



**Closing Submission**  
**on behalf of The National Federation of Sub-Postmasters**  
**in Phase 3**  
**of the Post Office Horizon IT Public Inquiry**  
**Chaired by Sir Wyn Williams**

**Introductory remarks**

1. The National Federation of Sub-postmasters (NFSP) is grateful to the Inquiry for its permission to make a Closing Submission on Phase 3 in writing and sets out below its comments and analysis of the evidence heard in this phase. The NFSP welcomes the careful way in which the Inquiry has progressed through the issues and witnesses in phases 2 and 3. It notes that this approach has brought out the evidence which will now illuminate Phase 4 and show how so many innocent sub-postmasters, assistants and Crown Post Office employees were knowingly wrongly prosecuted at the hands of the Post Office and had their lives ruined.
2. In the NFSP's Closing Submission for Phase 2, having emphasized that it had entered into the Horizon project, working groups, roll-outs and feedback, in **good faith**, the evidence on the technical failings, and institutional knowledge at ICL/Fujitsu and POCL of such failings, was hard for it to bear. The NFSP had believed the project as presented to them was to be the saviour of post offices up and down the land. In the end, it turned out to be very antithesis of a saviour. In that Phase 2 Closing Submission the NFSP stated that it would be of critical importance to find out who knew what about what was wrong with the system and if, how and why that information was suppressed, allowing sub-postmasters, manager, assistants and Post Office employees to be prosecuted and their lives devastated as a consequence.
3. The evidence heard in Phase 3 has truly shocked the NFSP. It appears from the evidence that not only was the NFSP being deceived by the Post Office about the design and integration of Horizon from its earliest procurement and roll-out phases, it was also being deceived throughout by the Post Office as to the integrity of Horizon. The continual assurances given to the NFSP that the

Horizon system was robust, had integrity, that feedback and issues being provided to the Post Office by the NFSP as being raised by their members was being acted upon or taken into account, were believed by the NFSP. Why would the nation's most trusted brand rolling out the saviour of the post office network be lying? But it was. And none of it was true. It was with genuine regret as to what turned out to be a false belief and sincere shock at the depth of deception, that the NFSP has had to listen to witness after witness describe how no actual investigation was carried out into why so many subpostmasters, assistants and Crown Post Office employees had unexpected shortfalls. Rather, for the NFSP, the evidence has been that the default position for almost everyone, from the top to the bottom of the both organisations, some either:

- knew about the issues, including bugs, errors and defects in Horizon, and put alleged dishonesty at the top of the agenda and ensured it remained there; or
  - were conditioned to believe that dishonesty of postmasters and their employees was the root cause.
4. The NFSP believes, from what it has heard in Phase 3, that not only was the myth of Horizon's integrity actively promulgated by the Post Office among its own staff, so was the alleged dishonesty of sub-postmasters, assistants and Post Office employees in Crown offices. This meant that rather than focusing on the errors, bugs and defects and trying to find out why shortfalls and other difficulties were being encountered, the focus was on financial recovery and prosecutions. And just in case there was to be any traction with the idea that there could be something other than dishonesty at work, the report which was commissioned by the Post Office from and produced by Rod Ismay sought to put that firmly to bed.
  5. The NFSP believe that report can only ever be described, at the very least, as a complete whitewash. The truth, which must have been known at the top of the two organisations, had to be stopped from coming out and the NFSP believes that the instruction of Mr Ismay's report was designed to do just that, and especially coming at the time that it did in 2010, when more questions than ever were being asked and the campaign by some of those already prosecuted was underway.
  6. The NFSP believes that the deception by the Post Office took two forms. The first was knowing the Horizon system did not, in fact, have the integrity that Post Office was proclaiming it had and was riven with bugs, errors and defects. The second was doing all that it could to prevent this from coming out and the reputational damage it would bring, despite the cruel misery caused to those being prosecuted. It is said by the NFSP that the deception wrought on it throughout the period

time – an organisation which had to and still has to deal with the Post Office on business delivery models and contracts for its members in sub-post offices across the UK – was clearly also wrought indiscriminately across other organisations, their personnel, and even among the Post Office's own employees. This deception was perpetrated without regard for the effect on any or all of them of finding out they had been deceived and, in their different roles, having acted on either belief or instruction in ways which they would not otherwise have done. It seems clear that there will be evidence regarding this in Phase 4.

7. In order not to take up the Inquiry's time repeating itself, the NFSP would particularly refer the Inquiry to paragraphs 1- 14 of its Opening Statement which set out the background, history and role of the NFSP more broadly and referred to the other representative organisations involved with Horizon and their members, due to the fact that more than 40% of those prosecuted by the Post Office were not sub-postmasters and not all the sub-postmasters were members of the NFSP. It also described how, on the basis of the evidence from the Post Office, Mr Justice Fraser was left with an erroneous impression of the role of the NFSP and the relationship between the two organisations, which the NFSP hopes to correct in due course during the present Inquiry. The Opening Statement is referred to, because when taken with the scale of the deception and breach of trust described here, heard in the evidence and in the issues with current Post Office disclosure, the NFSP of today simply does not know the extent to which it can trust the Post Office in its present day dealings for its members. This is said to show the wider ripple effect which continues to this day, another element of the Horizon 'legacy'.
8. It appears to the NFSP that the Post Office's deception was, at least in part, motivated by the desire to keep the ability to recover debt and litigate, in both civil and criminal courts, against postmasters. Fujitsu/ ICL's (referred to throughout here as Fujitsu for ease) deception may have been motivated by the fact that they knew the product was not fit for purpose (as shown by the evidence of David McDonnell in Phase 2) and were concerned about the financial repercussions and reputational damage.
9. Phase 3 evidence has shown that there was knowledge about Horizon integrity issues at the top levels of the Post Office and Fujitsu, and an almost complete, possibly blind, acceptance of the myth of Horizon integrity in the middle to lower levels of these organisations. The NFSP was disturbed to hear how the myth of Horizon acceptance was actively encouraged by the Post Office to its own employees and those external to the organisation in the face of contrary evidence, as evidenced by the Rod Ismay report, mentioned above, and the discussions surrounding that.



10. The NFSP is shocked to hear the evidence of various Post Office and Fujitsu employees indicating a culture where postmasters were assumed to be either dishonest or incompetent (to the extent of those seeking help effectively being mocked, either directly or behind their back). It was especially shocking to hear Amandeep Singh's evidence about the toxic and at times ageist and racist culture of the Horizon Helpdesk Support Desk (HSH), given that these were the very people who were supposed to be helping sub-postmasters and others, and particularly given the demographics involved.
11. As touched upon in Mr Stein KC's submissions, the evidence has made clear that the Post Office used the IMPACT programme to further place the onus of identifying and rectifying bugs, errors and defects upon postmasters, managers, Post Office employees and others, whilst simultaneously removing the ability for them to dispute discrepancies. The Post Office and Fujitsu were in control of all other sources of evidence that someone could use to dispute a discrepancy, but did not routinely provide access or disclose evidence such as ARQ data in relation to investigations or litigation. The NFSP looks forward to the Inquiry investigating this further in Phase 4. In terms of disclosure, the NFSP raises the question as to whether the Post Office have a pattern of failing to fulfil their disclosure obligations that (with reference to the continued non-disclosure of clearly extant HSH scripts) which continues to today.
12. The current issues with disclosure may cause the Inquiry to question whether the culture issues identified of Phase 3 within the Post Office and Fujitsu of dishonesty and concealment of the truth continues to this day, and the NFSP notes that the Inquiry will examine this in Phase 7.
13. As always, the NFSP remains ready to assist the Inquiry in any way it can and looks forward to being able to provide information that reflects the reality of its involvement.

#### **High levels of Post Office and Fujitsu aware of bugs, errors, and defects**

- 14 The Phase 3 evidence has made it clear that the highest levels of Post Office and Fujitsu were aware that there were bugs, errors and defects in Horizon from the initial stages, throughout the project.<sup>1</sup> There are various instances highlighting this, including David Smith's evidence, which provided an example of an issue regarding Horizon not passing customer data, which *"undoubtedly... would have been reported through to board level... there was a process of directorate reporting into the*

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<sup>1</sup> POL00028591, POL00028589, POL00090839, POL00043705, WITN04600104 p10, POL00055410,



*board... But I would have expected it, in any case, to have been raised by the Ops Director with the Managing Director anyway... [the board] would be the executive management team of the Post Office.”<sup>2</sup> Both Mark Burley and Alan D’Alvarez made it clear that they were aware of errors, bugs and defects within Horizon before and throughout rollout of HNG-X. The Second Sight Interim Report stated that Post Office disclosed and therefore were aware of defects discovered in 2011-12 that had impacted 76 branches.<sup>3</sup> The meeting discussing the receipts and payments mismatch bug, noting its potential impact on accounts and prosecutions was attended by high level employees of both the Post Office and Fujitsu.<sup>4</sup> Finally, as discussed in further detail below, it is clear that specific bugs, errors and defects were brought to the attention of high-ranking members of the Post Office in relation to prosecutions.<sup>5</sup>*

15. It is submitted that the evidence shows it was known within Post Office and Fujitsu that EPOSS was a problematic system, but suggestions to rewrite this were not taken up due to costs and delays, a decision which was taken by the management team of ICL Pathway with the promise that ongoing monitoring would be implemented.<sup>6</sup> It is submitted that this highlights two issues, firstly that the management team were aware of ongoing issues, and secondly, and Phase 3 evidence has shown, no such monitoring actually occurred, allowing these problems to go unchecked.<sup>7</sup> Post Office were also aware of the inherent weakness of what was designed, and *“you could put a plaster over them but if you really wanted to put something different in place, then you would have to start again.”<sup>8</sup>*
16. On the basis of Phase 3 evidence, both the Post Office and Fujitsu at high levels of the organisations were aware of issues with Horizon’s integrity. It is submitted that it was also clear that the Post Office and Fujitsu sought to suppress the knowledge of this, as discussed further below. The NFSP suggests the Inquiry may wish to consider why such a position was taken in relation to this knowledge, and if this was because:

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<sup>2</sup> David Smith transcript, page 33

<sup>3</sup> POL00029744

<sup>4</sup> POL00028838

<sup>5</sup> POL00091384

<sup>6</sup> Stehpen Muchow transcript, pp 58 and WITN04600104, page 10

<sup>7</sup> Mik Peach transcript, pages 138 – 141

<sup>8</sup> David Smith transcript, page 24

- a. the Post Office wished to maintain its ability to recover debt and litigate, and addressing Horizon's integrity issues would undermine this; and/or
- b. Fujitsu, knowing that the product was defective, sought to minimize their reputational damage, and financial implications.

#### **Post Office narrative of Horizon Integrity**

17. The NFSP considers the Phase 3 evidence appears to show that the Post Office promoted a self-fulfilling myth of Horizon integrity. A clear example of the Post Office actively perpetuating this narrative is the Rod Ismay Report, as commissioned by David Smith, Managing Director of Post Office Limited.<sup>9</sup> It is submitted that the evidence shows this report was instructed in order to be a one-sided list of the reasons that people could have faith in Horizon's integrity – and this was Mr Ismay's understanding of the scope of this report.<sup>10</sup> Despite this, the report describes itself as an *"objective, internal review of POL's processes and controls around branch accounting."* Mr Ismay is clear now that the assertions made in the report were untested and were drawn from conversations with various departments, rather than formal analysis.<sup>11</sup> The report was then widely circulated, including to the board of the Post Office.<sup>12</sup> Shortly after this report was finalised, Mr Ismay was made aware of the payments and receipts mismatch bug and yet did not amend his report.<sup>13</sup> In fact, individuals in senior management of the Post Office on the distribution list for the Ismay Report were made aware that, contrary to the report, Fujitsu could insert entries into a branch account remotely, and yet there was no move to amend this to reflect the reality of the situation.<sup>14</sup>

18. It is submitted for the NFSP that the Ismay Report demonstrates that the Post Office were essentially commissioning what might fairly be described as their own propaganda about Horizon integrity, creating the impression for their employees to rely upon that concerns raised had been

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<sup>9</sup> POL00026572, Rod Ismay transcript, 11 May, page 101

<sup>10</sup> Rod Ismay transcript, 11 May, pages 101 - 104

<sup>11</sup> Rod Ismay transcript, 11 May, page 108

<sup>12</sup> Rod Ismay transcript, 11 May page 120

<sup>13</sup> Rod Ismay transcript, 12 May, page 52 and FUJ00081544

<sup>14</sup> Rod Ismay transcript, 12 May, page 74 and POL00091384.].

investigated, when, in fact, no actual analysis had been undertaken. It is submitted this also shows that high ranking individuals within the Post Office had knowledge of bugs, errors, and defects within Horizon, but instead of addressing these, chose to cover these up by encouraging the narrative of Horizon integrity. It is unclear why Mr Ismay, who had a background in audit, considered this an appropriate report to write and to not revise in the light of contradictory evidence.

19. What is clear now to the NFSP is that the mantra that Horizon was robust and had integrity was pervasive and actively promulgated at a senior level, especially to the middle layers of the management structure and below. This narrative seems to have been accepted without question. This has been echoed by individuals working within audit,<sup>15</sup> training,<sup>16</sup> NBSC,<sup>17</sup> business process,<sup>18</sup> network,<sup>19</sup> problem management<sup>20</sup> and contracts and services.<sup>21</sup> As stated by Shaun Turner, *"I think there was a baseline assumption within POL that Horizon was a robust accounting system... I believe that this underlying assumption meant that POL was not always as attuned to the concerns raised by Postmasters as it should have been."*<sup>22</sup>
20. It also appears as if Post Office employees were concerned that stepping out of line with that message would have a detrimental effect to their careers.<sup>23</sup> This seems to have produced a culture of assuming that someone more qualified has looked into Horizon, and therefore it can be relied upon [Brian Trotter, page 19].<sup>24</sup>
21. The NFSP is concerned that the Post Office deliberately promoted this narrative despite evidence to the contrary. For example, the messaging that was circulated in light of the Panorama

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<sup>15</sup> Chris Gilding transcript, page 18

<sup>16</sup> Rita Palmer transcript, page 33

<sup>17</sup> WITN04640100, page 88

<sup>18</sup> WITN0398010, page 8

<sup>19</sup> Gayle Peacock transcript, pages 115 - 116

<sup>20</sup> Gary Blackburn transcript, page 197

<sup>21</sup> Brian Turner transcript, page 16

<sup>22</sup> WITN04640100, page 88

<sup>23</sup> Gary Blackburn transcript, page 235

<sup>24</sup> Gayle Peacock transcript, pages 111 and 145



programme,<sup>25</sup> was contrary to the knowledge that the Post Office had of extant defects and that Post Office employees then relied upon in their interactions with postmasters.<sup>26</sup>

22. Additionally, the interim report of Second Sight noted that Post Office had disclosed that it had discovered defects in Horizon Online that had impacted 76 branches.<sup>27</sup> However, Gayle Peacock, the Head of the Branch Support Programme, which was set up to address some of the conclusions of the Second Sight Report, was not provided with a copy of the Second Sight Report, and instead based her understanding of the report on a summary provided by Angela van den Bogerd. Various issues flagged in the Second Sight report had not been brought to her attention, such as the defects.<sup>28</sup> As such, the Branch Support Programme did not look into these defects. The NFSP consider this is an example of the Post Office selectively providing information to people, in order to maintain the myth of Horizon integrity and not to draw attention to the known defects in Horizon.
23. The NFSP considers that Fujitsu is also complicit in propagating, promulgating and perpetrating the myth of Horizon integrity. The evidence of Andy Dunks, which makes clear, despite his belief that he was technically qualified to provide statements in relation to a number of criminal investigations and prosecutions that there was nothing leading him to believe that the system was operating improperly:
- a. He did not have the knowledge to make those statements;
  - b. he treated the SSC as “subject matter experts” on Horizon, but did not declare that he was basing his statement regarding the content of relevant helpdesk calls on their advice;<sup>29</sup>
  - c. he prepared his statements in line with templates provided by his predecessor, and assumed he could use a standard line saying that none of the calls to HSH relate to faults that would have had an effect on the integrity of the information held on the system;<sup>30</sup>

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<sup>25</sup> WITN06380102

<sup>26</sup> Anne Allaker transcript, page 54

<sup>27</sup> POL00029744, page 5

<sup>28</sup> Gayle Peacock transcript, pages 106 - 111

<sup>29</sup> Andy Dunks transcript, page 24

<sup>30</sup> *Ibid* at page 63

- d. he did not undertake any analysis of his own; and
- e. even though he was aware of software bugs within Horizon, he did not think those caused reconciliation errors, and continued to produce statements despite this.<sup>31</sup>

24. The NFSP believes that it is simply unacceptable that Fujitsu instructed an individual who was unthinkingly using a standard line about faults not affecting integrity to produce statements in various criminal investigations and prosecutions.<sup>32</sup> It could be argued that this was a placing of an underqualified person in a role to produce witness statements without any guidance regarding duties to the court, so that Fujitsu could support Post Office with prosecutions without bringing attention to the known defects in Horizon. The fact that Mr Dunks produced these statements feeds into the narrative that no one believed there were defects affecting integrity in Horizon, and that multiple investigations apparently uncovered no issues. In reality, the evidence was that Mr Dunks' 'investigations' consisted of asking the same team that likely investigated any issues thought to be systems errors to explain what the call meant. In effect, no independent investigation was done in order to prepare these statements to the court other than any initial investigation by support lines. This shows a complete disregard for the truth in favour of prioritising litigation, as further discussed below.

25. The NFSP believes that the Phase 3 evidence shows that it is clear the higher levels of the Post Office were aware of the defects in Horizon and that there was an unwavering belief in Horizon by individuals within the middle layers of the Post Office structure and those who reported to them. It can be said this shows an active effort on the part of the Post Office to suppress the knowledge of defects instead of addressing issues. Given that many of these same individuals were communicating with external organisations such as the NFSP, (e.g. Brian Trotter), or in charge of programmes (e.g. Gayle Peacock), or managing the teams that were supporting or investigating postmasters, managers, Post Office employees, and others (e.g. Gary Blackburn and Brian Trotter), the NFSP suggests that Inquiry may wish to consider if there was a deliberate effort on the part of the Post Office to appoint people to these positions who would not ask questions, or who were thoroughly convinced of the narrative of Horizon's integrity.

26. The NFSP considers that it could be argued that the evidence of Phase 3 has shown examples of the Post Office and Fujitsu intentionally filtering information/whitewashing matters to those in charge

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<sup>31</sup> *Ibid* at pages 86 and 90

<sup>32</sup> *Ibid* at pages 62 - 63

of running programmes/ producing statements so that those individuals did not have concerns about Horizon's integrity, or deliberately appointing people who are unsuitable for a role so they can continue to propagate that belief without question.

#### **Lack of information sharing both internally and externally**

27. The NFSP believes that the Phase 3 evidence has made it clear there was widespread and systematic suppression or filtering of information both between teams and organisations. There do not appear to have been consistent and formal monitoring processes or follow up processes. It can be said from the evidence that the information regarding:

- a. the issues with Horizon;
- b. the extent and effect of problems; and
- c. how branches and those working within them had been and would be affected by issues and fixes

was filtered at every level, leading to a lack of understanding about these issues.

28. It is submitted the evidence in Phase 3 has shown that processes within Fujitsu aimed to filter the number of calls reaching 3<sup>rd</sup> and 4<sup>th</sup> line support, i.e. the lines of support with sufficient technical understanding to be able to identify and address systems problems. In other words, the system did not easily allow for callers with problems to reach those who might actually be able recognise it was a problem with the system, as opposed to a problem caused by the caller themselves.

29. According to Amandeep Singh's evidence,<sup>33</sup> HSH staff were dissuaded from escalating calls to engineers due to feeling belittled and there being animosity between these lines of support. Furthermore, if HSH could not get to the bottom of a discrepancy, rather than escalating this to a higher level of support, the advice of HSH colleagues would be to write off the issue as a discrepancy.<sup>34</sup>

30. There was a similar filtering process at the NBSC helpdesk, as shown by documents POL00114858 – Checking a Discrepancy (which states, *"Please note: Discrepancies are not usually caused by system problems they are more likely to be caused by user error... checks need to be*

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<sup>33</sup> Amandeep Singh transcript, pages 67 - 68

<sup>34</sup> *Ibid* at pages 75 - 76



*made before referring SPMR to HSH to investigate system fault.” After listing all the checks, it continues, “If SPMR has checked all above advise to roll over with the discrepancy and make good. The discrepancy may come back in the form of an error notice at a later date,” with no reference to escalation to HSH or other support lines) and POL00114814 – Instructions on discrepancies (which states: “If nothing can be found the office will have to accept the discrepancy. Make good and roll over.” Again, this does not refer to other support lines). It is submitted that the instruction to accept the discrepancies and make good by both first line helpdesks may have served to prevent discrepancies caused by errors, bugs, and defects in Horizon from being escalated to higher levels of support, preventing these levels from having sight of the full extent of issues.*

31. It is submitted that there was a lack of information sharing between teams, and a culture where items were not monitored or followed up when passed to another team which seems to have been pervasive throughout Fujitsu. Anne Chambers agreed, to an extent, that there was a series of hermetically sealed cells within Fujitsu, the principal aim of which was to get a service ticket off their desk.<sup>35</sup> When problems were identified, these were not communicated between teams consistently, e.g., Richard Roll provided an example where an engineer made a mistake with a batch of laptops, which were sent out to branches, but no one outside of the laptop building team was informed of this known problem. Even after one of these laptops was identified and replaced, there was no movement to recall the faulty laptops.<sup>36</sup>
32. FUJ00070841 provides an example of PEAK, where it was decided that action to address the issue would be taken should the frequency of occurrence becomes more than once per month. The NFSP considers it was disturbing to hear then, that to Anne Chambers’ knowledge, no such monitoring was carried out, and at a wider level she was unaware of any formal process of recording further occurrences of PEAKs, other than logging on a KEL, which was up to the discretion of SSC staff.<sup>37</sup> This highlights that when unexplained errors were found, and further investigation was dependent on recurrence, there was no formal process to detect recurrence. This means that further investigation would be unlikely; even if there was recurrence, there was no formal process for SSC to record this, or even identify that they were supposed to be recording this. This could lead to a

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<sup>35</sup> Anne Chambers transcript, 2 May, page 154

<sup>36</sup> Richard Roll transcript, pages 42 - 43

<sup>37</sup> Anne Chambers transcript, 3 May, pages 111 – 112

false conclusion that this PEAK was a one-time occurrence, and further investigation and a fix was not necessary.

33. Monitoring of the scale of a problem,<sup>38</sup> whether to check the message store for the entire estate if a problem was affecting other counters (at least, until Horizon Online),<sup>39</sup> and metanalysis of recurrences<sup>40</sup> were all left to individual discretion of SSC staff *ad hoc*, rather than having any formal process. For the NFSP, this lack of consistency all seems to suggest that Fujitsu's support lines were not getting an accurate picture, or at least were not accurately recording the extent of issues with Horizon. This, added to the fact that HSH may have been dismissing calls relating to Horizon errors as discrepancies, seems to show that due to its own processes Fujitsu had an inaccurate picture of the extent and effects of Horizon errors.
34. It is submitted that this idea of hermetically sealed units, and suppression of information also affected Fujitsu's communication with the Post Office. It is clear from the evidence that there were instances when Fujitsu would hold off telling the Post Office about issues with Horizon until they found a workaround. The evidence of Alan D'Alvarez was that presenting Post Office with the issue and the workaround would be better than just presenting them with the issue, so they did not receive a barrage of questions.<sup>41</sup> The specific instance referred to in the evidence of Mr D'Alvarez is especially concerning, as it affected ARQ data, including where a court action was ongoing,<sup>42</sup> and occurred just before acceptance of Horizon Online. It was indicated by Counsel to the Inquiry that there is an email dated 30 June 2010, which indicates that the Post Office was not notified of the problem with the ARQ data by Fujitsu until that day, the day upon which rollout was entered into. It is submitted that an interpretation of this is that Fujitsu deliberately did not disclose this problem until after acceptance, which is concerning. It is also concerning for the NFSP to think that people working in branches may have been affected by such errors, with no knowledge of what was happening, and this data may have been relied upon in prosecutions and civil court actions due to this failure in communication.

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<sup>38</sup> Anne Chambers transcript, 2 May, pages 114 - 115

<sup>39</sup> *Ibid* at page 105

<sup>40</sup> Anne Chambers transcript, 3 May, pages 111

<sup>41</sup> Alan D'Alvarez transcript, pages 137 - 138

<sup>42</sup> *Ibid* at page 130

35. This is further exemplified by the fact that Fujitsu were aware of the Riposte lock problem since at least the end of 2000,<sup>43</sup> but the Post Office were kept in the dark, whether intentionally or not, about this for nearly six years.<sup>44</sup>
36. Another example is the receipts and payments mismatch bug, which had probably been present since day one of Horizon Online.<sup>45</sup> Post Office did not have a meeting about this until September 2010, despite the problem likely pre-dating May 2010, as Fujitsu had taken so long to react and escalate the issue to them.<sup>46</sup> Given that, according to Andrew Winn, that “[Product & Branch Accounting] were pretty much dependent on Fujitsu alerting us to what branches were affected by a receipts and payments mismatch”,<sup>47</sup> it is submitted this is another concerning example of Fujitsu delaying in telling Post Office about matters that may have had an impact on civil and criminal cases against postmasters, managers, Post Office employees and others. Two years after this issue was identified, there was no shared understanding between Post Office and Fujitsu about which branches had been investigated and impacted, and what had happened.<sup>48</sup>
37. It is submitted that this further demonstrates that Fujitsu was aware of ongoing issues, and also – due to their own processes – uninformed about the extent and impact of these issues as they were not properly followed up or investigated. It was troubling to hear from Andrew Winn that the evidence suggests that Post Office and Fujitsu were still not working through proper procedures in 2015.<sup>49</sup>
38. As an aside, the NFSP notes that the 5-year delay in communicating the Riposte lock error was contributed to by a failure in communication with Escher, the owner of the Riposte software,<sup>50</sup> and questions whether Escher should be asked to give evidence to the Inquiry about their involvement.

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<sup>43</sup> Anne Chambers, 3 May, page 146

<sup>44</sup> *Ibid* at page 152

<sup>45</sup> POL00029084, page 1

<sup>46</sup> POL00028838, page 3

<sup>47</sup> Andrew Winn transcript, page 67

<sup>48</sup> *Ibid* at page 102

<sup>49</sup> *Ibid* at page 180

<sup>50</sup> Anne Chambers, 3 May at page 150



39. It appears from the evidence that Fujitsu seem to have assumed that once a system error was identified as the cause of discrepancy, the Post Office would ensure that no action was taken against postmasters in relation to the discrepancy. However, there were instances where a system error had been identified as the cause of a discrepancy but the postmaster continued to be subject to an investigation regarding this.<sup>51</sup> It is submitted that there was a culture of assuming Post Office would inform postmasters, managers, Post Office employees and others, and that the effect of this assumption enabled the Post Office to conceal errors from them and to continue with unjust prosecutions and debt recoveries.
40. It is submitted that Fujitsu also failed to communicate proactively regarding workarounds where it was identified branches would likely require them, instead of waiting for the branch to call HSH.<sup>52</sup> In one case, Fujitsu did not tell the postmaster about the fact that data had been inserted into their counters to correct an error, and a discrepancy of the same size as the correction was now showing.<sup>53</sup>
41. Even if there was understanding of the issues with Horizon, notwithstanding that these were not investigated or monitored as they should have been, the NFSP considers the evidence demonstrates that there seems to have been a policy instigated by the Post Office where users of Horizon should generally not be told about systems errors. While Fujitsu's general attitude seems to be that it was the Post Office's responsibility to communicate with users of Horizon,<sup>54</sup> it is clear that it was aware that the Post Office did not want to disclose information about systems errors, even if this had affected the branch.<sup>55</sup>
42. This is not to say that the Post Office was not aware that Horizon lacked integrity. The evidence in Phase 3 has shown that senior management and the Board of the Post Office were evidently aware of errors, bugs, and defects having an effect on Horizon integrity. The evidence of Alan D'Alvarez made it clear that where workarounds were proposed, Post Office had to agree whether they were acceptable,<sup>56</sup> and therefore even though there may have been delays in informing the Post Office

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<sup>51</sup> Anne Chambers, 2 May, pages 136 - 138

<sup>52</sup> Alan D'Alvarez's transcript, page 48

<sup>53</sup> Anne Chambers, 3 May, pages 49 -52

<sup>54</sup> Anne Chambers, 3 May, pages 85 – 86, Alan D'Alvarez, page 48

<sup>55</sup> FUJ00086462, page 1

<sup>56</sup> Alan D'Alvarez transcript, page 16

of issues, the Post Office would have still been aware of them, and the fact that a fix had not been applied.

43. It is submitted that evidence demonstrates that the Post Office also had a culture of heavily filtering knowledge through various organisational layers. This is self-evident by the suppression of the knowledge of issues with Horizon integrity, and the corresponding propagation of the myth of integrity in the middle and lower levels of the organisation, but also extends to the Post Office's communications with external individuals.
44. The NFSP is very concerned to hear that the policy was to not tell users of Horizon when they had been affected by a bug, error, or defect.<sup>57</sup> The evidence from Phase 3 shows that the Post Office deliberately avoided telling users of Horizon when their branch had been affected by a bug, error or defect in order to avoid questions about Horizon integrity, as per Andrew Winn's evidence.<sup>58</sup> The NFSP is especially concerned that the Post Office, knowing that postmasters could be liable for discrepancies, did not inform postmasters about how to identify and workaround such identified bugs, errors, and defects in order to maintain the illusion of Horizon integrity.<sup>59</sup> It is the NSFP's position that, especially given that the Post Office was actively moving the onus of identifying issues, and understanding the reasons for discrepancies onto users of Horizon (as discussed below), the lack of communication regarding these errors was, in the view of the NFSP, underhand at best.
45. The Post Office also did not disclose such bugs in court proceedings, for example, the lack of disclosure of the receipts and payments mismatch bug to Seema Misra's defence team or the court, where the Post Office was concerned that, *"It could provide branches ammunition to blame Horizon for future discrepancies."*<sup>60</sup> It is submitted for the NFSP that this amounts to a fundamental dishonesty for the Post Office to conceal this information, and to not make users of Horizon of aware of bugs, errors and defects that could affect the integrity of their accounts, and that they therefore could be liable, or prosecuted for.

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<sup>57</sup> Richard Roll transcript, pages 25 - 26

<sup>58</sup> Andrew Winn transcript, pages 70 - 73

<sup>59</sup> *Ibid* at page 73

<sup>60</sup> POL00028838 page 2

**Culture of assuming user error or postmaster dishonesty, and the moving of the onus onto postmasters**

46. It is submitted that it is clear from the Phase 3 evidence both the Post Office and Fujitsu had knowledge of bugs, errors and defects within Horizon from the pilot stages, throughout rollout, and throughout the Horizon project. As well as never having been made aware of this, the NFSP was extremely concerned to hear the pervasiveness of the culture throughout the Post Office, and extended to Fujitsu in assuming that discrepancies were due to user error and/ or postmasters being dishonest.
47. The NFSP was absolutely shocked at the evidence of Susan Harding, that in her role of Business Process Architect for IMPACT, and in her role in the Post Office more generally, she operated on the basis that postmasters must have been placing sums on the suspense account for nefarious reasons,<sup>61</sup> and it seemed from her evidence that – despite what we now know – this seemed to still be her view today.
48. The NFSP considers the language used, such as that the use of the suspense account “*covered up losses*”, and “*historically it was used by SPMs to ‘hide’ discrepancies*” shows to the NFSP that behind the scenes of an organisation, which they worked with in good faith to benefit sub-postmasters across a range of business and practical issues, there was a deliberate culture of mistrust of postmasters/their assistants and even their own employees. Rather than postmasters and others being a group of people trying to understand a new accounting system throwing up unexpected shortfalls and other issues, there was instead a built-in assumption of their guilt or dishonesty from the outset. And it turned out this was an accounting system was one where the postmasters and others were not being informed of factors that may affect their ability to understand what the issue with their accounts was. The fact that this was the position adopted by the Programme Manager of the IMPACT project, and that this was her understanding of the requirements provided to her by the programme board, shows that the belief of guilt and dishonesty among postmasters and others existed within the wider Post Office organisation. This is also seen in the evidence of Stephen Grayston.<sup>62</sup> The NFSP considers on the evidence that the Post Office evidently knew, and perhaps intended, that the IMPACT programme had the effect of placing

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<sup>61</sup> Susan Harding transcript, page 32

<sup>62</sup> Stephen Grayston transcript, page 27



the onus of identifying and rectifying errors onto postmasters, managers, Post Office employees and others.<sup>63</sup>

49. The NFSP was also shocked to read and hear the evidence of Amandeep Singh regarding the toxic environment of the HSH, and the racist, ageist, and overall unacceptable comments made. His evidence shows that the assumption of postmaster dishonesty was shared amongst the very people who were supposed to help postmasters and others working with Horizon to understand what was going wrong with their counters.<sup>64</sup> It therefore seems that postmasters had to fight a battle for their problems to be taken seriously by the people who were supposed to be their first point of contact for issues.
50. The evidence also shows that throughout Fujitsu and the Post Office, where support or others could not find the underlying reason for an issue, the default position was that it was due to user error/ there was no system fault, and recorded as such.<sup>65</sup> If there was insufficient evidence of a system fault, the call would be closed with a reference back to the postmaster for further information.<sup>66</sup> This put the onus back on the non-technically trained postmaster to find and resolve the fault, and shows a cyclical structure of support.
51. The NFSP is troubled to note that this assumption of user error/ no system fault seems to have persisted even when evidence gathered from the branch indicated otherwise. For example, Anne Chambers talked about a PEAK that she closed as being due to user error, despite an auditor and trainer coming in and experiencing the same error. Ms Chambers closed this PEAK under the user error category without trying to find out further information from the trainer and auditor who had been at the branch and experienced the issue. It was her evidence that it was "not an option" to work with them to get to the bottom of this issue.<sup>67</sup> This is further exemplified by a PEAK in which phantom transactions were appearing, engineers were sent to the branch and saw these transactions,<sup>68</sup> but despite this, it the call was closed as no fault in product as: "*Phantom*

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<sup>63</sup> Stephen Grayston transcript, pages 18 - 19

<sup>64</sup> WITN06660100 and Amandeep Singh transcript, page 72.

<sup>65</sup> Rod Ismay transcript, 11 May, page 37; Gayle Peacock, page 85; Gary Blackburn, page 218; Amandeep Singh, pages 75 – 76; Anne Chambers, 2 May, page 188; Andrew Winn transcript, page 126; and POL00114858

<sup>66</sup> Anne Chambers, 2 May, page 82; ad Stephen Parker transcript, pages 42 - 43

<sup>67</sup> Anne Chambers, 2 May, pages 191 - 185

<sup>68</sup> POL00028743, page 5

*[transactions] have not been proven in circumstances which preclude user error. In all cases where these have occurred, a user error relate cause can be attribute to the phenomenon. I am therefore closing this call as no fault in product”*.<sup>69</sup> This shows that even when other people witnessed the bugs, errors and defects that were causing discrepancies, Fujitsu still did not investigate this properly. The NFSP is very concerned that the attitude seems to have been “we can’t find the issue, and therefore there is no system error,” especially since the Post Office relied on such conclusions to hold Horizon users liable and raise civil/ criminal proceedings against them.

52. This seems to have been accompanied throughout the Post Office by an attitude that no matter how implausible the loss seemed, the postmaster was still liable for the loss if a discrepancy was showing.<sup>70</sup> This seems to the NFSP to be an example of not caring about the human impact, or whether debt was truly owed to the Post Office, as long as it could recover the debt apparently owed. It is clear that it was not in the Post Office’s interest to properly investigate the discrepancies or the causes of these, as further discussed below. It is concerning that the Post Office’s Conduct of Criminal Investigations states that the Security Manager “*must not overlook the fact that a fair investigation is there to establish the truth as well as substantiate the allegation,*” (emphasis added)<sup>71</sup>, showing the Post Office’s approach of ‘guilty until proven innocent’ when it comes to investigations and postmasters generally.

53. These attitudes of:

- a. assuming that postmasters are dishonest;
  - b. assuming that discrepancies were due to user error; and
  - c. assuming that, no matter how implausible a loss, the postmasters was contractually liable
- seem to have formed the basis for the systematic removal of the postmaster’s ability to interrogate Horizon and provide evidence that a discrepancy was not real or not their fault. There was an increase of the onus onto the users of Horizon to identify and rectify errors<sup>72</sup> and decrease in facilities that enabled users of Horizon to do so, such as the removal of the suspense account, the reduction of staff at Chesterfield, and the lack of availability of evidence that a user of Horizon

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<sup>69</sup> *Ibid* at pages 9 - 10

<sup>70</sup> Anne Allaker transcript, pages 56-57; Brian Trotter transcript, page 50; POL00114814; and WITN03980100, page 7

<sup>71</sup> POL00038853

<sup>72</sup> Philip Boardman transcript, pages 51, and 71 – 72

could use to prove that the discrepancy was not their fault (whether by removal from the branch due to suspension, or the limitation of the available data).

54. As highlighted by John Peberdy,<sup>73</sup> by March 2001 there was £10 million in suspense accounts whereas 18 months before there was £2 million. The NFSP is concerned that, rather than investigating this issue and whether this 5-fold increase was due to system errors, the Post Office was more concerned with ensuring prompt debt recovery, and therefore removed the suspense account. This essentially created a situation where Horizon users had to accept a discrepancy in order to roll over, and the manner in which Horizon users could raise errors became integral for the accuracy of the data produced by Horizon.<sup>74</sup> However, as discussed above, the errors raised by Horizon users were not properly investigated and were assumed to be the fault of the system user. The IMPACT programme in removing the suspense account essentially removed the key facility that allowed the Horizon user to investigate the issue before being subject to the Post Office's debt recovery processes.
55. As Counsel for the Inquiry has identified, the Post Office put the onus on the postmaster to provide evidence that the discrepancy was not their fault, but – as they were locked out of their branch upon suspension – there was no way for them to recover evidence to support their position.
56. This lack of available evidence available to Horizon users was also caused by Fujitsu and Post Office's policies on data retention and the retrieval of ARQ data. The Inquiry has heard that, as counters did not keep data that was over circa five weeks old, the only source of data when investigating older issues was ARQ data.<sup>75</sup> The Post Office did not routinely retrieve this data, due to cost<sup>76</sup> and it is clear that not all of the relevant evidence was disclosed in the process of investigations and litigation.
57. It is submitted that Fujitsu themselves are complicit in this lack of evidence. After providing evidence regarding the Lee Castleton case, Anne Chambers identified and flagged to the SSC Manager, Mik Peach, and the Head of the Security Team, Brian Pinder, that Fujitsu had not disclosed much of the relevant data, and she questioned whether there was an obligation to

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<sup>73</sup> FSP00000513, page 15

<sup>74</sup> Philip Boardman transcript, page 51

<sup>75</sup> Anne Chambers, 2 May, pages 163 - 164

<sup>76</sup> David Smith transcript, page 52

disclose this.<sup>77</sup> She suggested ways in which Fujitsu's process in similar cases could be improved, but this seems not have been acted upon, other than to forward her concerns to the Security Manager with no indication of follow up or alteration to the process.<sup>78</sup>

58. It is submitted that the evidence shows the Post Office did not train postmasters sufficiently regarding balancing, and the identification and rectification of discrepancies, which has become apparent throughout the evidence, and of which the Post Office was aware due to the Christmas Report.<sup>79</sup> The Horizon user was therefore not provided with the tools required to identify, understand, and ensure rectification of discrepancies, but was liable for their inability to do so. The organisation that failed to train them and removed facilities enabling disputes was the same organisation that stood to benefit from a postmaster's inability to prove their position.
59. Returning briefly to the HSH, the Inquiry may want to question the limitations of the training that was provided to staff, and whether they were equipped to be advising this group – given their variations in digital literacy and considering the limitations in digital literacy at the time. Given that when faced with discrepancies, HSH staff were essentially assisting Horizon users with bookkeeping, despite having no training in this, the NFSP considers the Inquiry may also want to consider whether HSH had sufficient training to be advising on balancing, given the lack of training about Post Office processes and balancing, with the focus being on basic transactions.<sup>80</sup> The fact that Elizabeth Evans-Jones told the Inquiry that Knowledge Base articles were present so that HSH staff did not require in-depth knowledge to determine whether a call was caused by user error or software is concerning,<sup>81</sup> as it indicates that the first line of support for Horizon users were screening out calls for escalation without a proper understanding of what they were screening out, and on a tick box basis.
60. The NFSP's position is that all of this meant that the Post Office was – through its own policies and reforms of Horizon – able to place the onus for the identification and rectification of errors on Horizon users while severely limiting the user's ability to investigate this. The Horizon user's routes for recourse were run by individuals who thought they were dishonest, assumed the discrepancies

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<sup>77</sup> FUJ00152299

<sup>78</sup> Mik Peach transcript, pages 92 - 94

<sup>79</sup> NFSP00000261, POL00104482 at page 32,

<sup>80</sup> Amandeep Signh transcript, pages 62 and 74; and WITN06660100, page 1

<sup>81</sup> Elizabeth Evans-Jones transcript, page 49



were due to their error, and themselves were poorly equipped to advise Horizon users. The Post Office evidently either did not consider or did not care about the human impact of structuring a system so they and their provider, Fujitsu, controlled the ability to access the information required to investigate matters, and the people who they made liable for things going wrong in the systems had little to no access to tools to help them investigate matters.

61. For the NFSP, the outcome of this is that a Horizon user with a discrepancy essentially had no source of information to dispute the discrepancy other than the Horizon data that showed the discrepancy, other sources of information being available. Only the Post Office could request this further information from Fujitsu, essentially giving them a monopoly on the evidence available for investigations and litigation.

#### **Prioritising meeting targets, lowering costs, litigation, and debt recovery over the truth**

62. For the NFSP, this all demonstrates that throughout the relevant period, the Post Office and Fujitsu prioritised the meeting of targets, the ability to litigate and the ability to recover debt from Horizon users over the truth. It is clear from the above that both Post Office and Fujitsu knew about errors, bugs, and defects within Horizon that could cause discrepancies. Instead of properly investigating and addressing these, it is submitted that the evidence shows that knowledge of these issues was likely suppressed and certainly was not widely communicated, favouring an approach of asserting the Horizon was robust.
63. The evidence indicates that more focus was placed upon meeting targets and keeping costs down, rather than ensuring that the right thing was done. Brian Trotter described pressure from the Post Office to recover debt due to performance-related targets,<sup>82</sup> and Alan D'Alvarez described a similar pressure about ensuring that the pilot went according to timescale.<sup>83</sup>
64. The NFSP was concerned to hear that the primary aim of the SSC was to *"keep the system up and running so that it worked and so that Fujitsu didn't suffer any penalties"* and that *"it was widely accepted that the underlying or root cause was that the system was crap,"* but the necessary rewrite would not happen due to cost and resource restrictions.<sup>84</sup> This indicates that the concern

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<sup>82</sup> Brian Trotter transcript, page 52

<sup>83</sup> Alan D'Alvarez transcript, pages 22 - 23

<sup>84</sup> Richard Roll transcript, pages 21 - 22

for both Fujitsu and the Post Office was more about the cost of fixing errors, the meeting of targets, and the financial implications of issues, rather than the human impact.

65. It was the evidence of Alan D'Alvarez that the integrity of the solution and its effect on the ability to support the Post Office in litigation was *"the number one priority that was given to [him] by Mark Burley."*<sup>85</sup> This is disturbing to the NFSP on two counts: firstly, the Post Office seem to be more concerned with ensuring integrity to prosecute Horizon users than ensuring integrity to guarantee that the accounts are correct and to enable the business to function correctly; and secondly, as referred to above, Fujitsu would delay telling the Post Office about integrity issues. It is submitted that as Fujitsu were aware that Horizon users were being prosecuted on the basis of this data, such a delay (which was justified by it on the basis of wanting to avoid lots of questions from the Post Office, but also in the example above meant that Post Office were not aware of issues until after acceptance) must have been decided upon with the knowledge of the risk that Horizon users would be prosecuted on the basis of incorrect data. It can therefore be argued that this shows that Fujitsu were more concerned with ensuring they did not suffer any financial or relationship damage than actually ensuring the integrity of the product, as supported by Richard Roll's evidence.<sup>86</sup>
66. It had also become increasingly clear to the NFSP throughout Phase 3 that the decision to not communicate issues to Horizon users was made to ensure debt recovery and the ability to raise litigation against them, and make sure that they did not blame Horizon for discrepancies. The deliberate lack of communication of issues to Horizon users was justified in Post Office documentation on the basis that it could provide others with "ammunition" to blame Horizon,<sup>87</sup> ignoring the fact that if this ammunition was correct, it would show that the Horizon user was not guilty, and the debt was not truly owed.
67. The NFSP is concerned that the evidence indicates that the Post Office and Fujitsu cared more about retaining the ability to prosecute and recover debt, rather than ensuring that these prosecutions were sound. This was enabled through the IMPACT programme despite Post Office knowing that only 10% of discrepancies were real debt.<sup>88</sup> This is shown throughout the evidence. Examples include: a Fujitsu review of HNG-X discussed the Derby Error and noted that, *"It would*

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<sup>85</sup> Alan D'Alvarez transcript, page 95

<sup>86</sup> Richard Roll transcript, page 31

<sup>87</sup> Gary Blackburn transcript, page 198; POL00105280, page 2; and POL00105280, page 2

<sup>88</sup> POL00038878

*seriously undermine Post Office credibility and possibly historic cases if it could be shown that a discrepancy could be caused by a system error rather than a postmaster/ clerk action. Most importantly, the central database as the system of recorded would be called into question’.*<sup>89</sup> An email from the National Contract Manager for the North states, *“I am concerned if we swap the processor now and the errors stop this could lead to (i) a claim that Horizon has problems in its accuracy and fuel some of the recent press articles and (ii) the SPMR will claim that all previous errors are down to Horizon and we have no way to disprove this if everything is resolved when the new processor is installed... I have no doubt this individual is not the only one that uses Smartpost in this way so we could end up with other claims in respect of this issue where we have insisted the SPMR makes the loss good.”*<sup>90</sup> Also, an internal Post Office document discussing the payment and receipts mismatch issue referred to the impact of the issue as *“If widely known, could cause a loss of confidence in the Horizon System by branches; Potential impact upon ongoing legal cases where branches are disputing the integrity of Horizon Data; It could provide branches ammunition to blame Horizon for future discrepancies”* but does not mention that the Post Office may falsely try to recover money from, or prosecute Horizon users.<sup>91</sup> David Smith’s speculation as to why the Post Office’s senior management did not want to know about issues flagged by their PR department gives an indication of Post Office’s attitude towards prosecutions: *“...if all that action [against subpostmasters] was successful, why would you change anything?”*<sup>92</sup>

68. Additionally, it seems to the NFSP that the Ismay Report referred to above was commissioned in somewhat dubious circumstances. It is submitted that the evidence shows in response to challenges to Horizon, initial and full investigations into integrity issues were proposed.<sup>93</sup> In response to this, the Head of Criminal Law for the Post Office advised that if such an investigation was undertaken, it would not be appropriate for the Post Office to commence or continue with prosecutions; that the investigation would be disclosable as undermining evidence; and that the defence would say that such an investigation would show a lack of confidence in Horizon. This advice was given in March 2010, with the Ismay Report – a one sided, but ostensibly objective

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<sup>89</sup> FUJ00093031

<sup>90</sup> PO00021163

<sup>91</sup> POL00028838, page 2

<sup>92</sup> David Smith transcript, page 74

<sup>93</sup> POL00106867, page 3



report about Horizon integrity - being produced in August 2010. The NFSP believes that this makes two things clear:

1. the Post Office avoided doing the right thing, and investigating Horizon integrity in order to proceed with prosecutions; and
2. as a result of this, the Post Office then commissioned a report, which to an outsider may seem like an objective review of Horizon's integrity but was instructed with the apparent aim of supporting the Horizon narrative.

- 70 The NFSP is very concerned, given the provision by it to the Post Office of issues reported by its members, about the evidence that has emerged throughout Phase 3, as it was consistently assured the issues were being passed on and that Horizon was robust – an assurance that they accepted in good faith.
71. Unfortunately, the NFSP did not have, nor were they given, a clear view of the problems Post Office and Fujitsu knew existed with Horizon. What is clear to the NSFP is that it and other unions were victim to the filtering of information through Fujitsu and Post Office processes, all as described above. As outlined by John Peberdy in his evidence during Phase 2, the NFSP were unable to contact Fujitsu directly, and the NFSP could only have input through contact with the Post Office.<sup>94</sup> The NFSP were therefore dependent on the Post Office to action any feedback they had.
72. It is also clear from the evidence in Phase 3 that the information given to the NFSP by Fujitsu and the Post Office, meant the NFSP's involvement was actively managed and limited by those organisations, even although the NFSP did not realise this at the time. POL00028137 states that *"the NFSP involvement would be kept to a minimum."* Andrew Winn's evidence discussed an example where the decision to force a sub-postmaster to pay may *"open up a can of worms"* and *"could potentially give the NFSP or an MP some useful ammunition."*<sup>95</sup> The evidence of Steve Bansal was that he was asked to give a talk to the NFSP in response to a period in which there had been a number of incidents, but chose to talk about a problem that had been addressed, rather than the significant receipts and payments mismatch bug. This was because, as he said: *"I was trying to give some closure and some level of confidence that we were over that period."*

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<sup>94</sup> John Peberdy transcript, Phase 2, page 65

<sup>95</sup> POL00105280, page 2, and Andrew Winn transcript, page 175



73. The NFSP worked with the information it had and the assurances it was getting. For example, on receiving complaints from members, the NFSP flagged issues with the training, especially on balancing from at least 1998.<sup>96</sup> The NFSP asked the Post Office for a 'dispute button' facility, so that Horizon users would not be forced to accept transaction corrections that they did not agree with. Unfortunately, this was rejected as this "*would be abused*", and a robust dispute resolution process was given as an alternative. Evidently, this did not come to fruition.<sup>97</sup> While the NFSP was in contact with Don Grey, and did raise issues with him,<sup>98</sup> his evidence was that if he received issues concerning the system itself or integrity, he would pass it to his team to follow up with Business Service Management, and that Post Office had processes in place to tackle problems.<sup>99</sup> The NFSP now knows that issues it passed on were dismissed, left unaddressed and/or passed from team to team as part of such processes. Sometimes the NFSP's calls with concerns would not even be documented.<sup>100</sup>

74. While the NFSP was in contact with the Post Office, the individuals it was in contact with often believed what turns out to be the myth of Horizon integrity, and therefore assured the NFSP of this.<sup>101</sup> Where the NFSP managed to get a meeting with a high-ranking member of the Post Office (who would have been aware of the bugs, errors, and defects in Horizon), it is clear that such individuals were not being transparent to the layers within their own organisation about the integrity of Horizon, and information appears to have been concealed from them. What chance then was there that the truth, the whole truth and nothing but the truth would be told to the NFSP? The Post Office informed the NFSP that issues were down to user errors,<sup>102</sup> issues with

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<sup>96</sup> Bruce McNiven transcript, page 72, Don Grey transcript, page 18, and NFSP00000340, page 2

<sup>97</sup> Andrew Winn transcript, pages 34 - 38

<sup>98</sup> e.g. NFSP00000348, and Don Grey transcript, page 16

<sup>99</sup> Don Gray transcript, page 21

<sup>100</sup> Andrew Winn transcript, page 25

<sup>101</sup> Colin Baker transcript, Phase 2, page 74

<sup>102</sup> NFSP00000020

training,<sup>103</sup> or any problems were being dealt with in an appropriate manner.<sup>104</sup> The NFSP took this in good faith.

75. It is submitted that in the context of evidence in Phase 3 which it can be argued identifies a significant senior culture and organisational attitude that was apparently cultivated to prevent the full picture of Horizon from coming out, it is unlikely that the NFSP or other external organisations would ever have been given the true and accurate picture about Horizon, its errors, bugs and defects.

76. The NFSP reiterates its concern, shock and disappointment at the evidence which has come out in Phase 3 and sincerely regrets the reliance it placed on being told issues it was providing regarding Horizon would be passed on, and that it believed in good faith that the Post Office was truthful with it when it said that the Horizon system had integrity and was robust. As it turns out, that was very far from the truth.

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<sup>103</sup> NFSP00000261, page 3

<sup>104</sup> Don Grey transcript, page 22