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GRO

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Rt Hon James Arbuthnot MP,
House of Commons,
London,
SW1A 0AA

17 March 2015

Dear James,

I am writing to you further to your question to the Prime Minister regarding the Post Office mediation scheme on Wednesday last week, and your subsequent letter.

I appreciate you raising your concerns about the mediation scheme in general, but particularly regarding your constituent Mrs Jo Hamilton, who I understand has a case in the scheme. I must first of all reiterate that the mediation scheme is independent of Government, and decisions relating to the scheme or its operation are matters for the parties involved and not for the Government.

As you are aware, Post Office announced on 10 March that they would put forward for mediation all cases remaining in the scheme except those that have been subject to a previous court ruling. Post Office will consider cases which have been the subject of court rulings carefully on a case by case basis. More information is contained in the announcement and detailed scheme report from Post Office, which is available on the Post Office's website.

These changes do not equate to Post Office closing the scheme. Cases which remain in the scheme will progress to mediation as set out above, and more swiftly than under the previous situation where cases would be discussed by the Working Group before proceeding to mediation. Given that all parties involved have expressed concern at the length of time which has been taken to review cases, and you yourself have expressed concern that Post Office was reluctant to mediate all cases as their default position, these changes are welcome in accelerating the process while ensuring that Post Office meet the commitments they have made to applicants.

As a result of Post Office's decision to mediate remaining cases, I understand that they have indeed given notice of termination of contract to Second Sight. However, Post Office remain committed to working with Second Sight through the remaining period of their contract, and have stated that they will seek to continue to make available to scheme applicants an independent review by Second Sight (where one has not already been provided), and provide funding accordingly. Furthermore, Post Office have also stated they will work with Second Sight to support the completion of their further thematic report in order that it is available to inform the ongoing mediation process.

Regarding documents and information, all parties involved in the mediation scheme are bound by confidentiality agreements and these include the requirement to appropriately store information and dispose of it when it is no longer needed (such as at the termination of a contract) or return it to the information owner. Post Office have confirmed repeatedly that they will not destroy documentation relating to the scheme, including information provided to (and returned by) Second Sight.

Regarding the case of your constituent Mrs Hamilton, I must again reiterate that details of individual cases in the scheme are confidential and the Government is not privy to the details of Mrs Hamilton's case. Post Office's detailed scheme report explains that it has made available all appropriate documentation from its prosecution files to Second Sight for their investigations and this information is also available to each applicant in the scheme as part of the re-investigation by Post Office into their case. Post Office has not and should not provide legally privileged material – it is standard practice that such information is not shared with anyone else, even the Courts.

The Working Group, consisting of Post Office, JFSA and Second Sight, has been in existence for some 18 months now, with an independent Chair in Sir Anthony Hooper, and has been fully involved in developing the mediation scheme, overseeing its operation and making decisions on whether particular cases should progress to mediation. Regarding its closure, given that it no longer has a role in determining whether cases are suitable to go to mediation or not, there is no need for its continued operation.

As I know you are aware, details of the Working Group and its business are confidential to members of the Working Group. The Government is not privy to information about this. I am aware from the evidence provided in public to the BIS Select Committee that Second Sight have been working on a further thematic report. It is important to add that this report was not intended to be published, on grounds of confidentiality, but would instead be available to applicants involved in mediation. The details of when the report would be completed and what it might contain were confidential to the Working Group. As I have said, Post Office have stated they will work with Second Sight to support the completion of this further report, so that it can be provided to applicants in the scheme and used to inform the ongoing mediation progress. The Government cannot compel its publication and nor would we do so given the confidential nature of details within it. Indeed, testimony at the BIS Select Committee hearing emphasised the very sensitive and personal nature of some of the issues that may or may not have caused the problems that applicants have raised through the scheme. Post Office have extended an offer to all Members of Parliament with a constituent in the scheme that they are happy to discuss the details of individual cases if the applicant gives permission, an offer which I hope many more MPs will accept.

To conclude, I note that, through Second Sight's report and the subsequent investigations, there is no evidence of system-wide problems with Horizon and that conclusion has stood firm through nearly two years of investigation. As such, the priority must be to ensure that those applicants remaining in the scheme can have their cases considered swiftly and fairly, and I am hopeful that all parties involved will continue to work constructively to ensure this can happen.

I am copying this letter to the Prime Minister, Deputy Prime Minister, and the Chair of the Business, Innovation and Skills Select Committee.

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VINCE CABLE

Secretary of State for Business, Innovation and Skills