The Rt Hon Vince Cable MP

Secretary of State for Business, Innovation and Skills

Rt Hon David Miliband MP House of Commons London SW1A 0AA Our ref: 304481 Your ref:SS14936K

August 2012

Thank you for your letter of 23 July enclosing a letter from your constituent, Mr Kevin Carter of Carters News & Post Office, Biddick Hall, South Shields, about Post Office Ltd's (POL) Horizon system.

I have noted Mr Carter's experiences and concerns as subpostmaster at Biddick Hall but should also note that POL remains fully confident about the robustness and integrity of its Horizon system and related accounting processes. Since 2000, many millions of branch reconciliations have been carried out with transactions and balances accurately recorded on Horizon by more than 25,000 different subpostmasters in total.

Nevertheless, in the light of discussions with James Arbuthnot MP and a number of other MPs with ex-subpostmaster constituents who had raised concerns about Horizon, POL recently agreed to an external independent review of a small number of individual cases that had been raised with them by several MPs.

The external review of specific individual cases will be undertaken by a firm of forensic accountants and the timescale and precise processes for identifying the cases for the review are in the process of being finalised. James Arbuthnot will arrange for the details to be circulated to interested MPs in due course.

I would therefore recommend that you contact James Arbuthnot to discuss Mr Carter's case and its possible inclusion in the cases to be reviewed by the forensic accountants.

VINCE CABLE