

Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)

Statement of Gareth Idris Jenkins

Age if under 18 Over 18 (If over 18 insert 'over 18')

This statement (consisting of 3 pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated 24th day of March 2006
the

Signature

I have been employed by Fujitsu Services, working on the Post Office Account, formally ICL Pathway Ltd., since 1996 as a Customer Solutions Architect, involved in many aspects of design and implementation of the computer system known as Horizon, which is a computerised accounting system used by Post Office Ltd.

Audit Record Queries's (ARQ's) 401, 459 and 460 requested information in relation to Gaerwen Post Office (Branch office code 160604). I was asked to produce information relating to 'Nil' transactions during the periods specified. I have provided three spreadsheets which I now produce as Exhibits GIJ/01, GIJ/02 and GIJ/03. I'm not sure about this. I've had nothing to do with producing the spreadsheets. All I've done is made some statements based on what is in the spreadsheets. I assume that Neneh or Penny produced the spreadsheets, but I have no personal knowledge as to what was included within them and what was excluded. For all I know, you could have typed them up from scratch.

The reports are formatted with the following headings:

For ARQ 401

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NodeId – The Counter Identifier at which the transaction took place

UserId – The User Identifier of the user who was logged on when the transaction was carried out

Date – Date of transaction

TranType Description – The type of Transaction carried out together with a description of its meaning

Amount – The amount of money that actually changed hands

HTxnNum – The Unique identifier for a banking transaction

RespCd Description – Response Code generated for a particular transaction together with a description of its meaning

For ARQ 459 – Some of the columns as listed in 401 plus the following below

Id – Same as Counter Id above

Time – The time of transaction

Application – Initiating Application (usually Banking)

RtnGwy (Routing Gateway) - which is the identifier of the route to the financial institute where the transaction is going

TranType – Same as TranType Description above

PAN (Primary Account Number) – Account number on the card

SaleValue - Same as Amount Above

RespCd – same as RespCd Description above

For ARQ 460 - Some of the columns as listed in 401 and 459 plus the following below

Counter Position - Same as Counter Id above

Should the spreadsheets be regenerated so that they are all in the same format and so that the correct text comes out for RespCd 23? I can't explain why the formats are different (I assume it is changes to the tools used to generate them). There are three reasons why a zero value transaction may be generated as part of the banking system:

The transaction has no financial effect (ie a Balance Enquiry or a PIN Change)

The transaction has been declined by the Bank

(This is a really poor choice of words which seems to accept that failures in the system are normal and therefore may well support the postmasters claim that the system is to blame for the losses !!!!) Please can you suggest something better then? What we have here are genuine failures of the end to end system which are not part of normal operation, but are anticipated and the system is designed to cope with them. Some such failures could be engineered as part of a malicious attack (but that doesn't apply to those failures that appear in the evidence presented). In all cases the system is designed to identify such failures and handle them in such a way that the Customer, the Postmaster, Post Office Ltd and the FIs are all clear as to the status of the transaction and any necessary financial reconciliation takes place. I guess one option is to delete

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the paragraph since it is purely an introduction to the following more detailed description.

Each transaction has associated with it a Response Code field, which identifies what has happened. These values are included (together with their descriptions) in the spreadsheets produced. In summary:

RespCd = 1, means that the transaction was Authorised by the Bank. If it is for zero value, then this means it had no Financial effect. In all the example, such transactions were PIN Changes or Balance Enquiries where this is indeed the case.

RespCd has a value between 2 and 10 means that the Financial Institution declined the transaction. The actual value indicates why (eg 3 means that the PIN was invalid and 4 means Insufficient funds)

RespCd with a value greater than 10 implies some sort of system failure. The actual value provides further information as to the nature of the failure within the overall system

Within exhibits GIJ/1, 2 and 3, the following Response Code values explain the reasons for the 'Nil' transactions :

1 - Authorised OK

3 - Declined - Invalid PIN

4 - Declined - Insufficient Funds

6 - Declined - Usage (amount)

8 - Declined - Other

23 - Failed by FI: Unexpected Response Code (Note this appears as Timeout in the spreadsheet)

26 - Failed by FI: System Unavailable - Return Card

Note that the text varies in the ARQs, but the meaning is basically the same. (what does this mean, does it needs to be in the statement ?) I'm just repeating the point about the ARQs being in an inconsistent format. If anyone looks, they will spot this, so I thought I'd better say so. However I'm happy to delete the sentence if it will cause more problems.

Signature

Signature witnessed by