



UK Government  
Investments



Department for  
Business, Energy  
& Industrial Strategy

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**Official Sensitive and Subject to Legal Privilege  
Post Office Limited (POL): Start of 2<sup>nd</sup> “Horizon” Trial**

**Summary**

1. The second Post Office litigation trial begins on 11 March. The “Horizon Trial” will examine the historical integrity of POL’s *Horizon* Point of Sale system. Judgment on the first “Common Issues Trial” will be handed down after the second trial has begun (probably either Friday 15 or Monday 18 March – date still to be confirmed by the Court), and we will submit a summary from POL immediately after this.

**Timing**

2. Routine – this submission follows our previous update of 1 March (on the first trial judgment and with a draft UQ) and gives a high-level outline of the 2nd Trial. We will continue to provide legal updates from POL’s Legal Counsel under existing Disclosure Protocol arrangements and can arrange an oral briefing if desirable.

**Recommendations**

3. That you note the contents of this advice.

**Advice**

4. The Horizon Trial starts on 11 March to look at the historical integrity of Horizon. There are fifteen Horizon Issues to be examined at trial which can be summarised under four main categories:
  - (a) **Reliability of Horizon** – encompassing the extent to which Horizon was the root cause of shortfalls in postmaster branches.
  - (b) **Remote access** – determining the capability of POL and/or its provider (Fujitsu) to access, edit or delete transaction data recorded in branches.
  - (c) **Reconciliation and transaction corrections** – seeking to determine how Horizon compares its own transaction data against other data sources.
  - (d) **Information available to POL and postmasters** – to inform later trials when looking at how POL and postmasters dealt with shortfalls.
5. POL’s external Defence Lawyers have prepared a Horizon Issues Risk Assessment Table (Annex A) on the strength of the evidence for these fifteen Horizon Issues to help POL mitigate any associated risks. This includes a broad summary of the evidence submitted in advance by the two IT expert witnesses chosen by both



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parties. In a subsequent joint report the experts have agreed that Horizon is 'relatively robust', which POL view as a good baseline ahead of the trial as the judge cannot find as a matter of fact that Horizon is anything less than 'relatively robust'. This latest joint report evidence is not reflected in the risk assessment.

### Updates under the Disclosure Protocol

6. We will provide written legal updates from POL's Legal Counsel as the trial progresses under the existing Disclosure Protocol, which allows you proper oversight while protecting POL's Legally Privileged Information. If you wish, we can also ask POL's Legal Counsel to give you an additional oral briefing on both the second "Horizon Trial" and the judgment from the first "Common Issues" Trial.

### Communications and parliamentary considerations

7. As with the first trial, we expect some media and parliamentary interest in this, although mainly limited to specialist and trade media. POL's Horizon Trial Lines are at Annex B, reflecting a more assertive approach to communications due to confidence in the overall robustness of the Horizon system and a desire to reassure current and potential branch operators. The BEIS media team has not received media enquiries on the litigation but BEIS does receive parliamentary questions and correspondence. If approached our lines would focus on the fact that this is an ongoing trial and it is not appropriate for government to comment. The Draft UQ (Annex C) submitted last week includes a Q&A for the judgement.

### Next stages after the Horizon Trial

8. Both parties have 21 days to lodge any appeals after judgments are handed down in both the first and second trial. In addition, the parties will consider possible mediation after judgement in the first two trials is handed down. The Court has fixed a "Third Trial" to commence on 4 November. This trial will determine whether POL breached any legal obligations to specific individual test Claimants, and if so with what financial consequence. There will need to be a 4<sup>th</sup> trial in March 2020 to address issues relevant to a wider group of Claimants.

### **Contributors**

9. This advice does not have financial considerations.
10. UKGI's Legal Counsel has been consulted and agreed the content of this advice.
11. Communications considerations have been agreed with BEIS Comms.
12. BEIS Policy has been consulted and agreed the content of this advice.

### **Annexes**

Annex A – Horizon Issues Risk Assessment Table

Annex B – POL's Top Lines on Horizon Trial

Annex C – Draft Urgent Question Answer on Common Issues Trial Judgment