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Privileged and confidential

Paul Scully MP
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A handwritten signature in black ink, appearing to read "Paul Scully".

The purpose of this letter is to bring to your attention the risk of a potentially substantial exposure arising out of the announcement by the Criminal Cases Review Commission ("CCRC") that it would be referring the convictions of 39 Post Office applicants to the appeal courts¹ with another 22 cases under consideration.

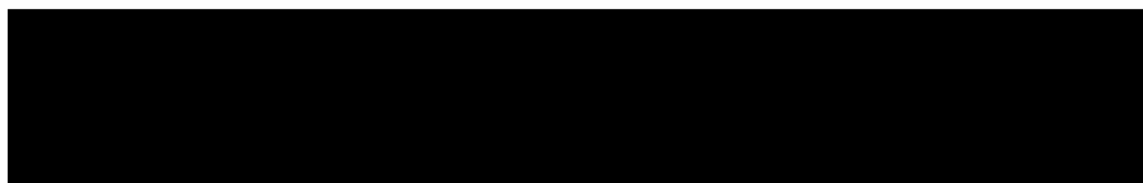
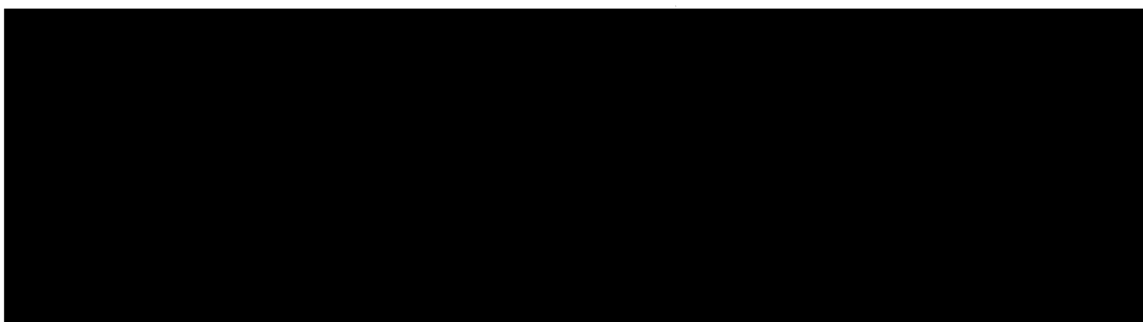
The basis for the referrals will be that each prosecution amounted to an "abuse of process... based on issues with the Post Office's Horizon computer system which may have had an impact on the cases referred". A wide range of cases will be referred including convictions for theft, false accounting and fraud, both after trial and following guilty pleas. We still await the CCRC's Statements of Reasons which will provide its full rationale for the referrals and formally commence the appeals process, but the CCRC has indicated that the same abuse of process argument, arising from the Common Issues and Horizon Issues judgments, will apply to each case.

Abuse of process is an exceptional remedy focussed on preventing unfairness. It requires a very high threshold of unfairness before a conviction is overturned; for example, it will not apply simply because the court thinks the prosecution was unwise. It is notable that the CCRC has not turned down any application – not even those where defendants admitted to stealing from Post Office for their personal benefit.

All the cases occurred between 2000-2013, following the introduction of Horizon, and were private prosecutions by Royal Mail Group (pre-separation in 2012) or Post Office. Post Office has not privately prosecuted any post-masters since 2015. Although the CCRC is presently reviewing only the 61 cases where it received a direct application from the defendant, Post Office has identified up to 959 cases privately prosecuted in which Horizon evidence was relied upon to secure a conviction. It is reasonable to assume that the CCRC's rationale would apply equally to many of these defendants.

¹ Thirty-five appeals from the Crown Court, which will be heard by the Court of Appeal; and four convictions from the Magistrates' Court, which will be heard in the Crown Court.

The Post Office Board, supported by Peters & Peters (criminal law specialists), Herbert Smith Freehills (civil and litigation specialists) and a number of highly regarded QCs, has taken a number of steps in order to comply with its legal duties and will continue to support the justice system (through the CCRC and appeal courts) to reconsider those historical convictions going to appeal. In addition to working closely with the CCRC to disclose all requested material in the 61 appeal cases, Post Office is currently conducting a post-conviction disclosure exercise to identify and disclose material capable of impacting on the safety of all historical convictions. This is an important exercise that complements the settlement of the Group Litigation to provide redress where there may have been a shortfall to demonstrate that the Post Office is taking every possible measure to help affected postmasters resolve historical convictions. This is a lengthy and complex exercise covering not just material specific to the 959 cases, but any material that might reveal historical policies, practices, approaches or decisions within Post Office that might amount to an abuse of process. This exercise will carry on in parallel to the proceedings in the Court of Appeal.



In the meantime, the Board is looking to manage the post-conviction disclosure exercise and the volume of potential appeals efficiently, by making post-conviction disclosure and engaging with the CCRC and Court of Appeal in relation to the referral process. The Board has and will continue to update its shareholder regularly on this issue.

Do let me know if you have any queries in the meantime.

Best wishes,

GRO