

**From:** Tolhurst, Mpst (BEIS) [GRO]  
**Sent:** Sat 16/03/2019 10:47:20 PM (UTC)  
**To:** Cooper, Tom - UKG [GRO] Lambert, Gavin (Advanced Manufacturing and Services) [GRO]  
**Cc:** Holloway, William (BEIS) [GRO] Watson, Richard - UKG [GRO] Clark, Mpst (BEIS) [GRO] Willmer, Jacob (BEIS) [GRO] Clark Spad, Mpst (BEIS) [GRO] Watson, Craig (Advanced Manufacturing and Services) [GRO] Aldred, Tom - UKG [GRO] Miles, Annabelle (Communications & Partnerships) [GRO] Vandini, Cecilia (Advanced Manufacturing and Services) [GRO] Clarke, Stephen - UKG [GRO] Fox, Joshua - UKG [GRO] Lambert, Lucie - UKG [GRO] Tolhurst, Mpst (BEIS) [GRO]  
**Subject:** RE: POL discussion with SoS and Kelly Tolhurst

Hi All,

Please see readout below of the call between Kelly and POL this afternoon with few actions. Let me know if anything doesn't make sense or if I've misunderstood something.

It would also be good to get an update on when we plan to make this departmental public statement. Thanks!

**Participants;**

Kelly Tolhurst  
 Tim Parker  
 Al Cameron  
 Jane MacLeod  
 Gavin Lambert  
 Tom Cooper  
 Hiba Said

**Actions:**

- KT Private Office to set-up a call with Al Cameron on Tuesday morning before Orals, so that Kelly gets an update on the boards discussions the previous day.
- Gavin/Tom to ensure our office is kept well informed of progress and to provide a weekly update.

**Discussion Points:**

- TP was surprised by the outcome of the judgment, however POL's intention is to be fair and not defensive and aim to bring a good case to reach a fair settlement. He confirmed that they would look at their procedures and the opportunities to improve. He acknowledged where they can do things better, and if it costs them money (could be as much as £100m) they will look to manage the costs. He mentioned there was a few legal points that were of concern and they will be receiving subsequent advice to review this in more detail, and looking at whether they should do an appeal. KT stated the importance that BEIS are consulted before they make any intention to appeal.
- They are currently assembling as much information they can, so at their board meeting on Monday, they know what needs to be done. They will discuss ways to improve the manner they run their branches, so when disputes arise they are dealt with fairly. They will also look to review the question on where the judge has been biased on and whether they will ask him to recuse himself from the horizon trial. Unlikely that we will do this, but they will consider whether it is an action, they should take forward. It is a legal pressing matter that would need to be addressed sooner rather than later. *(Line was fuzzy/ interruption at this point - so I may have not captured this correctly)*

- Al Cameron made clear that they would not go down this route until there was final agreement with everyone and will of course keep us updated. They will also discuss their views of the rationale of doing an appeal and where the focus is. They have started doing work streams since the judgement, such as the process of managing differences correctly. He mentioned that some of the cases are 20 years old and how it will be hard for them to be exactly sure of the circumstances. However, they will not be avoiding their liability, they are going to listen but will also highlight where they have improved in cases over time. They are also looking at mediation schemes, to compensate people that were treated badly.
- KT outlined that it was a disappointing judgement, she understood the complexities that they face and appreciated that they are taking this seriously. In regards to the liabilities, she said £100m was a significant amount, and that Government may be involved in the sign off or funding of this amount. They discussed the operational issues and the criticism faced on the culture and practices. She highlighted the point that as the responsible Minister she will be held to account and rightly so in the House and how this should be bared in mind. On that basis, she stressed the importance of Post Office sharing information with BEIS and that she is kept updated throughout the whole process.
- KT made the point that this judgement could justify the criticisms the Post Office are receiving on postmasters pay. She addressed that the issues on the franchising plans and postmasters pay and this judgement will be perceived as the same argument, with the ongoing concerns on Post Office. TP outlined that it was important to keep the issues separate if possible, but understands the difficulties within this. KT highlighted her concerns on the impression she was given at her last meeting with Post Office on the case, and the expectation that there would be a better outcome then what was handed. Therefore was concerned about the legal advice and independence of this and how important it was to understand the issues.
- She informed them that she would be meeting with 10 labour MPs on franchising on Monday, and that they will mention this judgement. She raised the point that where there has been unjust actions against employees, individuals should receive settlements where postmasters have been affected.
- KT asked who will be leading on this, as Paula had step down and emphasised the need for her to have an understanding of the actions that Post Office will be taking forward. She expressed her appreciation of the work of the Post Office and how it is managed. TP confirmed Al Cameron would be in charge, and leading on this and that they were fortunate to have him, as he knows the company very well. TP informed KT that in terms of advice, they had two senior QCs and could not expect to have a better advocate. However when it comes to deciding on whether they should appeal they will look to get an independent person, and their lawyers feel that there is good grounds to appeal.
- They discussed the franchising programme and that as a board they believe it will improve the sustainability of the Post Office. TP said that they were looking at ways of improving the rewards for postmasters, such as the NSSP that looks at the banking framework and creates more work for postmasters. As part of this, their remuneration would increase. KT said she defends the franchising programme and the Post Office, however needs to have comfort and confidence that when there is feedback for them, they are actioned. She then gave an example of a recent franchising issue brought to her attention. Al Cameron provided an update on the banking framework. KT offered her assistance and informed POL that she was happy to put pressure on the banks if required, and help remove any blocks. She mentioned that she had spoken recently with HMT Ministers to get them to put some pressure on the banks.
- KT asked about their legal team defending their positions and advice. She asked whether there would be any change of strategy on dealing with the horizon litigation. JM provided an update of the four separate trials. The Horizon trial driven by evidence and by independent witnesses (appointed on each side) she then went on to explain the various evidence that will be taken into account. They discussed the two trials in November and how the judge wants to look at issues of limitation. The judge wants an answer on whether the limitation act applies

to these trials. The fourth trial will be looking at representative claimants and breaches; this will be a conventional trial process. The judge has dictated the sequencing of the questions; therefore POL's strategy is how to respond to these questions. Al Cameron said as they will be receiving new advice from a different QC this will bring forward other perspectives, the quality of this advice will guide their thinking of their strategy.

- KT reiterated that it was incredibly important in her view that as much information is shared with us as possible. She requested a detailed update next week after the board meeting, to know what the board's strategy is and what their next steps are in taking this forward. Al Cameron was more than happy to brief the Minister on updates as and when appropriate – whether that be weekly in person or via phone to ensure she has the close oversight she has requested. Which KT appreciated and will follow up with them if she has any additional questions.
- Lastly KT said she was concerned that Paula resigning will be perceived negatively, considering she has taken on another role that has been publicised. Therefore would like to understand the exact recruitment process to get a new CEO and for this to be set out clearly. As having this in place will help to defend possible criticisms and speculation. Al Cameron confirmed they will share this.

Kind Regards,  
Hibaq



**Hibaq Said**

Assistant Private Secretary to Kelly Tolhurst MP |  
Parliamentary Under Secretary of State |  
Department for Business, Energy and Industrial Strategy |  
1 Victoria Street, London SW1H 0ET |

GRO

GRO

| @beisgovuk



**From:** Tolhurst, Mpst (BEIS) GRO  
**Sent:** 16 March 2019 19:13  
**To:** Cooper, Tom - UKGI GRO  
**Cc:** Holloway, William (BEIS) GRO Watson, Richard - UKGI  
GRO Lambert, Gavin (Advanced Manufacturing and Services)  
GRO Clark, Mpst (BEIS) GRO Willmer, Jacob (BEIS)  
GRO Clark Spad, Mpst (BEIS) GRO Watson, Craig (Advanced  
Manufacturing and Services) GRO Aldred, Tom - UKGI GRO Miles,  
Annabelle (Communications & Partnerships) GRO Vandini, Cecilia (Advanced  
Manufacturing and Services) GRO Clarke, Stephen - UKGI GRO  
Fox, Joshua - UKGI GRO Lambert, Lucie - UKGI GRO  
**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

Hi all,

No10 have cleared and I have sent the attached final signed Dear Colleague letter to the Whips office to issue.

Thank you everyone for all your work getting this out.

Kind Regards,  
Hibaq

Hibaq Said

APS to Minister for Small Business, Consumers and Corporate Responsibility

GRO

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**From:** Cooper, Tom - UKGI

GRO

**Sent:** Saturday, March 16, 2019 4:47 pm

**To:** Tolhurst, Mpst (BEIS)

**Cc:** Holloway, William (BEIS); Watson, Richard - UKGI; Lambert, Gavin (Advanced Manufacturing and Services); Clark, Mpst (BEIS); Willmer, Jacob (BEIS); Clark Spad, Mpst (BEIS); Watson, Craig (Advanced Manufacturing and Services); Aldred, Tom - UKGI; Miles, Annabelle (Communications & Partnerships); Vandini, Cecilia (Advanced Manufacturing and Services); Clarke, Stephen - UKGI; Fox, Joshua - UKGI; Lambert, Lucie - UKGI

**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

It's a fair comment. I think the early versions achieved a better balance between not commenting on the result of the current hearing and the SoS's desire to show that we are supportive of the case taking place to achieve a remedy for those postmasters who have a just claim.

Tom

Sent from my iPhone

On 16 Mar 2019, at 16:36, Tolhurst, Mpst (BEIS)

GRO

wrote:

No10 have said the text is fine, but have asked as the legal case is ongoing should we be commenting on that? Is it not premature?

Gavin/Tom & Richard - grateful for your views on this..

Kind Regards,  
Hibaq

Hibaq Said

APS to Minister for Small Business, Consumers and Corporate Responsibility

GRO

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**From:** Tolhurst, Mpst (BEIS) GRO  
**Sent:** Saturday, March 16, 2019 3:46 pm  
**To:** Holloway, William (BEIS); Watson, Richard - UKGI; Lambert, Gavin (Advanced Manufacturing and Services); Cooper, Tom - UKGI  
**Cc:** Clark, Mpst (BEIS); Willmer, Jacob (BEIS); Clark Spad, Mpst (BEIS); Watson, Craig (Advanced Manufacturing and Services); Aldred, Tom - UKGI; Miles, Annabelle (Communications & Partnerships); Vandini, Cecilia (Advanced Manufacturing and Services); Clarke, Stephen - UKGI; Fox, Joshua - UKGI; Lambert, Lucie - UKGI  
**Subject:** RE: POL discussion with SoS and Kelly Tolhurst

Kelly was happy for the version attached to go to No10.

Will let you know once they have cleared this.

Kind Regards,  
Hibaq

<image002.png>

<image003.jpg>

**Hibaq Said**

Assistant Private Secretary to Kelly Tolhurst MP |  
Parliamentary Under Secretary of State |  
Department for Business, Energy and Industrial Strategy |  
1 Victoria Street, London SW1H 0ET |

GRO

GRO

| @beisgovuk

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**From:** Holloway, William (BEIS) GRO  
**Sent:** 16 March 2019 15:22  
**To:** Tolhurst, Mpst (BEIS) GRO Watson, Richard - UKGI

GRO

Lambert, Gavin (Advanced Manufacturing and Services)

GRO

Cooper, Tom - UKGI GRO

**Cc:** Clark, Mpst (BEIS) GRO Willmer, Jacob (BEIS) GRO

Clark Spad, Mpst (BEIS) GRO Watson, Craig (Advanced Manufacturing and Services) GRO Aldred, Tom - UKGI GRO Miles,

Annabelle (Communications & Partnerships) GRO Vandini, Cecilia



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(Advanced Manufacturing and Services)	<b>GRO</b>	Clarke, Stephen - UKGI
<b>GRO</b>	Fox, Joshua - UKGI	<b>GRO</b>
<b>GRO</b>		Lambert, Lucie - UKGI

**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

Happy with this revised wording, thanks.

Will

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**From:** Tolhurst, Mpst (BEIS) **GRO**  
**Sent:** Saturday, March 16, 2019 3:07 PM  
**To:** Watson, Richard - UKGI; Lambert, Gavin (Advanced Manufacturing and Services); Cooper, Tom - UKGI  
**Cc:** Holloway, William (BEIS); Clark, Mpst (BEIS); Willmer, Jacob (BEIS); Clark Spad, Mpst (BEIS); Watson, Craig (Advanced Manufacturing and Services); Aldred, Tom - UKGI; Miles, Annabelle (Communications & Partnerships); Vandini, Cecilia (Advanced Manufacturing and Services); Clarke, Stephen - UKGI; Fox, Joshua - UKGI; Lambert, Lucie - UKGI  
**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

Thank you all - Will, are you happy with the change below?

Kind Regards,  
Hibaq

Hibaq Said  
APS to Minister for Small Business, Consumers and Corporate Responsibility

**GRO**

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**From:** Watson, Richard - UKGI **GRO**  
**Sent:** Saturday, March 16, 2019 3:04 pm  
**To:** Lambert, Gavin (Advanced Manufacturing and Services); Cooper, Tom - UKGI; Tolhurst, Mpst (BEIS)  
**Cc:** Holloway, William (BEIS); Clark, Mpst (BEIS); Willmer, Jacob (BEIS); Clark Spad, Mpst (BEIS); Watson, Craig (Advanced Manufacturing and Services); Aldred, Tom - UKGI; Miles, Annabelle (Communications &

Partnerships); Vandini, Cecilia (Advanced Manufacturing and Services); Clarke, Stephen - UKGI; Fox, Joshua - UKGI; Lambert, Lucie - UKGI

**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

Fine legally

Richard

Sent from my BlackBerry — the most secure mobile device

**From:** Gavin.Lambert **GRO**

**Sent:** 16 March 2019 2:50 pm

**To:** Tom.Cooper **GRO** MPST.Tolhurst **GRO**

**Cc:** William.Holloway **GRO** Richard.Watson **GRO** mpst.clark **GRO**

Jacob.Willmer **GRO** mpst.clarkspad **GRO** Craig.Watson **GRO** Tom.Aldred **GRO**

Annabelle.Miles **GRO** Cecilia.Vandini **GRO** Stephen.Clarke **GRO**

Joshua.Fox **GRO** Lucie.Lambert **GRO**

**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

Thanks Tom

Hibaq – to note amend below to correct a factual point as per Tom's email.

Richard – can I double check this is Ok with this from a legal perspective? If so, then Hibaq can you please go back to Kelly.

Dear Colleague,

Postmasters are the backbone of the Post Office, and their branches are the backbone of communities across the country. That's why we committed to safeguarding the post office network and protecting existing rural services. The overall number of post offices across the UK remains at its most stable in decades with over 11,500 branches thanks to significant Government investment of over £2 billion.

The Post Office and I are fully supportive of this legal case being brought. This first judgment, which deals with the contractual relationship between the Post Office and postmasters, **represents a significant step towards delivering justice.**

The judge has been highly critical of the Post Office's handling of the case and finds the Post Office's conduct in its dealings with the lead claimant postmasters have been heavy-handed, some of its operations insufficiently transparent, and its procedures and processes lacking in consistency and

professionalism.

The judgement is complex and lengthy and the Post Office will need time to consider in detail, however having spoken today with the Chairman of POL, I am assured they have acknowledged the criticism, are taking it very seriously, and will be taking appropriate action where necessary.

Legal proceedings in this case are currently scheduled to continue until at least March 2020. Whilst this remains a matter for the court and it is not appropriate for Government to comment further. However, I will be remaining in close contact with the Post Office over the coming weeks and months as they deliver on their commitments to improve.

I understand that this issue will be of interest and concern to Members of the House and, as this process progresses, I will update Members further.

Gavin Lambert

GRO

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**From:** "Cooper, Tom - UKGI" GRO

**Date:** Saturday, 16 March 2019 at 14:34

**To:** "Tolhurst, Mpst (BEIS)" GRO

**Cc:** "Holloway, William (BEIS)" GRO "Watson, Richard - UKGI" GRO "Lambert, Gavin (Advanced Manufacturing and Services)" GRO "Clark, Mpst (BEIS)" GRO "Willmer, Jacob (BEIS)" GRO Jeremy Lumb GRO "Watson, Craig (Advanced Manufacturing and Services)" GRO "Aldred, Tom - UKGI" GRO "Miles, Annabelle (Communications & Partnerships)" GRO "Vandini, Cecilia (Advanced Manufacturing and Services)" GRO "Clarke, Stephen - UKGI" GRO "Fox, Joshua - UKGI" GRO "Lambert, Lucie - UKGI" GRO

**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

This isn't correct:

"represents a significant step forward, delivering justice for those postmasters who have been wronged."



It would be accurate to say "...significant step towards delivering justice..."

I'm out of action for the rest of the day.

Gavin - would you be able to share with POL? Expect resistance from their lawyers.

Tom

Sent from my iPhone

On 16 Mar 2019, at 14:20, Tolhurst, Mpst (BEIS) **GRO** wrote:

Hi All,

Please see a modified version from Kelly below, she would like to see a redraft and is aware that Will had further comments.

Grateful if you could review and provide an updated draft.

Thank you.

Kind Regards,  
Hibaq

Dear Colleague,

Postmasters are the backbone of the Post Office, and their branches are the backbone of communities across the country. That's why we committed to safeguarding the post office network and protecting existing rural services. The overall number of post offices across the UK remains at its most stable in decades with over 11,500 branches thanks to significant Government investment of over £2 billion.

The Post Office and I are fully supportive of this legal case being brought. This first judgment, which deals with the contractual relationship between the Post Office and postmasters, represents a significant step forward, delivering justice for those postmasters who have been wronged.

The judge has been highly critical of the Post Office's handling of the case and finds the Post Office's conduct in its dealings with the lead claimant postmasters have been heavy-handed, some of its operations insufficiently transparent, and its procedures and processes lacking in consistency and professionalism.

The judgement is complex and lengthy and the Post Office will need time to consider in detail, however having spoken today with the Chairman of POL, I am assured they have acknowledged the criticism, are taking it very seriously, and will be taking appropriate action where necessary.

Legal proceedings in this case are currently scheduled to continue until at least March 2020. Whilst this remains a matter for the court and it is not appropriate for Government to comment further. However, I will be remaining in close contact with the Post Office over the coming weeks and months as they deliver on their commitments to improve.

I understand that this issue will be of interest and concern to Members of the House and, as this process progresses, I will update Members further.

Hibaq Said

APS to Minister for Small Business, Consumers and Corporate Responsibility

GRO

<image005.png>

**From:** Holloway, William (BEIS);

GRO

**Sent:** Saturday, March 16, 2019 1:58 pm

**To:** Watson, Richard - UKGI; Cooper, Tom - UKGI

**Cc:** Lambert, Gavin (Advanced Manufacturing and Services); Clark, Mpst (BEIS); Tolhurst, Mpst (BEIS); Willmer, Jacob (BEIS); Clark Spad, Mpst (BEIS); Watson, Craig (Advanced Manufacturing and Services); Aldred, Tom - UKGI; Miles, Annabelle (Communications & Partnerships); Vandini, Cecilia (Advanced Manufacturing and Services); Clarke, Stephen - UKGI; Fox, Joshua - UKGI; Lambert, Lucie - UKGI

**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

Ok, can we go with this instead (reinserted in the same place)?

Our objective is that those people who were wronged to get the justice they deserve.

Thanks,

Will

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<image005.png>

**From:** Watson, Richard - UKGI [GRO]

**Sent:** Saturday, March 16, 2019 1:53 PM

**To:** Cooper, Tom - UKGI; Holloway, William (BEIS)

**Cc:** Lambert, Gavin (Advanced Manufacturing and Services); Clark, Mpst (BEIS); Tolhurst, Mpst (BEIS); Willmer, Jacob (BEIS); Clark Spad, Mpst (BEIS); Watson, Craig (Advanced Manufacturing and Services); Aldred, Tom - UKGI; Miles, Annabelle (Communications & Partnerships); Vandini, Cecilia (Advanced Manufacturing and Services); Clarke, Stephen - UKGI; Fox, Joshua - UKGI; Lambert, Lucie - UKGI

**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

Just discussed with Tom and think it might be better to stick with the wording agreed before Will's suggested change. I understand the issue of PM's getting justice for valid claims was important to SoS

Richard

Sent from my BlackBerry — the most secure mobile device

**From:** Tom.Cooper [GRO]

**Sent:** 16 March 2019 1:39 pm

**To:** William.Holloway [GRO]

**Cc:** Gavin.Lambert [GRO]; Richard.Watson [GRO]; mpst.clark [GRO]

MPST.Tolhurst [GRO]; Jacob.Willmer [GRO]; mpst.clarkspad [GRO]

Craig.Watson [GRO]; Tom.Aldred [GRO]; Annabelle.Miles [GRO]

Cecilia.Vandini [GRO]; Stephen.Clarke [GRO]; Joshua.Fox [GRO]

Lucie.Lambert [GRO]

**Subject:** Re: POL discussion with SoS and Kelly Tolhurst

Sorry. I actually think the opposite. As drafted it looks more like we agree with the judgement than before.

What we've now also lost is the SOS's wish to communicate that we want postmasters who have been done wrong to get justice.

Tom

Sent from my iPhone

> On 16 Mar 2019, at 13:12, Holloway, William (BEIS) [GRO] wrote:

>

> The Post Office are I are fully supportive of this legal case. Our objective is that justice is obtained for those claimants with valid claims.

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