

Written evidence submitted by Communication Workers Union (CWU) (POM 12)

SUMMARY

- When the Post Office mediation scheme was introduced in 2013 the CWU was hopeful that it would deliver justice for Postmasters wrongly accused of false accounting as a result of problems with the Horizon IT system.
- The CWU is deeply concerned that the Post Office has rejected around 90% of the cases recommended for mediation, which will mean denying redress for the majority of those accused of wrong doing.
- We believe the Post Office should establish a fairer and more inclusive process to deal with cases where Postmasters deny responsibility for accounting discrepancies. The Post Office should also ensure that its IT system is fit for purpose and capable of adequately meeting the needs of the Post Office and its workforce.

INTRODUCTION

The Communication Workers Union represents over 200,000 workers in the postal, telecoms and financial services industries and we are the recognised union for all non-management grades in the Post Office. We also represent over 250 Postmasters, although we do not currently have union recognition for this group of workers.

The CWU welcomes the launch of the BIS Select Committee inquiry into the Post Office mediation scheme, which was set up by the Post Office in 2013 to provide redress for Postmasters accused of false accounting following problems with Horizon, the Post Office IT system.

This submission highlights the CWU's concerns about the mediation scheme which we believe is not sufficiently robust, transparent or inclusive to achieve justice for Postmasters. It also sets out the CWU's perspective on problems associated with the Horizon IT system.

1. The CWU welcomed the introduction of the Post Office mediation scheme in 2013 and we were hopeful that it would deliver justice for Postmasters wrongly accused of false accounting as a result of problems with Horizon, the Post Office IT system.
2. However, we believe that based on current evidence, the Post Office does not have a sufficiently fair, robust and inclusive process to deal with Postmasters who claim they are not responsible for financial losses showing in their accounts.
3. The CWU is deeply concerned that the Post Office has rejected around 90% of the cases recommended for mediation by Second Sight, the accountancy firm it appointed to investigate the accounting discrepancies. This will mean denying redress for many of those who have been wrongly accused. It also shows reluctance on the part of the Post Office to properly recognise and address the problems that Postmasters are still experiencing with the Horizon system.
4. Postmasters have reportedly suffered appalling treatment by the Post Office as a result of discrepancies in their accounts when using Horizon. Many have been prosecuted for false accounting and have lost their jobs and their livelihoods. Some have even been imprisoned over allegations of fraud.

5. Others are currently in the midst of attempting to defend themselves against allegations of false accounting which continue to be leveled by the Post Office. One CWU member has been suspended without pay for over a year, waiting for their case to be heard by the mediation scheme. Another is experiencing increasing financial loss, and despite numerous visits by Post Office technical staff the cause of this loss cannot be found.
6. The CWU also has serious concerns over the policy employed by the Post Office of withholding or reclaiming Postmasters' wages to recoup the loss without any evidence of blame on the part of the Postmaster. We believe this policy of charging Postmasters has been adopted as an easy solution to the problems caused by an inadequate IT system, rather than taking steps to tackle the root cause of the problem by resolving issues with Horizon.
7. The Post Office appears to operate under a risk avoidance culture which means that all risk is passed on to the Postmaster. It is difficult to see how such an approach can support the delivery of sustainable, high quality Post Office services to the public.
8. Furthermore, the CWU is regularly obstructed by the Post Office from representing our members when appeals against losses are being discussed. This further reduces the level of support available to Postmasters and it creates another obstacle to achieving a fair resolution for Postmasters through mediation.
9. The CWU was not invited to be involved in the setting up or the running of the mediation scheme, and therefore we have no influence over the scheme despite our clear interest in ensuring its success. The fact there is no independent body on the scheme speaking on behalf of Postmasters is not only detrimental to the interests of Postmasters, but it also compromises the value and fairness of the scheme. For these reasons, the CWU calls on the Select Committee to pursue any action necessary to ensure that the Post Office involves the CWU in any revised mediation process.
10. The only defence put forward by the Post Office following the Second Sight investigation is that there have been no systemic faults found with Horizon. However, whilst it may be the case that no single fault exists throughout the Horizon system affecting every Post Office Branch, we would argue that the system overall suffers from numerous problems and deficiencies.
11. We believe there are serious failures associated with the core practices and procedures for the use of Horizon and the infrastructure over which it runs. This includes problems with training, accounting practices, losses and gains policies, disciplinary policies, technical and operational help desk support, telecommunication and power related issues, interface development issues, hardware maintenance and data centre integrity.
12. CWU Postmaster members report that Horizon issues commonly arise from faulty telecommunication links to the main data centre and from power supply that has not been checked since the day Horizon was first installed, as well as the over development of applications laid on top of each other. We believe that too much is being asked of a computer system that is now over twenty years old.
13. The CWU receives many requests from Postmasters for support and guidance in relation to computer system failings in their branches, which include regular system crashes, slow running systems and an increasing number of hardware failings, particularly broken hard drives.
14. Our Postmaster members also report that the support systems provided by the Post Office are inadequate with the wrong advice and assistance regularly being issued by Post Office help-desks. The technical help-desk is based in the Philippines, and language difficulties are said to present a barrier to resolving technical failures.
15. We believe the time is right now for the Post Office to recognise that the failings of the Horizon system are wide ranging and to take serious action to address these issues.

16. Finally, the Post Office must establish a fairer, more robust and inclusive process of redress for Postmasters who claim to have been wrongly accused of false accounting and fraud. It is simply unacceptable that innocent, hard working people going about their job of providing a Post Office service to the public have been bankrupt and even jailed due to the failings of a complex and inadequate IT system and the absence of an effective mediation scheme.

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Communication Workers Union
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