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DRAFT – IN STRICTEST CONFIDENCE AND SUBJECT TO LEGAL PRIVILEGE

GLO COMMUNICATIONS – HORIZON ISSUES JUDGMENT

GROUP LITIGATION FACTS

Audience: POL colleagues/intranet/ external as required

- Group Litigation is where a group of people with the same or similar grievances join together to make a claim in the Courts against a person or organisation
- The litigation involving Post Office is part of a long running dispute between Post Office and a group of mostly former postmasters who have made serious allegations about technical, operational and contractual matters.
- Between 2012-15 Post Office performed independent investigations and engaged in mediation for some individual complaints and in February 2016 it was reported that some former postmasters involved had obtained funding for litigation against Post Office
- In April 2016, a High Court claim was issued against Post Office and in March 2017 the Court issued a Group Litigation Order (GLO), a procedural tool to enable the Court to manage litigation affecting multiple parties
- As is usual practice in group litigation, the Group Litigation Order was advertised and promoted for a time specified by the Court to enable potential claimants to seek to join the claim. This was done by the claimants' legal representatives between March - November 2017. There are now 555 claimants, with individual complaints that span the past two decades. They represent a very small proportion of people who have worked in our network using our systems during that time
- The case is very complex and the Judge ordered that it will be heard as a series of trials.
- The first trial, which finished on 5 December 2018, was to establish the correct meaning and interpretation of the contract between the Post Office and Postmasters – the Common Issues trial. The Judgment from this trial was handed down (made public) on 15 March 2019.
- The principal finding in the Judgment is that the contract places a number of additional obligations on Post Office which changes the way in which we work with postmasters
- Beyond the legal finding, the Judgment made strong criticisms of Post Office behaviours, which we've taken extremely seriously. In recent years we've made huge improvements in

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our culture and practices and are now making significant improvements to how we support Postmasters, making it easier for them to build thriving businesses.

- Post Office sought to appeal the Judgment from the first trial. A hearing took place on 23 May 2019 when the Managing Judge refused permission to appeal his judgment and on 18 June 2019 Post Office applied to the Court of Appeal for permission.
- The second trial, about technical matters concerning Post Office's Horizon computer system – the Horizon trial – concluded on 2 July 2019. The Judgment from this trial was handed down (made public) on xxxxx 2019
- The Judgment underlines that the way in which we help postmasters operate their Post Office is absolutely central to our joint success. [We're taking/ we've taken] firm action to improve that support, alongside further investment in technology.
- Other key points handed down in the Judgment
- Both independent experts for the claimants and Post Office in the litigation confirmed that the Horizon system is robust and compares well with comparable systems used by other retail and financial services companies each day. *Or if Judge rejects both experts agreement re robustness:* We remain confident that, with 47 million transactions a week successfully processed at 11,500 Post Office branches, Horizon is a reliable system
- The Court's findings do not affect the products and services we provide for our millions of customers through our UK network of 11,500 Post Office branches
- Neither the Common Issues trial nor the Horizon trial have or will determine liability or the individual claimants' cases. Further hearings and trials regarding these matters are being scheduled through into 2020.