

## Message

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on behalf of Andrew Parsons [GRO]  
**Sent:** 08/12/2019 20:33:05  
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**Subject:** HIT Judgment - Summary of Section M [WBDUK-AC.FID26896945]

Ben

Please find below a summary of section M.

Section M sets out the Judge's findings in relation to each of the 15 Horizon Issues. The key findings are:

1. The Judge repeats his earlier comments that Legacy Horizon and HNG-X are not robust, but that HNG-A is robust.
2. In relation to Legacy Horizon and HNG-X, there was a "material risk" that bugs in Horizon could be the cause of shortfalls in branches.
3. Fujitsu (but not Post Office) has wide abilities to edit branch data using remote access (Post Office accepted this pre-trial) but those abilities were subject to "inadequate" controls.
4. Post Office could inject transactions into a branch's accounts if physically present in a branch, but could not do this remotely (Post Office accepted this pre-trial).

Summarised versions of the 15 questions and answers are set out below.

Kind regards  
Andy

**Issue (1): To what extent was it possible or likely for bugs to have the potential (a) to cause shortfalls in Subpostmasters' branch accounts or transactions, or (b) undermine the reliability of Horizon accurately to process and record transactions?**

It was possible for bugs to have the potential both (a) to cause shortfalls in to Subpostmasters' branch accounts or transactions, and also (b) to undermine the reliability of Horizon accurately to process and record transactions. There was a significant and material risk of branch accounts being affected by bugs in Horizon.

The sheer scale of the number of TCs issued by the Post Office each year – which is over one hundred thousand for many of the years the subject of the group litigation – supports the conclusion that there was a significant and material risk of inaccuracy in branch accounts as a result of bugs in the Horizon System (both Legacy Horizon and HNG-X).

**Issue (2): Did the Horizon IT system itself alert Subpostmasters of such bugs, errors or defects as described in (1) above and if so how?**

The Horizon system did not alert SPMs to bugs. Although the experts were agreed that the extent to which any IT system can automatically alert its users to bugs within the system itself is necessarily limited, and although Horizon has automated checks which would detect certain bugs, they were also agreed that there are types of bugs which would not be detected by such checks. Indeed, the evidence showed that some bugs lay undiscovered in the Horizon system for years.

**Issue (3): To what extent and in what respects is the Horizon System "robust" and extremely unlikely to be the cause of shortfalls in branches?**

Legacy Horizon was not remotely robust.

HNG-X, the first iteration of Horizon Online, was slightly more robust than Legacy Horizon.

HNG-A is far more robust than either of the previous two iterations of the system.

There was a material risk that a shortfall in a branch's accounts was caused by the Horizon system during the years when both Legacy Horizon and HNG-X were in use, which is 2000 to 2010 and 2010 to 2017 respectively.

**Issue (4): To what extent has there been potential for errors in data recorded within Horizon to arise in (a) data entry, (b) transfer or (c) processing of data in Horizon?**

There was a material risk for errors in data recorded within Horizon to arise in (a) data entry, (b) transfer or (c) processing of data in Horizon in both the Legacy Horizon and HNG-X forms.

**Issue (5): How, if at all, does the Horizon system itself compare transaction data recorded by Horizon against transaction data from sources outside of Horizon?**

The comparison of data is largely automated. The Judge does not go into detail as to how this is done. The evidence did not deal in a comprehensive way with each such method for every one of the Post Office's many hundreds of clients. Nor did the Judge consider that such evidence was required properly to answer this issue.

**Issue (6): To what extent did measures and/or controls existed in Horizon to prevent, detect, identify, report or reduce to an extremely low level of risk of data and software errors?**

The measures and/or controls that existed on Legacy Horizon and HNG-X did not prevent, detect, identify, report or reduce to an extremely low level the risk of data or software errors. The experts were agreed that there were many measures and controls within Horizon that existed to prevent, detect, identify report or reduce the risk of varying errors. However, the experts were also agreed that whilst Horizon contains measures and controls for detecting system integrity concerns, these automatic mechanisms have been shown to have failed in the past.

**Issue (7): Were Post Office and/or Fujitsu able to access transaction data recorded by Horizon remotely (i.e. not from within a branch)?**

This answer was substantially agreed by the parties. Both Post Office and Fujitsu could read data remotely. Fujitsu could access and edit all transaction data recorded by Horizon.

**Issue (8): What transaction data and reporting functions were available through Horizon to Post Office for identifying shortfalls, including whether they were caused by bugs, errors and/or defects in the Horizon system?**

This issue was substantially agreed by the parties. The Judgment lists out a series of systems and data sources available to Post Office that are not controversial. The Judge also notes that Post Office had access to data and systems that were not available to SPMs (again this is not controversial).

**Issue (9): At all material times, what transaction data and reporting functions (if any) were available through Horizon to Subpostmasters for (a) identifying shortfalls and their causes; and (b) accessing and identifying transactions recorded on Horizon?**

This issue was substantially agreed by the parties. The experts agreed that the causes of some types of shortfalls may be identified from reports or transaction data available to SPMs. Other causes of shortfalls may be more difficult, or impossible, to identify from reports or transaction data available to the SPMs, because of their limited knowledge of the complex back-end systems.

The Judge also found that because the reports and data available to SPMs were so limited, their ability to investigate was itself similarly limited. He went on to find that SPMs simply could not identify discrepancies and shortfalls, nor their causes, nor access or properly identify transactions recorded on Horizon, without cooperation from Post Office. This finding was not however required as there was no question to this effect asked by any of the Horizon Issues and the Judge has gone out of scope here.

**Issue (10): Whether the Defendant and/or Fujitsu have had the ability to remotely access and change branch data without the knowledge or consent of SPMs.**

Fujitsu had many facilities for doing this and some of these could have been done without the knowledge or consent of SPMs (as accepted by Post Office before trial, but only following Fujitsu initially giving incorrect evidence on this point).

Post Office could only change branch data utilising its Global User role. This permitted Post Office to inject transactions without the knowledge or consent of the SPM. However, it could only be done by someone who was physically present in a branch, as that is the only way Global User could be used by the Post Office. This would therefore be likely to mean that a SPM or their assistant would at least know someone was in their branch doing something in terms of access to their branch accounts.

**Issue (11): Did the Horizon system have any permission controls around remote access and did the system maintain a log of such actions and such permission controls?**

There were permission controls, but the remote access facilities were very wide and they were not effectively controlled. The permission controls and logs were "inadequate" and "deficient".

**Issue (12): If the Defendant and/or Fujitsu did have such ability, how often was that used, if at all?**

Due to Fujitsu's poor record keeping, the experts could not provide any confident evidence on this subject of frequency. On the evidence from the two experts, the answer should be in approximate terms only and would be about once a day over the whole life of the system.

**Issue (13): To what extent did use of any such facility have the potential to affect the reliability of the Branches' accounting positions?**

The remote access facilities were very wide. These facilities therefore had the potential to affect the reliability of a SPM's branch accounts to a material extent.

Further, the evidence shows clearly that there were instances when this in fact occurred, which goes wider than the issue posed (which asks about potential) but which the Judge held was also relevant to the Horizon Issues as a whole.

**Issue (14): How (if at all) does the Horizon system allow a SPM to render accounts and dispute shortfalls?**

This was substantially agreed by the experts. The Horizon system can compare cash and stock figures, but it has no facility to record a dispute. The comparison is done by the system comparing its electronic records of what cash and stock is held in a branch, with the corresponding figures inputted by the SPM at the end of a trading period.

Note: Without naming Post Office but clearly aiming the comment at Post Office, the Judge criticises the parties for raising this as point of dispute when the answer was clear from the Common Issues. However, Post Office has never claimed that Horizon had the ability to record a dispute. Post Office's case was that disputes are raised through the helpline. This dispute method is acknowledged by the Judge at the end of his answer

**Issue (15): How did Horizon process and/or record Transaction Corrections?**

This was substantially agreed by the parties. TCs are largely created and processed outside of Horizon through manual actions, save for when a SPM accepts the TC in branch on the Horizon terminal. Disputes to TCs are done by the SPM contacting the Helpline and again this is outside the Horizon system, which does not record that dispute. If the dispute is upheld (as in, the original TC is accepted by the Post Office as having been wrongly issued) then another TC will be issued to correct it. That subsequent TC will correct the effect of the first TC in the branch accounts when it is accepted by the SPM. The issuing of the subsequent TC is also done outside the Horizon system.

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