

**Mike Granville**

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**From:** Tracy Abberstein on behalf of David Y Smith  
**Sent:** 21 July 2010 11:31  
**To:** Mike Granville; Martin Humphreys; Lesley J Sewell  
**Cc:** Mike Young  
**Subject:** FW: Justice for spms  
**Attachments:** Bates Justice for Spms July 2010.pdf; Randerson Horizon problems.pdf; Simpson Horizon.pdf; Patel Horizon.pdf; Patel Priti 388 how many times had discussions with POL on Horizon in last 5 years.rtf; Patel Priti 389 if will review effectiveness of Horizon system.rtf; Patel Priti 390 what representations has received from Justice for Spms Alliance.rtf; Patel Priti 696 cost to subpostmasters of errors in Horizon system.rtf

All,

Mike Granville will liaise with you both to prepare a brief for Oliver to give the reassurance required!

Regards  
TRAcY

**Tracy Abberstein**

PA to David Smith, Managing Director

**Post Office Ltd**

148 Old Street, LONDON, EC1V 9HQ

GRO / Mobile: GRO / Mobex: GRO  
GRO

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**From:** Griffiths Oliver (ShEx) [mailto:GRO]  
**Sent:** 21 July 2010 10:21  
**To:** David Y Smith  
**Cc:** Whitehead Mike (ShEx)  
**Subject:** Justice for spms

Dave

As we discussed briefly on Monday evening, there has been recent interest from MPs in purported cases where the Horizon system has left sub postmasters out of pocket. We have to date said that this is an operational matter for POL and resisted calls to impose a review of Horizon etc. We are in theory happy to continue holding this line - but if we do so and it turns out that there have been problems with Horizon, then there will be significant political heat. Grateful therefore if you could let me know how confident POL is that there is nothing behind these claims.

thanks

Oliver

<<Bates Justice for Spms July 2010.pdf>> <<Randerson Horizon problems.pdf>> <<Simpson Horizon.pdf>> <<Patel Horizon.pdf>> <<Patel Priti 388 how many times had discussions with POL on Horizon in last 5 years.rtf>> <<Patel Priti 389 if will review effectiveness of Horizon system.rtf>> <<Patel Priti 390 what representations has received from Justice for Spms Alliance.rtf>> <<Patel Priti 696 cost to subpostmasters of errors in Horizon system.rtf>>

Oliver Griffiths | Deputy Director | Shareholder Executive | Department for Business, Innovation & Skills |  | 1 Victoria Street, London SW1A 0ET | Direct Line   
 Fax

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KEITH SIMPSON MP  
BROADLAND



HOUSE OF COMMONS  
LONDON SW1A 0AA

Tel: **GRO**  
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E-mail: k **GRO**  
Website: [www.keithsimpson.com](http://www.keithsimpson.com)

Mr Edward Davey Esq MP  
Department for Business, Innovation and Skills  
1 Victoria Street  
London SW1

7 June 2010

Dear Edward

I enclose a copy of a letter which I have received from a constituent Margaret Callow.

I would be grateful if you could look into the points raised by my constituent and report back to me.

Yours sincerely,

**GRO**

Keith Simpson MP

S.G. & M.M. Callow

**GRO**

Tel: GRO

stephenandmargaret GRO

The Rt Hon Keith Simpson,  
House of Commons,  
London  
SW1A 0AA

June 4<sup>th</sup> 2010.

Dear Mr Simpson,

First of all, may I congratulate you on your recent success in the General Election.

On 3<sup>rd</sup> March I wrote to you on behalf of my daughter and her treatment along with others at the hands of the Post Office.

I realise your help and support in this matter will have been delayed due to the Election and that is quite understandable. However, I now approach you again as this is a problem that will not go away.

We now have a copy of a recent letter sent to Alan Bates **GRO** by Edward Davey MP, new Minister for postal affairs (BIS) in reply to his. Clearly Mr Davey is neither interested nor helpful.

Whilst he prefers to distance himself behind such a reply, I respectfully suggest that all the Ministers in Government are there to represent us and best help us. Therefore it is to be hoped that matters will be taken up on our behalf.

As the Government holds 100% shares in the Post Office, this means we the public own them so the validity of Mr Davey's reply is questionable. Therefore, I would hope you could speak to Mr Davey or his department to ask him to look at this issue again.

It may well be that you would prefer to communicate with my daughter directly so her address is as follows:

Mrs Siobhan Savér

**GRO**

Thank you for your help.

Yours sincerely,

Margaret Callow

**GRO**

*End.*

**BIS** | Department for Business  
Innovation & Skills

**Edward Davey MP**  
Minister for Employment Relations,  
Consumer and Postal Affairs

Alan Bates  
Justice for SubPostmasters Alliance

Our ref: : 201658

**GRO**

21 May 2010

*Alan Bates*

Thank you for your letter of 20 May, requesting a meeting to discuss the Post Office Horizon system.

Since 2001, when the Royal Mail (which includes Post Office Ltd (POL)) was set up as a public limited company with the Government as its only shareholder, Government has adopted an arm's length relationship with the company so that it has the commercial freedom to run its business operations without interference from the shareholder.

The integrity of the Post Office Horizon system is an operational and contractual matter for POL and not Government, whilst I do appreciate your concerns and those of the Alliance members, I do not believe a meeting would serve any useful purpose.

**GRO**

**EDWARD DAVEY**

1 Victoria Street, London SW1H 0ET  
[www.bis.gov.uk](http://www.bis.gov.uk)

Enquiries **GRO** | Minicom **GRO** | Contact us [www.bis.gov.uk/contact-us](http://www.bis.gov.uk/contact-us)



**BIS** | Department for Business  
Innovation & Skills

Edward Davey MP  
Minister for Employment Relations,  
Consumer and Postal Affairs

Alan Bates  
Justice for SubPostmasters Alliance

Our ref. : 201658

**GRO**

21 May 2010

*Dear Alan Bates,*

Thank you for your letter of 20 May, requesting a meeting to discuss the Post Office Horizon system.

Since 2001, when the Royal Mail (which includes Post Office Ltd (POL)) was set up as a public limited company with the Government as its only shareholder, Government has adopted an arm's length relationship with the company so that it has the commercial freedom to run its business operations without interference from the shareholder.

The integrity of the Post Office Horizon system is an operational and contractual matter for POL and not Government, whilst I do appreciate your concerns and those of the Alliance members, I do not believe a meeting would serve any useful purpose.

**GRO**

EDWARD DAVEY

1 Victoria Street, London SW1H 0ET  
[www.bis.gov.uk](http://www.bis.gov.uk)





HOUSE OF COMMONS  
LONDON SW1A 0AA

19<sup>th</sup> May 2010

Our ref: PP/JNS/BIS1

*Dear Vincent,*

I have been contacted by a constituent who runs a local sub-post office who has enquired as to which Minister will have responsibility for the Post Office.

My constituent has quite a serious issue with the Horizon system, which as you are aware is the IT platform which post offices use to conduct their transactions. Prior to the election the previous Shadow Minister was willing to arrange a meeting to discuss this issue, and I wondered whether something could be set up with the new Minister once they are in situ?

I look forward to hearing from you.

*Yours sincerely*

**GRO**

**Priti Patel**  
Member of Parliament for Witham



**House of Commons Parliamentary Question : 2010/390****Written**

Question tabled	17/06/2010	Date for return to Parly	21/06/2010	5 day target	24/06/2010
Action officer/ division	ShE Briefing/ SHE		Copies to:		

**Question from :** Priti Patel (Witham - CON)

**Minister answering :** Edward Davey

**Question**

To ask the Secretary of State, Department for Business, Innovation and Skills, what representations he has received from the Justice for Subpostmasters Alliance in the last 12 months; if he will meet representatives of the Alliance to discuss the Post Office's Horizon system; and if he will make a statement. (3752)

**Draft Answer**

Given Post Office Ltd's responsibility for negotiating contractual terms and conditions with Subpostmasters, I have asked David Smith, the Managing Director of Post Office Ltd, to respond directly to the Hon Member and a copy of his reply will be placed in the House Libraries.

<b>Action Officer</b> Rosemary Buck GRO Print Name and extension	<b>Approval</b> Oliver Griffiths  Must be G5 or above	<b>Ministerial Approval</b>
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**House of Commons Parliamentary Question: 2010/696****Written**

Question tabled	06/07/2010	Return to Parly by	08/07/2010	5 day target	13/07/2010
Action officer/ division	ShE Briefing/ SHE		Copies to:		

**Question from:** Priti Patel (Witham - CON)

**Minister answering:** Edward Davey

**Question**

To ask the Secretary of State, Department for Business, Innovation and Skills, what his most recent estimate is of the cost to postmasters and sub-postmasters of errors in the Horizon operating system; and if he will make a statement. **7533**

**Draft Answer**

I have asked David Smith, the Managing Director of Post Office Ltd, to respond directly to the Hon Member and a copy of his reply will be placed in the House Libraries.

<b>Action Officer</b>	<b>Approval</b>	<b>Ministerial Approval</b>
Rosemary Buck GRO	Oliver Griffiths	
Print Name and extension	Must be G5 or above	



**House of Commons Parliamentary Question : 2010/389****Written**

Question tabled	17/06/2010	Date for return to Parly	21/06/2010	5 day target	24/06/2010
Action officer/ division	ShE Briefing/ SHE		Copies to:		

Question from : **Priti Patel (Witham - CON)**

Minister answering : **Edward Davey**

**Question**

To ask the Secretary of State, Department for Business, Innovation and Skills, if he will review the effectiveness of the Post Office's Horizon system; and if he will report his findings to the House. (3751)

**Draft Answer**

I have asked David Smith, the Managing Director of Post Office Ltd, to respond directly to the Hon Member and a copy of his reply will be placed in the House Libraries.

<b>Action Officer</b>	<b>Approval</b>	<b>Ministerial Approval</b>
Rosemary Buck GRO	Oliver Griffiths Must be G5 or above	
Print Name and extension		



**House of Commons Parliamentary Question: 2010/388****Written**

Question tabled	17/06/2010	Date for return to Parly	21/06/2010	5 day target	24/06/2010
Action officer/ division	She Briefing/ SHE		Copies to:		

**Question from:** Priti Patel (Witham - CON)

**Minister answering:** Edward Davey

**Question**

To ask the Secretary of State, Department for Business, Innovation and Skills, how many times Ministers in his Department had discussions with Post Office Ltd on the Horizon system in the last five years. (3750)

**Draft Answer**

The Horizon system is an operational responsibility of the company and I have had no such discussions. It is an established convention that Ministers of one Administration cannot see the documents of a previous Administration. I am therefore unable to provide the information requested.

<b>Action Officer</b> Rosemary Buck GRO Print Name and extension	<b>Approval</b> Oliver Griffiths  Must be G5 or above	<b>Ministerial Approval</b>
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# Jenny Randerson AM

Cynulliad  
Cenedlaethol  
Cymru  
National  
Assembly for  
Wales



Ed Davey MP  
Minister for Employment Relations, Consumer and Postal Affairs  
Ministerial Correspondence Unit  
Department for Business, Innovation & Skills  
1 Victoria Street  
London SW1H 0ET

Our Ref: CE/National

Date: 12 July 2010

Dear 

## POST OFFICE HORIZON ACCOUNTING PROBLEMS

As a former consultant in the postal services sector, I am sure you are only too well aware of the accounting problems that have arisen from the Post Office Horizon computer system which have resulted in postmasters and mistresses suffering financial losses and sometimes even incurring criminal prosecutions because of unexplained discrepancies that have led to financial shortfalls.

A former sub-postmistress living in my constituency experienced unaccountable shortages amounting to a total of £36,000. She reported these to her line-manager and, following an investigation, she was suspended and faced criminal charges of false accounting and was ordered to pay £48,000, which was reduced to £35,000 and then further reduced to £25,000.

In March 2009, she received a "without prejudice" letter from Bond Pearce, a Limited Liability Partnership. "For the sake of commercial expediency", their client, the PO, offered not to pursue her for the civil claim or pursue a criminal prosecution provided she did not bring any claim against PO Ltd and that each party bear their own costs.

Towards the end of 2009, a number of falsely accused postmasters formed the Justice for Sub-postmasters Alliance, with the common goal of publicising what they see as serious flaws in the PO's Horizon accounting system and I understand that it has already been the subject of media interest in the form of an S4C documentary and victims are pressing for a House of Commons debate on the issue.

I am aware that the previous government built up an extremely poor IT record and that it had already entered into a contract with the Bank of Ireland to enable the PO to provide a range of financial services subject to a 50/50 share of any profits from the joint banking venture. I also understand that the last government also pledged to plough another £180m into the network in the dying days of its administration, which may have implications for the coalition government.

### Contact Details:

Address: National Assembly for Wales, Cardiff Bay, Cardiff, CF99 1NA

Telephone:

E-mail:

Whilst Jenny Randerson AM will treat as confidential any personal information which you pass on, she will normally allow staff and authorised volunteers to see it if this is needed to help and advise you. The AM may pass on all or some of this information to agencies such as the DWP, the Inland Revenue or the local Council if this is necessary to help with your case. Jenny Randerson AM may wish to write to you from time to time to keep you informed on issues which you may find of interest. Please let her know if you do not wish to be contacted for this purpose.

# Jenny Randerson AM

However, I am sure you will agree that the apparent inadequacies of the Horizon computer system, and the injustices that it has caused, need immediate investigation and resolution and I would welcome your advice as to the government's intentions in this matter.

Yours sincerely,

**GRO**

**Jenny Randerson AM**  
Welsh Liberal Democrat Assembly Member for Cardiff Central

*Contact Details:*

Address: National Assembly for Wales, Cardiff Bay, Cardiff, CF99 1NA

Telephone: GRO

E-mail: GRO GRO

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