

## Message

**From:** Simon Baker [IMCEAEX-  
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D2E0-4DEC-94EA-591DFA651F2E@C72A47.ingest.local]  
**Sent:** 20/05/2013 18:58:06  
**To:** Alwen Lyons; [REDACTED] GRO  
**Subject:** FW: Letter from James re Alan Bates' letter

Alwen

Nothing surprising here, but for completeness, below is Alan Bates' response to Ron's email to JA.

Simon

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**From:** Ron Warmington [REDACTED] GRO  
**Sent:** 17 May 2013 12:04  
**To:** Simon Baker  
**Subject:** FW: Letter from James re Alan Bates' letter

As promised..

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**From:** Alan Bates [REDACTED] GRO  
**Sent:** Sunday, May 12, 2013 7:14 PM  
**To:** 'Ron Warmington'  
**Cc:** kay; [REDACTED] GRO  
**Subject:** RE: Letter from James re Alan Bates' letter

Hello Ron, thanks for sending through your views on my letter to James Arbuthnot. It is definitely your interpretation, although in places it does agree with my sentiments about some of the issues. Unfortunately that does not occur in many places. I really don't want to go through your notes line by line as they are your views, but I can give you an example.

#### System Errors vs. Systemic Failures.

I think there may be, at times, confusion by others over the referencing of these two points. At its most basic, **system errors** would to me be something like an extra loop in the software code causing the false result of a transaction, but as you rightly say, that would affect every one of the 11,500 offices. Then at the other end of the scale it might be something far more complex resulting from a network communication failure and an incomplete recovery of a transaction at a particular office, and as you know POL admits to 11,862 such failures just between June 2011 and May 2012. But with these types of system faults, I have every faith in Ian being able to track them down, that is, if he can obtain the raw data he requires in a usable form and without months of wait between a request and a response.

Don't forget access to data was a very real concern to JFSA when we were discussing engaging with the investigation. We were given assurances that you, 2<sup>nd</sup> Sight, were going to be given access to raw data for the past 7 years without any hindrance, yet from discussions we have had it seems more like getting blood out of a stone.

Now **systemic failures** on the other hand are different, and in my letter to James Arbuthnot, where I first use the phrase, I have qualified its' context.

This occurs in the first sentence of paragraph 2, where I say "the weight that it adds to the *systemic failures with Post Office and their Horizon system*". It is these systemic failures with Post Office and their Horizon system that are the proven facts. Not all, but certainly a good 10 or 12 so far. These I know we discussed in the past and there is no point in me listing them all here but I will address one for illustration.

**Failure of POL to investigate cases but to go straight to prosecution.**

As you well know, at POL there has been a total abuse of their powers and the courts to deal with cases rather than properly investigate and document them. POL prefers to use a clause in a contract rather than evidence when they should be working with SMPRs instead of terrorizing them and trying to “keep them in their place” with regular articles such as “Busted, Bang to rights”, (an example attached) in POL’s own subpostmaster “subspace” magazine. This is not just a historic problem, it is still continuing today, and DOES affect the 11,500 offices. The example below turned up just a few days ago and is one of many that I have received over the years:-

*“I have only just read about the Post office finally admitting there may be problems with the Horizon system and called for current users experiencing problems to come forward without fear of reprisals, but with the Post office already prosecuting a large number of post masters causing bankruptcy the loss of their businesses, prison etc without a second thought, will anyone else come forward risking exactly the same treatment, as all the prosecuted post masters could not explain the losses how would any other post master be able to explain the losses, I for one cannot afford to trust the post office I would lose my business and be sent to prison for the same problems the prosecuted post masters had, as I have not got the money to pay back or could possibly raise it and could not explain the losses. This has been going on for 3 years and I am too afraid of losing everything I have worked for. My shop is just ticking over in this recession and I am managing to survive, the risk is too great with no confidence in the integrity of the post office and I suspect there very many more like me.”*

POL should be creating an environment to help and assist people like this to come forward to sort out their problems, not terrify them like they do presently. I don’t think POL realise just how widespread their problems are, but until POL are prepared to accept they have systemic failures like this, SPMRs will keep their heads down and their fingers crossed. What POL, at the highest levels, imagines is happening and what reality is like at the ground-floor, seems at times to be planets apart, but I would imagine the message gets ‘distorted’ as it passes up the chain. It must be similar to Royal visits, wherever they go, everything smells of fresh paint.

I could write pages on the ins and out of just this one particular systemic failure with Post Office and their Horizon system, but from discussions we have had, I know you could too. I am not trying to be clever over this, but having had many years of experience, some first-hand, I would like to think I have a reasonable overview of the full extent and implications of the problems. POL has left a trail of destruction behind it since Horizon was introduced. The ineffectual Federation lapdog of POL should be ashamed of the way they not only failed their membership but unreservedly supported POL throughout all of this, but that’s for another day. SPMRs are people and many have suffered abuse by a government organization out of control, and undoubtedly it will be found that there have been numerous miscarriages of justice, with families and livelihoods wrecked due to the way POL have acted. So when there is talk of rough justice for POL, it really cuts no ice with JFSA members who would see such a comment as little more than an insult after the way they have been treated.

Personally, I am prepared to accept that at the highest levels of POL there is now a willingness to try to move away from the direction their predecessors took. Yet with systemic failures, such as the one I have outline above, already proven, there is a way POL could start moving forward if they were so inclined to do so. That is, if these types of details are actually being relayed to those in charge.

We eventually agreed with the investigation of individual cases at the start of the Inquiry, in fact it was the reason the MPs were so supportive in bringing it into existence. Yet as the Inquiry has progressed, I think I would be right in saying that you too noticed significant commonality with certain aspects, such as the one above. What I have been trying to get over in the last month or so, is that points of commonality, i.e. the systemic failures of Post Office with their Horizon

system, should now become the central focus of the Inquiry, as it would be so much easier to measure each of the cases against these systemic failures. Yes, many of the individual cases still need to be examined for system faults, and that seems to take an inordinate amount of time for a host of reasons. Yet there is no reason, other than a decision not to, why the cases could not be measured against the systemic failures, and that could happen anytime there was a willingness to do so.

Ron, I don't believe there are any fundamental differences between the way Ian, Kay, you and I think about all of this. However, I do believe that the investigations you have undertaken so far have exposed a better route that should be followed. Bearing in mind, cost/time limitations, the problems of obtaining speedy and comprehensive responses from POL to cases and data requests, this shift in the direction of the Inquiry would offer a quick and sensible alternative to bypass the logjam.

Alan

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**From:** Ron Warmington [GRO]  
**Sent:** 11 May 2013 19:14  
**To:** 'Alan Bates'; kay [GRO]  
**Subject:** FW: Letter from James re Alan Bates' letter

I should have sent you the email that Janet has responded. to.

Ron.

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**From:** WALKER, Janet [GRO]  
**Sent:** Friday, May 10, 2013 10:17 AM  
**To:** Ron Warmington; 'Ian Henderson'  
**Subject:** RE: Letter from James re Alan Bates' letter

Hugely helpful, Ron,

Thank you so much for this. James is about to disappear on Defence Committee business for a week or so, and will digest this carefully on his return. He'll get back to you, and also draft a letter to Alan, at that stage.

This is really appreciated.

Kind regards  
Janet

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**From:** Ron Warmington [GRO]  
**Sent:** 10 May 2013 10:09  
**To:** WALKER, Janet; 'Ian Henderson'  
**Subject:** RE: Letter from James re Alan Bates' letter

Hello Janet:

Here are our thoughts on Alan's 1st April letter to James:

First of all, we want to reassure James as to the strong and respectful relationship that has evolved between Ian and Ron in 2nd Sight, and Alan and Kay representing the JFSA. There has been regular, even extensive, dialogue here. Ron calls Alan and Kay routinely once a week to give a full update, and has been in frequent contact during the writing of the 'Spot Reviews' that are the principal building blocks of this investigation.

As James will have realised, Alan is primarily concerned with what he refers to as the "systemic" issues that have surfaced. He has made it clear to us and to James and others that he regards those main issues as already proven beyond doubt. In our view they are not. We do also have a slight disagreement with Alan here over that word "systemic". It can be, and usually is, taken to mean relating to the entirety of a system. That meaning would give readers the impression that those "systemic issues" were being routinely encountered right across the network of 11,500 branches. That is not what we are seeing here. If the term is used, as Alan, we believe is here using it, to denote issues that derive from not only the Horizon SOFTWARE but also from POL's surrounding OPERATIONAL PROCEDURES... but are encountered in quite rare instances, where a set of very specific factors have come into play, then the term is almost acceptable.

Alan is understandably expressing frustration that those "systemic issues" (that we have been calling "themes") have not been slammed down hard on the table and released to the world. That said, Alan is a clever chap and in his heart realises, and has accepted during calls that Ron has had with him, that it's not as simple as that. Ron has explained (and Alan has of course verbally accepted) that POL has to be given the opportunity to refute the assertions made in those Spot Reviews. Ron has explained that natural justice and professionalism demand that. But Alan expresses the feelings of many: Why should POL be afforded such generous treatment when they have (in his judgement) consistently failed to extend the same courtesy to the accused SPMRs? He seems to be seriously worried that POL is either pursuing a time-wasting strategy or is so bureaucratic and defensive that the detailed assertions will never be answered. He suspects that, if every one of the 49 cases has to be completely reviewed and every Spot Review answered by POL before the Final Report can be issued, POL will play the *"this has gone way beyond what we agreed to suffer - and to spend"* card before the investigation can be properly completed. Those feelings (and we are not mind-reading here, we are relaying feelings that Alan - and Kay - have clearly expressed to us) lie behind the words in Alan's letter to James.

So... we have been at pains to ensure that Alan - and Kay - understand (even if they perhaps don't really accept) 2nd Sight's position: that we do not yet have "conclusions" (*"they too have independently arrived at the same conclusions through their analysis of the cases"*). We have consistently said (and Ron said this during the March 25th meeting at Portcullis House) that we have relayed (and are relaying) a series of assertions to POL. It is true that we would not relay assertions that have no basis in fact; or where no evidence is available to support them. Our job has been to extract, reduce, simplify and articulate those issues. In essence, our work has



been directed at distilling, from the masses of paper and verbal input, the vital few points that are really relevant. That has been going rather well. What has been going VERY slowly (and this has frustrated everybody) is the validation of the Spot Reviews (with Fujitsu-sourced data) and getting responses from POL. Sadly, whereas the Spot Reviews have been produced iteratively with constant input from the affected SPMR and (often) Alan and Kay, POL is not reacting to the supplied Spot Reviews in that same (iterative) manner. Rather, POL seems set on a time-consuming and insular process of preparing a complete defence (to each Spot Review) and delivering those to 2nd Sight. As yet, we have no finalised Spot Reviews because we have no responses from POL.

Coming to Alan's point made in his third paragraph: (*"we can neither understand why 2nd Sight were so reluctant to bring systemic failures to the fore at the meeting, nor see why the focus of the investigation has not now been centred on them."*), we had explained to Alan and Kay, prior to the meeting - indeed on several occasions - that this would happen and that there were two reasons for that. The first was that we simply HAD to avoid any exaggeration; any unfounded/unproven assertions; and any 'journalistic' comments. To have done that would have been to breach generally-accepted rules of investigative professionalism. Our second reason was to avoid the negative repercussions of premature media coverage that would most likely have followed had we 'shot from the hip' in the meeting. Though Alan (and Kay) both expressed their agreement with our sentiment, they clearly felt that we had, in this instance, leant too far the other way. Alan also seems, in that third paragraph, to have dismissed the MP-sourced cases. He has told us that, in his view, the revelation of those "systemic" issues is far more important than the individual cases (see *"Yet the work involved would be minor in comparison with labouring through the individual cases first"*). But Alan; the JFSA; and the JFSA's members are not the only stakeholders here and 2nd Sight has been working towards completing a review of every one of the 49 cases (the 29 MP-sourced ones and the 20 JFSA-referred ones). There are two barriers in the path of achieving that: Cost and Elapsed Time. Alan wants results sooner, rather than later, of course... and who could blame him?... and POL wants to limit its costs. We also can't expect him to be satisfied with the jettisoning of some of those "systemic" issues - and certainly not if the driver here is cost containment for POL.

Alan's sixth paragraph (at the top of the second page of his letter) is not in the least contentious to us in 2nd Sight. As we have progressed through the individual cases, we have come across more and more examples of the same old issues, interspersed of course with new ones and one-off matters. In recognition of this, we have grouped the issues raised in the Spot Reviews under the common thematic ("systemic" as Alan calls them) headings. The Final Report will expand on those thematic issues, with the anonymised Spot Reviews in the Report's Appendix. Since POL has also agreed to that approach, we all seem to be singing from the same Hymn Sheet. Alan's approach would be to have us write the Final Report now, using the Spot Reviews as supporting evidence. That would be rough justice for POL since the company would have less opportunity to refute the allegations.

In Alan's seventh paragraph, he is showing us his frustration in what he sees as a continuation of some of (all of?) the issues. He sees POL carrying on as though nothing has happened, wrecking people's lives and refusing to acknowledge any failings at all... and therefore not even starting to correct any of them.

Alan concludes by suggesting some sort of early reparation. It is not for us to comment on that.

In summary, though it may not look like it, Alan and Kay... and Ian and Ron... are really not far apart in their thinking. It is just frustrating that the investigation has turned out to be so much larger, and more time-consuming, than most of the stakeholders anticipated.

We do hope this is helpful.

Ron Warmington and Ian Henderson

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**From:** WALKER, Janet **GRO**  
**Sent:** Thursday, May 09, 2013 3:43 PM  
**To:** Ian Henderson; 'Ron Warmington'  
**Subject:** Letter from James re Alan Bates' letter  
**Importance:** High

Dear Ian and Ron,

James wonders when you might offer him some comments to this? He would like something as soon as possible, as he needs to take some actions depending on your response.

Many thanks,  
Janet

Janet Walker  
Office of the Rt Hon James Arbuthnot  
MP for North East Hampshire  
House of Commons  
London SW1A 0AA

**GRO**

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