

In strictest confidence and legally privileged: created for the purpose of legal advice

PANORAMA – BRIEFING FOR ANGELA VAN DEN BOGERD RE INTERNAL FILM

Background: Film for use through internal channels throughout the business to deliver key messages and facts about allegations likely to be made in BBC Panorama programme. It will be alongside and supplemented by the full internal communications plan currently in development. You will have seen from Mark's plan that the film is intended for use as part of a CEO email to the business on June 29 (when Panorama is currently due to broadcast).

Although an internal film, it will of course be 'in public domain' so available to external audiences.

The end product will be 3-5 minutes of 'hard-hitting' Q and A session between you and Kim Fletcher from Brunswick. Whilst we will focus on some key rebuttals regarding content of Panorama, this messaging should address likely concerns or questions from network perspective so that people feel confident re Post Office position, reassured regarding the system and, importantly, that they are being kept well informed so can respond to customers/ staff as appropriate. We will include some 'signposting' to other communication materials, briefings and statements, available. As discussed earlier in the week, we will appreciate your guidance about the messaging for the network on this subject.

Panorama: You have seen the latest email from them, sent on Friday, with more details about their content:

- Theme appears to be allegation of potential miscarriages of justice through inappropriate conduct by Post Office, especially regarding alleged 'pressure' on postmasters to plead guilty to false accounting.
- Focussing on three criminal cases (Jo Hamilton, Noel Thomas, Seema Misra), aspects of which they are likely to use to attempt to 'illustrate' wider allegations and which will, of course, supply significant 'human interest'. The key aspect of this will likely be allegations to try to create perception that people were prosecuted for 'getting in a muddle' and for the recovery of money.
- They are likely to refer heavily to Second Sight's reports throughout (as 'evidence')
- They are likely to have contributors who will continue to 'cast doubts' about Horizon through 'technical opinions'/ supposed 'revelations' about aspects of the system etc. Highly likely to include at least one 'stunt' in the programme and

could well be on the subject of alleged 'remote access' but indications are there will also be selectively 'leaked' material that will be used out of context.

- They are likely to include allegations that Post Office has not run the mediation scheme fairly and has hampered it to avoid risking payment of compensation

Main concerns from internal audiences (for discussion with you)

- Damage to brand (and investments re postmasters)
- Confidence in Horizon system (perhaps particularly for new postmasters)
- Effect on customers and questioning from customers
- Concern that Post Office is not doing enough to 'fight back' against media/ to end the issue

General Key points

- **This is about people who believe we treated them unfairly and who blame Horizon for losses at their branches. The numbers are very small, but every complaint is important to us and to them.**
- **A small proportion involve criminal convictions and allegations that these were wrong.**
- **We have never spoken about these cases publicly and we never will. We assured these people that we would not do so, that they could come forward in confidence.**
- **The fact that a few people involved have continued to speak to the media does not and will not change that commitment. It does, however, mean that the stories are 'one-sided' and that material used is selective.**
- **The complaints put forward can only be resolved through mediation or face to face meetings or, in some cases, through the legal process because that is where all the available evidence and information for the particular case is looked at.**
- **We are continuing to do what we believe to be right and fair in every case - which is also right and fair for everyone who works for the Post Office. We continue to be put under pressure in the media to, essentially, ignore the evidence we have that supports our conclusions about these cases and we cannot, of course, do this.**

Key messages

THIS IS ABOUT MISSING MONEY, WHICH WE HAVE A DUTY TO PROTECT

- Trust in the Post Office is vital for our branches to be successful
- We have a duty to protect the money in our branches. If cash goes missing and this is covered up we must investigate and act on this
- We don't prosecute people for making mistakes – we never have and we never will. Prosecutions are very rare and only ever in the light of **all** the available evidence and circumstances

WE DO NOT CONTROL THE LEGAL PROCESS

- If we do prosecute, this is done with numerous checks and balances – ultimately scrutinised by defence lawyers and the courts themselves
- We do not bring charges or prosecute without evidence and we do not pressure anybody regarding their plea to a charge. The decision to plead guilty or not guilty is always one for the defendant only, having taken advice from their own lawyers.
- Criminal cases are kept under continual review – that is our absolute duty. In none of our own investigations, nor through that of the independent accountants, has any evidence emerged to suggest that a conviction is unsafe. Such matters cannot be assessed in the media, on partial – and often inaccurate – information and nor should it be in any circumstances.

THERE IS NOTHING WRONG WITH THE COMPUTER SYSTEM

- We have never said Horizon is perfect or infallible. It's a computer system so of course things can go wrong. But this is about facts, not theories and there is not a single example of Horizon causing losses in any of the cases we've examined exhaustively during the past few years.
- I've gone through these cases, every single one and I have looked at **all** the facts. That means all the facts, not just Horizon records.

- What we have found – and what the independent accountants reviewing the cases found – is that the majority of losses were down to human error. And some were, regrettably, down to dishonesty. We cannot get away from that.

WE DID NOT GET EVERYTHING RIGHT

- Horizon has worked as it should but there were people who came forward who we have found, when we looked into their cases, we could have given more support to and we have of course acknowledged that and discussed it with those people
- I'm pleased that we are managing to reach agreement with some of those people through mediation
- We set up the investigations and the mediation scheme to do just this – to resolve cases, get to the bottom of each complaint and to try achieve a rightful outcome, but this can only be based on the evidence that shows us what actually happened
- We've learned a lot and I've continued to work with postmasters to make the support we give people as good as it can be

Addressing main allegations we believe will be made by Panorama

Post Office prosecutions

Post Office has a financial interest in prosecuting postmasters because it helps with the recovery of missing money

This is about serious criminal offences – not money recovery

It is our duty to take action if cash is missing from a branch and sometimes that includes prosecution, whether money has been repaid or not

We've got no special powers – we have the same rights as any other organisation to bring a prosecution

There are numerous checks and balances throughout – and we don't control the legal and courts process

Unfairly pursued theft charges to pressure people into paying up

That is not true. We do not bring charges without evidence

We conduct these serious matters with numerous checks and balances throughout

Complainants were told by investigators they were the only ones having problems with the Horizon system

We had 150 cases come forward – about events from different periods over more than a decade

Every case is different in facts and circumstances

There's no evidence in any case that Horizon caused the issues that are being claimed or that suggests convictions might be unsafe

Horizon System

The complexity of the Horizon system adds to likelihood of errors

Thousands of people are running well-managed branches

We have continued to improve training and support and to make it as straightforward as we can

I've investigated these cases in detail and the claims being made in some of the media simply do not reflect an accurate picture or a picture of the Post Office that I and the many, many postmasters that I work with can recognise

Bugs were more widespread than Second Sight have found; prosecutions relied on belief that Horizon was robust but there were computer errors

This all comes down to what we have actually found – again, it's about facts and not theories

The system is robust – 150 cases from nearly 500,000 Horizon users since its introduction demonstrates that. There is, in fact, no real disagreement about this between us and anyone else

There are of course sometimes problems and errors, as there are in any system – we have always said this

What there is not is any evidence whatsoever, after three years of exhaustive investigations, that flaws in Horizon caused the problems being claimed

Details about Horizon have been discussed in detail in cases in the courts – there is no evidence in any case that it has not worked as it should to record branch transactions correctly

Second Sight investigation and Select Committee

Second Sight claim that their work has been hampered by increasing lack of co-operation – and that is the result of legal advice

We've spent 3 years on this, providing Second Sight with thousands of pages of documents and, in fact, going to extraordinary lengths to provide answers to questions

I can't imagine any other company going to the lengths we have

The fact is that we now know, after investigations that could not have been more rigorous, what actually happened in these cases – most losses were caused by human errors and Second Sight agree with this

Second Sight's claim that the Post Office failed to provide full access to legal and prosecution files

We did what we said we would do and what was agreed with Second Sight we would do – so we do not understand the claim

We have provided all the documents that would have been provided to the defence

The only thing we haven't provided is legally privileged information, in the same way that defendants do not have to provide their privileged information to us – privileged documents, usually legal advice, are not even seen by the courts

This was agreed by the scheme's working group – chaired by a former Court of Appeal judge. Second Sight was part of that working group

The Criminal Cases Review Commission, an independent body, is now reviewing some of the criminal cases and they are entitled to see everything, including privileged information – we are of course co-operating in that review as you would expect

Failure of Post Office to provide Second Sight with Bracknell emails

Actually I'm really frustrated by this.

This all goes back to an allegation we've given a huge amount of information about - that a Horizon test environment in a basement in Bracknell could have been used to change branch accounts.

The test environment could not and was not used in this way. There was no covert operational team changing branch accounts or any other sort of malicious tampering. The test equipment was not even connected to the live system. We have provided a witness statement about that and more for this investigation.

We've also provided emails for the key time concerned. The investigations have gone on for three years – we are not prepared to continue forever producing more and more information about theories that are, actually, not possible when we already have substantial facts and evidence about what actually took place in a particular case.

Second Sight's evidence that remote access to branch data is possible in spite of Post Office denials

This is about facts, not theories. There's been a lot of inaccurate things said in the media about 'remote access' but there's not a single example in these cases of Horizon causing losses, whether through remote tampering or anything else

The most important points sometimes get lost in the technical explanations: once a transaction is recorded by the branch it cannot be changed remotely; everything that happens leaves a 'footprint' so there is an audit trail that shows every keystroke, every transaction, everything that has happened. We've looked at all of that.

Of course we have transaction corrections and acknowledgements and the other tools needed to make sure that branches can stay in balance – but these must be accepted by the branch and they do not make changes to the original transactions themselves, they are recorded separately

The system is independently audited, monitored and managed and meets or exceeds industry accreditations

The cases – Jo Hamilton, Noel Thomas, Seema Misra

We will never speak in public about the cases – we gave a commitment of confidentiality and we will not break it

But I must underline that we do not prosecute people for making mistakes – prosecutions are rare and there are numerous checks and balances including sufficient evidence and public interest

But we have investigated all of the cases thoroughly and there is no evidence, none at all, in any of the cases, that Horizon caused the issues that have been claimed

In criminal cases there have been no appeals against convictions

Some people have referred their cases to the Criminal Cases Review Commission, an independent body, for review – we are of course co-operating with that review