

## ADDENDUM TO Q&A

### 1. Mediation stats

- 150 applicants
  - 10 cases resolved prior to entry into the Scheme
  - 136 admitted into the Scheme
  - 4 rejected (ineligible)
- 41 cases have been recommended for mediation so far

### 2. Claims

- Don't share individual case amounts or averages.
- If pushed, use "in excess of £65m"
- The £65m figure is useful because:
  - Though we cannot share individual amounts being sought due to confidentiality reasons, we can share that there is a huge gap between the 'losses in branch' and the amounts being sought,
  - It evidences the opportunistic pursuit of money by applicants,
  - It is a further argument (I think TW first thought of this) to legitimise the amount of money we have spent on the scheme.

### 3. Suspense Accounts

- A suspense account is part of standard accounting practice. It is a place in the books of an organization in which items are entered temporarily before allocation to the correct or final account.
- If money not attributed after three years, it is taken to P&L
- We do not put anything into the suspense account until we have thoroughly investigated and ascertained it does not belong to a subpostmaster.
- The funds in a suspense account represent a tiny fraction of the transactions that take place in Post Office branch.
- SS have requested information about our suspense account. We have agreed a process for sharing information in a way relevant to individual cases, and manageable – given the complexity and volume of information.

### 4. Second Sight request for information.

- Second Sight say that several issues raised in their Part 2 report (August 2014) require further investigation
- SS have asked 109 questions as a result
- We have answered the overwhelming majority.

- We are still discussing 13.

## 5. Remote tampering

- Transaction data in branch accounts can't be changed remotely
- No evidence of malicious tampering
- No functionality in Horizon for PO or Fujitsu to edit, manipulate or remove transaction data once it has been recorded in a branch's accounts
- There is also no evidence at all of any malicious remote tampering

If pushed:

- Stress again that there is no remote access that enables branch transaction data to be edited, changed or manipulated
- As you would expect, support staff can review and monitor the system – part of standard service contract - but, as above, transaction data cannot be manipulated.
- As part of day to day, business as usual process, Post Office can post correcting transactions to a branch's account – these are Transaction Corrections and Transaction Acknowledgements, visible to the postmaster, which enable accounts to be brought into balance. These have to be accepted by a user logged into the branch Horizon terminal before they are recorded in the branch accounts, so they are fully visible to the branch.

If injection of new transaction in a branch's account is raised:

- There is functionality to add transactions – this is the Balancing Transaction Process and would only be used in the event of an error that cannot be corrected by a TA or TC.
- It is good industry practice to have this functionality but the use of the process is so rare it would only take place after a full discussion with the postmaster involved.
- These will be visible and also have a unique identifier in the audit trail. It *has only been used once since March 2010 ( Horizon Online go-live)*.
- The overall system access is tightly controlled via industry standard protocols and it is assured independently in annual audits for ISO 27001, Ernst and Young for IAS 3402 and as part of PCI audits. There are numerous tests and checks – including daily checks.