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Priti Patel MP
House of Commons
LONDON
SW1A 0AA

20 July 2010

Dear Ms Patel

I have been asked to reply to you directly on the Parliamentary Question that you recently raised as follows;

'To ask the Secretary of State for business, Innovation and Skills what his most recent estimate is of the cost to postmasters and sub-postmasters of errors in the Horizon operating system; and if he will make a statement.'

The Horizon computerised accounting system operates in around 12,000 Post Office® branches and processes up to 750 transactions a second at peak times. The system and the processes around it offer a very high level of security and resilience and are designed to ensure that should part of the system or equipment fail that the integrity of the accounting records are maintained.

Over the years we have scrutinized many Horizon transaction records to establish where a discrepancy in the branch accounting may have occurred. This takes place prior to notifying subpostmasters that an error has been made at their branch, and asking them to make good the loss, as per the terms and conditions of the Subpostmaster contract for services. Any subpostmaster who is unhappy to accept a loss has the opportunity to provide evidence to support why they believe that they are not responsible for it.

We do take the concerns of individual subpostmasters extremely seriously and we do thoroughly investigate matters when they are raised with us but there has been no evidence found that shows that the Horizon system has caused accounting errors.

I am satisfied that there is no evidence to doubt the integrity of the Horizon system and that it is robust and fit for purpose.

I hope this information is helpful to you.

Yours sincerely

GRO

David Smith
Managing Director



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