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Response to Second Sight Interim Report

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Second Sight Interim Report

Response of Post Office Limited

Overview of the Inquiry process

As part of the Inquiry process, Second Sight has submitted 10 scenarios relating to Horizon to Post Office for its comments (**the Spot Reviews**). In light of its investigations to date and Post Office's responses to these Spot Reviews, Second Sight is now preparing an Interim Report.

In accordance with the Inquiry process set out under the "Raising Concerns with Horizon" agreement:

- Second Sight will prepare its report bearing in mind the primary need to ensure that the report is reasoned and evidence based.
- The report and any recommendations will be the expert and reasoned opinion of Second Sight in light of the evidence seen during the Inquiry.
- Second Sight will consult with JFSA, Post Office and/or any other party as it considers necessary before producing any report.
- Post Office may provide Second Sight with its own comments on any or all concerns, and on Horizon generally.
- Second Sight will consider and take into account any comments received from JFSA, Post Office and/or any other consulted party.

Post Office's activity

Post Office has provided continuous support to Second Sight and has responded to all 10 Spot Reviews. [This statement assumes that the 2 outstanding (SRs 5 and 22) will be submitted before this document is released].

In supporting Second Sight, Post Office has:

- Worked closely with Second Sight to ensure that it is addressing all issues raised.
- Thoroughly investigated each Spot Review through the leadership of senior management.
- Consulted senior personnel inside Post Office on the issues raised in each Spot Review.
- Liaised closely with Fujitsu so that its expertise on Horizon supports every response.

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- Collated and interrogated Horizon transaction records where Second Sight has referenced particular identifiable transactions.
- Addressed any follow-up questions raised by Second Sight or Subpostmasters.
- Promptly submitted all responses to Second Sight in accordance with agreed timeframes.

Overview of Post Office's responses

Post Office remains confident that Horizon is a robust system that accurately records the activities of Subpostmasters.

All 10 Spot Reviews have been fully addressed by Post Office and none of them have identified any error in Horizon.

In fact, the Spot Reviews have demonstrated that Post Office's organisational processes and the Horizon system are designed to:

- Consistently track user and transaction activity in a transparent manner.
- Provide complete audit trails that allow Subpostmasters to fully investigate their transaction histories.
- Mitigate the risk of user generated errors resulting in financial losses.
- Prevent fraud against Subpostmasters and Post Office.
- Withstand problems outside Post Office's and Subpostmasters' control such as power outages.
- Put integrity, fairness and subpostmasters' welfare ahead of Post Office's own interests.

It is expected that Second Sight's Interim Report will address Spot Reviews 1, 5, 21 and 22 in detail. Below is a summary of Post Office's position of each of those Spot Reviews.

Spot Review 1 – Risks associated with power or communications failures

This Spot Review principally asks whether Horizon robustly manages the risks created when it is unable to connect to a Post Office's central servers due to a power or communications failure which is beyond the Subpostmasters' or Post Office's control.

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Post Office's response to this Spot Review shows that the in-branch Horizon terminal has a robust back-up and recovery system that prevents there being any discrepancies or errors in the event of a communications or power failure.

In the particular case raised in the Spot Review, the root cause of the difficulties suffered by the Subpostmaster was his failure to follow the on-screen and printed instructions given by Horizon.

Post Office Limited is confident that the SPMR knew that the back-up and recovery process had actively managed the communications failure at the branch in question because:

- The branch had been suffering connectivity issues in the run up to the incident in question.
- When the transactions in question first failed to be processed (because Horizon could not get a response from the Data Centre), Horizon asked the SPMR whether he wished to cancel or retry the transactions. The SPMR opted to retry the transactions.
- When the transactions failed again, the SPMR opted to cancel the transactions.
- Horizon then automatically disconnected and printed a "disconnect" receipt that showed the transactions that had been automatically reversed.
- A standard customer receipt was not produced – this would tell the SPMR that the full transaction had not proceeded.
- Following the disconnect, the SPMR was required to log back on to Horizon and duly did so.
- Following the log on, and as part of the standard recovery process, Horizon printed a "recovery" receipt which again showed the transactions that had been reversed and those that had been recovered.