

Gavin Bell
Director of Delivery
Fujitsu Services Limited
22 Baker Street
London W1U 3BW

12 May 2016

BY POST AND EMAIL

RE: Horizon service outage incident on 9th May 2016 ("Service Incident")

I refer to the above and want to formally raise with Fujitsu Services Limited ("**Fujitsu**") my concerns in respect of the Service Incident which severely impacted Post Office branches across our entire network for a period of approximately 75 minutes before normal service was restored. This meant that branches could not transact business through their Horizon terminals throughout the Service Outage, which took place at the start of the week during one of our busiest weekly trading periods and severely inconvenienced Post Office, branch staff, and also our customers.

I have only recently joined the Post Office as its Chief Information Officer and am therefore still familiarising myself with the relationship between our respective businesses, but I already have very grave concerns about the events leading up to the Service Incident and Fujitsu's handling of it. These include whether there was appropriate testing by Fujitsu of a business critical system which Fujitsu manage on our behalf, and the speed with which Fujitsu reported the occurrence of the Service Incident to Post Office.

I therefore wish to understand as soon as possible exactly what the root cause of the Service Incident was. As you will appreciate, I need to provide a comprehensive explanation of the cause of the Service Incident to the business and to put in place an action plan to mitigate the effects of it and the risk of it occurring again. Inevitably Post Office sustained damage as a result of the Service Incident, including through adverse media coverage. Clearly this is wholly unacceptable to the business.

As you can imagine our risk appetite to change is now extremely cautious and to that end my colleague Chris Broe has instigated a strict change control process over any future changes which potentially impact service and I ask that you confirm that you will fully support and enforce this process.

Post Office awaits receipt of a comprehensive root cause analysis report from Fujitsu, which we expect to receive by close of business on 12 May 2016. Post Office is carrying out its own parallel investigation and analysis of the Service Incident and we reserve all contractual rights and remedies available to Post Office in respect of the Service Incident.

On a final note, I would ask that you provide to me a report which will give me a thorough overview of all service risks in the Post Office IT estate which Fujitsu is responsible for. I need to ensure that both the business and I have a complete and accurate understanding of current risks in the Post Office IT estate.

Yours faithfully

Robert Houghton
CIO

cc. Regina Moran (Fujitsu, CEO) Alisdair Cameron (Post Office, CFO)