

Fujitsu Services Report on Cleveleys Post Office Ref: IA/REP/047
Version: 0.3
Company in Confidence Date: 03/08/04

Document Title: Report on Cleveleys Post Office

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Abstract: This document describes the involvement of Fujitsu Services Post Office Account with Post Office Security Investigation in the matter of Cleveleys Post Office and the dispute between the Post Office and the Post Master.

Document Status: DRAFT

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0.0 Document Control

0.1 Document History

Version No.	Date	Reason for Issue	Associated CP/PinICL
0.1	29/03/04	Initial Draft	
0.2	01/04/04	Updated	
0.3	03/08/04	Updated following request for assistance from POL Counsel	

0.2 Review Details

Review Comments by :	
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(*) = Reviewers that returned comments

0.3 Associated Documents

Reference	Vers	Date	Title	Source

Unless a specific version is referred to above, reference should be made to the current approved versions of the documents.

0.4 Abbreviations/Definitions

Abbreviation	Definition
PO	Post Office Limited
POA	Post Office Account

0.5 Changes in this Version

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0.6 Changes Expected

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Comment from document reviewers

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1.0 Introduction

Post Office Account provides support to Post Office Security Investigations in their legal actions against Post Masters. Generally speaking this is in the form of audit data, witness statements and, if required, appearances in court.

Occasionally Post Office will request special assistance in matters that do not fit the standard service described above. The dispute at Cleveleys revolves around the Post Master being dismissed by PO in November 2000, ostensibly for 'unacceptable losses', her counter-claim for damages for unfair dismissal and her subsequent refusal to return Horizon equipment to Post Office as she felt that it's contents would somehow uphold her claims.

2.0 Scope

This report does not set out to address the case itself, merely what POA have provided as support and some of the issues identified in providing that assistance. It does make recommendations as to how future involvement by POA in these non-standard cases might be better managed.

At the time of writing this report attempts were being made by PO to reach an out of court settlement with the Post Master.

3.0 Management Summary

3.1 The Experts Report

The Expert, who was supposed to be jointly appointed, has taken a very one-sided view of life and has drawn conclusions that are based on a paper review of HSH call logs covering the period from initial rollout of the office to November 2000. In some cases his analysis of the call logs is incomplete and stops at the point where it supports his opinion.

In his original Report the Expert made a number of general assertions that are difficult to refute since there is no audit data available that would allow a point-by-point rejection of his assertions. This means that the argument would be reduced to assertion and counter assertion, probably in court and ultimately resulting in a lose-lose situation for POL and POA. He has also drawn conclusions about the Horizon System Helpdesk without considering fully the primary objective of the HSH, ie to get the outlet up and running as quickly as possible and minimise business interruption to the PM.

POA cannot prove, in the literal sense, that the system operated correctly during 2000 since we do not have transaction data that will demonstrate that fact. Equally, any proving that we could do, for example, by design walkthroughs with the Expert, would prove nothing since it would be a 2004 system baseline that was being considered, not one from 2000. We can infer that it was since we are not aware of any contemporary POL prosecutions failing due to the system not operating correctly.

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When confronted with a comparative analysis of HSH calls for all 6 counter outlets the Expert dismissed it and implied that we might have deliberately withheld the information from him in the first place. This was rejected strongly in our final response.

Some of the terminology used by the Expert is also not what POA would consider to be objective or supported by substantive evidence or benchmarks. An example of this is his statement that 'installed equipment was clearly defective', a statement presented in such a way as to reduce the debate to a 'no it wasn't, yes it was' level.

We have offered to host him at any of our locations so he can analyse HSH data direct, speak to the experts and walkthrough the problem management cycle for himself. He will not have seen this offer since it was contained in the email that accompanied our final response and this has not been passed on to the Expert pending the outcome of an out of Court settlement offer by POL to the PM. [DN 01/04/04; Confirmed with Jim Cruise that the recommended 3 months salary offer is now with POL for approval prior to being made to the PM]

3.2 POA Involvement

Arguably we were brought into this too late. Our first involvement was August 2003, some 6 months after the court appointed the Expert and some three years after the original dismissal of the PM. No doubt some of this delay is attributable to the workings of the Courts but even so POL might consider our earlier involvement, even if it's just as a 'heads up' to a situation that might become more active.

The problem of audit data deletion will not apply on future cases since we no longer delete TMS transaction data after 18 months although this change only affects data archived after 18th May 2002.

4.0 Chronology

Date	Detail
15/08/03	POA initial involvement following request by PO for Witness Statement declaring that there will be no transaction data on some Horizon equipment that the Post Master (PM) was refusing to return to PO since it would support her counter-claim for unfair dismissal. It was known at this time that a court order had been made for a computer expert to look at the losses at Cleveleys and whether they were caused by the Horizon equipment as was being claimed by the PM.
15/08/03	JH brought issue to attention of CLS and questioned legal position wrt 3 rd party having access to the equipment to conduct forensic examination.
20/08/03	PO (Jim Cruise) sent fax formally requesting witness statement and background information from their solicitors (dated 17/02/03) surrounding the appointment of a single Joint Expert be instructed on the issue of liability and causation.
21/08/03	A preliminary report (email) was despatched by JH to JC that identified that we did not have any audit data for Cleveleys for the period in question (02/00 to 11/00) and explaining the issues around trying to 'fire-up' a counter that has been dormant for >35 days (as was the case with this equipment). POA also stated that we would not be prepared to allow a 3 rd party direct access to the counter.
06/02/04	Nothing more was heard for almost 6 months until we received a letter from Post Office containing the Experts report. PO were concerned that the report claimed that the equipment installed at Cleveleys was defective and that the Horizon System Helpdesk (HSH) was more concerned with closing calls than resolving problems. PO feared that if the report went unchallenged it could set a precedent for other cases being progressed against PMs.

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12/02/04	JH/JC discussed situation and JC asked that we respond to Expert's report with anything that might help him change some or all of the opinions expressed in the report. In particular, any comparisons with other similar Outlets that would suggest that Cleveleys was nothing out of the ordinary would be very helpful. JC also confirmed that the equipment had still not been returned to PO and that it was not examined as part of the Expert's review.
12/02/04	JH realised that HSH call logs were still available for the period in question and obtained a call analysis for other 6 counter outlets. The analysis was not conclusive but it did indicate that Cleveleys could not be considered as out of the ordinary with regard to number of calls or the spread of call types.
	There followed a short period during which the Expert's Report was considered within POA.
20/02/04	CLS wrote to Keith Baines with our detailed response to the Expert's Report. The POA response challenged all of the Expert's conclusions and opinions and identified, through the HSH call analysis, that the call profiles for Cleveleys was consistent with other 6 counter outlets.
27/02/04	The Expert replied to our response, through the PO's solicitors, stating that he saw nothing in the POA response that would cause him to change his opinion. There was an implication in his reply that POA had been less than honest in the area of HSH call logs – we had previously stated that data was not available since it was deleted after 18 months. While this is true of audit data sourced from a regulated archive the unregulated Powerhelp files from which the analysis was sourced was available. JC advised POA by email that the Expert's Report was not acceptable to PO and that an application needs to be made to the court for Fujitsu to give evidence about the Horizon system and its working.
12/03/04	A final response to the Experts reply to our original response was prepared and despatched to JC.
19/03/04	JH/JC discussed the case. JC advised that PO were going to make an offer to the PM and were not forwarding our final response to the Expert pending the outcome of their offer.
06/04/04	JC provided email update on case wrt written-off losses and current thinking on how they are approaching case. This information passed to CLS for update.
07/06/04	Following two months of silence I rang POL for update to find that JC has taken early retirement and Mandy Talbot now handling the case for POL.
26/07/04	POL advised of changed nature of J. Wolstenholme's case and need to provide expert witness in Court. Also that Fujitsu may be required to provide same.
28/07/04	This information passed to CLS during Commercial Forum.
03/08/04	Conference call between POL, POA, Masons, Weightmans and POL Counsel to discuss approach.