

Post Office Horizon Q&A – Strictly Confidential

8 July 2013 v2

1. Generic

You have accepted that your support processes could be improved. Do you think this means subpostmasters have been unfairly convicted?

We take forward very few prosecutions - approximately 50 a year and with a network of 11,800 post offices that means such cases are not commonplace

We cannot comment any individual cases but of course all cases were fully tested in court and no evidence found to suggest the Horizon system is at fault.

We have a duty to investigate where there is suspicion of wrong-doing. Subpostmasters are pillars of the community and must abide by high standards of probity in that role. The public would be surprised if we did not take action where public money may have been misappropriated.

Where cases have been prosecuted through the courts, there are avenues open to those who feel they have been wrongly convicted.

Are you saying you are going to review all these cases?

The review has raised some concerns regarding our training and support processes. Of course it is only right that a review should be undertaken of any cases where we feel the findings of this interim review might have any bearing.

Who will undertake the review of any cases where the review might have bearing?

This will be undertaken by an external law firm.

2. The Review

Why is it taking so long to conclude this review?

We commissioned this independent review to address the concerns that have been raised with us and we welcome its publication. We are committed to completing this review, but we will not be waiting until then to take action on some of the issues identified in this report -- indeed we have already taken significant steps in some areas.

All those who work in the post office network in communities across the country are the lifeblood of our business. We take our responsibilities to them very seriously.

I've heard there is evidence of faults with the system?

As the review stresses, the Horizon system has around 68,000 users and processes more than six million transactions every day. While we take every case very seriously, the total number of cases accepted by the external reviewers for this review was 47, less than 0.1 per cent of the total number of users of the Horizon system.

With a system of this scale, of course there may be exceptions whether this is as a result of a power cut or through operator error. We have systems in place to identify and rectify these as quickly as possible. (Check against findings in report)

Whenever reconciliation issues arise in the system, we contact branches to inform them that reconciliation is required, either by the Post Office or in branch.

I've heard that only a few cases are being reviewed what about the rest of the cases raised by MPs?

With the consent and approval of both the JFSA and individual SPMR's, the review was fast tracked to identify key issues that were relevant to the remit of the investigation.

We cannot comment on individual cases, and indeed the review rightly protects anonymity of those involved.

Is this a cover up by you and Fujitsu?

Absolutely not. We commissioned this independent review to address the concerns raised with us and we welcome its publication. We are committed to completing this review, but we will not be waiting until then to take action on some of the issues identified in this report -- indeed we have already taken significant steps in some areas.

All those who work in the post office network in communities across the country are the lifeblood of our business. We take our responsibilities to them very seriously and recognise that we can always improve the way we support them and their business.

Why have you destroyed documents relating to criminal investigations? What data retention and record keeping protocols do you have in place that would justify this?

In line with industry standards we operate a seven year document retention policy.

The report states that the Post Office was deliberately uncooperative during the review process. What do you say to this?

This is absolutely not the case we commissioned and have fully supported this review. We welcome the publishing of this interim report and are committed to concluding the review into any outstanding cases.

3. Horizon

Could there be further issues of this nature?

We welcome the conclusion of this interim report that there are no systemic issues with the Horizon system.

As the review stresses, the Horizon system has around 68,000 users and processes more than six million transactions every day. While we take every case very seriously, the total number of cases accepted by the external reviewer was 47, less than 0.1 per cent of the total number of users of the Horizon system.

However, as part of its ongoing engagement with relevant parties, the post office has committed to further improvements that will be made to the system and supporting processes.

What other faults were raised in the other cases?

We provided information on two anomalies involving a receipts/ payments mismatch and historic accounting entries. Both of these were found by the Post Office and voluntarily communicated to the independent review company.

Modifications have already been made to rectify these issues and all subpostmasters involved were informed of this. None of the subpostmasters involved have been prosecuted.

We welcome the conclusion of this interim report that there are no systemic issues with the Horizon system. This will give confidence to the 60,000 people who use Horizon regularly. This is a system which deals with six million transactions every day.

Could customers have lost money? How can FS customers (and others) have confidence that their money is safe?

There is no suggestion that customers' transactions have not been processed. The review was in relation to small number of cases which we agreed to review to ensure our subpostmasters can have confidence in our processing system.

Is it just too complex a system?

As the review stresses, the Horizon system has around 68,000 users and processes more than six million transactions every day. While we take every case very seriously, the total number of cases accepted by the external reviewer was 47, less than 0.1 per cent of the total number of users of the Horizon system.

However, as part of its ongoing engagement with relevant parties, the post office has committed to further improvements that will be made to the system and supporting processes.

How much did Horizon cost?

Need answer

How can you justify this amount of spend in a system which doesn't work?

We welcome the conclusion of this interim report that there are no systemic issues with the Horizon system. This will give confidence to the 60,000 people who use Horizon regularly. This is a system which deals with six million transactions every day.

4. Support and training

Banks and other financial institutions spend far longer training their people. Why don't you invest more in this?

The thousands of subpostmasters and their staff who work in the post office network in communities across the country are the lifeblood of our business. We take our responsibilities to them very seriously and recognise that we can always improve the way we support them and their business.

We are not waiting for the full review to take action on the issues that have been identified in this interim report -- indeed we have already taken significant steps in some areas.

We plan to review our support services for subpostmasters and their staff and are setting up a working group to conduct this review. We hope the JFSA will take part in this process.

What support structures do you have in place for subpostmasters when they have an issue?

Currently, the NFSP are the trade association for subpostmasters. They negotiate with post office on behalf of subpostmasters and provide representation at disciplinary meetings.

In response to the findings in the report, we are creating a new Business User Forum within our business to provide a way for subpostmasters and others to raise issues around business processes at the highest level. It will be chaired by a member of our Executive Committee and report to that committee.

We hope the JFSA will take part in this forum. We intend that its first role will be to work with the JFSA and others to bring the full review of outstanding cases where concerns have been raised to a conclusion.

We also plan to review our support services for subpostmasters and their staff and are setting up a working group to conduct this review. We hope the JFSA will take part in this process.

What training do you offer to subpostmasters?

Our training packages are regularly reviewed and changed to meet the needs of our people and business. Currently, subpostmasters receive a range of class room and on site training. Depending on the needs of the branch total training ranges from between 15 to 21 days.

The report states that your helpdesk support sometimes causes further or greater problems – how is this possible?

We take our responsibilities to subpostmasters very seriously and recognise and are continually reviewing and improving our processes to improve the way we support them and their business. This includes our helpline services.

We are not waiting for the full review to take action on the issues that have been identified in this interim report -- indeed we have already taken significant steps in some areas.

We plan to review our support services for subpostmasters and their staff and are setting up a working group to conduct this review. We hope the JFSA will take part in this process.

Why do you recruit people without checking if they have the aptitude to use your systems?

The thousands of subpostmasters and their staff who work in the post office network in communities across the country are the lifeblood of our business. We take our responsibilities to them very seriously and recognise that we can always improve the way we support them and their business.

We are not waiting for the full review to take action on the issues that have been identified in this interim report -- indeed we have already taken significant steps in some areas.

We plan to review our support services for subpostmasters and their staff and are setting up a working group to conduct this review. We hope the JFSA will take part in this process.

The report states that the Post Office does not provide any investigation support to subpostmasters except where criminality is suspected. Surely these problems could have been resolved earlier had you looked into them?

We have a clear process where discrepancies are identified and fully investigate all cases where any criminal activity is suspected. Where a decision to prosecute is made, the evidence is obviously tested in court in the usual way.

If concerns are raised by customers, subpostmasters or Post Office teams the Post Office Audit team will carry out an audit. If necessary this would lead to either further investigation or in cases where there is no suggestion of criminal activity support being provided to the branch to reconcile any issues (need to check).

In the isolated instances where we suspect there may be criminal activity a fuller investigation (including formal interviews) may then be implemented. As a last resort this may lead to us commencing a prosecution against someone.

The thousands of subpostmasters and their staff who work in the post office network are the lifeblood of our business and we take the small numbers of concerns raised with us very seriously. That is why we have commissioned this review and cooperated with it fully.

You seem to pass on all the risk to subpostmasters, and position any issues as being their fault. Why would anyone want to be a subpostmaster under these conditions?

The thousands of subpostmasters and their staff who work in the post office network in communities across the country are the lifeblood of our business. We take our responsibilities to them very seriously and recognise that we can always improve the way we support them and their business. Our over 11,500 branches successfully process six million transactions each day. We recognise there are improvements to be made and any concerns must be addressed, however this review we must this into context the external review considered 47 cases presented representing less than 0.1 per cent of Horizon Users.

5. Actions

Why are you only admitting to defects now? Have you been hiding them?

We commissioned this independent review to address the concerns that have been raised with us and we welcome its publication. We look forward to the completion of the full review, but we will not be waiting until then to take action on some of the issues identified in this report -- indeed we have already taken significant steps in some areas.

The thousands of subpostmasters and their staff who work in the post office network in communities across the country are the lifeblood of our business. We take our responsibilities to them very seriously and recognise that we can always improve the way we support them and their business.

The affected sub-postmasters have been notified and reimbursed where appropriate; a comprehensive audit has been performed to check there weren't further cases we weren't aware of; and new procedures have been put in place to ensure such anomalies are spotted at an early stage in the future.

What are the next steps?

We are not waiting for the full review to take action on the issues that have been identified in this interim report and indeed we have already taken significant steps in some areas.

We are creating a new Business User Forum within our business to provide a way for subpostmasters and others to raise issues around business processes at the highest level. It will be chaired by a member of our Executive Committee and report to that committee.

We hope the JFSA will take part in this forum. We intend that its first role will be to work with the JFSA and others to bring the full review of outstanding cases where concerns have been raised to a conclusion.

We also plan to review our support services for subpostmasters and their staff and are setting up a working group to conduct this review. We hope the JFSA will take part in this process.

Will you be paying compensation to subpostmasters?

The thousands of subpostmasters and their staff who work in the post office network in communities across the country are the lifeblood of our business. We take our responsibilities to them very seriously and recognise that we can always improve the way we support them and their business. It is for that reason, and to consider the issues which have been raised by some subpostmasters, that we commissioned this independent review.

We hope that the findings of this interim report and the action that we are taking in response will demonstrate our commitment to continually improving the way we support all those who work in our branch network.

What happens now to the other cases? Only 4 have been reviewed?

We are committed to completing the review.

Have you continued to prosecute people/ has there been an increase in cases filed by postmasters while this review is ongoing?

Any cases which were raised through this review have been placed on hold pending its outcome. This will remain the case until the review is concluded.

As with HMRC and other bodies which safeguard public money (Need to check accuracy of this), the Post Office has investigation and prosecuting authority in its own right.

We have a clear process where discrepancies are identified and fully investigate all cases where any criminal activity is suspected. Where a decision to prosecute is made, the evidence is obviously tested in court in the usual way.

How can people reopen their cases if they now feel we have not considered these defects?

As with HMRC and other bodies which safeguard public money (Need to check accuracy of this), the Post Office has investigation and prosecuting authorities in its own right.

We have a clear process where discrepancies are identified and fully investigate all cases where any criminal activity is suspected. Where a decision to prosecute is made, the evidence is obviously tested in court in the usual way.

The thousands of subpostmasters and their staff who work in the post office network are the lifeblood of our business and we take the small numbers of concerns raised with us very seriously. That is why we have commissioned this review and cooperated with it fully.

Ultimately, concerns about individual convictions will need to be resolved through the Court of Appeal in the usual way.

How long do these cases go back?

The cases which have been reviewed as part of this interim report go back to XXXX

Why are you able to run your own prosecutions? This can't be fair?

As with HMRC and other bodies which safeguard public money (Need to check accuracy of this), the Post Office has investigation and prosecuting authorities in its own right.

We have a clear process where discrepancies are identified and fully investigate all cases where any criminal activity is suspected. Where a decision to prosecute is made, the evidence is obviously tested in court in the usual way.

The thousands of subpostmasters and their staff who work in the post office network are the lifeblood of our business and we take the small numbers of concerns raised with us very seriously. That is why we have commissioned this review and cooperated with it fully.

Ultimately, concerns about individual convictions will need to be resolved through the court of appeal in the usual way.

Will you reconsider investigating and prosecuting cases yourself instead handing these functions to the police and Crown Prosecution Service?

We have absolute confidence in our investigative and prosecuting processes. As with HMRC and other bodies which safeguard public money (Need to check accuracy of this), the Post Office has investigation and prosecuting authority in its own right.

We have a clear process where discrepancies are identified and fully investigate all cases where any criminal activity is suspected. Where a decision to prosecute is made, the evidence is obviously tested in court in the usual way.

The thousands of sub postmasters and their staff who work in the post office network are the lifeblood of our business and we take the small numbers of concerns raised with us very seriously. That is why we have commissioned this review and cooperated with it fully.

Ultimately, concerns about individual convictions will need to be resolved through the court of appeal in the usual way.

What is the POL Investigation & Prosecution process?

If concerns are raised by customers, subpostmasters or Post Office teams the Post Office Audit team will carry out an audit. If necessary this would lead to either further investigation or in cases where there is no suggestion of criminal activity support being provided to the branch to reconcile any issues (need to check).

In the isolated instances where we suspect there may be criminal activity a fuller investigation (including formal interviews) may then be implemented. As a last resort this may lead to us commencing a prosecution against someone.

Why is POL allowed to run its own prosecution services ?

POL conducts private prosecutions. The right to bring these is in section 6(1) Prosecution of Offences Act, 1985. There are controls over our exercise of this right as the DPP has the power to take over any such prosecutions.

Have any SPM appealed against convictions?

We are not aware that there have been any appeals against convictions in the Court of Appeal over any Horizon system challenges.

Have any convictions been overturned?

We are not aware of any that relate to the Horizon system and we would be notified of convictions being overturned.

6. Chief Executive

Your current CE was Network Director prior to taking the role as CE. Are these failure in processes a result of her mismanagement?

No, we have always recognised our responsibilities to subpostmasters and take this very seriously. We can always improve the way we support them and their business. Over the years we have been continually reviewing our training and support processes to match the needs of our people and we will continue to do this. We are not waiting for the full review to take action on the issues that have been identified in this interim report

Every concern which has been raised is important to us, however we must put this into context in relation to the scale of a system which allows over 11,500 branches to successfully processes over 6 million transactions each day.