

WITN 0538/01

Witness Name: Chris Gilding
Statement No.: WITN05380100

Exhibits:

Dated: 7th December 2022

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF CHRIS GILDING

General

A brief professional background.

1. Joined Post Office in August 1977 as a Crown Office Counter Clerk, promoted to Assistant Branch Manager.
2. Reserve Regional Trainer delivering 6-week classroom induction courses from late 1980's to 1992
3. 1992 – 2009, 27 years Crown Branch Manager at various branches across Hampshire
4. 2009 joined Network Support as a Field Team Leader (FTL) managing team of multiskilled trainers and auditors
5. Approx. 2013 – 2015 2 years secondment to Horizon Mediation Investigation Team,
6. Returned to FTL role after secondment, took voluntary redundancy in September 2016.

Using the Horizon IT System in the course of my work.

7. I was working as a Crown Branch Manager when Horizon was first introduced to the POL Network.

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8. As FTL I used Horizon (a) during training events (b) during branch audits at all types of offices across the network, and (c) in office visits assisting Postmasters to investigate Horizon data for balance enquiry purposes

My roles in relation to the Horizon IT System.

9. Branch Manager, Training and Audit Manager, Horizon Mediation Team Leader

Your role(s) in relation to training

10. My first role as a Trainer was in the mid-1980s, when I applied for the role of Reserve Training Instructor. This was pre-IT so all accounting was in the form of manual paper based records. I delivered classroom induction courses for new entrants, both Crown Office clerks and newly appointed Subpostmasters. There were a few Subpostmasters' assistants on these courses but the contractual onus was for Subpostmasters to train their own staff and the cost of staff attending a 6 week classroom course was a barrier to most Subpostmasters.
11. I re-joined the training team in 2009 as part of the rollout of the WH Smith (WHS) programme, whereby WHS were taking over the running of approximately 70 crown branches nationwide. Initially I oversaw the on-site training for the first 2 weeks of go-live at several branches in the south.
12. Following the WHS initial rollout I applied and was appointed to the FTL role.
13. The structure of the national training team had changed and was now under the umbrella of Network Support.
14. One aspect of this role was to oversee all training including Horizon, delivered by my team.

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15. When I became a trainer as a minimum job requirement the applicant had to have an in-depth knowledge of Post Office products and branch procedures, including branch accounting.
16. Minimum requirements for new trainers were an active knowledge of all Post Office transactions, as an ex-Crown Manager I also had knowledge of all office procedures including the use of Horizon for internal stock unit transfers, office remittances and accounting procedures for losses and gains within the branch.
17. Prior to training others to use the Horizon system, I had approximately 10 years' experience as a Crown Branch Manager
18. When Horizon was introduced to the Crown network, all staff attended a one-day face to face training event, which had a very hands-on syllabus. All staff were trained on how to access the Horizon system, how to enter transactions via the customer facing screens and how to balance an individual stock Unit (SU) at the end of the balance period (BP). This included "rolling" the SU into the next BP.
19. All Branch and Assistant Branch Managers also attended for a second half -day to learn the office procedures and processes on Horizon, ie Maintaining Users, allocating Stock Units, transfers between stock units, remittances to and from the branch. Accounting processes shown included, end of week balancing procedures, how to complete weekly balances for the full branch and how to "rollover" the office accounts to the following balance period (BP) also how to rollover the accounts at the end of each month accounting period, known as a Cash Accounting Period (CAP).

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20. As a Crown manager I was using Horizon every day and acted as a 1st line supervisory checker for staff who were unable to balance at the end of each BP. I would also oversee or complete the office rollover procedures every week.
21. I cannot recall receiving any additional training before I trained others to use Horizon as my previous experience of (a) classroom training and (b) Branch Manager role fulfilled all the requirements of the role.
22. I carried out training as a FTL from 2009 – 2013, I managed a team of trainers and would occasionally cover classroom or on-site training due to a staffing shortage, ie staff sickness.
23. I am unable to recall an exact number of courses that I delivered as I only covered odd days as required
24. Any refresher training I received was conducted remotely.
25. I was never made aware of any bugs or defects with Horizon and my view was that it was a robust system as all the accounting errors I came across as a Crown manager were due to inputting errors by staff members.
26. My view of the robustness of the system didn't change over time as the losses attributed to Horizon only appeared to occur in Sub Post Offices, I am not aware of any major losses in Crown offices, the Horizon equipment installed in all branch types across the network was identical.
27. As FTL it was my role to update the team on any new products, processes or procedures. These were primarily undertaken at Team Meetings which were scheduled approx. every 6 weeks.

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28. During these events we would discuss any Horizon technical questions raised by team members, there was no evidence to suggest a fault in Horizon as the areas raised were caused by users not following correct procedures when inputting data.
29. There were also National Training Events held for product launches
30. I cannot remember any specific feedback from delegates other than general comments. The Horizon customer interface was designed to be user friendly and once the initial introductory training session had been delivered, the majority of trainees across all parts of the network became proficient in its use within a short amount of time.
31. There was feedback from Subpostmasters that additional training on how to investigate discrepancies would have been useful in the classroom. Trainers would explain that Subpostmaster would have an on-site trainer for the 2 weeks of go-live and balancing discrepancies and the use of Horizon logs would be covered in a "live" situation.
32. It was not possible to amend the classroom training course to demonstrate procedures for "rolling" over the accounts as the training equipment was setup to ensure "live transactions" did not transmit to the Horizon servers, hence the training equipment was not able to progress to the next accounting period.
33. This was a security feature to ensure events carried out in a training classroom did not create false transactions in the live environment.
34. A trainer would be allocated to be on-site for the first 2 weeks off live operations for a new Subpostmaster. The trainer would attend for the office opening hours and would shadow the Subpostmaster and deliver additional training on "How

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to run a Post Office". This training could be extended by the Field Team Leader if the trainer felt the Subpostmaster was struggling after the 2 weeks. This was often due to the Subpostmaster being unable to give their full attention as they also had a new retail business to operate.

35. The allocation of trainers to classroom and on-site training events was completed by the Network Scheduling Team based in Salford, then Bolton. Using one schedule nationally ensured the most efficient use of training staff resource.
36. All feedback was collated nationally and passed to the National and Area Training Managers for inclusion in training reviews.
37. Numerous changes were made over the years, including refreshing the timetable to ensure a clearer focus on office procedures alongside product knowledge based training.
38. I supervised and trained trainers as their line manager during 2009-2013, and 2015-2016
39. The various teams I managed were dispersed as follows: 2009-2011—supervised 12-15 trainers in South West Region, area covered from Portsmouth up to Reading, across the M4 corridor to South Wales and down to Cornwall and all areas in between.
40. 2011 -2016 – area reduced to Hampshire & Berkshire due to Network Support team resources increasing by over 100% for the Network Reinvention Programme. Other areas of the South West training team were covered by 2 new FTL's, Jane Rattue and Philip Andrews.

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41. As a Line manager for the Field Team I was responsible for the wellbeing of my team alongside the ability to deliver high quality training to our customers, this included setting team and personal goals.
42. I monitored and measured individual performance to understand and deliver refresher training for individuals as required to ensure the team delivered the highest quality of training available to them. Monitoring took the format of shadowing trainers when they were delivering classroom training and on-site training at Sub Post Offices.
43. Informal and formal feedback was given at each event to the trainer. I cannot recall any trainer failing in the delivery of the training, they were a dedicated, hard working group of people who regularly went over and above their remit in terms of additional hours on-site and being available to take phone calls from Subpostmasters, sometimes for months after the training had concluded. Several of the team forged strong working commitments with Subpostmasters, leading to friendships outside of the work environment.
44. Feedback from the training was collated after every training event, both classroom and on-site. There were general comments regarding the length of the course in the classroom and the training environment.
45. Feedback from the on-site training was collated nationally, however I am unable to recall any specific examples at this stage.
46. All feedback was shared with National and Area Training Mangers to incorporate in training programme updates.

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47. I supported requests for additional on-site training for Subpostmasters who were struggling at the start of their new role, usually allowing an additional on-site trainer support for an additional week
48. Numerous changes to content as a result of feedback received, but no extension to the amount of time dedicated to on-site training was ever introduced except on an ad hoc basis if requested by the on-site trainer.
49. As stated above, the majority of Subpostmasters found the 2 weeks training to be sufficient, however outside influences caused some to be distracted from their training and I recall on several occasions agreeing to a one week extension for the training.

The training programme(s)

General Overview of the training Programme

50. When I joined the training team in 2009 this was completed by The Network Support National Training Manager and their Area Training Managers.
51. Following a reorganisation of the National Support Team, I am unsure of the date, a National Security and Compliance Manager was appointed to oversee all aspects of the training events offered by Network Support.
52. The training programme had strict timescales and structure, all trainers were instructed to follow the training plan as prescribed.
53. The training programme remained in force during all my years within Network Support (2009-2016)

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54. The training was offered to all new Crown Office staff, all newly appointed Subpostmasters.
55. Subpostmasters were contracted to train their own staff
56. Classroom training would be undertaken at the start of their employment and would be their introduction to working in a Post Office
57. How the training was delivered:
Classroom –
Pre technology was a 6 week course with 3 weeks in the classroom, weeks 4 & 5 in a "live " branch with support from local staff and back to the classroom for week 6.
58. Following the introduction of Horizon and the reduction on emphasis of numeracy skills required to balance the branch, the training was reduced to 4 weeks.
59. This was reduced further to 2 weeks as the product range changed drastically with the loss of many Government transactions, ie Pensions & benefits paid into banks, TV Licences and Vehicle licensing moving to online.
60. The reduction in course attendance reflected the changing environment that the business operated in, it did not lessen the quality of training provided as the focus shifted towards additional support within the live working environment. The majority of Subpostmasters were supportive of the reduced time required away from their new business adventures.
61. There was a maximum was between 6 -8 trainees per class, dependant on the physical size of the classroom.

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62. The vast majority of courses were full, however courses could be run with just 2 attendees if required, I recall at least one occasion where there was only 1 attendee.
63. The course content focusing on Horizon was as follows:
64. There was a session entitled An Introduction to Horizon, this was delivered in the first 2 days and any subsequent transactional training would always be completed using the Horizon accounting system
65. The course was very much a product knowledge-based course, with accounting activities attached to each product session.
66. Horizon equipment identical to workstations in "live" branches was used to process the financial part of the training transactions, exactly as it would be in branch.
67. In branch accounting was completed every Weds, in order to replicate this stock balancing was a 2-hour session held in the classroom on Weds.
68. In the classroom the trainees were shown the basics of running a transactional log for identifying discrepancies, but this was very basic. Crown staff were informed that Branch Managers would continue this training on-site, Subpostmasters would receive additional support from on-site trainers in the first 2 weeks of appointment.
69. Following the 2 week on-site training, a follow-up balance support was offered to Subpostmasters with the trainer available to be contacted by phone to discuss any balancing or operational issue. This was formally scheduled for the

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first week after the on-site training, however I have recollections of some Subpostmasters using this facility for several months.

70. The Network Business Support Centre (NBSC) was the first port of call for Subpostmasters. This was a telephone-based support function.
71. Additionally, they could contact their Contracts Advisor and request additional on-site support / training.
72. Trainees had access to the full transactional logs created on Horizon.
73. The Horizon system is in my view, a digital double entry accounting system. For every item sold, ie a 1st class stamp, the stock is reduced and the cash / method of payment (MOP) increased, hence the system figures are always in a state of balance.
74. In a transaction log, Subpostmasters could identify every transaction entered via Horizon and this would include which MOP was used. The transaction log would show the User, Stock Unit, and time of the event.
75. Subpostmasters also had access to Event logs. These identified procedural events rather than transactional, ie times each user logged in or out of Horizon, which stock unit they were attached to, which transactional mode was being used, ie customer service, balancing, reversals.
76. For Subpostmasters, the opportunity to discuss Horizon accounting procedures would take place during the 2 weeks on-site support from a trainer

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77. Changes to the initial classroom could be made to accommodate the mix of attendees, ie if no Crown staff present additional focus would be spent on "how to run a Post Office", however I would say this was rare.
78. There was no formal testing of delegates understanding of Horizon, this was undertaken on an observation basis by the on-site trainer who raised any concerns with the Contracts Advisor for that branch.
79. I believe the training programme was adequate, the vast majority of trainees were competent in the use of Horizon, able to complete all tasks required for their respective role within the branch.
80. Investigating the Horizon system for discrepancies was sufficient for the majority of Postmasters, however additional support could be sought by those struggling to identify specific discrepancies. Following the 2 week on-site training, a follow-up balance support was offered to Subpostmasters with the trainer available to be contacted by phone to discuss any balancing or operational issue. This was formally scheduled for the first week after the on-site training
81. Following this the Network Business Support Centre (NBSC) was the first port of call for Subpostmasters. This was a telephone-based support function.
82. Additionally, they could contact their Contracts Advisor and request additional on-site support / training.

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83. Subpostmasters could request additional training via the Contracts Advisor (CA) if they felt they had specific additional training needs, ie transactional knowledge or accounting support. These were actioned at the CA discretion following discussions between the CA and the Subpostmaster.
84. Additional training was also offered if the on-site trainer felt it was necessary. Crown Office staff received additional training from Branch Managers.

Advice and assistance

85. As FTL, one of my responsibilities was to conduct follow up meetings with new Subpostmasters at the one month and three-month stages. These reviews included a one-to-one discussion with the Subpostmaster regarding the standard of training received and if they felt it had equipped them fully to run a Post Office. There would also be a cash check undertaken at these visits.
86. In addition I would visit Subpostmasters by appointment as scheduled by the Contracts Advisor to discuss discrepancies. This meeting would include additional training and producing Horizon Transactional and Event logs and how to interpret the data.
87. The initial contact by the Sub postmaster would have been a phonecall to the NBSC who would escalate to the Contracts Manager.
88. An example of a visit: A Sub postmaster who was considered very good in his role by the Contracts Advisor, was struggling to reconcile the cash figure for his stock unit for the Automated Teller machine (ATM). Upon request I agreed a date and time to visit so we could spend quality time looking at Horizon transaction and event logs. I confirmed his understanding of the Horizon

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system by asking him to produce the logs, demonstrating he knew his way around the reports.

89. We investigated the data together and identified an operational procedure that he was not following correctly, which was causing him to compare cash levels in the ATM on different days/times, hence they did not match. There were no losses recorded against the branch for this issue, however he was reassured that Horizon was working correctly once he understood the disparity in figures he was incorrectly using. The on-site visit was completed in approximately 4 hours.
90. All issues raised were reported back to The Contracts Advisor
91. The only difficulties I encountered with Horizon, were primarily due to user errors, ie incorrect accounting processes followed and, quite often, a reluctance from Subpostmasters to seek assistance. Unfortunately there were too many occasions whereby the Subpostmaster tried to "fix" discrepancies but actually, by incorrect accounting, made the situation worse. However I am unable to offer any specific examples at this time.
92. My personal view of the support offered to Subpostmasters was that having just a telephone support in NBSC was not sufficient, there should have been a dedicated team of "Problem Busters" available to support at short notice. This would have been a team of dedicated trainers available at short notice to make on-site visits to branches where accounting issues were occurring. This would have been a quick response system which would have ensured any errors made would not escalate out of hand, ensuring repeated incorrect procedures did not complicate the outcome further.

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93. This was suggested on numerous occasions, although I cannot recall specific dates, but did not fit in with the structure designed for Network Support by senior managers as it was considered too resource heavy and an inefficient use of staffing resources.

2011 Training review

94. Feedback was collated from all trainers and shared by FTL's at the training review meeting. Primary drive for the review was a change in emphasis within POL for a more sales-driven culture within branches and the need to improve product sales to create additional income for Subpostmasters.
95. There was a suggestion from my team to amend the timing of the Cash Management session, as they felt it could be covered much better on site as the classroom only had a minimal amount of "dummy" cash in each stock and did not prepare some Subpostmasters for the vast amounts of cash they would be dealing with. This suggestion was not adopted by senior Managers.
96. The course was very much focused on product transactional knowledge with little focus on "how to run a Post Office branch."
97. In my view the one size fits all policy ensured a consistent level of training delivered to all newcomers within the business, irrespective of the type of branch they were due to work in.

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98. Personally, I don't feel this had any detrimental effect on Subpostmasters ability to run a branch as this aspect of their role was covered by the on-site training which occurred straight after the classroom attendance.
99. Stock balancing in the classroom consisted of just 2 powerpoint slides as this was a practical session requiring the trainees to balance the small tills within the classroom. I fed into the training review that the delegates were not given enough information to understand all the acronyms and terminologies used within POL. As a result, 2 new powerpoint slides were added to explain balancing terminology and also how to account for discrepancies (Gains & Losses). These improvements along with the provision of handouts for the delegates, was sufficient to overcome the initial training shortfall.
100. Further in-depth training for office accounting, ie transactions corrections and Rems, was delivered in the 2 week on-site training
101. In later times, around 2012, if memory serves me correctly, as the business moved forward with its Network Reinvention Programme, the transactional base for Post Offices had changed greatly. Unlike previous years whereby a Subpostmaster was guaranteed a constant customer footfall due to the nature of the business, this had been eroded and the tide swung whereby they would need a strong retail to offer to support the costs of running a branch. The course contented was changed to give a greater emphasis to a new sales culture.

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102. Personally, I felt the emphasis of the course, and the business as a whole had become too sales orientated and not enough focus was on cash discrepancies within branches. My view was "What was the point of generating small levels of income from selling a Travel Insurance product, if losses were occurring elsewhere in branch due to a lack of focus on procedural areas such as stock and cash control measures". I stress this my view and not that of the senior management team who were striving to keep branches afloat by generating new income streams.
103. Further feedback from my team was that Day 1 of the classroom training was overloaded with content, and I agreed that there was not enough time in day 1 to welcome the delegates, make them feel comfortable and engaged before heading into the training content. Some transactional sessions could have been moved to a different day, however the training timetable was very tight for the full 2 weeks.

Review of training in December 2013

104. There was a 1-day course that had been put together for introducing non-frontline POL managers to working on the counter as cover for emergency situations and was intended as an operational contingency only, ie industrial action. The one-day course was not devised for Subpostmasters or their staff.

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Changes to training in 2015

105. As more offices and new entrants began using iT at home, a review was undertaken to produce an online training facility for new entrants which would greatly reduce or even remove the necessity to attend a formal classroom event. The online training was designed to be used by Subpostmasters before attending a shortened course, with the added benefit they could delegate to any staff they wanted to train, something that was not available before.

Bugs, errors and defects

106. I always operated on the statement received from Fujitsu that Horizon was "the 2nd most secure system in Europe". I personally was never aware of any issue or problems with Horizon.

107. All of my dealings with Subpostmasters and staff were based on Horizon being a robust accounting system.

108. In response to a direct question regarding a problem raised in PinICL, I have no recollection of this specific event, however I vaguely remember the Horizon system would not "rollover" from one BP or TP to the next one if there were outstanding transfers between Stock Units (SU). The reason being if a transfer had not been accepted, the incoming SU would be showing a false cash on hand figure.

109. I recognise the name of the caller as a Branch Manager in a Crown Office

110. Other appendices sent to me appears to be in (1) a call log involving the NBSC, and in (2) a call log involving the NBSC and Fujitsu engineers. I have no recollection of these cases and I am certain I had no involvement in either case.

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Resolution of disputes

111. I was not involved with any disputes between Post Office and Subpostmasters regarding any alleged shortfalls, this was undertaken by the Contracts Advisor

STATEMENT OF TRUTH

I believe the content of this statement to be true

Signed.....

GRO

Dated..... 7th December 2022