ... go through the MoneyGram refund button to cancel the transaction. You then need to use the back office reversals process to reverse out the transaction (this is the case for both debit card and cash transactions)."

A. Yes.

Q. So that's if it is on the same day. And then:

"All refunds/cancellations the following day or later ... are refunded to cash through the MoneyGram refund button (regardless of method of payment), the back office reversals process doesn't need to be used."

So what this is saying is if it is on the same day you have to use the back office reversals process as well as the refund button?

A. Yes.

Q. And otherwise you don't, yes?

A. Yes. It says cancel and then reverse, yes.

- Q. Does it mean the same calendar day?
- A. Yes. When you say -- well, it means on the day of its being -- yes.
- Q. The day, so if it's Tuesday, it means on Tuesday?
- A. On the same day, yes.
- Q. What about if it is after polling time? Do you know what polling time is?
- A. From -- so the instruction -- my understanding was it was if it was on the same day and if it was after -- and if it was the next day you would need to treat it differently. That was my understanding.
- Q. Yes. But taking it in stages, it just says "the day" there, doesn't it?
- A. Yes, it does, it just says the day.
- Q. And it doesn't say you must speak to the NBSC, does it, when you do a reversal?
- A. Not on this one, no, it doesn't.
- Q. No. So that's the October 2015 one and then if we look please at paragraph 163 of your witness statement {E2/5/37} where you refer to further communications to remind branches, yes?
- A. Yes.
- Q. And you are referring there to the first one is 3 March 2016 Branch Focus article. Can we look at

{F/1440} please. Now, we haven't got this in the context of the Branch Focus magazine, we can't see where it sits amongst some of the other content, but it could be quite varied, couldn't it, in the Branch Focus?

There could be lots of --

A. I see, yes, there could be quite a number of pages in there.

Q. We had "summer sizzlers" and other things last time.

A. Yes.

Q. But we've got the text that is said to be what was said and we can see here, "MoneyGram refunds". If you come down to just below "To manage customer expectations", can you see:

"To process a MoneyGram refund to a debit card please contact NBSC ... before completing the transaction."

Yes?

A. Yes.

Q. So that's on 3 March 2016 and you can see there that this one now does say contact the NBSC, where the October 2015 one didn't say that?

A. Yes, that's right.

Q. And Mr Patny had his problem with MoneyGram on 23 February, about ten days before this new guidance

came out, yes?

A. Yes.

Q. So for the purposes of Mr Patny could we fairly rewrite what you say at paragraph 162 on page 36 of your witness statement, {E2/5/36}, would it be fair to say that the instruction given to branches from 3 March 2016 was to liaise with NBSC?

A. If that's the date of that one, yes.

Q. Yes. Then the next thing you refer to at 163.2 {E2/5/37} is the flowchart at {F/1767}. Can we have a look at that please. So we are now in 19 February 2018. Again, we don't know exactly where or how this was in the Branch Focus article?

A. My understanding is it was attached to that version of it. That's my understanding, it went out with that version of ...

Q. Well, this one seems to be 19 February 2018 this one. Is that right? You said it is 19 February 2018 in your witness statement?

A. Yes, because the actual diagram itself isn't dated, the flowchart itself isn't dated on here.

Q. Yes.

A. So when I located it it was with that Branch Focus is how it was presented to me as that's when it went out,

on that date.

Q. On which date, 19 February?

A. Whatever I have said, date -- yes.

Q. I'm just pointing out we haven't got the actual Branch
Focus --

A. No.

Q. -- we have just got the flowchart that you say went out
with it and it says "MoneyGram decision tree - refund
customer diagram V0.2". Did this definitely go out?

A. Yes.

Q. Okay. And can you come down from "Customer wants
a refund", if you come down to "Cancellation approved?",
if you go straight down the "Yes" arrow, "Same day
refund?" and the arrow then says "Before 7 pm cut off?"

A. Yes, I see that now, yes.

Q. Now, that is the polling time at which the branch's
business day ends, isn't it, and the branch's business
day transactions are then sent off?

A. Yes, I mean transactions continue after, but yes.

Q. They do, but that's the polling time at the end of the
business day for the branch?

A. Yes.

Q. You will probably remember sitting in court when
Mr Patny was saying he was on the phone to the helpline

to try and do his reversal at just after 7 o'clock?

A. Yes, I remember him saying that.

Q. He said a couple of times that was past polling time.

A. Yes, I remember him saying polling time, yes.

Q. Let's have a look, if we may please, at {F/1664}. Now, this is an operations board agenda for July 2017. A lot of it is blank, but if we could go please -- well, now blank. If we go please to page 86 {F/1664/86}, it was at least at this stage finally recognised I think that -- if we go down:

"The main root causes for the increase in items were:

"Branches retrying transactions that had failed due to timing out."

MR JUSTICE FRASER: Where are you reading?

MR GREEN: Under "The main root causes", the second bold heading, my Lord.

Do you see that, Mrs van den Bogerd?

A. Yes.

Q. "The main root causes for the increase in items were:

"Branches retrying transactions that had failed due to timing out."

Because that had become a bit of a problem, hadn't it?

A. Yes.

Q. Timeouts in relation to MoneyGram transactions.

"Branches reversing a transaction but not cancelling the AP part of the transaction."

A. Yes.

Q. Is that the authorisation process?

A. Yes.

Q. "General lack of understanding in branch of how the process works, especially for refunds."

And then:

"MoneyGram and POL systems were out of sync re cut-off times. Poll cut off at 19.00 and MoneyGram at 24.00."

Then in bold:

"Towards the end of 2016 changes were made to the transaction journey and the cut-off time.

"MoneyGram changed their cut off time ..."

Et cetera and also:

"The end to end transaction journey time was extended from approximately 8 seconds to 30 seconds."

That was in order to try and stop the timing out happening?

A. Timing out, yes.

Q. And then there are some next steps listed:

"More work being done to establish the root cause of error (branch conformance/product complexity)."

So it is right, isn't it, that in fact the issue of MoneyGram was a little bit more complicated, because initially it didn't say "Contact the NBSC"?

A. Yes it changed, yes.

Q. And then that then changed. And then there was a flowchart which for the first time mentioned the 7 pm rather than the calendar day, yes?

A. Yes.

Q. And distinguished between pre-7 pm and post and then eventually at the end of 2016, as reflected in the 2017 document, the polling days for Post Office and MoneyGram were then aligned?

A. Yes. The flowchart was the best, I think, communication out to the network around the stages to go through.

Q. Okay. Let's just look, if we may, at {F/1556} please and if you could look very kindly -- you see that's a 21 October 2016 document. Have you seen that before?

A. I don't recall. I don't recall seeing this actual document, but I was party to some of the operations duplication work.

Q. Let's look please at page 4 {F/1556/4}.

A. Sorry, what date did you say this document was?

Q. This document seems to be 21 October 2016. Does that make sense?

A. Okay, yes.

Q. If we have a look at page 16 of it {F/1556/16} we've got the document history and you will see the version history at the bottom and it says initial draft, 30 September 2016, Andy Greening. Who is he?

A. He is one of the change analysts.

Q. One of the change analysts. Do you know him?

A. Yes.

Q. And you have worked with him?

A. Yes.

Q. Review by Dawn Brooks. Who is she?

A. Dawn used to be a change analyst, one of the managers, in FSC.

Q. And is Andrea Horner doing the same job as well?

A. Andrea Horner was a project manager with us, she was a contractor with us for a short time.

Q. Okay. So it seems to be anyway a document, the date of which is in October 2016, and if we just look please at page 4 {F/1556/4} there is a management summary:

"Post Office branch 'back office' balancing and accounting processes are still rooted in legacy practices and methods. These operations processes and

associated workflows are inefficient and susceptible to losses and fraudulent activity. Many business rules are ill-defined and the language is confusing to those who operate the processes."

Now, some of those who are operating processes are in FSC dealing with supposed shortfalls from Post Office's point of view, yes?

A. They would be, yes.

Q. People deciding on transaction corrections?

A. Yes.

Q. And also of course one shouldn't forget the subpostmistresses and subpostmasters who have got the other end of these processes in a sense?

A. Yes.

Q. And it is the reconciliation of the back office data and the front office entered data that causes a discrepancy, isn't it?

A. Yes.

Q. And if we look at "Drivers for change", 1.2, it says:

"There is a requirement for balancing and reconciliation processes to be intuitive and easy to operate and for those processes to use simple language and applied business rules that negate the requirement for excessive training in branches and back office

support services."

So what really you are saying there is this should be absolutely intuitive on the Horizon system and in the processes that relate to it?

A. Yes.

Q. So that you don't have to go and explain super complicated things to people in branch and then have mistakes which then have to be sorted out. Is that fair?

A. Absolutely.

Q. And that's obviously a good idea?

A. Of course.

Q. And there's a requirement for integration of data into Post Office Limited's front office systems, which is basically the Horizon facing system for the SPMs?

A. Yes.

Q. And that would obviously be a good idea as well, in that if the front office data and the back office data was visible in the front office, they would be able to see both?

A. Yes.

Q. These are all good ideas and it's not surprising that you think they are good ideas because you are the person who signs off on this document at the end on page 17

{F/1556/17}.

A. Yes.

Q. Did it begin to seem familiar when we were going through it?

A. So -- yes, absolutely. So ATM, so ... I don't absolutely recall this particular document if I'm honest, but --

Q. You remember the broad points, trying to streamline the back-end office processes?

A. Absolutely. So at this time -- and I can't be sure of the dates, but I was the director of support services, so FSC was under my remit at the time and what I particularly wanted to do was try to get things right at the front end to stop driving -- obviously right for the front end in the first place but then to stop driving, as you have described, the workarounds and the activity to put right things that should have been right in the first place.

Q. I understand.

MR JUSTICE FRASER: Mr Green, you have to keep an eye on the clock for the shorthand writers.

MR GREEN: My Lord, would that be a convenient moment?

MR JUSTICE FRASER: I imagine you have more than five minutes.

MR GREEN: My Lord, I have. I'm not going to finish with Mrs van den Bogerd today but I will be finished well before lunch tomorrow and we are timetabling everyone else to fit in --

MR JUSTICE FRASER: This is day one of your four days.

MR GREEN: Indeed.

MR JUSTICE FRASER: Mrs van den Bogerd, you heard that exchange so apparently you are still going to be in the witness box tomorrow but we will have a break now for the shorthand writers so we will come back at 20 past 3. Same as before, don't talk to anyone about the case.

(3.14 pm)

(Short Break)

(3.22 pm)

MR GREEN: Mrs van den Bogerd, just following through a couple of further documents in relation to MoneyGram. Can you please look very kindly at {F/1502} please. You will see that's a MoneyGram quarterly business review, 18 July 2016.

A. Yes.

Q. And if you could look please at page 24 {F/1502/24}.

"Problem statement":

"Multiple instances of system latency have been reported since 24 January 2016."

Yes?

A. Yes.

Q. "The latency was exposed by changes to the IT environment in the January release."

Yes?

A. Yes.

Q. So it has come to the fore after the January release of the software, yes?

A. Yes.

Q. And it identifies the purpose and benefits and then fourth bullet point at the bottom of that page:

"This latency is causing some transactions on the POL system to time out, resulting in high traffic to the operational contact centres and obvious customer impact."

Yes?

A. Yes.

Q. If we go over the page please {F/1502/25} we can actually see the "Instances of latency since February" diagram shows weeks commencing 22February onwards, can you see that?

A. Yes.

Q. And 22 February 2016 is the highest one by quite a margin, isn't it?

A. Yes.

Q. And 23 February is when Mr Patny has his difficulties, isn't it, with MoneyGram?

A. Yes.

Q. If we go forward please to {F/1502/29}, do you remember Mr Patny thought that he had got a duplicate transaction?

A. Yes.

Q. 3,100 and then he seemed to have 6,200 --

A. Yes.

Q. -- was what he thought had happened. Look at the bottom of that page, "Reconciliation":

"Duplicate transactions are created in [MoneyGram] systems as a result of Post Office time outs.

"A joint MG/POL team is working to ascertain impact on settlement and implementation of an appropriate plan of action."

A. Yes.

Q. It wasn't wildly well advertised to subpostmasters that this problem was being dealt with at the time?

A. No. People were aware there was an issue, clearly, in branch and then --

Q. People in the branch had an issue, but they were probably being blamed for user error, weren't they?

A. Well, they knew there was an issue and they were ringing into NBSC at the time.

Q. Sorry?

A. They knew there was an issue and they were ringing into NBSC at the time.

Q. Well they were claiming there was an issue but they might be met with "This is user error"? They didn't go "Oh, by the way, have a look at the graph which shows there has been a spike in the very week I'm complaining about" because they didn't have that information, did they?

A. Not unless there was a message on the helpline system.
I'm not aware --

MR JUSTICE FRASER: When did you first see this document?

A. This document, now.

MR JUSTICE FRASER: You haven't seen this before today?

A. I've not seen this before, no.

MR GREEN: Okay. Let's look, if we may, at {F/1555}. This is a "Small project proposal", "Hot house - MoneyGram issue", "Pricing for additional work". And then "Description of requirement" box halfway down:

"Background:

"MoneyGram summary.

"For the last several months Post Office has

experienced a live operational issue with MoneyGram transactions across the branch network. In the event of a transaction timing out at the counter, a system error message is displayed to the user ... and the transaction is aborted. This leaves no record of the transaction at the counter and the transactions and funds may or may not have been committed in the MoneyGram domain. This causes significant issues for Post Office and MoneyGram and for customers."

And then:

"End to end testing has been commissioned to identify the cause of the problem. Within the first hour of testing the ATOS test team were able to identify the issue as CDP returning an incorrectly formatted (SOAP error message) response to the counter which results in a system error rather than a time-out response ..."

And if we just look at the bottom three lines of that box:

"A quick fix has been identified by the ATOS team to amend the existing AP-ADC reference data to treat the system error as a time-out response and trigger the correct counter behaviour."

Do you see that?

A. Yes.

Q. So that does suggest, doesn't it, that there was a real problem that was not very easy for the person at the counter to deal with correctly?

A. Yes. They had an error message, but yes.

Q. This document is dated 19 October 2016, as we can see, top right?

A. Yes, I can see that.

Q. Yes. And it is addressing something that was a result of the January release of software?

A. Yes.

Q. So that had actually persisted for the whole of February, March, April, June, July, August, September, October, nearly the whole of October as well, yes?

A. From the graph you showed, yes.

Q. If Post Office had commissioned ATOS earlier -- if they had been asked to look at it earlier, it looks as if they would have got an answer more swiftly, because they found it in the first hour of testing, didn't they?

A. Yes.

Q. Just looking at that from Post Office's position, does that look satisfactory to you?

A. I don't understand why it took so long.

Q. No.

A. On the face of it, no.

Q. Let's look at other matters that you deal with in your witness statement, if we may. Paragraphs 178 and 179 {E2/5/41}, you are talking there about volume of branches and volume of customer sessions. You can see that the point you make at 179 over the page {E2/5/42} is you give the example of the Barkham branch as an example, being the branch that Mrs Stubbs was subpostmistress for, raises a number of matters that you have responded to. You were able to see that the workload for this particular branch in 2001 involved an average of 1,047 weekly customer sessions and in 2007 this increased to 1,836, yes? And that's information that you got from the spreadsheet that we see on the previous page referred to there, is it?

A. Yes.

Q. Can we look please at {H/172}, which is a letter from Post Office's solicitors dated 18 January. You will see there the second line of 1.1 -- do you see in the middle?

A. Yes.

Q. They are talking about your witness statement:

"It has come to our attention that this spreadsheet contains an error due to the internal referencing that

means, while the actual volumes of customer sessions is correct, they do not correspond correctly with the relevant branches. We therefore write to enclose a copy of the correct version of the volume of customer sessions spreadsheet for your reference."

Yes?

A. Yes.

Q. Were you made aware of that change? Do you know that that change happened?

A. No.

Q. Okay. This may not be fair to you, but let's just look at it. You have referred in your witness statement, we have seen, to the Barkham branch as an example.

A. Yes.

Q. I have just shown you that the point you make about customer sessions going up from 1,047 to 1,836. Let's look please at the corrected spreadsheet which is at {F/1837}.

Is this something that you actually know about, or is this something someone asked you to put in your statement?

A. What, the volume of branches in the --

Q. Yes? I mean is this really your evidence at all?

A. I know about branches and how they have changed over the

years, yes.

Q. Okay, so you felt comfortable giving the evidence?

A. Well, I spoke to Kjetil, a colleague of mine.

Q. Spoke to ..?

A. Kjetil.

Q. Full name?

A. Kjetil Fuglestad.

Q. That's the person you mention in your witness statement {E2/5/41}.

A. So Kjetil manages all the data on the network, the size of -- the number of branches, volume of transactions, everything that goes through that; that's what he does.

Q. So he would be a reliable person to get this information from?

A. Yes.

Q. If we look at line 254 please if we look there we can see the Barkham branch and we can see there that the figures between 2001 and 2007 were in fact 398 and 368; do you see that?

A. Yes.

Q. And they weren't the figures that you gave in your witness statement of 1,047 and an increase up to 1,836. So in fact they have gone down those figures, haven't they?

A. Mm-hm. Yes.

Q. And they are quite a lot smaller?

A. Yes.

Q. Do you know how that error has come about?

A. I don't. Because I had a conversation with Kjetil around the data and then told him what I wanted and he provided it to me, so I don't know --

Q. Could you speak up a tiny bit.

A. Sorry. I had a conversation with Kjetil around the information that I was looking for and then he provided it to me, so I have no idea how this data would have changed, or been incorrect in the first place.

Q. Okay. Well, let's move on to your description of the implementation of Horizon and Horizon Online. Let's look at paragraph 180 of your statement please {E2/5/42}. You say there:

"In relation to the practical implementation of Horizon and Horizon Online in branches, Post Office representatives were present as explained below."

Then you say at 181:

"It is my understanding that branches were required to do their final paper based cash account before the change over to Horizon. The information was then transferred onto the Horizon system ..."

Using the physical cash and stock held, et cetera, as could be agreed with the subpostmaster:

"The transfer onto Horizon was supported by the Horizon field support officer ... and also the RNM. If there were any issues as to discrepancies/general functionality ... [they] would assist the branch."

Then Horizon Online, 183:

"Before the change to Horizon Online a cash check was completed in branch by the HFSO."

That's the Horizon field support officer?

A. Yes.

Q. You have defined in 182:

"Branches were notified in advance that this cash check would be carried out. I recall that this mandatory cash check across the entire network caused a temporary spike in declared losses. I suspect that this was due to branches tidying up their accounts before the cash check and therefore losses coming to the surface that had previously been ignored or covered up."

Now, that doesn't on the face of it suggest any difficulties particularly encountered by SPMs on the introduction of either Horizon or Horizon Online, does it, your account?

A. No, it just states what the process was, yes.

Q. Yes, it is process based, but it doesn't hint at any difficulties they encountered that might explain a spike in discrepancies, for example when Horizon Online was introduced, anything like that?

A. So that was done -- so what I'm referring to there is the spike before it went onto online.

Q. Okay.

A. So it was at the point at which it was done in advance of and then carried over.

Q. Well, let's have a look. Let's just take a step back. We might be able to take it more shortly. I mean do you actually personally know what the introduction of Horizon was actually like for the SPMs affected by it?

A. Going from paper based to Horizon, is that what you ..?

Q. Yes.

A. Yes I do.

Q. And there were quite a lot of problems, weren't there?

A. There were some. I was supporting -- when I refer to the RNM, I was one of -- I was an RNM at the time, yes.

Q. And there were quite a lot of problems with the software and hardware?

A. At that time I can only talk about what my experience was.

Q. And what was your experience?

A. So we had some issues in -- where I worked in the local area, but we were out in branch supporting and making sure that everything was okay. So there would be the odd -- from recollection, because it was a long time ago, there were the odd one or two issues that we had. I wasn't aware of the picture across the business at the time.

Q. Okay. Let's just have a quick look, let's look at {F/16/2} please. This is PEAK 0027887. And it is created on 21 July 1999 and this is the one that we have seen at the end of last week, on Thursday last week. There's a receipts and payments misbalance which is escalating and it gets up to £1.05 million. Do you see that?

A. Yes.

Q. And that's quite a large number for a small branch to have gone astray, isn't it?

A. Well, for any branch. Any branch that would be --

Q. That's not going to be a real amount of cash --

A. No.

Q. -- that the SPM has put in her pocket, is it?

A. No.

Q. Or quite a lot of stamps or anything like that?

A. No.

Q. And look at page 3 please {F/16/3}. You can see in the bottom box:

"The initial balance brought forward for this CAP was [1.196 million]. This was multiplied twice to give a total ... of 2,279,189.04."

There was a £1 million discrepancy:

"This was due a known software error which has not been resolved."

Is that "not been resolved" or "now been resolved" --

A. I don't know.

Q. -- can you remember this one?

A. No.

Q. Okay. So that's quite a serious one. Let's have a look at a couple more examples. {F/22} please. This is 10 November 1999. PM Dungannon. This is PEAK 0033128 and you can see there that there's a discrepancy of £43,000. Halfway down the first box:

"Outlet has a discrepancy of £43,000 after balancing [stock units] and doing office snapshot."

Do you see that?

A. Yes.

Q. "... investigating why this misbalance occurred."

If we look at the entry for 3 December 1999, which

is down towards the bottom:

"I have talked with development ref this problem. It is seen as a one-off. No fault can be found and developments do not expect to be able to find a fault with the evidence available. There is no additional information available as evidence. I suggest this call be placed on monitor for 1 month."

And then 18 February 2000, if we go over the page on page 2 {F/22/2}, if you look there can you see "Further examination of the event logs", do you see that?

A. Yes.

MR JUSTICE FRASER: Whereabouts?

MR GREEN: It is the big box, 18 February, 17.07, my Lord, and we come down --

MR JUSTICE FRASER: Yes, got it.

MR GREEN: "Further examination of the event logs for these two counters indicate that counter 5 looks suspect (C drive nearly full with big gap of no messages). Calls from PO into HSH for period ... indicate a reboot (counter not specified but would tie in with counter 5 event log) ..."

Do you see that?

A. Yes.

Q. And then straight after that, can you see underneath

Saturday 31 October 1999 it says:

"The evidence in the message store was that messages continued to be written to the message store but that all the 'payment' transactions which should have been recorded in the rollover trailer messages failed to appear (although others did, such as rem out and transfer out totals). This indicates that the problem was not one of running out of disc space but of failing either to retrieve, or write out, transaction totals for one particular node in the node hierarchy.

"Given that there were known problems with corrupted persistent object indexes at about this time, it is possible that an update on an EPOSS nodes object failed to be registered correctly at the outlet, causing the node accumulation to fail."

Now, on the face of it there was a £43,000 discrepancy in November 1999 and the underlying information wasn't actually rechecked until February the following year, on the face of this, yes?

A. That's what it looks like, yes.

Q. Let's go forward please to page 3 {F/22/3} and we're going to look at the entry for 7 April which you can see -- sorry, if you look at the top can you see there there's a further occurrence for 9,000, do you see that?

A. In Appleby?

Q. Yes. And then that's then escalated and then at the bottom of that box a fix, penultimate paragraph:

"A fix has been developed and is currently in testing."

Do you see that?

A. Yes.

Q. And if we go down to 4 July 2000 at the bottom, it says:

"Root cause of stock unit integration problem.

"Data trees have been failing to build fully, and the system has not been detecting this. Consequently, discrepancies in the balancing have been occurring. In the case of Dungannon a whole payments node was missing. There have been a number of calls relating to this kind of issue. A fix has been put in at CI4 which will prevent this happening. The root cause identified ... is as follows: 'data server trees have failed to build ..."

So what we can see there is the sort of problem that was being encountered is not only an error occurring but the system failing to spot that the error was occurring, yes?

A. Yes.

Q. And if we go forward please to {F/89} we will see the

ICL Pathway customer service management support unit
monthly incident review for November 2000 and if we look
at page 6 quickly {F/89/6} -- sorry, I shouldn't -- fair
to you. If we look at page 6, do you see the second
bullet point:

"The most frequently occurring incidents in November
were both types of receipts and payments incidents
(migration and post migration) with 31 incidents per
category. The migration incidents have remained at the
same level ... post migration occurrences have
increased. This was followed by 17 transactions polled
by TIP but not by HAPS, these were due to delayed
transactions as reported ..."

And so forth. Then they were added back into normal
processing.

We can see there that at the top bullet point, key
point:

"During November the number of incidents received by
MSU increased to 109, in comparison to October where 91
received and resolved ... a total of 98 incidents were
cleared and 13 will be carried forward ..."

So there was quite a lot of activity in terms of
trying to clear incidents that were coming in of this
type, weren't there?

A. Yes.

Q. And we can see in December, which is at {F/84}, that's the December document of the same type, let's have a look again at page 6 quickly {F/84/6} --

MR DE GARR ROBINSON: My Lord, I rise simply to say these are Fujitsu documents, these are not Post Office documents, but I'm sure your Lordship is well aware of the limitations in this witness' ability to speak to these documents.

MR JUSTICE FRASER: Well, she has given broad evidence of these types of things. You might want to just explore when she has first seen them.

MR GREEN: Yes. Have you seen these documents before?

A. I haven't seen these.

Q. You haven't?

A. No.

Q. But you were in aware in your support role at the time of activity of this sort going on?

A. Not in 2000 I wasn't, no.

Q. You weren't?

A. No. So in 2000 as the retail network manager I operated in an area as part of a team of the same, so I was not aware of this in the background.

Q. Were they giving you any feedback about the sort of

problems that Fujitsu were encountering?

A. No, no. So the process we had in place was we had a roll-out plan of the branches that would migrate. We organised ourselves in what we called a cluster group at the time and we made sure that we had one of us as an RNM was on-site to support the migration and then subsequently some of the balances going forward as well, because there were some issues with the balances, but I wasn't aware of any of this in the background.

Q. So you are the person listening to the SPMs saying "Look, I have a problem with it".

A. Yes.

Q. But you weren't being provided with any background information --

A. No.

Q. -- about what the categories of problems being encountered were?

A. What I would do in my role then is if I had a -- if one of my postmasters had a problem then I would go and check their accounts with them, go through all the information and there was one issue that I do remember where there was an issue with a postmaster that always balanced and on this particular day he didn't. It was very unusual. I checked everything and then I made

a call to Chesterfield, which wasn't called FSC then, it was called P&BA and they resolved the problem from there. I don't know exactly. All I know is he was happy it was resolved.

Q. Let's look at that specific example. They didn't give you feedback about what had gone wrong, if anything?

A. No.

Q. So you weren't able to form a view about that?

A. No. So my understanding was what to do in the situation, if we had a situation like that, then I would escalate it and then the process would kick in behind because I was on to the next Post Office to support.

Q. Okay. So is it fair to say --

MR JUSTICE FRASER: Just pausing there, this might speed things up because there are two different strands you are running at the same time.

MR GREEN: My Lord, yes.

MR JUSTICE FRASER: The first thing is just a point of clarity. I don't think these are actually Fujitsu because I think at the time it was ICL; that's right, isn't it?

A. That would have been at the time, yes.

MR JUSTICE FRASER: You were a retail network manager.

A. Yes.

MR JUSTICE FRASER: So the problems that you experienced, that you had direct experience of, they were the problems from the branches that were under your umbrella, is that right?

A. Yes, that's correct.

MR JUSTICE FRASER: Did you get any communications back from other areas about problems they were having, or was your involvement solely in respect of the branches in your area?

A. So my responsibility was the branch -- it wasn't just my area, so I think at the time there were about eight RNMs worked out as a team so we covered a geographical area that would cover the whole of say Cardiff, Swansea, West Wales, which is quite a geographical error, and then we would talk to our counterparts in Newport and so forth, but I'm not aware of any formal communication back to us at the time of anything to do with this at all, other than we were there to help postmasters resolve the issues at the time.

MR JUSTICE FRASER: Understood. And then the second point is when you were preparing your witness statement and in particular the paragraphs at 180 to 183 --

A. Yes.

MR JUSTICE FRASER: -- did you do any investigation in

respect of what might have been happening that you
didn't know at the time in 2000 --

A. Not back to 2000, no.

MR JUSTICE FRASER: -- or in 2010 when the change was from
Legacy Horizon to Horizon Online?

A. So in 2010 I was in a different role and had broader
responsibility and I knew what -- what we did, again we
replicated a similar approach to make sure we supported
branches at the time, but as for any detail of
information, I didn't research into that, no.

MR JUSTICE FRASER: Right, Mr Green.

MR GREEN: I'm most grateful.

So just quickly to follow through on your role at
the time, if you just look at page {F/99.1}. Now, this
is a document about Mr Bates' branch. It's not one we
went to in the common issues trial.

A. Yes.

Q. But this is June 2001 and I think you were still an RNM,
is that right?

A. Yes.

Q. And this is an audit of his office and can we go down
please to page 4 {F/99.1/4}. Do you see cash management
accurately declared at the close of business; you see
that?

A. Yes.

Q. And this is the sort of document you might have seen if an audit had been done at one of your branches?

A. Yes.

Q. And if you look under "Control gaps - high risk" and then the next one says "Comments", it says -- and this is from the auditor:

"A correct assessment of cash holdings could not be made because the Horizon system intermittently adds the previous day's cash holdings to the daily declaration."

A. Right.

Q. That's the sort of problem that you might have had to deal with if that had happened?

A. If it had happened, then yes --

Q. In one of your branches --

MR JUSTICE FRASER: Mr Green, can you let the witness finish.

A. That wasn't anything I was aware of at the time.
I never encountered that problem in one of my branches, or in my colleagues' branches; that isn't something I was aware of.

MR GREEN: Very well. What you would have done was taken that forward and tried to help the SPM resolve it?

A. Yes. I mean if I had an audit report from any of my --

from my branches then I would go through it in quite some detail, yes.

Q. I'm grateful, thank you.

Can we look now at migration to Horizon Online. Now, this is something you would have more knowledge of, is that fair? What happened during the migration to Horizon Online?

A. Well, I wasn't out in the field supporting it, so it depends when you say "more involvement".

Q. Shall we just look, if we may quickly -- I will take this reasonably quickly, just because I think you have had a role in talking about the introduction of Horizon Online. Let's look at {F/555} please. This is the Horizon Online induction training document.

A. Yes.

Q. And if we look at page 8 {F/555/8} can you see that Horizon Online:

"... is about reducing the Post Office's operating costs ..."

A. Yes.

Q. "... and is a fundamental element of forward: three2eleven"?

A. Yes.

Q. What's "forward: three2eleven"?

- A. It was the strategic plan at the time called three2eleven, so it was -- if I remember correctly, it was 2003 to 2011, the years.
- Q. Okay. This is a 7 December 2009 document.
- A. Yes.
- Q. And did you have some knowledge of what that strategy was at the time?
- A. I had a knowledge because that was -- the whole business was engaged in what that was.
- Q. Yes.
- A. In terms of recalling the detail of it, I can't recall the detail of it at this point. But it was a strap line that everybody was aware of, absolutely.
- Q. Okay. We can see from the slide that Horizon Online was based on the principle of business equivalence: "Will look and feel very different to existing Horizon but will not radically change transaction processes". Yes?
- A. Yes.
- Q. And it has "been designed to run on existing branch equipment".
- A. Yes.
- Q. Then if you look in the notes, the sort of speaking notes under the slide, we can see again it is reiterated it is about reducing operating costs, yes, and that

Horizon is a major cost and then do you see it is not about new functionality, on the left-hand margin just above "Business equivalence"?

A. Yes.

Q. "It is based on the principle of Business equivalence. Business equivalence is the primary design principle for the programme - we are not about new functionality."

Yes?

A. Yes.

Q. So this wasn't really an upgrade in terms of functionality, was it?

A. No.

Q. It was business equivalence and a way that would be -- there would be cost savings from doing it this way --

A. Yes.

Q. -- is that fair?

A. Yes.

Q. Let's look at {F/610}. This is April 2010. This is "Operations functional report" and if we look at the bottom, "Horizon Online high volume pilot", you can see a few bullet points there and the bottom one is:

"Problems reported and decision made to halt further migrations allowing further investigation and resolution of issues."

Now, first of all did you see this document at the time?

A. I don't recall seeing this, no.

Q. Were you aware of these issues at the time in the pilot?
Did you know it hadn't gone --

A. No not -- no.

Q. At all?

A. No, not that I can recall, but I wasn't close to the absolute beat rate of how things were --

Q. Okay. And did you have a look at any of this sort of documentary history before you wrote your witness statement?

A. No, I haven't --

Q. Research what happened?

A. So a broad understanding of what happened, but I have not seen these documents in that respect.

Q. Okay.

MR JUSTICE FRASER: Mr Green, you did interrupt again.

MR GREEN: I'm so sorry.

MR JUSTICE FRASER: Please don't.

MR GREEN: I'm sorry, my Lord.

If we look please at {F/588} that's PEAK 0195380 and if we look at page 4 please {F/588/4}, 5 March 2010. In the second box down -- do you see that?

A. In the green text, the big box?

Q. Yes, the big box.

A. Yes.

Q. "We have received notification from POL regarding the problems at this office ... on the 1st of March at the close of business we found that on node 5 the cash was short of £1,000. All of the figures for that day match the figures presented at the time of each transactions. An instant saver withdrawal for £1,000 was transacted that day, but I was unable to find this transaction using the online report facility. I feel very anxious as I believe a system error has occurred at the time of this transaction.

"On the 2nd of March a transaction for a cash withdrawal was completed where the system commanded a member of staff to issue the money to the customer on screen but the receipt printed for that transaction printed out a decline slip. The customer was honest enough to bring back the decline receipt a day later with the money.

"On the 2nd of March on node 5 a £220 cash deposit was authorised on screen but 20 minutes later the customer brought back a receipt that stating the transaction had declined. We contacted the NBSC as and

when the customer produced the receipt. NBSC stated that the transaction approved on the system and had no idea why the money was not deposited and why the decline slip was printed.

"A rem was scanned in our system and all the figures had doubled up. The helpline team was notified at the time, to which they seemed more confused as to why it happened than me!

"Another error occurred on the system when 10 items of postage seemed to disappear for no reason halfway through a customer's transaction. The system commanded no money to be taken from the customer on screen or by receipt.

"A transaction on node 2 where a car tax was entered disappeared ..."

And so forth. Can you see?

A. Yes.

Q. This is a litany of issues that this person is raising and it says at the bottom, about six lines up from the bottom of that box:

"I have a deep regret in initially volunteering to take part in this new pilot scheme, as I did not expect to have these complications with such poor services from the helpline.

"Unfortunately our migration officer is away ... leaving us with no one with the means to correct our issue today. Why should it be my liability to recoup all the losses in this already declining business, when these systems should have adequate contingencies for any such problems that could or would arrive. It seems that the helpline have left me for seven hours now without any intention of calling us back as no one again wants to take ownership over this problem."

Now, pausing there, were you aware at all of that level of difficulty being encountered by people who had volunteered for the pilot for Horizon Online?

A. No.

Q. Let's look at {F/614} please. This is a Post Office document. It is Horizon Online programme update, 8 April 2010, do you see that?

A. Yes.

Q. And can we go to page 4 please {F/614/4}. You can see there 614 branches live, almost 90% have a router installed, high volume pilot suspended, NFSP have raised concerns but remain supportive, business case and benefits secure, Fujitsu initiated red alert and independent reviews. Were you made aware of that within Post Office?

A. No.

Q. Let's have a look at {F/639} please, the following month, May 2010. If we go to page 6 please {F/639/6} because quite a lot of it is redacted. We can see that the document is authored by Paula Vennells, the network director, and if we come back to page 3 {F/639/3}:

"Executive correspondence (flag cases): the executive correspondence team are still receiving some letters from MPs despite the current purdah. Each case is dealt with individually ensuring that we tackle any relevant customer issues but stay within current purdah guidelines. Internally we are dealing with requests from subpostmasters who would like compensation in relation to closures following the Horizon issues over the Easter period."

Were you aware there had been Horizon issues over the Easter period in 2010?

A. Not that I can recall, no.

Q. Okay. Did you see this document, can you remember?

A. It would be hard to recognise it now, wouldn't it?

Q. It's very difficult, I agree.

A. So I don't think I did.

Q. Sort of striped with redactions, it's difficult.

At {F/930} we've got a pack for James Arbuthnot and

Oliver Letwin meeting scheduled for 17 May and if we look at page 2 of that {F/930/2} we can see who the attendees were: James Arbuthnot, who was then an MP for North East Hampshire, Oliver Letwin, Alice Perkins, the chairman of the Post Office, Paula Vennells, the chief executive, Susan Crichton and Lesley Sewell and then case review, Mr Ismay and yourself.

A. That's correct.

Q. And this was essentially the planning pack for that meeting, wasn't it?

A. Yes.

Q. And if we look at page 3 please {F/930/3}, in item 1, fourth bullet point, it says:

"We are open to feedback and we will provide you the information we have available, our aim is to be open and transparent."

Yes?

A. Yes.

Q. And the plan was that that was to be said at the meeting. And if we look at page 12 {F/930/12} you can see there under "Background" do you see:

"In 2010 Horizon underwent an upgrade. The upgraded system was tested and has the full support of the NFSP."

Bottom hole punch?

A. Yes.

Q. It wasn't really an upgrade from the perspective of functionality for SPMs, was it, as we have already identified?

A. No, agreed.

Q. And that doesn't give a completely clear explanation of that, does it?

A. No, it is quite limited in what it says there.

Q. And it could be read as meaning it had been upgraded from their perspective when the truth was it hadn't?

A. Yes. I mean I don't know what was said around that because I wasn't in the whole of the meeting.

Q. And then it says:

"The upgraded system was tested and has the full support of the NFSP."

It is true, as far as we can tell from the documents, that NFSP was still supportive, but they had actually raised concerns about it, hadn't they?

A. Yes.

Q. We saw that on page 4 of {F/614}. So that doesn't give the complete picture to the MPs either if that's what was said?

A. If that's what was said, because I wasn't party to that conversation.

Q. Let's look please now at {F/658} please. It is the functional report operations, June 2010, and on page 1 you can see Horizon Online:

"Successful completion to pilot of new Horizon Online migration package.

"Horizon Online high volume pilot successfully recommenced."

So what had happened there was that the halt that had been placed on it had been lifted so it could recommence, is that fair?

A. Yes.

Q. And this is something that you must have known about at this time, is that fair? You know the --

A. Sorry, I don't recall ...

Q. No? You didn't know that the pilot had been stopped and then recommenced?

A. I don't recall that it had actually been stopped and recommenced, no.

Q. Let's look on page 2 please {F/658/2}:

"Horizon Online losses: over the last month a small number of branches have raised concerns in regard to system integrity and the creation of losses. So far no evidence of system integrity issues has been found."

Were you aware that branches were raising system

integrity issues at this time?

A. No, I don't recall any information flowing out of that.

Q. Let's look please at {F/657} which is the network functional report, June 2010 and if we look at page 3 please {F/657/3}, Horizon Online, we've got:

"High volume pilot resumed, 100 Crowns migrated with further 170 Crowns planned this week.

"Ongoing delay to the programme impacting on resource available to deliver migration support. Support team continually reducing as people leave on VR terms ..."

That's voluntary redundancy, isn't it?

A. Yes.

Q. So the support team was reducing because of voluntary redundancies, yes?

A. Yes.

Q. "Initiating contingencies (eg more subpostmasters) but to deliver the roll-out as planned we will now refuse any further requests for people to leave the team to take up roles in POL."

So that was one facet of provision of support to SPMS who were affected by some of these issues, yes?

A. Yes.

Q. And if we go forward please to {F/708} this is a period

12 09/10 sales report. What is period 12? Just to orientate ourselves by date?

A. That would be March.

Q. That would be March?

A. Yes.

Q. Of 2010?

A. We run April to March in our periods, yes.

Q. April to March, okay. So March 2010 it looks as if we're in. And if we can go please to page 8 of that document {F/708/8}:

"Horizon migration - a number of issues have occurred with the data centre which have impacted [or] have affected live service to all Horizon Online branches. Following on from this a decision has now been made to extend the duration of the pilot period to allow for further testing to be undertaken on the system. As a consequence the planned date for the full roll-out schedule to commence has now been postponed until satisfactory progress has been made in achieving stability of branches within the pilot."

Did you have any visibility of this at the time? If you didn't I can take it even more swiftly.

A. I must have had some but I can't recall to be honest.

Q. You can't recall. Did you look at any of this history

to --

A. No, no.

MR JUSTICE FRASER: To what?

MR GREEN: In order to give the description you give in your witness statement?

A. Sorry, that's what I understood.

Q. That's what you understood?

A. Yes and the answer was no.

Q. I will take it a little bit more quickly then. If you just go forward all the way to {F/1402}. This is an extract from "Lessons Learned log" and under the area "Audits" at 4.1 we can see certain complaints about audits and so forth:

"Existing branch discrepancies not discovered during audit of branch".

And so forth. And "Rationale for change:

"Postmasters perceive a lack of knowledge of person conducting branch audit.

"POL needs to be confident that colleagues performing audits are competent and there is confidence across the network.

"POL need to be able to have clear sight of losses/gains throughout the network."

Is this a document you are familiar with?

A. Yes.

Q. It is from 11 November 2015. It has your name at the bottom left-hand corner, hasn't it?

A. Yes.

Q. Were you the author of the document?

A. Yes.

Q. You were?

A. Yes.

Q. And what was the purpose of this document?

A. So the purpose was to look at any areas that I thought we could improve. So at this time -- so we had been -- so we had -- branch support programme had been running, we had done the initial complaint to the mediation scheme and we had some business as usual areas that we were investigating, some issues as well, so what I took the opportunity to do then was look at what I believed were enhancements/improvements that we could make to how we operated to better support postmasters.

Q. And let's just identify the column headings. The left-hand column is area, the second column is "Issue identified", the third column is "Rationale for change" and the fourth column is "Consideration for Post Office"?

A. Yes.

Q. If we go forward please to page 5 {F/1402/5}, 9.2:

"Failure to be open and honest when issues arise eg
roll out of Horizon, HNGx migration issues/issues
affecting few branches no the seemingly publicised."

A. Yes.

Q. That was something you were specifically aware of,
wasn't it?

A. So that was out of -- there were some cases that we had
investigated as part of the mediation scheme.

Q. So you knew that there had been an issue about failing
to be open and honest during both the roll-out of
Horizon itself and the migration to HNGx which is
Horizon Online, yes?

A. Yes. But it was from a very limited source, it was just
from what I had investigated as part of this.

Q. So in your investigations you didn't look at any of the
sorts of documents that I have been showing you?

A. No.

Q. And do you accept that they might have helped to inform
you as to the extent to which those complaints were
justified?

A. Yes.

Q. If you had looked into it?

A. Yes.

Q. And the next box across says:

"Need to understand and action learnings from
Horizon, HNGx roll-out ..."

We can't see what that says. Without saying
anything that's privileged, what is the point you are
making there, in as far as you are able to tell
the court?

A. Sorry, in which part, the middle bit?

Q. No, the top bit, where you say "Need to understand and
action learnings from Horizon, HNGx roll-out ..."

A. So what I was trying to say was a broad -- a broad
concept really of as we do things across the business
then we should always look to see what lessons we could
take from whatever we do, in some cases they could be
very small things and in other cases they could be
larger things and this was a document then that I was
handing over into the business as usual environment as
a lessons learned, so "These are what we have observed
and these are the things that we would suggest", which
is why it said "for Post Office consideration".

Q. Because you go on in the bottom of that box to say:

"Adopting a mindset of that no hidden agenda/no
'skeletons in cupboard' will demonstrate that lessons
have been learned from Horizon, HNGx ... and business

shows its willingness to change."

A. Yes.

Q. You felt that would be an important change, didn't you, and a helpful one?

A. Yes.

Q. What's proposed to do in the right-hand box is:

"Use standard communications in branch to reinforce consistent message to customers and stakeholders."

And:

"Engage champions of POL and stakeholders throughout the process of change."

That didn't actually specify any particular measures for openness or transparency, did it?

A. No. No, that was quite broad. I mean so these were say areas of consideration, they weren't really specific.

In some cases I would have been more specific, in others I was being quite broad. What I meant by that were things around -- so the branch user forum, for instance, is actually bringing in postmasters and people from within the business to take their B1 input and to share -- to get their insight into things. That was in a broad sense.

Q. Do you know what happened to that proposal? What action was taken, if any, to implement what you had suggested?

A. I don't -- I don't know what happened to that one.

Q. Is there any evidence that you are aware of something actually happening?

A. With branch user forum, yes, things did happen, as you have seen and that was a very, very open forum and that was used to engage particularly product managers or any changes that were happening to the network would come to the branch user forum and share in confidence a very early view and take input and that kind of fed through in terms of the new technology. IBM we were talking to at the time in the front office and also the hardware swap out that we did later on as well. Those are the kind of things.

So some of it did happen, but I can't say I have tracked that through.

Q. Is it fair to say in the branch user forum, when we actually look at the branch user forum logs a lot of that is actually feedback from SPMs to Post Office, rather than Post Office saying "Look, we're aware that this has gone wrong and so" --

A. It changed actually. So when it was first set up it very much was that, so it was taking a lot of input from postmasters and there was a Crown VM there as well, an ABM, so it was across the business. It was a lot of

taking input and then it changed. As it got more --
I suppose as everybody got more comfortable and we
addressed some small areas and some quick wins in that,
it changed then to being seen as the forum to come to
get input to things like, you know, the new hardware,
the keyboard, the layout of the keys, for instance, on
the keyboard, even down to that basic level around what
that layout should look like in terms of the operation,
but other things as well.

Q. So sort of just looking at a practical point on that is
if you have buttons very close together to each other
which can easily be confused, that tends to increase the
risk of miskeys, doesn't it?

A. No, what it was on this -- there were two or three
keyboards that were being considered, size, shape, and
what we were asking -- you know, postmasters in the
forum, the users, "From how you operate the system,
which keyboard suits you better around the functionality
of easy of operation?"

Q. You mean a normal keyboard --

A. Yes.

Q. -- not how it is presented on the Horizon scene?

A. This was about the hardware, which was --

Q. Not the touch screen?

A. So that would be the software. This was about the hardware.

Q. Okay. Let's briefly turn, if we may --

MR JUSTICE FRASER: Now, Mr Green, I am going to suggest you stop now.

MR GREEN: I will.

MR JUSTICE FRASER: We've got a number of matters to deal with.

MR GREEN: My Lord, yes.

MR JUSTICE FRASER: This is going to take about ten minutes. You are very welcome to stay in the witness box if you would like to, but you don't have to. You are still going to be giving evidence tomorrow so please don't discuss the case.

A. Of course.

Housekeeping

MR JUSTICE FRASER: I have some items and then we will come back to some of the other items.

Mr De Garr Robinson, I am going to ask you to do a task please, which is a redaction review. I have been noting the different documents that have been redacted and it seems to me that some of them are crying out for a review by leading counsel of the basis on which they have been redacted. I will just go through the list.

There is F/1549, F/1225, F/1664, F/610, F/639, F/658, F/657, F/708 and F/1402.

I'm obviously not going to impose a time on you and perhaps tomorrow you could just give me an update as to how long you think it might take you. It might be necessary to recall witnesses, hopefully it won't be, but in the first instance I'd like you to review those reactions please.

MR DE GARR ROBINSON: My Lord, yes, so it is F/1549, F/1664, F/1225, F/610, F/639, F/658, F/657 and F/1402.

MR JUSTICE FRASER: And there was F/708 as well.

The first couple appeared I think probably at the beginning of the afternoon, the last half a dozen have all been within the last 25 minutes.

That's the first point. The second point is -- I mean simply as an example, Mr De Garr Robinson, to explain, F/708 is the monthly sales report for March 2012. It has got quite a few redactions in it. All of those I'm asking for a specific reason I just think they are -- it is sensible to have it reviewed.

Secondly, there's the outstanding point relating to 7/8/9 May which I mentioned at the end of last week. Do any of you have any issues with it being the Tuesday and

Wednesday rather than --

MR DE GARR ROBINSON: I have no issues with the 7th or the 8th.

MR JUSTICE FRASER: I didn't think you would have. Thank you very much. Mr Green?

MR GREEN: My Lord, one member of our team can't do the 7th at all and it is not easy for the rest of us but we can do it.

MR JUSTICE FRASER: All right, 7th and 8th then, I'm afraid. It is going to have to be.

MR GREEN: I understand.

MR DE GARR ROBINSON: My Lord, that's true of both -- I have similar issues but ...

MR JUSTICE FRASER: As far as I'm concerned, unless it was physically impossible it's going to be the Tuesday and Wednesday, so it's going to be the 7th and 8th.

MR GREEN: We understand.

MR JUSTICE FRASER: I will keep -- because I'm in an indulgent mood I will keep the time for your lodging your closings as it was before. So you won't lose a day.

MR DE GARR ROBINSON: I'm afraid I have forgotten when our closings are due.

MR JUSTICE FRASER: I believe it was -- well, Mr Green is

about to tell me when it was. Do you remember when it was?

MR GREEN: I've got it I think in a different notebook.

MR JUSTICE FRASER: I think your junior behind you is trying to ...

MR GREEN: My Lord, I think your Lordship had a day in mind. I'm not sure we actually crystallised what it was.

MR DE GARR ROBINSON: I don't remember a day being actually specified.

MR JUSTICE FRASER: Well, then, that's my fault and I apologise.

MR GREEN: It may be ours.

MR JUSTICE FRASER: I will give you until noon on the Friday before.

MR DE GARR ROBINSON: That's very kind of your Lordship.

MR JUSTICE FRASER: Because I have taken a working day off you, so that's up to me. And the Monday is in any case a bank holiday but that's not a problem from my point of view. So noon on the Friday before, which I think is 3 May.

Right, well, that -- just give me one second. Are we having an opposed application at 10 o'clock tomorrow for a third party disclosure order against Royal Mail?

MR GREEN: My Lord, I was expecting that Mr Warwick would be

coming over to do that at 10 o'clock.

MR JUSTICE FRASER: That's why I'm asking.

MR GREEN: Precisely.

MR JUSTICE FRASER: I don't have the witness statement that
you issued in respect -- I don't need it this minute but
if you have got one --

MR GREEN: We've got a copy just in case --

MR JUSTICE FRASER: Right, hand that up please.

MR GREEN: I'm afraid it has not been hole-punched.

MR JUSTICE FRASER: That doesn't matter.

MR GREEN: My Lord, I have literally just been passed
a yellow sticker saying "Some E&Y audits have arrived".

MR JUSTICE FRASER: All right, well, you can update me
tomorrow, or through my clerk later on.

MR GREEN: I'm most grateful.

MR JUSTICE FRASER: But these are the papers for tomorrow at
10 o'clock?

MR GREEN: My Lord, they are.

MR JUSTICE FRASER: Do you know -- we will just have to take
that as and when.

MR GREEN: If we find out anything this afternoon we will
let your learned clerk now and then --

MR JUSTICE FRASER: All right, that's excellent.

That's all my housekeeping.

MR DE GARR ROBINSON: My Lord, I have one piece of housekeeping which is your Lordship asked for an order to be prepared reflecting what your Lordship indicated this morning about the witness statement.

MR JUSTICE FRASER: Yes please.

MR DE GARR ROBINSON: Could I hand this up and then I will hand it to my learned friend.

MR JUSTICE FRASER: Thank you very much indeed.

(Pause).

I have just signed that -- well, I have read it, checked it, signed it. I will give it to my clerk and it will be sealed by the QB.

So no more housekeeping?

MR DE GARR ROBINSON: My Lord, there is one other matter which is one of my witnesses, Mr Mambery. Your Lordship may recall from the PTR that he has GRO and your Lordship may recall that we indicated that he would be having GRO and we would do our best to ensure that it was possible. My Lord, he is currently due to be giving evidence on Wednesday. The difficulty is he is GRO today for GRO -- this is to do with GRO and --

MR JUSTICE FRASER: There is no need to go into -- you don't have to go into details.

MR DE GARR ROBINSON: But he has been told that he needs to attend for further **GRO** tomorrow and Wednesday.

MR JUSTICE FRASER: All right.

MR DE GARR ROBINSON: And at the moment he is not sure whether he will be needed on Thursday as well.

MR JUSTICE FRASER: I will tell you what we should do with him, there is flexibility in the timetable next week, without -- I don't want that gentleman to feel under any pressure at all.

MR DE GARR ROBINSON: I'm grateful.

MR JUSTICE FRASER: Take instructions, if with some sensible interleaving or creating of what I imagine based on the length of his witness statement is not going to be more than half a day at the most if not probably an hour with Mr Green, that could be fitted in either the week we're not sitting, or if necessary some other time. But I don't want him to feel under pressure to come here if he is actually **GRO** at the moment.

MR DE GARR ROBINSON: I'm very grateful to your Lordship.

MR JUSTICE FRASER: We will deal with that creatively.

Mr Green, anything from you?

MR GREEN: My Lord, the only thing that occurred to me, just thinking about the sticker that has just arrived --

MR JUSTICE FRASER: The sticker?

MR GREEN: Sorry, the E&Y audits that apparently some have now been received. Would your Lordship be amenable to us requesting, if appropriate, that what's due to be heard tomorrow morning at 10 might be postponed until the following morning at 10 if it looks as if we are likely to have greater clarity on it?

MR JUSTICE FRASER: Yes, but you will have to take relevant steps with Royal Mail and whoever they have instructed --

MR GREEN: My Lord, of course.

MR JUSTICE FRASER: And you will have to notify the court.

MR GREEN: It may be easier just to come at 10 tomorrow and get it clear.

MR JUSTICE FRASER: Let's put it this way: I'm here anyway from quite a lot earlier than 10 so it is not a problem for me to come down at 10 and go back upstairs and I'm flexible. But you have my clerk's email address so it is not an issue. If you would rather do it on Wednesday -- well, just see how the land lies and just decide.

MR GREEN: I'm grateful.

MR JUSTICE FRASER: But if it is to be moved from the date in the order I made on Friday, you will have to notify Royal Mail of that.

MR GREEN: My Lord, we would of course do that.

MR JUSTICE FRASER: What I don't want is Royal Mail coming
at very short notice and the claimants not being here.

MR GREEN: Of course.

MR JUSTICE FRASER: All right. Is that everything?

MR GREEN: My Lord, yes.

MR JUSTICE FRASER: Thank you all very much.

Actually there is one point I should add to
everyone. If there is an opposed application tomorrow
at 10 o'clock, Mrs van den Bogerd, there is an outside
chance that we might not be ready to resume your
evidence bang on 10.30.

A. Okay.

MR JUSTICE FRASER: So please don't be concerned about that.

If you turn up and you look through the window and you
see -- I mean it will be open to the public, but you
probably won't want to come in given you will be giving
your evidence. If we're not able to start bang on 10.30
with you then I will probably start at say quarter to
11, but if the Royal Mail do come tomorrow, I imagine it
won't take a full 30 minutes, so it probably won't
arise, but just to tip you off basically, so you don't
worry that we have started without you.

Right, so, 10 o'clock for you, 10.30 potentially

10.45 for the Post Office, unless you want to sit in on
the Royal Mail. Thank you all very much.

(4.32 pm)

(The court adjourned until 10.00 am on Tuesday,

19 March 2019)

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