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Sent: Mon 01/07/2013 12:15:33 PM (UTC)

To: Alwen Lyons[GRO]; Martin
Edwards[GRO]; Rodric Williams[GRO]

Cc: Mark R Davies[GRO]; Lesley J
Sewell[GRO]; Jarnail A Singh[GRO]

Subject: Legally privileged and confidential

DRAFT – it has gaps / square brackets in

High level points for the Board on the SS matter

- An interim report to MPs and the JFSA has been promised by SS – currently intended to be presented next Monday 8th July.
- Early indications are that this may say either
 - There are no defects in the Horizon Computer system but
 - PO have identified 2 defects (which affected 64 and 14 branches respectively).
 - there are problems with certain of POL's business processes around attitude, support and training.
 - There are defects in the Horizon computer system (the 64 and the 14) and there are issues with attitude, support and training
- PO are meeting SS this afternoon
 - To stress how key it is that what message they give is significant
 - to take issue with some of the recent interactions with subpostmasters and the JFSA in terms of the language they have used
 - to remind them that they have not as yet used all the evidence PO have provided them with to put themselves in a position where they can make a final decision themselves
 - to remind them that they should not rely on subpostmasters to make any decisions for them
 - to remind them that JA is expecting an interim report next Monday in which they come to a final conclusion on at least 3 of the cases they have been considering.
- PV will be having a call with JA this Wednesday, with the possibility to escalate matters via a face to face meeting later in the week if necessary
- We need to see this issue in a wider context
 - We process over [X] million transactions a day
 - Over 11,800 branches
 - And to date two anomalies have been identified which suggest a total of 78 transactions might have been affected in terms of the subpostmaster's balance.
- On the 2 defects we have already found:
 - On the 64 the subpostmasters affected have already been contacted
 - On the 14, we are in the process of writing to the subpostmasters.
 - [Costcutter – Rod?]
 - [One of the two defects has already been discussed in a court case (Misra) – being confirmed]
- We are preparing a Factual Q & A which we would seek to agree with all key parties (SS, JFSA, MPs, Fujitsu).
- We are seeing what company (possibly E&Y) we could appoint to carry out a review of our business processes to improve them (and to message this to JA on Wednesday).
- [Update on the 4 MP cases?]
- A final report is currently expected in October 2013.
 - This was intended to provide closure on the 4 “best” cases against PO.
 - [There are also another 29 MP cases which need to be addressed (and will be addressed by the report)]

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