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Brooks Newmark MP
House of Commons
LONDON
SW1A 0AA

Your Ref:
Our Ref:

13 October 2009

Dear Mr Newmark

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

'To ask the Minister of State, Department for Business, Innovation and Skills, whether he has received reports of errors in the Post Office Horizon system which have led to Postmasters or Postmistresses being falsely accused of fraud; 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. The system has proved to be very robust since its introduction some ten years ago.

The Horizon system was fully tested at the time of the nationwide implementation and all new software releases are also subject to rigorous testing prior to going live in order to assure the accuracy of the accounting processes. Additionally, our ongoing monitoring and control processes ensure that any performance issues in the 'live' operation are quickly identified and resolved at no detriment to individual subpostmasters.

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 our subpostmasters extremely seriously and we do thoroughly investigate matters when they are raised with us but there has never been any evidence found that shows that the Horizon system has caused accounting errors.



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In the ten years since Post Office Limited started using Horizon the integrity of the system has also been tested in both the criminal and civil courts and has not been found to be wanting.

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

Alan Cook
Managing Director