

File - Acceptance

13 SEP 1999 - 1135

Electronic *memo*

To

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cc
Hard Copy To

Hard Copy cc

From

Keith Hardie GRO

Date

10/09/99 17:05

Subject

HORIZON ACCEPTANCE UPDATE

As you know, we have been going through the acceptance process for Horizon, while ICL work on some technical issues that emerged during the trial. I am pleased to say progress has been made on these issues and as a result we have now been able to agree to installing the equipment in a further 336 offices from 20th September, on top of the 150 offices we had already agreed to. This will bring the total number of offices in the trial to some 810, and I will update you on further news as it is available. Please feel free to communicate this information to your teams if they want an update on the latest position.

I also wanted you to be aware of an issue that may be raised in relation to our commercial negotiations with the Benefits Agency.

We have yet not reached a commercial agreement with the Benefits Agency and there are related issues around the nature of the service we will offer them. As a result, we decided to ask additional offices into which the Horizon equipment was installed not to operate the OBCS service for the time being. Staff and agents in the offices are being asked to scan in the books on receipt at the office (i.e. before they are given to the customer) to prevent the need for this to happen later on, but not when customers present the books for payment. The Benefit Agency recognise this position.

If asked for a public line about the reasons for this, the following 'corridor briefing' is designed to help you answer questions about the issue:

- We have a issues to resolve around the OBCS service
- After discussions with the Benefits Agency we decided not to offer this service in the 150 offices we have been installing the Horizon equipment into during September, or the additional offices we are installing the equipment into from the 20th September
- We hope these issues will be resolved quickly and we will then be able to resume offering the full OBCS service in all Horizon offices.
- In the meantime customers will not suffer any disruption to the payment of benefit, Post Office Counters will continue to be paid for cashing order books, and subpostmasters will continue to be paid for each transaction they carry out.
- IF ASKED ABOUT WHAT THE ISSUES ARE: We are going through a difficult phase in the Horizon discussions. As a result it wouldn't be appropriate for us to discuss the details of the issues publicly, but we are hoping they will be resolved quickly and we will then be able to resume offering the service in all Horizon offices.

For obvious reasons we are not proactively communicating this information more widely at this stage, and the above corridor briefing should be used reactively only at this stage. Regional General Managers will note that I have included Heads of Retail Network for the additional offices coming into the trial in this e-mail, and clearly RNMs for these offices should also be made aware of our line in relation to the OBCS issue.

As the position on rolling out to further offices becomes clearer, we will be reviewing our approach to communication on this issue, but I would be grateful for any feedback you can provide on your thoughts on this, and on whether this issue is being raised within the network and in what context.

Keith Hardie

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