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DRAFT – IN STRICTEST CONFIDENCE AND SUBJECT TO LEGAL PRIVILEGE

GLO COMMUNICATIONS – HORIZON ISSUES TRIAL

LETTER TO MPs (Patrick Bourke)

Dear

You may have seen reports about a High Court Judgment in relation to the Post Office, which was issued earlier today. I wanted to provide you with the Post Office position in relation to this.

This is the second Judgment in complex and long-running Group Litigation to resolve a number of individual claims by mainly former postmasters. Despite attempts to resolve this without recourse to the courts, legal proceedings in this case have been underway since April 2016 and the case is being heard in phases through separate trials about technical, operational and contractual matters.

The claims span a period of around two decades, during which there have been significant changes in our business with improvements to our culture, processes and technology.

The latest Judgment in the litigation covers technical matters relating to Post Office's computer system, Horizon, including our legacy system which was replaced in 2010. It's part of preliminary stages in the litigation designed to establish the context in which the individual claimant cases can be determined.

The Judgment is detailed and it will take time to consider it fully but I want to be clear that the Court's findings do not affect the products and services the Post Office provides for customers through its network of 11,500 Post Offices.

I can also reassure you regarding our Horizon system. We are confident that overall Horizon is robust, comparing well with systems used by other retail and financial services companies each day. Both independent experts, for Post Office and the claimants in the case, on opposite sides of the litigation, confirmed this.

Horizon processes around 47 million transactions a week, more than £60 billion worth a year. These are reconciled every day, every, month, every year, with the systems of major organisations including high street banks, utility companies and Government departments, giving confidence in the many products and services we provide.

Of course no system can ever be said to be perfect and we're working as hard as ever to make improvements.

What the Judgment underlines [very strongly] is that we must continue to do better in the ways in which we support our postmasters to operate their branches. We need to make it

easier for postmasters to avoid problems and we need to resolve any issues they do have more quickly.

For the past [x] months we have had a particular focus at every level of the business to build a better partnership with our postmasters. Measures we've taken include improvements to recruitment, training and operational support, alongside enhancements to our technology.

We're working closely with postmasters in making all these improvements. They are best placed to tell us what makes it easier for them to operate Post Office branches more effectively.

It's of the utmost importance to us that our postmasters receive the help and support they need from us in serving millions of customers throughout the UK every day. We're committed to continuing to improve.

If you would like more information please get in touch with me.