

Message

From: Hugh Flemington [IMCEAEX-

GRO

on behalf of
Hugh Flemington <IMCEAEX-

GRO

GRO

Sent: 7/1/2013 1:49:21 PM

To: Mark R Davies [GRO]; Alwen Lyons [GRO]; Martin Edwards

GRO

GRO

CC: Lesley J Sewell [GRO]; Jarnail A Singh [GRO]; Nina Arnott [GRO]

Subject: Re: Legally privileged and confidential

Is someone re-writing plse? I'm in the parents race right now.....

From: Mark R Davies

Sent: Monday, July 01, 2013 01:41 PM

To: Hugh Flemington; Alwen Lyons; Martin Edwards; Rodric Williams

Cc: Lesley J Sewell; Jarnail A Singh; Nina Arnott

Subject: RE: Legally privileged and confidential

My changes/suggestiions below

From: Hugh Flemington

Sent: 01 July 2013 13:16

To: Alwen Lyons; Martin Edwards; Rodric Williams

Cc: Mark R Davies; Lesley J Sewell; Jarnail A Singh

Subject: Legally privileged and confidential

DRAFT – it has gaps / square brackets in

High level points for the Board on the SS matter

- An interim report to MPs and the JFSA has been promised by SS – currently intended to be presented next Monday 8th July.
- Early indications are that this may say either
 - There are no systemic issues with the Horizon Computer system but
 - PO has alerted SS to 2 issues (which affected 64 and 14 branches respectively and x transactions over a x period)
 - there are potentially issues with certain of POL's business processes around attitude, support and training in relation to Horizon.
 -
- PO are meeting SS this afternoon
 - For an update on their investigation
 - To stress how key it is that what message they give is significant
 - to take issue with some of the recent interactions with subpostmasters and the JFSA in terms of the language they have used
 - to remind them that they have not as yet used all the evidence PO have provided them with to put themselves in a position where they can make a final decision themselves
 - to remind them that they should not rely on subpostmasters to make any decisions for them

- to remind them that JA is expecting an interim report next Monday in which they come to a final conclusion on at least 3 of the cases they have been considering.
- PV will be having a call with JA this Wednesday, with the possibility to escalate matters via a face to face meeting later in the week if necessary
- We need to see this issue in a wider context
 - We process over [X] 6 million transactions a day
 - Over 11,800 branches
 - And to date two anomalies have been identified which suggest a total of 78 transactions might have been affected in terms of the subpostmaster's balance. Moreover, the system picked these issues up
- On the 2 defects we have already found:
 - On the 64 the subpostmasters affected have already been contacted
 - On the 14, we are in the process of writing to the subpostmasters.
 - [Costcutter – Rod?]
 - [One of the two defects has already been discussed in a court case (Misra) – being confirmed]
- We are preparing a Factual Q & A which we would seek to agree with all key parties (SS, JFSA, MPs, Fujitsu).
- We are seeing what company (possibly E&Y) we could appoint to carry out a review of our business processes to improve them (and to message this to JA on Wednesday).
- [Update on the 4 MP cases?]
- A final report is currently expected in October 2013.
 - This was intended to provide closure on the 4 “best” cases against PO.
 - [There are also another 29 MP cases which need to be addressed (and will be addressed by the report)]

Hugh Flemington I Head of Legal

