

Information Batch Request 004 to UKGI

5 In the Department's written evidence submitted to the Post Office BEIS Select Committee Inquiry, it was stated that Government was *'assured that the system was robust and that the issues raised by the Postmasters were being handled appropriately. BEIS pressed management on these issues and was given consistent advice from the company's experts that appeared to verify these claims at the time.'*

6 Also, in the in the Lords Debate on 25th February Post Office Horizon Accounting System. Lord Callanan reportedly said *'Let me explain that BEIS relied on the POL's management to investigate the issues with the Horizon system and the Government were assured that the system was robust and the issues raised by the postmaster were being handled appropriately. BEIS pressed management on these issues and was given consistent advice from the company's experts that appeared to verify those claims at that time'*.

How did UKGI engage with POL on these matters? Were there meetings between Ministers, Officials and senior leaders in POL, which UKGI initiated and/or attended? If so, when and how frequently did these occur? Are there minutes available of these meetings between UKGI and POL?

Approach to Questions 5 and 6

- 5/6.1. We note that the questions numbered 5 and 6 relate to one set of questions and should be taken together.
- 5/6.2. We also note that, in answering questions 5 and 6, UKGI has focused primarily on the period from 2009, when the complaints and allegations made publicly and to POL about the Horizon system and associated issues commenced in earnest with the establishment of the Justice for Subpostmasters Alliance ("JFSA"), to 2016, when the JFSA started legal proceedings against POL. Whilst UKGI has conducted extensive searches of its records stored in its own IT systems, pre-2014 ShEx records (not stored in UKGI's current files) are archived within a BEIS IT system and UKGI has not been able to search this system. As a result, it has not yet been possible to conclusively determine whether there are any other minutes of meetings of interest to the Inquiry (i.e. those that ShEx attended).
- 5/6.3. The Inquiry refers to an extract from the March 2020 BEIS Select Committee written evidence submission and to the statement made by Lord Callanan on 25 February 2020 as to government being *"assured"* by POL's management with respect to the issues surrounding Horizon. We note that these particular statements were made at a time when the policy function was performed by BEIS. As previously stated, prior to August 2018 ShEx/UKGI performed both the policy function and shareholder function and as such, during the period from 2009 to 2016 statements such as these would have been agreed between BIS/BEIS Ministers and ShEx/UKGI on the basis of the assurances provided from POL to ShEx/UKGI.¹
- 5/6.4. We have structured our answers to the Inquiry's questions 5 and 6 as follows:
- a. **general observations relating to ShEx/UKGI's role vis-à-vis POL in relation to the claims and allegations relating to Horizon and providing oversight:** as detailed in paragraphs 5/6.5 to 5/6.9 below, as a Public Corporation POL is designed to operate at a distance from

¹ See paragraphs 32.9 – 32.14 of the BEIS and UKGI response to the Inquiry's Call for Evidence, with respect to the separation of the policy function from the shareholder role in August 2018.

- Ministers and government. This necessarily means that the shareholder role in respect of POL is a balance between (i) appropriate oversight and monitoring by government and (ii) ensuring sufficient freedom to allow POL to operate independently;
- b. **the ways in which ShEx/UKGI engaged with POL with respect to Horizon:** as detailed in paragraph 5/6.10 below, this engagement was primarily through:
 - i. a Shareholder NED appointed to the POL Board and Sparrow SubCo (as defined below);
 - ii. regular meetings (both formal and informal) between ShEx/UKGI and POL and receipt of information prepared by POL;
 - iii. meetings with POL and BIS/BEIS Ministers; and
 - iv. briefings from ShEx/UKGI to BIS/BEIS Ministers;
 - c. **the assurances which ShEx/UKGI received from POL in relation to Horizon:** through various regular interactions between ShEx/UKGI and POL, as referred to at (b) above (and paragraphs 5/6.11 to 5/6.17 below) and, of course, through an awareness of the wider context and public commentary relating to Horizon, ShEx/UKGI was privy to a number of assurances provided by POL, received through:
 - i. the Shareholder NED, by virtue of membership of both the POL Board and Sparrow SubCo (as defined below) (as set out at paragraphs 5/6.11 to 5/6.13 below);
 - ii. reports and investigations by third parties (which ShEx/UKGI received, both through the Shareholder NED and directly to the Shareholder Team from POL) (as set out at paragraph 5/6.14 below);
 - iii. meetings with Ministers, Officials and POL (as set out at paragraph 5/6.15 below);
 - iv. public assurances from POL to MPs and in correspondence to stakeholder groups (as set out at paragraph 5/6.16 below);
 - v. additional comfort, such as support from the National Federation of SubPostmasters (“NFSP”) (as set out in paragraph 5/6.17 below); and
 - vi. regular dialogue between the Shareholder Team and POL on key developments (as evidenced in the content of the briefings ShEx/UKGI provided to BIS/BEIS Ministers, as referred to at (d) below); and
 - d. **the ShEx/UKGI briefing of Ministers on the basis of assurances received from POL:** the various assurances received by ShEx/UKGI, together with material developments relating to the allegations and claims in respect of Horizon, were regularly briefed to BIS/BEIS Ministers, with approvals being sought through submissions at various moments as to the handling of the claims against POL (as set out at paragraphs 5/6.18 to 5/6.19 below).

(a) General observations relating to ShEx/UKGI’s role vis-à-vis POL in relation to the claims and allegations relating to Horizon and providing oversight

5/6.5. POL, as a Public Corporation, is designed to operate at a distance from Ministers and government, with “*appropriate levels of freedom to exercise commercial judgment*”.² As set out in paragraph 2.2 of the UKGI response to the Inquiry’s Batch Request 004 (and in paragraphs A. to D. of the BEIS and UKGI response to the Inquiry’s Call for Evidence), the government’s devolved governance model for POL as a Public Corporation relies on

² See for reference, Chapter 11 of HM Treasury’s Consolidated Budgeting Guidance 2020-21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876155/CBG_for_publication.pdf.

accountability lying with the POL Board and POL's executive team ("**POL Management**") who are appointed based on their expertise and specialisms to manage and oversee the company. The intention of this model is to enable efficient delivery of public services. Neither the Secretary of State, as shareholder, nor BEIS or ShEx/UKGI, are involved directly in commercial or operational matters beyond appropriate monitoring and evaluation.³ The shareholder role is, therefore, a balance between allowing a company to retain sufficient operational independence on the one hand and appropriate oversight and monitoring by the shareholder on the other.

5/6.6. The various complaints and allegations made against POL in respect of Horizon were viewed by ShEx/UKGI and BIS/BEIS, and agreed with and publicly stated by BIS/BEIS Ministers, to be "*an operational matter for POL*": Horizon was a POL accounting system and, as such, issues with that system essentially related to the day-to-day running of Post Office branches.⁴ It is usual for government not to involve itself in the day-to-day operations of Public Corporations; by definition, Public Corporations are principally commercial entities (i.e. with over 50 per cent of their income raised from commercial activities). Direct and public involvement by the shareholder or by Ministers in commercial or other disputes of a Public Corporation or ALB risk both undermining and potentially weakening the position of those entities in relation to, for example, any negotiations or settlement discussions.

5/6.7. In addition, it is worth noting that several of the steps taken by POL in respect of the issues raised by, for example, the affected postmasters and interested MPs, including commissioning an independent review of the Horizon system by Second Sight Support Services Limited ("**Second Sight**") and setting up the independent Complaints and Mediation Scheme for postmasters established in August 2013 (the "**Scheme**") to review cases, were, by design, independent (both of POL and of government).⁵

5/6.8. A number of other factors also determined the appropriate level of government involvement in relation to Horizon issues including, for example:

³ Excepting those matters which, under POL's articles of association ("**Articles**"), do require shareholder consent: as set out in the Articles.

⁴ For example: (a) on 12 October 2009, the then BIS/BEIS Minister stated, in response to a Parliamentary Question from Brooks Newmark MP, that "*any issues relating to the Horizon system are operational matters for [POL]*" and directed POL to respond to the query directly (and Alan Cook, managing director of POL, responded to Brooks Newmark MP on 13 October 2009 with a letter stating: "*I am satisfied that there is no evidence to doubt the integrity of the Horizon system and that it is robust and fit for purpose*"(index number 1)); and (b) on 8 April 2012, the then BIS/BEIS Minister responded to a letter from Alan Bates stating "*the concerns raised by the JFSA relate to operational and contractual matters for POL and, as the shareholder, Government has an arm's length relationship with the company and does [not] have any role in its day to day operations*" (index number 2).

⁵ For example: (a) in a 26 March 2015 letter from the then Secretary of State for BIS/BEIS (Vince Cable) to the BIS Select Committee (chaired by Adrian Bailey MP), Vince Cable states that "*it is important to reiterate that the mediation scheme is independent of Government...it is important that independence is maintained*" (index number 3). Advice was provided by ShEx to Vince Cable in a briefing dated 18 March 2015 noting "*postmasters are not employees of Post Office, they are independent businesspeople who choose to enter into a contract with Post Office as part of their business. Where there are disputes, they are disputes between two businesses and it is not appropriate for the Government to intervene.*" (index number 4); and (b) on 16 July 2015, the then Minister for BIS/BEIS reviewed previous advice from ShEx summarising the issues around Horizon (dated 2 June 2015) (index number 5) and agreed that the mediation scheme and associated issues with Horizon were "*a matter of law*" in respect of which government should remain independent (index number 6).

- a. the consistent assurances from POL that the Horizon system was robust and fit for purpose, that the alleged issues from postmasters accounted for a very small proportion of the overall usage of Horizon, and that no systemic problem with the Horizon system had been evidenced;
- b. that those assurances were presented by POL Management not only to the POL Board, the Sparrow SubCo (as defined below) (both of which the Shareholder NED formed part) and to the Shareholder Team but also by POL Management directly to BIS/BEIS Ministers and in numerous public forums, including proactive engagement by POL with MPs;
- c. that those assurances were further corroborated by various external, independent assurances that the system was not systemically flawed, as set out below at paragraph 5/6.14 below; and
- d. that POL were taking what appeared at the time to be reasonable steps to address the allegations of the postmasters through, for example: instructing an independent review of the Horizon system by Second Sight; establishing the independently-chaired Scheme in collaboration with Second Sight and the JFSA; setting up and providing funding in respect of the Working Group, with an independent chair, to oversee the Scheme; providing funding to applicants to the Scheme to allow them to obtain professional advice in relation to their claims; investigating the claims, which were then reviewed by Second Sight; and engaging with government, MPs and postmasters on the issues throughout.

5/6.9. In 2015, following the closure of the Working Group in respect of the Scheme and as the allegations relating to Horizon gathered further Parliamentary attention, engagement with POL significantly increased, as borne out by the number of meetings with senior employees of POL, Ministers and MPs, as set out at paragraph 5/6.15 below. At that stage and on the advice of ShEx/UKGI, the then BEIS Minister instructed the incoming POL Chair to conduct a review. Shortly following that review, litigation was initiated.

(b) the ways in which ShEx/UKGI engaged with POL with respect to Horizon

5/6.10. Paragraph 32 of the BEIS and UKGI response to the Inquiry's Call for Evidence set out the ways in which UKGI currently ensures effective oversight and governance of POL. While the role performed by ShEx/UKGI has necessarily evolved over time (as set out in section 32 of the BEIS and UKGI response to the Inquiry's Call for Evidence) and particularly so since 2018,⁶ the core elements insofar as ensuring a regular flow of information and dialogue between ShEx/UKGI and POL have been largely constant. With respect to the issues surrounding Horizon, ShEx/UKGI engaged with POL in several different ways, as follows, through:

- a. **the Shareholder NED:** since 2012, a Shareholder NED, has been appointed to the POL Board.⁷ In addition, when a new board sub-committee was established in April 2014 (the "**Sparrow SubCo**") (to monitor the Scheme), the ShEx/UKGI Shareholder NED at the time was included as a member. This enabled the Shareholder NED to have a direct line of sight

⁶ As noted in paragraph 32.1 of the BEIS and UKGI response to the Inquiry's Call for Evidence, BEIS and UKGI introduced certain enhanced governance measures between 2018 and 2020, including an increase in the frequency of interactions between POL and government.

⁷ As noted in paragraphs N. to P. of the BEIS and UKGI response to the Inquiry's Call for Evidence, the role of the Shareholder NED is to represent BEIS as shareholder. Unlike other members of the POL Board, the Shareholder NED is not appointed to provide specific subject matter expertise but to provide BEIS and the Shareholder Team with an important line of sight into developments at POL and to bring a government perspective to aid the POL Board's decision-making.

into the assurances being received by POL between 2012 and 2016, examples of which are set out at paragraphs 5/6.11 to 5/6.13 below;

- b. **regular meetings (both formal and informal) and receipt of information prepared by POL:** as set out in paragraphs 32.8 (i) and (ii) of the BEIS and UKGI response to the Inquiry's Call for Evidence, the Shareholder Team and POL had numerous regular meetings with POL.⁸ The key forum in which the Shareholder Team and POL engaged on Horizon, however, was through regular dialogue (as well as through the Shareholder NED sharing discussions had (and papers received) on the POL Board and Sparrow SubCo with the Shareholder Team).⁹ Through these channels, the Shareholder Team was made aware of material developments and information in respect of the claims and allegations in respect of Horizon and was provided with consistent assurances as to the robustness of the Horizon system and advised BIS/BEIS Ministers of the same (as set out paragraphs 5/6.18 to 5/6.19 below); and
- c. **meetings with POL and BIS/BEIS Ministers:** throughout the period from 2012 there have been periodic meetings between BEIS Ministers or senior BEIS officials and POL Management (to discuss business performance and live issues, including Horizon).¹⁰ Where appropriate, ShEx/UKGI advised Ministers to take certain meetings, with both POL Management and key stakeholders such as the JFSA and in some cases, attended those meetings, as set out at paragraph 5/6.15 below.

(c) Assurances which ShEx/UKGI received from POL in relation to Horizon

(i) Assurances through engagement on the POL Board and Sparrow SubCo

5/6.11. We have seen minutes of the POL Board, on which a Shareholder NED sat from April 2012 onwards, and the Sparrow SubCo, on which a Shareholder NED sat from its inception in 2014, both of which refer to various assurances from POL Management. To the extent the Inquiry has not already done so, we suggest that the Inquiry requests the minutes of both the POL Board and Sparrow SubCo from POL. By way of example of the consistent messaging and assurances brought by POL Management to the POL Board:

- a. in January 2012, a non-executive member of the POL Board asked POL Management for assurances that there was “*no substance to the claims bought by postmasters which had featured in Private Eye*”, to which the then POL General Counsel responded that the system had been subject to an internal audit by Royal Mail Group, with those internal audit reports reviewed by Deloitte. It was noted that the audit report was very positive and that “*the Business has also won every criminal prosecution in which it has used evidence based on the Horizon system’s integrity*”;

⁸ For example: including (i) Quarterly Shareholder Meetings (in respect of which quarterly shareholder meeting packs are prepared, providing information with respect to a range of strategic and operational issues); and (ii) Monthly Financial Performance Monitoring Meetings (with associated monthly financial information packs which afford the opportunity to review POL's monthly management accounts and ask POL's finance team questions relating to operational performance).

⁹ We note that the head of the Shareholder Team in 2014, Richard Callard, recalls that while the issues surrounding Horizon may have been periodically discussed with POL in meetings such as the Quarterly Shareholder Meetings, the majority of the dialogue with POL was oral. While conversations may not have been recorded, the various briefings and submissions which ShEx/UKGI provided to BIS/BEIS Ministers reflect information that the Shareholder Team would have received from POL through these more informal exchanges.

¹⁰ We note that currently, monthly meetings occur between the Responsible Minister and the POL CEO, for example, as set out in paragraphs 32.8(b) and (c) of the BEIS and UKGI response to the Inquiry's Call for Evidence.

- b. in January 2013, the POL Chair updated the POL Board on the work being undertaken by Second Sight to investigate the claims against the Horizon system, stating that *“to date there was no evidence to suggest fault”*;
- c. in July 2013, the POL CEO updated the POL Board on the interim report issued by Second Sight on 8 July 2013 (**“Second Sight Interim Report”**), noting that *“the investigation had found no systemic issues with the Horizon computer system...Horizon, like any large computer system, would occasionally have anomalies and two were known of over recent years. The Business...dealt with these anomalies to ensure that no sub postmaster was out of pocket and these anomalies had not affected any of the cases which Second Sight had reviewed”*;
- d. in July 2013, the POL CEO outlined that *“the Business had been praised in Parliament for setting up the independent review; the proportionality of the tiny number of cases had been emphasised; and no systemic issues had been found”*; and
- e. in April 2014, the POL Chair referred to the engagement of Deloitte to give assurance that the control framework was robust from an IT perspective. It was noted that Deloitte reported that *“all the work to date showed that the system had strong areas of control and that its testing and implementation were in line with best practice”*.

5/6.12. From April 2014 onwards, the focus of the POL Board was on how to rectify the difficulties of the Scheme with much of that work referred to the Sparrow SubCo (as set out in paragraph 5/6.13 below). For example, in June 2014, the POL Board discussed the different options presented by POL Management for the Scheme.¹¹ Updates on the Scheme were periodically given by POL Management to the POL Board, with no indications throughout that any of the cases investigated under the Scheme had revealed any issue with Horizon.

5/6.13. As set out at paragraph 5/6.10.a above, in April 2014 the POL Board set up the Sparrow SubCo, of which the Shareholder NED was a member, to provide strategic oversight of the delivery and development of, the Scheme. The Sparrow SubCo met five times between 9 April 2014 and 18 February 2015 and considered several issues specifically in relation to Horizon including, for example:

- a. assurance work and briefings from external advisors on Horizon; for example, the Sparrow SubCo considered the assurance work being carried out by Deloitte *“to assess the control framework within which Horizon operates”* (the report then being considered at the POL Board, as referenced at paragraph 5/6.11.e above);¹²
- b. the importance of acting on lessons learned as cases are investigated and *“building these into the way [POL] engage[s] with [postmasters]”*;¹³
- c. the quality of Second Sight's reports and how to resolve the issues raised in those reports; for example, the Sparrow SubCo received a paper setting out potential options for POL's future relationship with Second Sight, including considering options *“to support Second Sight or reduce their role in supporting the Scheme”*;¹⁴

¹¹ In the June 2014 POL Board Minutes (index number 7), it is noted that the POL General Counsel outlined different options that could be employed by POL in relation to the Scheme (for example, whether to continue it in its current form, move the management of the Scheme to POL or seeking to refine the work of the Scheme).

¹² Minutes from 9 April 2014 Sparrow SubCo meeting (index number 8).

¹³ Minutes from 9 April 2014 Sparrow SubCo meeting (index number 9).

¹⁴ Minutes from 30 April 2014 Sparrow SubCo meeting (index number 10). We note for example that the minutes of this meeting note that the quality of Second Sight's report were of concern to Anthony Hooper.

- d. at each meeting of the Sparrow SubCo, receiving updates from POL Management and considering the progress of the Scheme, in terms of completed investigations and mediations, and its findings;
- e. alternative options to the Scheme, when it became clear that the Scheme would not provide the resolution to postmasters that had been hoped for, in an effort to draw a line under the Horizon issue; for example, discussing options *“for the closure of the Scheme and for the acceleration of its completion”*¹⁵ and considering options *“with reference to the three fundamental principles agreed by the Business for its approach to Sparrow: to gain a fuller understanding of the facts; to ensure a fair outcome; and to highlight lessons learned so that improvements can be made to Business processes”*;¹⁶
- f. the compliance with Parliamentary Commitments made by ministers, and ensuring POL worked constructively with the CCRC; for example, the Sparrow SubCo considered whether the Scheme was *“broadly consistent with Ministerial Commitments”* and asked that *“a more detailed assessment of all public statements...made by the Minister about the Scheme should be undertaken”*.¹⁷ A paper subsequently produced setting out those statements was noted by the Sparrow SubCo;¹⁸ and
- g. the business issues relating to Horizon, such as costs incurred, risks to the business, and how to deal with public criticism of POL: for example, discussing *“the most effective way to bring the Scheme to a sensible conclusion, taking into consideration time, financial implications PR and stakeholder management (MPs and the Minister) and JFSA”*¹⁹ and asking that the Business *“[write] to individual MPs who participated in the Westminster Hall debate to offer a meeting to discuss their constituents case and Post office’s position”*.²⁰

(ii) *Third Party Assurances received by POL in relation to Horizon*

5/6.14. Throughout the period from 2009 to 2016, various independent reviews occurred which seemingly corroborated POL’s characterisation of the allegations in relation to Horizon, for example:

- a. **Second Sight Interim Report:** in 2012, POL set up an independent review conducted by forensic accountants, Second Sight, to address the concerns raised by postmasters in relation to Horizon.²¹ POL shared the Second Sight Interim Report in July 2013 with the Shareholder Team (who then summarised the findings)²² ahead of a Parliamentary debate in which the Minister quoted the Second Sight Interim Report for the record. The report, which was produced by independent forensic accountants following a year-long investigation into the Horizon system, stated that Second Sight had, to that point, *“found no evidence of system wide (systemic) problems with the Horizon software”*.²³ In addition, where the Second Sight Interim Report raised questions about the training and support

¹⁵ Minutes from 30 April 2014 Sparrow SubCo meeting (index number 9).

¹⁶ Minutes from 6 June 2014 Sparrow SubCo meeting (index number 12).

¹⁷ Minutes from 9 April 2014 Sparrow SubCo meeting (index number 8).

¹⁸ Minutes from 30 April 2014 Sparrow SubCo meeting (index number 9).

¹⁹ Minutes from 12 January 2015 Sparrow SubCo meeting (index number 11).

²⁰ Minutes from 12 January 2015 Sparrow SubCo meeting (index number 11).

²¹ The scope of Second Sight’s work was to *“consider and to advise on whether there are any systemic issues and/or concerns with the ‘Horizon’ system, including training and support processes, giving evidence and reasons for the conclusions reached”*.

²² ShEx Summary of Second Sight report dated 5 July 2013 (index number 12).

²³ Second Sight Support Services Ltd, *“Interim Report into alleged problems with the Horizon system”*, dated 8 July 2013 (index number 13).

offered to some postmasters, POL implemented a series of measures to improve its processes and also committed to create the Scheme. The Shareholder Team took comfort from this specific finding and the fact that Second Sight's wider recommendations covered the broader landscape of support and training rather than highlighting any systemic problems within the Horizon system (as well as the independence of Second Sight in conducting the inquiry);

- b. **Creation of the Scheme:** following the issuance of the Second Sight Interim Report and in collaboration with the JFSA and a group of MPs led by James Arbuthnot MP, the Scheme was established in August 2013 to fulfil POL's commitment for an independent process to review and help resolve concerns raised by postmasters about the Horizon System. The Scheme was supervised by a Working Group comprising of representatives from POL, Second Sight and the JFSA. Importantly, the Working Group was led by an independent chair, Sir Anthony Hooper (a former Court of Appeal judge) and, as noted above, the Working Group was designed to operate independently of both POL and government. ShEx/UKGI were, of course, aware of the creation of the Scheme and POL provided ShEx/UKGI with, among other things, their draft press statement and details of the Scheme.²⁴

The cases of applicants to the Scheme were investigated by both POL and externally, by Second Sight, before the Working Group then considered whether cases were suitable for mediation. Those cases which were suitable were then provided to the Centre for Effective Dispute Resolution ("**CEDR**") for mediation by a panel of independent mediators. On 4 August 2015, POL sent the Shareholder Team a copy of the CEDR's review of the Scheme (dated 31 July 2015), which, while noting certain challenges (such as POL taking a legalistic approach to mediation and recommending that POL do more to set expectations for the postmasters) also set out a number of observations, including that postmasters failed to identify relevant issues in advance, were in some cases represented by non-legal advisors and that postmasters had unrealistic expectations ("*On a number of the mediations that have taken place so far the subpostmaster has not fully comprehended the nature of mediation as a process and they have also been influenced by the wider campaign asserting the failings of the Horizon system*" and one of the mediators noted that "*POL at considerable effort and expense attended a full day's mediation and made a reasonable settlement offer in the circumstances. [The subpostmasters'] requests were not realistic and [the applicant] continued to believe...[they were] not guilty of false accounting, despite the weight of evidence' referenced*").²⁵ In addition, the CEDR noted that "*the Post Office has been consistently responsive to CEDR's requests....it is clear from the reports that the Post Office has a willingness to explore the options, express empathy and have constructive dialogue with the subpostmasters*". The Scheme did not flag any issues that indicated any systemic problem with the Horizon System or any miscarriages of justice with respect to postmasters;

- c. **Deloitte Report:** on 26 March 2014, the POL Board commissioned Deloitte to conduct a review of data integrity aspects of the Horizon system as well as the audit and controls testing carried out on the system. Deloitte presented a summary of its report to the POL

²⁴ Briefing email from ShEx to Jo Swinson MP dated 27 August 2013 (index number 14).

²⁵ CEDR Review Letter dated 31 July 2015 (index number 15).

Board on 30 April 2014 and provided an updated draft report to POL on 4 June 2014 (which we understand was seen by the POL Board). This report provided assurance to the POL Board (and therefore the UKGI NED and Shareholder Team) that there were no immediate issues with this aspect of Horizon;

- d. **Second Sight Part Two Report:** Second Sight issued its final version of the 'Part 2' Report on 9 April 2015 ("**Second Sight Part Two Report**"). Whilst the final report did raise thematic issues of concern in relation to Horizon, the Shareholder Team (and Ministers at the time) did not consider the final report to point to systemic issues in relation to Horizon and were reassured by POL's commitment to look into recommendations for future training;²⁶
- e. **POL's Response to the Second Sight Part Two Report:** following the Second Sight Part Two Report being published on 9 April 2015, POL provided a very detailed response to the report (disputing its findings in the 'Reply of Post Office Limited to Second Sight's Briefing Report – Part Two') to ShEx/UKGI and publicly;²⁷ and
- f. **Tim Parker Review:** following confirmation of his appointment as the new POL Chair, Baroness Neville-Rolfe wrote to Tim Parker on 10 September 2015 asking him to review Horizon related issues on assuming his position.²⁸ On 1 October 2015, Tim Parker wrote to Baroness Neville-Rolfe confirming his commitment to a review of Horizon related issues and his intention to appoint a QC: *"Having had my first 2 days of induction to the Post Office just last week, I am considering how to fulfil the commitment I gave you to take a fresh look at the Post Office's handling of the complaints raised with it in connection with its Horizon electronic point of sale and account system. To this end, and to promote the independence of the exercise, I propose to instruct a QC to advise me as to the appropriate scope of my investigation, how I might best conduct the necessary enquiries, and to assist me in considering both how to present and, as necessary, act on my findings"*.²⁹

In January 2016, Tim Parker met with Baroness Neville-Rolfe to provide an update on, among other things, the progress of his review.³⁰ Following completion of the QC report on 8 February 2016, Tim Parker wrote to Baroness Neville-Rolfe on 4 March 2016 confirming the scope of the review undertaken, the Horizon related issues considered and the further work being undertaken. With respect to Horizon, Tim Parker noted that although further work was being conducted on other specific issues, in relation to known bugs/issues: *"No evidence has emerged to suggest that a technical fault in Horizon resulted in a postmaster being held responsible for a loss. In the context of this review*

²⁶ See email correspondence from Baroness Neville-Rolfe to Ron Warmington dated 14 August 2015 (index number 16) and related email briefing from ShEx to Baroness Neville-Rolfe dated 24 July 2015 (index number 17). We note that Baroness Neville-Rolfe also met with Second Sight in October 2015 (attended by ShEx and as set out in paragraph 5/6.15.d below).

²⁷ POL "Reply of Post Office Limited to Second Sight's Briefing Report – Part Two" dated 15 April 2015 (index number 18).

²⁸ Letter from Baroness Neville-Rolfe dated 10 September 2015 (index number 19). ShEx/UKGI placed a lot of confidence in Tim Parker as a highly regarded and individual who was bring a wealth of experience to the POL Chair role.

²⁹ Letter from Tim Parker to Baroness-Neville Rolfe dated 1 October 2015 (index number 20).

³⁰ Briefing from ShEx to Baroness Neville-Rolfe, which refers to a meeting to be held on 26 January 2016, dated 22 January 2016 (index number 21).

exercise, I have concluded that there is no basis on which to recommend further action in relation to these known, specific, errors.” This letter provided assurance to the Department and ShEx/UKGI colleagues that these issues were being examined thoroughly.³¹ On 27 April 2016, Tim Parker met with Baroness Neville-Rolfe, (on ShEx/UKGI advice)³² to provide her with a further update on his progress with the finalisation of the report and further actions.³³ We understand that there were no further discussions on the further work being conducted as the commencement of legal proceedings by the JFSA, almost immediately after this meeting, intervened..³⁴

(iii) Assurance provided during meetings with Ministers, Officials and POL

5/6.15. BIS/BEIS Ministers met POL Management at various stages to discuss material developments relating to the complaints raised by postmasters regarding Horizon. ShEx/UKGI briefed BIS/BEIS Ministers ahead of these meetings, and where appropriate, were in attendance. While various meetings occurred in the period from 2012 to 2015, as issues with Horizon gathered further media and Parliamentary attention from 2015, government's engagement with POL increased and various meetings between POL and BIS/BEIS Ministers took place, with ShEx/UKGI in attendance (and briefing Ministers in advance), for example:

- a. **15 July 2015:** following an Adjournment Debate on the Scheme on 29 June 2015 during which Andrew Bridgen MP called for the government to launch a judicial inquiry into POL, a meeting was held between Baroness Neville-Rolfe, various MPs and POL, with ShEx/UKGI in attendance.³⁵ Prior to the meeting, ShEx/UKGI provided two submissions to Baroness Neville-Rolfe and George Freeman, one on 1 July 2015³⁶ (setting out ShEx/UKGI's recommendations for the terms and agenda and proposing a draft of a letter to be sent from Baroness Neville-Rolfe to Paula Vennells (as part of an exchange of letters))³⁷ and a second on 13 July 2015 (setting out ShEx/UKGI's proposed handling for the meeting);³⁸
- b. **6 August 2015:** ahead of the airing of "*BBC Panorama – Trouble at the Post Office*" on 17 August 2015 and on the advice of ShEx/UKGI,³⁹ Baroness Neville-Rolfe met POL (the CEO,

³¹ Letter from Tim Parker to Baroness Neville-Rolfe dated 4 March 2016 (index number 22). We note that the scope of the review included: "*To review the Post Office's handling of the complaints made by sub-postmasters regarding the alleged flaws in its Horizon electronic point of sale and branch accounting system to determine whether the processes designed and implemented by the Post Office Limited to understand, investigate and resolve those complaints were reasonable and appropriate.*"

³² Advice from ShEx to Baroness Neville-Rolfe dated 9 March 2016 (index number 23) (we note the advice is incorrectly dated 2015).

³³ Briefing from ShEx to Baroness Neville-Rolfe 26 April 2016, which refers to a meeting to be held on 27 April 2016 (index number 24).

³⁴ POL received a formal letter of claim from Freeths acting on behalf of the JFSA on 28 April 2016.

³⁵ ShEx File Note on the Meeting between Baroness Neville-Rolfe, Andrew Bridgen MP, Kevan Jones MP, POL's Communications Director and Programme Director for the Scheme and a ShEx representative dated 15 July 2015 (index number 25).

³⁶ ShEx Submission to Baroness Neville-Rolfe and George Freeman dated 1 July 2015 (index number 26).

³⁷ Exchange of Letters: (a) 26 June 2015 letter from Paula Vennells to George Freeman MP, stating POL's full confidence in the Horizon system following POL's investigation (index number 27); (b) 2 July 2015 letter from Baroness Neville-Rolfe to Paula Vennells (index number 28); and (c) 10 July 2015 letter from Paula Vennells to Baroness Neville-Rolfe (index number 29).

³⁸ ShEx Briefing to Baroness Neville-Rolfe dated 13 July 2015 (index number 30).

³⁹ ShEx provided advice to Baroness Neville-Rolfe: (a) first, in a 24 June 2015 (the BBC Panorama programme was initially scheduled to air on 29 June 2015) ShEx Submission to Baroness Neville-Rolfe and George Freeman, advising as to the likely content of the programme (index number 31); and (b) second, a 31 July 2015 ShEx

General Counsel and Communications Director), with ShEx/UKGI officials in attendance (including the Shareholder NED), on 6 August 2015.⁴⁰ The purpose of this meeting was to seek reassurance from POL that they were acting “*fairly and reasonably*” and ask POL to set out “*how they are ensuring that there is independent oversight*”, together with raising with POL that “*Second Sight have clearly raised some individual issues*” and seeking any comments from POL on Second Sight’s reports. In POL’s presentation to Baroness Neville-Rolfe, they stated that “*After 3 years of investigation and independent review, the facts are that Post Office has found no evidence, nor has any been advanced by either an applicant of Second Sight, which suggests Horizon does not accurately record and store branch transaction data or that it is not working as it should*”;⁴¹

- c. **17 September 2015:** following correspondence between Baroness Neville-Rolfe and Andrew Bridgen MP, Kevan Jones MP and Oliver Letwin MP, Baroness Neville-Rolfe met James Arbuthnot MP, with ShEx/UKGI in attendance, on 17 September 2015 to listen to James Arbuthnot MP’s concerns in relation to the issues surrounding Horizon and ascertain what further action he was seeking from POL;⁴² and
- d. **9 October 2015 and 19 October 2015:** following a request from James Arbuthnot MP for Baroness Neville-Rolfe to meet with Second Sight and Sir Anthony Hooper and following advice from ShEx/UKGI as to the merits of such a meeting,⁴³ a call was held on 9 October 2015 between the POL CEO (Paula Vennells) and Baroness Neville-Rolfe, with ShEx/UKGI in attendance, to discuss the timing of such a meeting (primarily, whether such meeting should fall after Tim Parker’s completion of his review (as to which, see below)).⁴⁴ A meeting was then held on 19 October 2015 between Baroness Neville-Rolfe and Second Sight representatives, with ShEx/UKGI in attendance (and providing a briefing to Baroness Neville-Rolfe in advance of this meeting).⁴⁵

(iv) Public assurances provided by POL to MPs and in correspondence to stakeholder groups

5/6.16. POL regularly engaged with MPs, for example, the POL Board minutes indicate meetings: (i) in March 2012, between the POL Chair, Company Secretary of POL and James Arbuthnot MP; (ii) in May 2012 between the POL CEO, POL Chair and Oliver Letwin MP and James Arbuthnot MP; and (iii) in March 2014, between the POL CEO, POL General Counsel and the POL Network Change Operations Manager and MPs, called by James Arbuthnot MP.⁴⁶ In addition, POL provided numerous assurances in correspondence to various MPs and stakeholders during the period 2009 to 2016, including, for example:

Briefing to Baroness Neville-Rolfe, recommending the Minister meet with POL to discuss the Panorama programme and ongoing issues with Horizon and also provided further advice on options to ensure continued oversight of Horizon (index number 32).

⁴⁰ ShEx Note for Baroness Neville-Rolfe’s meeting with POL on Thursday 6 August dated 5 August 2015 (index number 33).

⁴¹ POL Presentation Slides, “Project Sparrow” dated August 2015 (index number 34).

⁴² ShEx Briefing regarding a meeting with James Arbuthnot MP on Horizon on 17 September 2015 dated 11 September 2015 (index number 35).

⁴³ ShEx Submission to Baroness Neville-Rolfe on the relative merits of a meeting with Second Sight and Sir Anthony Hooper dated 1 October 2015 (index number 36).

⁴⁴ Email to Baroness Neville-Rolfe from ShEx noting the upcoming meeting dated 8 October 2015 (index number 37).

⁴⁵ ShEx Briefing to Baroness Neville-Rolfe, referring to a meeting to be held on 19 October 2015 dated 16 October 2015 (index number 38).

⁴⁶ POL Board minutes dated 15 March 2012 (index number 39), 23 May 2012 (index number 40), 26 March 2014 (index number 41).

- a. **October 2009:** Alan Cook, the then managing director of POL, responded to a Parliamentary Question from Brooks Newmark MP on 13 October 2009 with a letter stating, among other things that: *"I am satisfied that there is no evidence to doubt the integrity of the Horizon system and that it is robust and fit for purpose"*;
- b. **December 2011:** Paula Vennells, the then managing director of POL, responded to a Parliamentary Question from Mike Weir MP in December 2011, stating that *"Post Office Ltd is fully confident that the Horizon computer system in its branches, and all the accounting processes around it, enable subpostmasters to account accurately...the system has been operating for over ten years...around twenty thousand subpostmasters have used it in performing many millions of successful...transactions...the Horizon system has been rigorously tested"*;⁴⁷
- c. **November 2014:** Paula Vennells, the then POL CEO, wrote to James Arbuthnot MP on 28 November 2014 stating: *"the fact is no fault with the system has been identified in any of the now 119 cases that have been comprehensively re-investigated by Post Office or as part of Second Sight's work"*;
- d. **February 2015:** POL wrote to all MPs who spoke in the then recent Westminster Hall debate to offer a meeting to discuss their constituents' cases;⁴⁸
- e. **January/February 2015:** in its written evidence to the BIS Select Committee on "The Post Office Mediation Scheme and the Horizon IT System" on 3 February 2015, POL includes its response to the Westminster Hall Debate in December 2014, noting, for example that *"To date, and after two and half years of investigation and independent review, the facts are that Post Office has found no evidence, nor has any been advanced by either an Applicant or Second Sight, which suggests that Horizon does not accurately record and store branch transaction data or that it is not working as it should"* and *"To date no evidence has been identified by Post Office as part of its reinvestigation of each and every case, nor advanced by Second Sight or an individual Applicant, to suggest that the conviction of any Applicant to the Scheme is unsafe...had any such evidence come to light, Post Office's duty of disclosure would immediately be engaged. Post Office takes these responsibilities very seriously. Post Office has written to everyone who has suggested that they have or have seen evidence that a conviction is unsafe and asked them to disclose that evidence so that it can be acted on. To date no-one has provided that evidence"*;
- f. **April 2015:** POL published their *"Reply of Post Office Limited to Second Sight's Briefing Report - Part 2"*, in response to the Second Sight Part Two Report, rebutting most of the allegations therein, primarily on the basis of a *"lack of supporting evidence, source documents and/or examples or statistics to substantiate the conclusions it draws"*;⁴⁹
- g. **4 August 2015:** POL provided a statement in response to the BBC Panorama broadcast, noting that *"the Horizon system is both effective and robust...over the past three years, through exhaustive investigations and independent reviews...This work has provided overwhelming evidence that demonstrates it was not the computer system or any illicit external 'tampering' with it that was responsible for missing money in any of the branches investigated"* and that *"we have seen no evidence to support [the allegation that there may have been a miscarriage of justice]"*;⁵⁰ and

⁴⁷ Letter from Paula Vennells to Mike Weir MP dated 19 December 2011 (index number 42).

⁴⁸ As referenced in a ShEx Note dated 11 February 2015 (index number 43).

⁴⁹ POL "Reply of Post Office Limited to Second Sight's Briefing Report – Part Two" dated April 2015 (index number 18).

⁵⁰ POL "Statement for Panorama" dated 4 August 2015 (index number 44).

- h. **14 September 2015:** Mark Davies (POL's Communications and Corporate Affairs Director) wrote to all MPs who signed the Early Day Motion on the Post Office Horizon Computer System of around that time, stating: *"The investigation found no evidence of system-wide issues with Horizon and its associated processes"* and noting that the Panorama programme included a number of inaccurate statements where POL has *"evidence which conclusively disproves the accusations made"* and that Second Sight *"has not identified any link between Horizon and the losses to the postmasters in the cases they reviewed, nor has it identified any transaction caused by a technical fault in Horizon which has resulted in a postmaster wrongly being held responsible for a loss"*.⁵¹

(v) Additional comfort

5/6.17. While not assurances, in and of themselves, there were also additional factors which provided further comfort, for example:

- a. on 1 April 2012 POL ceased to be a subsidiary of Royal Mail Group and became an independent company, with its own board. The claims and allegations relating to Horizon pre-dated this separation, so in 2012 a new POL Board came at the Horizon issues with fresh eyes, no linkage to any prior actions or prosecutions by POL, and relative independence and in the period to 2016 a number of new members of POL Management looked into the claims surrounding Horizon, including for example:
 - i. the first POL Chair, Alice Perkins met with James Arbuthnot MP early in her tenure and subsequently to discuss the Scheme and the postmasters' concerns;⁵²
 - ii. when a new POL General Counsel joined in 2015, the Shareholder NED at the time urged her to approach the Horizon claims with fresh eyes (as noted in paragraph 5/6.18.e below); and
 - iii. when a new POL Chair joined in 2015, ShEx/UKGI and the then BIS/BEIS Minister specifically asked that he review the evidence and again, cast a fresh pair of eyes over the issues (as referred to at paragraph 5/6.14.f above); and
- b. the NFSP, the industry body to protect and promote the interests of postmasters, were, for a long time, supportive of POL in respect of Horizon, for example in the BIS Select Committee Inquiry in February 2015, George Thomson, the then General Secretary of the NFSP stated that he believed the Horizon system was *"fantastically robust"* and that *"Systemically, it is very strong. However, there are one or two issues where money went missing and postmasters have felt that it had to be Horizon, while in a lot of cases it could have been errors or, in fact, members of staff misappropriating money"*. As was noted by ShEx/UKGI in briefings on a number of occasions, *"the National Federation of Subpostmasters (NFSP), who are often critical are fully supportive of Post Office's position on [the Scheme] and have publicly expressed scepticism of many of the cases being represented by the JFSA (including in evidence to the BIS Select Committee)"*.⁵³

(d) The way in which ShEx/UKGI briefed Ministers on the basis of assurances received by POL

⁵¹ Letter from Mark Davies to Sir Peter Bottomley MP dated 14 September 2015 (index number 45).

⁵² Meetings between Alice Perkins and James Arbuthnot MP are mentioned in the 15 March 2012 (index number 39) POL Board minutes and referred to in a January 2014 ShEx File Note (index number 46).

⁵³ ShEx Briefing to the then Secretary of State and Jo Swinson on Post Office mediation scheme: letters dated 11 March 2015 (index number 47).

5/6.18. As the claims and allegations against POL around the Horizon system developed, ShEx/UKGI engaged with POL directly at key junctures to receive assurances as to the validity of those claims and as to the robustness of the Horizon system. These assurances, together with material developments, were then briefed to BIS/BEIS Ministers and approval sought at various moments as to the handling and correspondence relating to Horizon (and the briefings provide the best evidence of the assurances received by the Shareholder Team). We include below some examples of instances of the assurances received and the way in which ShEx/UKGI briefed Ministers:

- a. **Complaints from the JFSA, Ministers and MPs, 2010 to 2012:** as pressure on POL and government to take action in relation to Horizon mounted during the course of 2010 to 2012, ShEx/UKGI had various conversations and correspondence with POL as to their assurances of the Horizon system, which ShEx/UKGI then briefed to BIS/BEIS Ministers. For example, ahead of meetings between the then BIS/BEIS Minister and the JFSA (Alan Bates), briefings, which summarised the assurances provided by POL Management to the Shareholder Team, noted the following assurances provided by POL:
 - i. *"if there were systemic integrity issues [with Horizon], as claimed by JFSA, there would have been a higher incidence than is claimed, there would have instances of Crown offices being affected as well as sub post offices as the identical system is used";*⁵⁴ and
 - ii. *"the cases identified by JFSA...are a miniscule proportion of the many millions of accounting events that subpostmasters have done within the system...15% of POL's transactions have been conducted over Crown Office terminals which run exactly the same system yet no issues have been identified. If there were any systematic integrity issues within the system they would have been evident over the past 10 years. NFSP and CWU have expressed confidence in the system";*⁵⁵
- b. **Second Sight Interim Report, 2013:** following the receipt of the Second Sight Interim Report in early 2013, ShEx/UKGI summarised the findings (and proposed certain lines to take)⁵⁶ and BIS/BEIS Ministers cited its contents in a Parliamentary debate, stating that *"[Second Sight] have so far found no evidence of system wide (systemic) problems with the Horizon software"* and that *"The very small number of sub-postmasters who have experienced issues with the Horizon system are a minute proportion of the tens of thousands of people who have been successfully using the system across the network of 11,500 branches on a daily basis since 1995. Out of 68,000 users, only 47 cases have been put forward to the review";*⁵⁷

⁵⁴ ShEx Briefing to Edward Davey ahead of a 7 October 2010 Meeting between, among others, Edward Davey, the then Parliamentary Under Secretary of State for Employment Relations and Consumer Affairs at BIS/BEIS and Alan Bates (founder of the JFSA) to discuss (at the request of Alan Bates) the JFSA's claims relating to the flaws in the Horizon system dated 5 October 2010 (index number 48).

⁵⁵ ShEx Briefing to Norman Lamb ahead of a 28 June 2012 Meeting between, among others, Norman Lamb, the then Parliamentary Under Secretary of State for Employment Relations and Consumer Affairs at BIS/BEIS and Alan Bates, where ShEx refer to POL's commitment to engage Second Sight dated 27 June 2012 (index number 49).

⁵⁶ ShEx Summary of the Second Sight Report dated 05 July 2013 (index number 12).

⁵⁷ Statements made by Jo Swinson, the then Parliamentary Under Secretary of State for Employment Relations and Consumer Affairs at BIS/BEIS in a Parliamentary debate on 9 July 2013: <https://hansard.parliament.uk/Commons/2013-07-09/debates/13070952000004/PostOffice-HorizonSystem>

- c. **JFSA concerns around the Scheme, 2014:** as the JFSA began to lose faith in the Scheme, ShEx/UKGI engaged with POL in monitoring developments, bringing relevant issues to the attention of BEIS Ministers. For example, ShEx/UKGI briefed BIS/BEIS Ministers:
- i. in respect of the issues with the Scheme, noting that a letter sent by a group of MPs as to a loss of faith in the Scheme, was "*a very disappointing development but perhaps not unexpected given the lack of evidence to support [the] position that there is a problem with the Horizon system*" and noting that the "*quasi-legal*" nature of the Scheme meant it was important that government remain independent;⁵⁸ and
 - ii. ahead of a Westminster Hall Debate, noting that "*following last year's [Second Sight] report, there have been further detailed investigations into individual cases that corroborate the Post Office's view that there are no issues with the system. Those detailed investigations have taken place as part of the Scheme that was designed in concert with the JFSA, Second Sight and James Arbuthnot MP*";⁵⁹
- d. **Disbanding the Working Group, March 2015:** ahead of POL's announcement in March 2015 to disband the Working Group (and move to mediate all cases, except criminal cases), ShEx/UKGI was aware of and provided Ministerial advice in respect of POL's issues with the Scheme to Jo Swinson, noting for example that: (i) POL's view was that "*the investigation and mediation scheme has demonstrated that there is no evidence of systemic flaws in Horizon and no evidence that any of the convictions are unsafe*";⁶⁰ and (ii) the NFSP were "*fully supportive*" of POL's position with respect to the Scheme.⁶¹ Paula Vennells, the then POL CEO, wrote to Minister Swinson formally advising of POL's decision and confirming that "*no evidence has been found through these investigations of any system wide issues with Horizon*" and that POL has found "*no reason to conclude that any original prosecution was unsafe*";⁶²
- e. **Second Sight Part Two Report, April 2015:** following the Second Sight' Part Two Report being published on 9 April 2015, ShEx/UKGI, following correspondence from Second Sight in July, provided advice to BIS/BEIS Ministers, noting that "*Post Office has a dedicated team working on [Horizon] and the Board (on which we are represented) also provides scrutiny on this matter*".⁶³ In addition, we are aware that ShEx and Ministers asked the new POL General Counsel (Jane McCleod), who had joined the business in 2015, to look at the situation with a fresh pair of eyes. Baroness Neville-Rolfe met with Jane McCleod in August 2015 (with ShEx/UKGI in attendance) and received assurance from her that there were not systemic issues with Horizon: "*POL have looked in depth at each individual case and at the issue as a whole – with the General Counsel herself having done this as recently*

⁵⁸ Briefing email from ShEx to Jo Swinson MP dated 8 December 2014 (index number 50).

⁵⁹ ShEx Briefing to Jo Swinson dated 15 December 2014 (index number 51).

⁶⁰ ShEx Advice to Jo Swinson on Post Office mediation scheme: revised approach dated 4 March 2015 (index number 52).

⁶¹ ShEx Briefing to the then Secretary of State and Jo Swinson on Post Office mediation scheme: letters dated 11 March 2015 (index number 47).

⁶² Letter from Paula Vennells to Jo Swinson dated 9 March 2015 (index number 53).

⁶³ Second Sight Briefing Report – ShEx Advice to BIS/BEIS Ministers dated 24 July 2015 (index number 17).

as January this year when she joined the business – and found no evidence of unsafe convictions or systemic fault in Horizon”;⁶⁴ and

- f. **Calls for an independent government investigation, 2015-2016:** in response to calls for a new independent investigation, ShEx/UKGI, BIS/BEIS and relevant Ministers considered whether other routes of investigations, such as an independent government investigation would be appropriate. While this route was ultimately rejected, a number of ShEx/UKGI briefings to BIS/BEIS Ministers throughout this period: (i) evidence that, when it became clear that the Scheme would not provide the resolution to postmasters that had been hoped for, other options were explored (for example, to consider additional independent oversight of the mediations, provide additional guidance to postmasters considering mediation or to provide further scrutiny of the merits of individual cases);⁶⁵ and (ii) set out the rationale for this decision, primarily based on the level of scrutiny already engaged, that *“there has...been over two years of independent scrutiny and in that time no evidence of systemic flaws in Horizon has been found”*;⁶⁶ and, on the basis that other methods of recourse were more appropriate, noted that the *“legal avenues (the Criminal Cases Review Commission) exist if individuals feel their convictions are unsafe. Twenty people have applied to the CCRC”*.⁶⁷ ShEx/UKGI also briefed Ministers in relation to engagement with various stakeholders, for example:
- i. in response to an email from Andrew Bridgen MP, highlighting areas of concern in the BBC Panorama Programme, in particular in respect of the Fujitsu whistleblower, the Minister notes, on the advice of ShEx/UKGI, that *“the Government has given this matter serious consideration, and I have asked Tim Parker, the new Chair of Post Office Limited, to ensure that when he takes up his role next month he gives this matter his earliest attention”*;⁶⁸
 - ii. in addition to the meeting referred to above at paragraph 5/6.15.b above on 6 August, ShEx/UKGI also provided the BEIS Minister with key points to make ahead of a call between the Minister and Oliver Letwin MP, stating *“Government wants to make sure that the right and fair thing is done, and clearly people have concerns. I have spoken to Post Office on several occasions about this and I am assured that they take this matter seriously and are trying to do the right thing”* and that *“Three years’ worth of investigations by investigators demonstrably against Post Office have found no “smoking gun”*;⁶⁹ and

⁶⁴ See ShEx Submission to Baroness Neville-Rolfe dated 4 September 2015 (index number 55). See ShEx Note for Baroness Neville-Rolfe's meeting with Post Office on Thursday 6 August dated 5 August 2015 (index number 33) (as referred to at paragraph 5/6.15.b above). The head of the Shareholder Team in 2015, Richard Callard, also recalls that he had a conversation with the then new POL General Counsel asking that they look at the situation with a fresh pair of eyes (as subsequently noted in the 24 July 2015 Second Sight Briefing Report – ShEx Advice to BIS/BEIS Ministers).

⁶⁵ ShEx Briefing to Baroness Neville-Rolfe on Post Office Horizon: next steps dated 31 July 2015 (index number 32).

⁶⁶ ShEx Submission to Baroness Neville-Rolfe dated 2 June 2015 (index number 5).

⁶⁷ ShEx Note to the then Secretary of State for BIS/BEIS dated 7 July 2015 (index number 54).

⁶⁸ ShEx Briefing to Baroness Neville-Rolfe dated 4 September 2015 (index number 55).

⁶⁹ ShEx Note, *“Phone call with Oliver Letwin to discuss Post Office Horizon”*, dated 14 September 2015 (index number 56).

- iii. advising that Baroness Neville-Rolfe meet with Second Sight (as referenced at paragraph 5/6.15.d above).⁷⁰

5/6.19. We note that ShEx/UKGI also thoroughly briefed new incoming Ministers on the claims and allegations surrounding Horizon, providing an update of the various findings to date, the position of the various stakeholders and seeking approval with respect to government's approach; for example, in June 2015 to Baroness Neville-Rolfe⁷¹ and in August 2016 to Margot James.⁷²

⁷⁰ ShEx Submission to Baroness Neville-Rolfe on the relative merits of a meeting with Second Sight and Sir Anthony Hooper dated 1 October 2015 (index number 36).

⁷¹ ShEx Submission to Baroness Neville-Rolfe dated 2 June 2015 (index number 5).

⁷² ShEx Speaking Note for initial briefing with Margot James dated 4 August 2016 (index number 56).