

Post Office Group Litigation
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DRAFT Mitigation Actions

This mitigation paper should be read alongside the Risk Assessment Table that explains the risks associated with the issues to be decided by the Court at the trial in November 2018.

This paper groups those risks under 4 headings:

A. Recovery of losses

Legal Privilege

D. Business transformation

It sets out the mitigation actions that could be undertaken by reference to four categories of change:

- Contractual
- Horizon
- Operational
- Communications

A. Recovery of losses

Risk: Post Office is unable to recover shortfalls in branches unless it can prove a Subpostmaster is at fault.

Risk Assessment Issues: 1, 12, 13, 17 18 and 19

TYPE OF CHANGE	PROPOSED CHANGE	ADVANTAGES	DISADVANTAGES / CHALLENGES	RECOMMENDATION: ACTION NOW?
<h1>Legal Privilege</h1>				

Legal Privilege

Horizon	Blind cash declaration required so to reduce risk of false accounting.	Greater visibility of losses in branches for Post Office, thereby reducing build-up of large losses that need to be recovered.	Cost of Horizon system change and associated training for branches and support functions.	Yes. Recommendation is that this proposed change is scoped further to determine system and operational feasibility and associated costs.
Operational	<p>Introduce as best practice a Horice based investigation approach as per Sparrow/ Support Services Resolution Team(SSRT) ie. end to end from issue/discrepancy being flagged/identified to findings of investigation being produced and shared with spmr/branch.</p> <p>Full root cause analysis done by SSRT when a branch flags a discrepancy.</p>	<p>This type of investigation approach will piece together what has or rather what has not happened in branch in a timely manner with a high degree of accuracy so Post Office can establish whether there has been a shortfall and, in many cases, its likely root cause.</p> <p>By sharing the investigation findings with spmr/branch, Post Office can reach a final position more quickly resulting in increased recovery of losses from spmrs by showing that they are at fault</p>	<p>Increase in SSRT headcount to do the investigations determined by the volume of investigations required.</p> <p>Branches could become reliant on POL establishing whether there was a shortfall or not and as a consequence no in-branch checks and investigation is done by the branch as it is today.</p> <p>In light of success in Court, spmr refuses to accept findings.</p>	Yes. Approach recommended as best practice with implementation subject to cost v benefit analysis. Recommendation is that this approach is scoped, costed and implemented asap.

Legal Privilege

Legal Privilege

Operational	Set up independent ombudsman review process over disputes about losses.	Brings disputes to a conclusion. Avoids further spmrs joining litigation.	No guarantee that an Ombudsman would agree with Post Office on the root cause of a loss. Outcome still dependent on Judge's findings on reliability of Horizon and legal responsibility for losses.	No. Recommendation is to wait for the judgement.
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Legal Privilege

Communications	Communicate to branches that Post Office is appealing any adverse Court decision and that the decision should not be followed until the appeal is heard.	Spmrs may continue to pay shortfalls.	Negative media coverage if Post Office is seen to be ignoring a Court decision.	No. Dependent on judgement.
Communications	Communicate (in conjunction with the NFSP) that if spmrs do not pay losses the network is not viable so they should keep paying losses.	Spmrs may continue to pay shortfalls.	Negative media coverage.	No. Dependent on judgement.

Privileged

Legal Privilege

Legal Privilege

Privilege

Legal Privilege

D. Business transformation

Risk: Post Office's rights to vary its contracts and operational practices are curtailed. Its exercise of contractual powers are fettered.

Risk Assessment Issues: 6, 7, 8, 9,10, 15 and 24

TYPE OF CHANGE	PROPOSED CHANGE	ADVANTAGES	DISADVANTAGES / CHALLENGES	RECOMMENDATION: ACTION NOW?
<h1>Legal Privilege</h1>				
Horizon	None			
Operational	More detailed explanations and justifications will be required for any contractual and operational change.	Greater assurance that Post Office is acting within its powers. Reduces chance of changes being disputed	Increased cost of change. Delay in implementing changes.	No. Recommendation is to wait for the judgement.
Operational	Increased and/or earlier	Enhanced level of buy-in	Increased cost of change.	No. Recommendation is to

	involvement of NFSP in contractual and operational changes.	from spmrs to changes due to greater involvement from NFSP.	Delay in implementing changes.	wait for the judgement.
Communication	Increase communication around the benefits of changes to the network.	Reduces chance of changes being disputed.	Cost of increased communications.	No. Recommendation is to wait for the judgement.

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