

Meeting between MPs and the Post Office Ltd re Subpostmasters and Horizon

Attending

MPs

James Arbuthnot MP
Andrew Bridgen MP
Annette Brooke MP
Oliver Letwin MP
Tessa Munt MP
Mike Wood MP

Representatives from offices of:

Jonathan Djanogly MP
Edward Garnier MP
Graham Stuart MP

Attending from Post Office Ltd.

Alice Perkins – Chairman
Paula Vennells – Chief Executive
Angela Van-Den-Bogerd – Head of Network Services
Alwen Lyons – Company Secretary

Introduction

James Arbuthnot introduced the meeting, which was limited to MPs and the Post Office personnel only.

The issue of problems reported with the Horizon system has given rise to controversy dating back a number of years. Many MPs' constituents have been prosecuted for false accounting, theft, and fraud, many protesting their innocence.

A meeting was convened in February at the House of Commons, attended by MPs and their constituents at which this matter was discussed. Following this meeting, James had several private meetings with Ms Perkins and her colleagues to discuss how the issue might best be approached, and resolved.

Alice Perkins then gave background information and the Post Office's perspective and introduced her colleagues.

Post Office Limited is now a completely separate entity from the Royal Mail. She arrived at the organisation in August 2011 and became aware of the issue soon after starting. She emphasised that the matter was a very serious one for the Post Office, whose business rests on its reputation as being trustworthy. She said the Post office also recognised full well that the matter was also very serious for the SubPostmasters and mistresses involved as it was invariably life-changing.

She said that now was a time of enormous change at the Post Office, and that it was important to give MPs confidence in the business and its reputation.

She stated that the matter involved treading a tightrope regarding questions of money. The Post Office and its staff are stewards of large quantities of cash – the cash does not belong to the Post Office; it is in transit as it comes through the Post Office. There is the issue of trying not to put temptation in people's way, but in any retail business this is not possible.

Paula Vennells continued. She said that temptation is an issue, but that trust in the Post Office as a brand is absolutely paramount. The Post Office needs competent, trustworthy people on staff, and its processes and systems must be transparent and must work well.

Of the 11,800 SubPostmasters and mistresses currently employed, only a tiny number are presenting as cases where there is an issue of alleged fraud involving the Horizon system. The problem therefore is relatively very small.

The Horizon system is very secure. Every keystroke used by anyone using the system is recorded and auditable. When things go wrong in a SubPost Office, there is a helpline which staff can call 7 days per week during office hours, and back-up staff who will help further if things go wrong. It is here that issues are normally resolved.

It appears that some SubPostmasters have been borrowing money from the Post Office account / till in the same way they might do in a retail business, but this is not how the Post Office works. Post Office cash is public money, and the Post office must recover it if any goes missing.

Every case taken to prosecution that involves the Horizon system thus far has found in favour of the Post Office.

Angela Van-Den-Bogerd then talked through two case studies (attached).

Annette Brooke raised the issue of training, saying that at the previous meeting, a constituent had said that not enough training was offered to support new staff.

James Arbuthnot said that it had been mentioned that the helpline was of little value, that training had been minimal, and that potential SubPost Masters had reported that they had had to commit to buying the business before they got to see their own contract.

Paula Vennells replied: over the past 18 months the business has changed the way it assesses whether potential employees are capable of running a Sub Post office. With regard to the helpline, the majority of people find it good.

Angela van-Den-Bogerd made the point that the helpline and support are there. Whether staff take it up or not is another matter.

Mike Wood asked whether anyone at the Post Office had entertained the thought that there might well be problems with the Horizon system, rather than believing that there was not. He asked whether the Post Office was saying that the system was 100% secure, and 100% foolproof, making the point that it would be the first software system implemented by government to be so, were this the case.

Andrew Bridgen asked whether there had been any case where the discrepancy was the fault of the system.

Oliver Letwin then proposed that in answer to these questions, the proposed solution to the entire issue might be discussed, especially as Annette Brooke had to leave the meeting.

The **proposal** was presented – the Post Office would undertake to hire an independent forensic accountant, who would investigate every individual case, meet with MPs to discuss each case, and ascertain what had happened (see Terms of Reference, attached).

Mike Wood – who selects the forensic accountant?

Andrew Bridgen – the Post Office oughtn't to pay for this post, as this would detract from its independence. He who pays the piper calls the tune.

James Arbuthnot said it must be the Post Office who pays for this solution. Who else would?

Oliver Letwin made the point that the PO genuinely wants an answer to the entire problem; that it is in the PO's interests to get to this.

Paula Vennells said that going back to Andrew Bridgen's question, there had not been a case investigated where the Horizon system had been found to be at fault.

Mike Wood made the point that Post office personnel attending the meeting were very confident in the system, and surely there was someone in the PO who was more circumspect about it.

Alice Perkins said that initially she herself was very sceptical, but that had seen that in each case that had arisen, there was always another explanation than a systems explanation.

Mike Wood said again, had it never been found that the system was at fault?

Alice Perkins said it was her understanding that this was the case.

Tessa Munt talked about the case concerning one of her constituents.

Oliver Letwin mentioned the delicacy of each matter – it was impossible to publicise the Post Office's evidence locally, since given our presumption of innocence it would be wrong to announce to a village that one of the most trusted people in the community might be a crook.

James Arbuthnot concluded – the terms of reference would be circulated, the investigations begun shortly and concluded by the end of the year.

The meeting continued briefly outside the room; draft press release agreed, and all relevant documents would be circulated.