

RESTRICTED - COMMERCIAL

ANNEX A

Points to make

- I was pleased to hear that the Post Office formally accepted the Horizon automation system on 24 September although I understand that this was delayed by one month.
- I cannot overemphasise to you the importance we attach to achieving on target roll-out of the system to all post offices within the network.
- I am aware that significant effort was expended in achieving the revised contract. Successful roll-out of the automated system is crucial if the Post Office is to extend its arrangements with the banks to allow benefit recipients and other bank customers to access their accounts at post offices by the time the migration to paying benefits through automated credit transfer (ACT) begins in 2003.

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Background

Formal acceptance of the reconfigured Horizon system planned for 18 August was postponed because of Post Office Counters' concerns about training, system stability, data integrity (there had been an unacceptably high level of screen freezes) and the effective operation of the help desk. The Post Office accepted the system on 24 September on the basis that effective remedial action had either been completed or was in hand.

Currently 950 post offices are automated and the Post Office expect that this will rise to 1,800 before Christmas. The Post Office is committed to achieving roll-out of the system by March 2001 at the rate of 300 offices per week.
