



Jennifer Robson  
24/11/2005 13:42

To: Cheryl Woodward/e/POSTOFFICE@POSTOFFICE, Paul  
Dann/e/POSTOFFICE@POSTOFFICE  
cc:  
Subject: Re: Challenge to Horizon

For info  
Jen  
Debt Recovery Section manager  
Post Office Ltd  
Finance

1st Floor East , No 1 Future Walk, West Bars, CHESTERFIELD, S49 1PF

Postline: GRO ,STD Phone: GRO Mobex: GRO Mobile: GRO

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----- Forwarded by Jennifer Robson/e/POSTOFFICE on 24/11/2005 13:42 -----

Mandy Talbot  
24/11/2005 13:00

To: Jennifer Robson/e/POSTOFFICE@POSTOFFICE  
cc:  
Subject: Re: Challenge to Horizon

I have a copy which we will also look at tomorrow. Tony, Rod, David external solicitors and myself are meeting to discuss the best way forward.

Mandy

Litigation Team Leader  
Company Secretary's Office  
Legal Services

Royal Mail, Impact House, 2 Edridge Road, CROYDON, CR9 1PJ

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Jennifer Robson



Jennifer Robson  
24/11/2005 12:51

To: Mandy Talbot/e/POSTOFFICE@POSTOFFICE  
cc:  
Subject: Re: Challenge to Horizon

Thank you for this Mandy  
I have today received another letter from Hugh James and the solicitors for Torquay Rd.  
I will scan and send to you

Regards  
Jennifer  
Debt Recovery Section manager  
Post Office Ltd  
Finance

1st Floor East , No 1 Future Walk, West Bars, CHESTERFIELD, S49 1PF



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External Email: [GRO]

Mandy Talbot

Mandy Talbot  
23/11/2005 17:57

To: David X Smith/e/POSTOFFICE@POSTOFFICE, Jennifer Robson/e/POSTOFFICE@POSTOFFICE, Tony R Utting/e/POSTOFFICE@POSTOFFICE, Rod Ismay/e/POSTOFFICE@POSTOFFICE  
cc: Clare Wardle/e/POSTOFFICE@POSTOFFICE, Nicky Sherrott/e/POSTOFFICE@POSTOFFICE  
Subject: Challenge to Horizon

### Summary of Facts

#### Castleton

Proceedings have been issued by POL against Lee Castleton ( LC ) the former Post Master at Marine Drive BO for 27K. It was known by the business prior to issue that LC blamed Horizon for the losses. External Solicitors were asked to check with the Fujitsu liaison team and to assure themselves that the evidence in respect for Horizon was sound before the issue of proceedings. There had been no security investigation so the data had not been requested from Fujitsu.

Proceedings were issued and a Defence and Counter Claim for losses flowing from the wrongful termination of the contract, limited to 250K , was served. The Court ordered a stay in the proceedings for a month. The original solicitor dealing with the case left and did not notify her colleagues that an important time limit was approaching. The time limit was missed and judgement in default of a Defence to the Counter Claim was entered against POL for a sum to be assessed. There is a short hearing on the 6 December for directions. An application has been lodged to set aside the procedural Judgement against the business. The evidence in support of the application attempts to explain the delay and makes the point that a judgement based on an assertion that there was an improper termination of contract and for an assessment of the costs which flow from that, cannot sensibly be permitted to stand if the factual basis for the termination can be made out and is sound. The solicitors concerned will be bearing the legal costs for all the work involved in setting the judgement aside.

As part of the claim the solicitors for LC have stated in the allocation questionnaire that they intend to call evidence from other existing and former postmasters about the problems with the Horizon system. They have also asked for disclosure of data about all calls or complaints logged from postmasters about the Horizon system, presumably from the inception of the system. They have called for disclosure of all documents removed from the Branch Office during the investigation. There is an issue over locating all these documents.

#### Bajaj

Mr Bajaj of Torquay Branch Office is a postmaster who is challenging the validity of data supplied by the Horizon system on which errors have been raised against his branch office. He has not been able to explain the losses and has been required to make good the losses by way of deduction from remuneration. No proceedings have been issued but the matter is in the hands of external solicitors.

Mr Bajaj has taken the step of writing an article in The Sub Postmaster November 2005 edition, seeking



information from other postmasters in a similar situation. His solicitors say that they have been contacted by other post masters and that a class action is possible unless, the deductions from remuneration are refunded. They also make a reference to what we assume is the Castleton case.

#### Issues

In each case the postmasters are challenging the validity of data provided by the Horizon system and the cases became litigious before that evidence could be properly investigated.

In each case it was known that Horizon was going to be challenged but there was no procedure in place to

(a) acquire the necessary data

(b) identify somebody with the relevant knowledge and capacity to interpret the data and report on the same

If the challenge is not met the ability of POL to rely on Horizon for data will be compromised and the future prosperity of the network compromised.

Fujitsu's reputation will be affected

#### Suggestions

1. A robust procedure is set up and communicated to all relevant parties for extracting necessary data from Horizon at an early stage in all cases leading towards possible termination of contract and each case where the Horizon data is challenged.
2. This will necessitate expenditure by POL in identifying a small team and training them in interpretation and investigation techniques
3. Fujitsu and POL to liaise on identifying a number of individuals or specialist computer firms who could provide a professional and independent report upon the Horizon system in general and in the two cases to hand if necessary.
4. POL/ Fujitsu investigate and identify whether or not they do hold any data upon the number of complaints made by postmasters about the Horizon system since inception and whether or not it can be broken down into statistics about valid problems / resolutions / errors by post masters.
5. Identify current members of POL or Fujitsu staff who can provide statements in the two current cases which (a) validate the system (b) explain the Horizon process from end to end and (c) can explain why each and every point made by the Defendants is irrelevant or can be explained.

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