

POST OFFICE ACCOUNT**FAD : 153405 Cleveleys****GRO****Review of Expert Witness Report : Claim CR101947**

Report received 6th February from POL. Written by Jason Coyne from Best Practice Group plc. Law Society 2003 Accredited Expert Witness No. 229.

Background

POL have been in dispute with PM of this Outlet since mid 2000. Essentially, POL had made a claim against the PM for losses at the Outlet, against which she had counter-claimed that the problem was caused by the Horizon system and she was refusing to release the equipment as she believed an examination of it would vindicate her. A Court Order was made on 19th February 2003 that a computer expert examine the equipment.

POA's first involvement was a request made 8th August 2003 by POL that we provide a Witness Statement "about the Horizon equipment and what it contains (or doesn't) and give Mrs W a chance to object". POL wanted the Court to overturn the Court Order so that POL could recover the equipment.

On 20th August a fax was received from POL explaining the situation and requesting a Witness Statement to the effect that there was nothing on the equipment that would assist the PM in her claim and that it should be returned.

The following day I replied, by email, stating that I was unwilling to produce a Witness Statement at this stage but explaining what information existed on the equipment, what would happen if it was switched on and that we would not allow 3rd parties access. I also explained how we could help POL. I received no reply to this email.

On 6th February POA received a copy of the Expert's report with a request from POL for an early response. POL are concerned that the Expert's opinion (that the system was at fault) might set a precedent against future POL prosecutions.

I understand that there is a Case Management Conference on 25/02/04.

Basis Of Response

Before addressing individual points from the Expert's report there are two key areas of understanding to be established; the first is the function and objectives of the Horizon System Helpdesk (HSH), the second is the way that the Horizon system handles transactions should a reboot be required part way through a customer session.

Horizon System Helpdesk

The HSH represents the 1st line of support to Post Masters. It operates under strict Service Level Agreements covering aspects such as pick-up time, first time fix, and time to close. These measures are imposed by Post Office Ltd and are designed to ensure that PMs receive a quick response to their call and, to the extent possible over the 'phone, a timely return to normal business operations.

Depending on the nature of the call the HSH operator would work with the PM to solve the problem and return the Outlet to normal operation as soon as possible, in line with the prevailing SLAs. If this could not be achieved the call would be escalated up the support channel to 2nd, 3rd or 4th line depending on the severity of

problem. Again, the primary objective is to return the Outlet to normal operation as soon as possible and rebooting the Counter often meets that objective. This does not mean that the problem was closed at that point in time, as a detailed scrutiny of overall problem management in Post Office Account would reveal.

Transaction Handling on Reboot

The primary interface between the Post Office Clerk and the external customer is the Customer Session. Any transactions that are undertaken within a Session are stored on a Session Stack pending a Settlement transaction whereby goods and services provided by Post Office to the customer are paid for. Only after the Settlement has been confirmed and a receipt printed will the totality of transactions on the stack be transferred from the Session Stack to the TMS Journal and a record maintained of the Stock Unit movements. Once the Stock Unit is 'rolled over' (balanced) the various pending movements will be finalised and reflected in new Stock Unit balances.

It is at this point that any discrepancies and imbalances between Stock Units are identified and handled through reconciliation and Post Master manual intervention. In this context a discrepancy is in fact a balancing entry to ensure the Cash Accounts receipts and payments tables agree. A discrepancy could occur, for example, if the Post Master incorrectly declared his cash or stock to the system against which the system compares its own record.

If a Session is interrupted pre-Settlement, perhaps through a fault that requires a reboot, the Session – and consequently the Session Stack - is not maintained and has to be re-started once the system has been returned to the Post Master. The only exception to this is for Automated Payment (AP) transactions where a smart device may have already been charged before the payment was made. In this instance the system will, on reboot, prompt the Post Master to complete the AP transaction through to Settlement. All other transactions that may have been on the Session Stack will be lost.

Given that goods should not be transferred to the customer side of the Counter until Settlement has taken place there should be no opportunity for stock to be removed without a corresponding cash input.

The Expert's Opinion

Taking each opinion as it occurs in the report I would offer the following by means of explanation, confirmation or refutation.

'Reasonableness' of calls to HSH

The Expert was unable to make direct comparisons between similar Outlets due to the absence of records. While this was true of audit data formally available to POL, POA are able to review an unregulated archive of records of the other installed 6 Counter Outlets over a comparable period. The table below shows the output from that analysis :

FAD	PO Name	Install Date	Total Calls	A	F	H	I	K	M	N	O	S	T	X	Y	Z	%Non A&G	% Soft
005323	Headingly	06/10/99	74	20		5		7			3	27	4	6		2	73%	36%
005715	Dungannon	18/10/99	25	8		2				1	1	10		3			68%	40%
009116	Halstead	28/09/99	16	3		1				1	1	7	1	2			81%	44%

013613	Haverfordwest	04/11/99	48	7		8	4			2	2	22		3			85%	46%
153405	Cleveleys [1]	09/02/00	101	15	1	6		5	1	5	1	35	2	14	16		85%	35%
153405	Cleveleys [2]	09/02/00	85	15	1	6		5	1	5	1	35	2	14			82%	41%
176323	Armley	13/10/99	87	23		8	2	4			7	29	1	12			74%	33%
185611	Penarth	08/10/99	58	15		5		1			3	15	2	14			74%	26%
250704	Yorkgate	24/09/99	32	5				4			3	16	1	3			84%	50%
292323	Otley	07/10/99	34	10		1	2	5			1	11	2	2			71%	32%
333427	Darwen	21/10/99	55	13		8	6	2		1	5	13	3	3			76%	24%
345432	Wilmslow	25/10/99	29	4		2		6			4	7		6			86%	24%
431614	Colwyn Bay	05/11/99	89	19		2	7	3			2	38	5	13			79%	43%

Call Type	Legend
A	Advice and Guidance
F	Reference Data
H	Hardware
I	Implementation
K	Cash Account
M	Customer Complaint
N	Network
O	Operational
S	Software
T	Training
X	Other
Y	Rollout Helpdesk
Z	Security

[1] Cleveleys complete HSH call count including Rollout calls

[2] Cleveleys HSH call count without Rollout calls and the basis for comparison.

Analysis of the comparable Outlets shows that in terms of total calls made (3rd from highest out of 12), the %ge that were non Advice & Guidance (4th from highest) and the %ge that were Software based (5th from highest), Cleveleys numbers are broadly comparable with the group of Outlets.

To draw any firm conclusions as to ‘why?’ would require judgement over the capabilities of the staff in the first place, the correct operation of the equipment, effectiveness of the training programme and the extent to which the Cleveley’s staff resorted to the HSH at the first opportunity.

Statement by Ms Elaine Tagg

A total of 101 HSH calls were raised between 09/02/00 (install date) and 20/11/00 (termination date) of which 15 are classified as Advice and Guidance and 16 are to do with the Rollout itself. Based on the analysis, and without analysing each and every non A&G and RO call record it would be hard to dispute the opinion of the Expert on Ms Tagg’s statement.

Operator advice to ‘Reboot’

In this context the opinion of the Expert, that “this instruction treats the effect and not the cause” is correct.

However, it would be incorrect to assume that no further work is carried out by POA to address the various blue screen/system freeze/screen lock problems. Regular maintenance updates are made to address these problems within the normal Release programme.

Summary : Defective Equipment

The criticism that the technology installed at Cleveleys was 'clearly defective' is subjective and based on the raising of 70 HSH calls over a 10 month period. There is no attempt to substantiate the claim nor to draw any comparisons with external benchmarks.

Summary : Closing Calls

As already stated the HSH is targeted at returning Outlets to normal working as fast as possible and are not in a position to analyse system error messages displayed on screens. This is governed by Service Level Agreements instigated and monitored by Post Office Ltd. So while the Expert's statement is fact it does not take into account the objectives of the HSH or the manner in which it operates.

Summary : Worrying Discrepancies

It is difficult to comment on the statement made by the Expert in this part of the Summary although he is alluding to the fact that system errors may be responsible for this. I have explained why this cannot happen earlier in this report.

The argument has been put forward by a number of PMs in the past when challenged and prosecuted by POL for alleged fraudulent behaviour and each time it has fallen when confronted by transaction data that demonstrates that the system was operating normally during the disputed time period. Post Office Account actively supports the Post Office in investigating potential frauds and have supplied historical transaction data to POL Security Investigations in support of their investigations and prosecutions. Our understanding is that a claim of 'the system is responsible for the discrepancies' is usually the first line of defence by PMs under investigation. Again, to our knowledge, the data we have supplied to POL SI has never been successfully challenged, in court or out of it. From this we infer that the system has always operated correctly, including the period under question at Cleveleys.

Issues Around the Confiscated Equipment

We understand that the PM at Cleveleys has confiscated the Horizon equipment as she believes that its contents will vindicate her claim that the system was at fault. On 21st August 2003 I wrote to Jim Cruise and explained the following :

1. Transactions exist on the Counter for no more than 34 days after which they are automatically deleted by a Riposte routine (Riposte is the messaging software that passes information around the whole system and generates the transaction information). In the case of this particular system transactions MAY still exist, provided that the counter has not been powered up at any time since the last "active day".
2. If a Counter has been switched off for more than 35 consecutive days and then switched on Riposte will not start-up. This is a security device to deter a Counter being stolen and subsequently being attached back onto the network in order to conduct transactions illegally.
3. If Riposte were made to work after 35 days it would immediately check for transactions >34 days old and delete them.
4. Under no circumstances would we allow a 3rd party direct access to a counter. The filestore is encrypted and for a 3rd party to make sense of the data we would have to release to them details of the encryption key. This we would not do.

We also offered to assist in the case :

1. If this is to be pursued then the work would have to be undertaken by our technical specialists in Bracknell, possibly with the 3rd party in attendance as an observer. Said 3rd party would require to be security cleared before being allowed access ?
2. We could make no guarantees about recovering any data since there are a number of activities that we have had no cause to attempt before and therefore could not be certain of the outcome.

From the Celeverleys' PM's perspective the chances of her obtaining anything of use, even if it is recoverable, is remote. Unless the discrepancies occurred within 34 days of 20th November (when I believe the equipment was switched off), and assuming that information can be recovered, the transactions will show that the system was operating correctly.

Audit Data Recovery

Our note on 21st August 2003 also identified why we could not provide any contemporary transaction logs from the audit archive at that time :

1. We will have no record of any transaction data from Cleverleys dated before November 2000 in the central audit archive since this is automatically deleted 18 months from the date that it is written. So, if 30th November 2000 was the last active day for the Counter that data would have been deleted on or about 30th May 2002.
2. Similarly, there will be no Help Desk logs since these are also deleted after 18 months.

Conclusion

The report presented by the Expert is based on an analysis of HSH records and not a detailed understanding of how the Horizon system works, or even the prime objectives of the Horizon System Helpdesk. Consequently the opinions expressed in the report, while not always incorrect, do not present the whole story and are presented from a single perspective.

We have identified where we could not argue against an opinion or where the opinion is correct as a statement of fact but lacking in context. We have also identified where we disagree with the opinion expressed.

We have confirmed what information might or might not exist on the equipment being withheld by Mrs Wolstenholme and what we, Fujitsu Service Post Office Account, might be able to do to recover transaction information held on the equipment. We have identified the risks and constraints around that work.