

Strictly confidential

MEETING WITH MPS - MEDIATION SCHEME AND BRANCH IMPROVEMENT PROGRAMME

Present:

MPs: James Arbuthnot, Andrew Bridgen, Simon Burns, Mike Wood, Mary Glendon

Researchers for Oliver Letwin, David Willetts, Mark Lazarowicz, Jonathan Djanogly, Priti Patel, John Woodcock and John Howell.

Post Office: Paula Vennells, Chris Aujard, Angela van den Bogerd and Mark Davies

Second Sight: Ron Warmington

JFSA: Alan Bates, Kay Linnell

Other: Janet (JA office)

Overview

This was a difficult meeting which was well handled by the Post Office. Questioning from Mike Wood in particular was aggressive. However given the low attendance by MPs (five, one of whom did not contribute) and some signs from Andrew Bridgen of a more tolerant approach, we should regard it as successful albeit in challenging circumstances.

Substantive points which require follow up in the short term focus on the Second Sight contribution. Reference to the forthcoming thematic report being sent to MPs in some way were unhelpful and should be challenged, while we should consider challenging the "job one" reference and framing.

Mike Wood's reference to Hansard underlines the potential for the issue to return to the floor of the House of Commons and while there is every prospect we could avoid a further MP meeting until July, we cannot rule out the issue being raised in Parliament in advance of that, albeit any request for parliamentary time is likely to be countered by the ongoing nature of the mediation scheme.

In the short term the Second Sight reference to the thematic report and it somehow being shared with MPs is a concern and we are prepared for the potential leaking of the report.

Detailed summary of the meeting

PV opened the meeting with a brief overview and handed to AVDB and then CA. Mike Wood attempted to interrupt, suggesting that the core issue was that systemic issues with Horizon were at the heart of problems SPMRs had faced.

JA stepped in usefully to say that MPs must wait until the outcome of the mediation scheme before making judgements. Mike Wood (MW) countered that individual mediation would not bring out systemic issues.

Andrew Bridgen (AB) asked whether improved training had impacted on the number of shortfalls being experienced by SPMRs: PV responded by saying that the improved training included early identification of any problems in branch.

AVDB and CA then set out the branch improvement programme and the mediation scheme.

MW pushed on compensation - asking if any had been paid to any subpostmaster. CA made clear we would not comment on individual cases but that there would be a report back from Post Office at the end of the scheme.

JA made the point that this report at the end of the process was essential.

Ron Warmington (RW) then set out the way the scheme works in relation to the Second Sight role. Particular points to note were:

- RW commended the Post Office investigators
- he said Second Sight "do not sit on the fence" when summarising cases
- he hinted at tensions with Sir Tony Hooper in areas which SS did not see as relevant but Sir Tony did
- he said the "same issues" were being raised in a thematic sense in relation to Horizon but that there was "very little" that fell into the category of suggesting issues occurring right across the network (i.e. systemic)
- he said SS were dealing with "quite serious" issues relating to the lottery and ATMs with mistakes made at the counter which he asserted were different to mistakes made under the old manual system
- he said the SS thematic report will be "released" on March 26 (Wednesday) and that at that point the working group will consider it and "report back to this group" and went on: "whether this group will see a copy of that report or whether a separate report will be sent to MPs"
- he then set out the SS "job one" which he called "broad Horizon" and its perceived second job - "narrow Horizon"
- he said: "Second Sight is looking into the broad Horizon. On top of that is the support for the mediation working group which contributes to job one"
- he said SS would be "summarising that over the course of the next few months, working very well in search of the truth. The truth is out there somewhere"

Alan Bates then made a brief contribution in which he stated that he believed there were "real system failures in Horizon" and that they will come out in SS report. "We have got to let process run at the moment - we are just going along with the process".

Kay Linnell then clarified the role of the CDA.

JA then opened up for questions.

Simon Burns MP asked about the process where Post Office does not believe a case merits referral to the scheme. CA answered effectively, pointing out independence of the working group where decisions sit.

Andrew Bridgen MP asked if Post Office would accept more cases, above the 150. He wanted to know if we could deal with cases faster, and was concerned about how long the process would take. Would there be a new system for dispute resolution at the end of the process.

PV said that yes there would and that we will learn from this and set up an alternative dispute resolution function.

Alan Bates said he had three new cases and as the scheme is closed he is encouraging those in contact with him to write to their MPs. MW quoted Jo Swinson as saying new cases would be considered (NOTE: this is true but precedes the setting up of the scheme).

PV said Alan Bates should raise these cases direct with Post Office. JA suggested MPs should transfer the cases to him. PV said it would be preferable if they came direct to Post a office. Alan Bates said he wouldn't send them to Post Office as there was no forum to direct them to - he said he would raise the issue in the working group.

Mike Wood then asked how much money had been set aside in Post Office budget for compensation. PV said she did not want to address the compensation issue for the reasons set out by CA, but said compensation was not excluded. Until the cases go through the scheme, however, it would be inappropriate to discuss further.

JA pushed the point, but PV pushed back, supported by CA, on basis we should see where the mediation gets to.

JA stated that "we are going to have to come back to this - your willingness to come back is appreciated. But the essentialness of you coming back when able to say more is something we would all like to stress".

There was then a debate about the next meeting. JA floated July. Andrew Bridgen said that this would only work if there was something to report. Mike Wood pushed for something firm. JA concluded by saying we would "do our best to meet in July but it may not be possible".

At this point the meeting closed.