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www.gov.uk/bis
Our ref: 2014/29123/JB
Your ref:

28 January 2015

Dear Alan,

Thank you for your letter of 22 December, about the mediation scheme which was established in connection with the Post Office's Horizon system.

The debate that we both attended, and that I spoke at, on the 17 December covered a range of difficult topics in relation to this matter. The Initial Case Review and Mediation Scheme was established to ensure the integrity of the Horizon system, following Second Sight's report of July 2013. That report set out that Second Sight had at that point found no evidence of system wide problems with the Horizon software and I am pleased to note that that fact has not changed despite the significant level of subsequent investigation. The system processes 6 million transactions every working day across a Post Office network in excess of 11,500 branches. Nearly 500,000 users have used Horizon since it was introduced in 2000, serving millions upon millions of customers.

I am grateful for you sharing your letter to Sir Anthony Hooper. As the Scheme is independent of Government, I am unaware of his response and it would be inappropriate of me to comment. However, as an independent former Court of Appeal Judge, who was proposed by the Justice for Subpostmasters Alliance (JFSA), I would hope that he addressed your concerns.

With regard to the number cases going to mediation, Sir Anthony's letter to me prior to the debate which I laid in Parliament shows that of the 24 cases that have been proposed for mediation, there have only been 2 where POL has declined to participate in mediation. Whilst Post Office did not want to mediate in some of the remaining cases, they have nevertheless agreed to participate. The majority of cases currently therefore do seem to have gone, or are going, to mediation regardless of Post Office's views.

With regard to your point about Post Office "taking control of the scheme" and withholding information, it would seem to me that Second Sight have spent more than two years investigating these cases.

I understand that Post Office has established a team of some 20 people specifically to investigate complaints to the Scheme, has investigated over 130 complaints, producing thousands of pages of investigation reports. I consider that Post Office have taken this matter very seriously indeed, and I am not minded to think that Post Office has withheld information and has not fully cooperated with Second Sight's investigation in to Horizon, given the significant resources and effort that has been deployed to date.

I said in the debate itself, in these situations "what I would normally propose doing is to get a team of forensic accountants to go through every scenario and to have the report looked at by someone independent, such as a former Court of Appeal judge". Given that that is what is happening, I think that the Scheme should therefore be allowed to run its course and I am glad that you say you will continue to participate in the scheme for the time being, and it would be inappropriate for me to intervene in what are essentially private disputes between each applicant and the Post Office.

Turning to your point about removing JFSA's access to the online central document depository, I understand that this was done in reaction to the public announcement by legal firm Edwin Coe that it was acting for JFSA. It would seem to me perfectly understandable for any organisation that could be facing legal action to reserve access to data until the position is clarified. I understand that once you made your intentions clear to the Post Office, access was quickly re-instated.

With regard to new members of the JFSA and the "safety net" which you refer to, clearly the priority is for the current scheme to make progress. In the meantime, subpostmasters who are having issues with Horizon can discuss their case with Post Office, and I understand that there are a number of instances where Post Office has resolved difficulties or complaints from subpostmasters without there being any need to question the integrity of the Horizon system.

As I said above, I am glad that you say you will continue to participate in the scheme. Regarding your request for a meeting, the Government feels strongly that it is paramount that both the scheme and the individual cases remain both independent and confidential, which is why the independent chair, Sir Anthony Hooper, was appointed to oversee the scheme. The Government is not in a position to influence the scheme, and as such, Sir Anthony would be best placed to address your concerns.

However, following my encouragement, I understand that Post Office has written to each MP that spoke during the debate to offer them the opportunity, with the relevant applicant's permission, to run through the facts of each confidential case. Whilst this would not be a substitution for mediation, this approach would offer a way to ensure that your members' respective cases are fully understood by Members of Parliament.

GRO

JO SWINSON MP

Jo Swinson MP
Minister for Employment Relations and Consumer Affairs