

Witness Name: Donald Scott Grey

Statement No: WITN0522

Exhibits: WITN0522_01/1 - WITN0522_01/9

Date: 11 October 2022

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF DONALD SCOTT GREY

I, DONALD SCOTT GREY, will say as follows:-

INTRODUCTION

- a. As a former lead manager in Post Office Limited I have been invited to provide a witness statement to the inquiry pursuant to Rule 9 of the inquiry Rules 2006.

- b. These events all happened over 20 years ago and it is difficult to recall precise details and specific events after that time without full access to all working papers. This statement has been compiled from those papers I have been given and my recollections and I have answered all questions as fully and as honestly as I am able so long afterwards.

1. PROFESSIONAL BACKGROUND

- a. The Inquiry has asked me to set out briefly my professional background. I joined the Post Office in January 1963 as an Executive Officer from school and held various operational management appointments over the years in computing, mails and counter services.

- b. From 1986 until June 1993 I was District Manager for Post Office counter services across 3 counties in the North Midlands.

- c. In June 1993, on business reorganisation, I moved to Leeds and in 1997 I became Regional General Manager for the North East Region with responsibility for over 9000 people in 2800 post offices from Lincolnshire to the Scottish Border.

- d. On business reorganisation in Summer 1999 I undertook a project to improve the efficiency of the branch office network.

- e. In January 2000 I was appointed Horizon National Roll Out Project Manager with responsibility for completing the roll-out of the Horizon IT project across the nationwide network of post offices.

- f. When the installation programme was largely complete in July 2001 I moved to lead the Business Service Management function with responsibility for providing operational support and supplies to the post office network.

- g. I retired in March 2003.

2. HORIZON BACKGROUND

- a. The Inquiry has asked me to set out the background to my involvement in the Horizon project. The Horizon implementation programme began in 1997 with a live trial at a small number of offices in the South West and North East. My initial involvement was as Regional General Manager North East with operational responsibility for trial offices in the North East, reviewing and learning from the practical outcomes and issues from this trial in readiness for national roll out. My prime responsibility was managing counter services; the Horizon trial absorbed no more than 10% of my time.

- b. Learning and communication and support experiences were a key part of this process. During the pilot the local implementation team and operational managers were heavily involved in co-ordinating the activity on the ground and identifying and handling practical, technical and support issues that arose. These were shared with the national Horizon project team who managed the broader picture and initiated required actions.

- c. In January 2000 I took up the role of National Roll Out Project Manager, a post I held for the 18 months it took to complete the main rollout.

- d. When I moved to Business Service Management (BSM) in 2001 my Horizon involvement was in an operational support role. This was very much a business as usual role with the Horizon system being but one element of this. I had no project responsibilities beyond keeping an eye on the completion of the last stages of national roll out during my early months on the job.

3. TECHNICAL ISSUES SUMMER/AUTUMN 1999

- a. The Inquiry has asked me to set out my understanding about the technical issues with Horizon in the Summer and Autumn of 1999. I have also been asked to comment on my understanding of the reasons for the suspension of the roll out and my knowledge of the 'checks' and 'integrity controls' that were put in place to address these issues. Prior to my implementation role in January 2000 my knowledge of technical issues was limited to what was generally communicated to operational managers either in discussion or documents such as the Inquiry has made available to me, namely the emails on the Horizon acceptance update (WITN0522_01/1 - POL00028463 Email from Keith Hardie, Head of PR & External Communications at POCL to POCL employees re Horizon Acceptance Update) and notes of the Special Delivery meeting of 14 January 2000 (WITN0522_01/2 - POL00028509 Horizon/Pathway Delivery Meeting: Special Meeting Notes, 14 Jan 2000, sent by Dick Brazear, Head of Programme Office for Post Office Network to POCL and ICL employees) . At operational level the most evident issues during the trial were periodic system freezes and printer failures which impacted on customer service and user confidence. The responsibility of myself and my local team during the trial was to identify and feedback experiences and issues from a user perspective. We were not involved in the technical assessment of any issues.
- b. My understanding was that national rollout could not proceed until both a commercial agreement had been concluded with the Benefits Agency, and the Horizon system had been accepted from ICL. This latter requirement

depended, at least in part, on the resolution of issues defined in POCL Acceptance and Business Impact Assessment (WITN0522_01/3 - POL00030393 Electronic memorandum by the Post Office on acceptance and business impact).

- c. As data integrity controls and checks were essentially national issues I had no direct involvement in these. My knowledge of these was limited to the general updates I was given from the project team such as in document WITN0522_01/3 - POL00030393.

4. HORIZON RESEARCH REPORT

- a. The Inquiry has asked me to comment on my knowledge of the Horizon Research Report including by whom and for what reason it was commissioned. I have also been asked to comment on my understanding of end users concerns with the provision of training, their concerns with balancing accounts of Horizon, their concerns with provision of advice and assistance and what action was being taken to address their concerns. A report (WITN0522_01/4 - NFSP00000261 Circulation: National Executive Council, NFSP, enclosing:
 - i. letter from David Smith to Colin Baker, 31 Jan 2000;
 - ii. PO Consulting "Christmas Horizon Research Report", Jan 2000)was commissioned from the Post Office Consulting Research Services before I joined the project and I do not know who did so. The purpose of the report was to ask over 300 staff and subpostmasters who had taken part in Horizon roll out during its pilot phase in Autumn 1999 about their experiences and feedback.. On commencing my role on the implementation

team in January 2000 I was made aware of its contents. This feedback was an essential part of learning about the impact of implementation. During my early days on the project it was a useful reference. Not only to provide a benchmark but to help identify improvement opportunities going forward.

- b. Though over 90% of respondents found the system easier to use once they had adapted to it only half felt the training was good. The reasons given for dissatisfaction were mainly around the sufficiency of training, including on balancing.

- c. As this was a new automation system, not an upgraded one, it was no surprise that the training feedback was mixed. Some colleagues were not IT literate and the training had to encompass a wide range of abilities and backgrounds with an age range that stretched from those recently left school to octogenarians. The training was never intended to be exhaustive but sufficient to provide the essential operating skills to be supplemented by practical experience on the job in a familiar environment with on-site guidance. As a result of this feedback additional support was provided during the early days on the new system.

- d. Nearly half of respondents found balancing more difficult largely because it was quite different to existing manual procedures and more time consuming, at least in the early weeks. With any major business change, however well it is planned and implemented, there will be a learning curve and teething problems as people adjust to the new system. A first-time automation project of this magnitude was no exception. Those who had been used to manual accounting procedures would need time to adjust to the new way of working,

especially as the established methods they had used previously to verify transactions may no longer be available to them. Horizon Field Support Officers who supported post offices in the early days after they moved on to the Horizon system were equipped to provide hands-on assistance on recommended practices to help subpostmasters and staff develop best practices. After the live trial in 1999 strengthening the support given to outlets in their early days on Horizon, including initial balances, resulted in a noticeable improvement as my letter to the NFSP General Secretary (WITN0522_01/5 - NFSP00000348 Letter from Don Grey (POL) to Colin Baker) records.

- e. Though there may have been some initial confusion about which helpdesk to call, this quickly settled down and was not seen to be a major issue. The quality of response at each helpdesk may have been slower at the outset as staff acquired essential experience and call scripts were refined but this too soon settled down. There was also some dissatisfaction amongst users when passed to another call handler if the enquiry required more specialist advice. The time to answer and the quality of responses was regularly monitored and improvements made where required.
- f. All post offices were issued with a practical user handbook, the Horizon Guide, to explain in some detail Horizon operations and assist their move to the new system. This was a comprehensive, hard copy, step-by-step handbook which described key processes and transactional information including balancing. Just over half (55%) of users found this guide useful but around one in four had not made much use of it. Some preferred to rely on a helpdesk instead. Creating a comprehensive, easy to use reference document to satisfy the

needs varying between those well versed in IT and new learners was no easy task. The content was informed by learning and experience to try and find the right balance with updates as appropriate.

- g. This was a major new undertaking and a learning process for all involved. Feedback from users and support staff was essential to success and actively encouraged throughout the business. Besides the research report (WITN0522_01/4 - NFSP00000261) feedback was collected via helpdesk calls, visits to outlets, frequent dialogue with operational colleagues, subpostmasters and staff, in person and through user groups, and their representatives. Every opportunity was taken at all levels, including by the POCL Directors to obtain front line comments. The regular analysis of helpdesk calls enabled us to identify frequent and emerging issues which were passed to specialists in BSM to analyse root causes and seek solutions. Issues and opportunities were processed and tracked to resolution within the business change process and were also reported upwards both in monthly management reports and progress tracked in team meetings. Documents WITN0522_01/4 - NFSP00000261, WITN0522_01/5 - NFSP00000348 and my letter to the NFSP General Secretary of 5 October 2000 (WITN0522_01/6 - NFSP 00000289 Letter from Don Grey, Horizon National Roll Out Project Manager to Colin Baker, General Secretary of the NFSP) all provide examples of how issues led to improvements.

5. NATIONAL ROLL OUT PROJECT MANAGER ROLE

- a. The Inquiry has asked me to provide details of my role as National Roll Out Project Manager. The primary responsibility of this role was the planning and

implementation of the training of counter staff and installation of Horizon as an Electronic Point of Sale (EPOS) computer system at all post offices in the UK. I was asked to undertake this role based on my extensive operational experience and track record for delivering results as this was deemed a more essential requirement than previous major project experience. I reported to the Automation Director, who also led other teams overseeing other aspects of the Horizon automation programme, such as system integrity and contract management.

- 2 In addition to a central project team in London my team operated from regional centres in Glasgow, Leeds, Bristol, and St Albans. They directed local teams in the field to provide appropriate support to post offices across the network. At its peak over 350 people were engaged in undertaking implementation front-line support work.
- 3 I spent time each week visiting field teams and post offices with local colleagues to see how things were working on the ground and to obtain first-hand feedback. I also undertook the basic training to experience what staff and subpostmasters had to cope with and satisfy myself that it was fit for purpose.
- 4 The Inquiry has also asked me to comment on my understanding of the losses referenced in my letter of 1 February 2000 to the NFSP General Secretary (WITN0522_01/5 - NFSP00000348) including why these matters were raised with me and what enquires and actions were taken as a result. However, I am unable to add anything to that which is recorded in this letter. The General Secretary of the NFSP must have raised these concerns with me but I have no

means of identifying currently what action I took or the outcome. Initial investigation by a member of my team seems to have eliminated Horizon migration issues as a cause and identified that significant misbalance history existed before the offices migrated to Horizon though there is nothing in the document to indicate why. The reference to misbalances is merely mentioning a pre-Horizon situation which is proper to be dealt with by the Finance Department in Chesterfield and not the Horizon project team. I feel sure that neither I nor the NFSP would have let this matter go unaddressed.

- 5 This instance does, however, demonstrate the regular and open dialogue that existed between us to discuss issues and concerns as they were identified. I had direct and positive dealings with subpostmasters and staff at all levels over many years and, as WITN0522_01/4 - NFSP00000261 attests, I am a listener who responds in a spirit of co-operation and continuous improvement.

6 OFFICE DISCREPANCY

- a. The Inquiry has asked me to comment on my understanding of the losses reported at the Waterloo Road Post Office Branch. I have also been asked to comment on why these matters were raised with me, what enquires and actions I took, what my understanding was at this time in relations to faults in the Horizon system and their effects and whether this was reported to subpostmasters and end users of the Horizon system. I have no recollection of this specific incident at Waterloo Road (WITN0522_01/7 - NFSP00000287 Email from Mike Ingle (Post Office Network) to Don Grey Horizon Roll Out Project Manager). From the document it would seem the cause of the

unresolved problem at this office appears to have been a discrepancy in the daily totalling of TV Licences within the Horizon system. This seems to have been picked up by our Finance department who issued an error notice to correct the problem at office level. As I cannot recall this event I am unable to say so long afterwards if a system error was responsible.

- b. It is probable that this issue was raised with me because I encouraged all operational staff I met to flag up any system concerns - Mike Ingle was one of my previous team in the North East. The proper route for addressing system issues at offices which had gone live was via Business Service Management (BSM) but during the early days I was happy being appraised directly of any issues because of any potential impact on rollout.

- c. If a system error was suspected the normal procedure would be for the Finance Dept. to escalate it via BSM for further investigation. When I received any separate communication about any issue I would normally ask one of my team to ensure the incident had been properly logged for investigation and resolution. Hitches in new IT systems are not uncommon and are usually resolved expeditiously without fundamental harm to users or system integrity.

- d. I was not made aware of all issues but on the information available to me at no time during my time on Horizon did I believe that there were systems or other major faults. Should I have done so during roll out I would have recommended a pause until they had been rectified.

- e. The detailed checks in the Finance Dept. in Chesterfield, which have existed over many decades, are designed to pick up discrepancies in office accounts between amounts claimed in the weekly Cash Account and supporting documentation. Discrepancies are usually identified and resolved, as it was in this case, by the issue of an error notice to the office to correct the problem. There was a requirement for specific concerns about any potential system problem to be flagged up with relevant evidence for further investigation and remedy and so far as I am aware this approach was followed during Horizon roll out.

- f. There existed an established and comprehensive process in which reported issues, including feedback from all stakeholders and helpdesks, were recorded, collated and addressed throughout roll out and beyond. When issues were confirmed they were managed in a structured way through the business change control process and appropriately resolved. Periodic system upgrades incorporated significant enhancements and others including alerts were communicated by a brief service message on the system or notices to outlets in official publications such as the Counter News which was issued weekly.

7 CSR+ SOFTWARE RELEASE

- a. The Inquiry has asked me to comment on the nature of the 'outstanding faults' and/or 'software problems identified in relation to CSR+ and what action I understood ICL Pathway had taken in relation to these problems. This software release was about introducing new functionality as well as improving system performance. Service improvement ideas emanating from user groups

had also been incorporated into this software release, such as reducing the rollover time when moving from one accounting period to another. Software development was not within my remit and I was not involved in the planning and content of software releases. My role was to engage in introducing the final product to offices in a controlled way with appropriate training ((e.g. my letter to outlets on new procedures (WITN0522_01/8 - NFSP00000318 Letter from Don Grey, Horizon National Roll Out Project Manager to SPMs) when it had been approved and was fit for rollout.

- b. The only problem I can now recall related to the preservation of data when swapping out faulty kit at some multi-position counters. My understanding was that this was an intermittent problem which did not compromise outlet or business data integrity but needed to be fixed before the new CSR+ software was released. After the start of the pilot had been postponed by a few weeks we received assurances from ICL that this problem had been fixed and the upgrade could proceed.

8 TRAINING

- a. The Inquiry has asked me to describe the training provided to end users of the Horizon system prior to the CSR+ software release, who was reasonable for devising the training package and what input was obtained from end users in the preparation for this training. The training framework for new users was much the same before and after CSR+ release. Firstly, all users were given the opportunity to attend a local awareness event in the weeks before their migration to Horizon. These were normally held in an evening after offices closed in a suitable local location and lasted two hours or so to introduce

colleagues to the nature of the Horizon system. These were voluntary sessions but all colleagues were encouraged to attend. A few days before the go-live date for each office the staff attended a basic classroom course using off-line Horizon terminals for 1 day which concentrated on the point of sale functions. Training was undertaken at a local venue in small groups of around 10 people by a training specialist, Knowledge Pool, engaged by ICL to deliver the training. As far as humanly possible every effort was made to ensure consistent and quality training was given at each session.

- b. Branch managers and subpostmasters attended for a second day to learn about stock control and financial accounting.
- c. The duration of each course was selected as a pragmatic balance between essential training needs and time away from customer service. The initial training was never intended to be exhaustive but sufficient to provide the essential operating skills. These would be supplemented by practical experience on the job in a familiar environment with on-site guidance from experienced Horizon Field Support Officers over a few days and ongoing support from local Retail Network Managers.
- d. The Post Office was committed to getting all staff and subpostmasters and assistants sufficiently trained to operate the system. Over 64000 people were trained during an 18 month period. At the peak of roll out staff at 300 post offices a week were being trained. The Horizon Achievement Certificate was awarded for successful completion of the appropriate course. Remedial events were arranged for those who in the opinion of the trainer did not meet

the required standard during initial training. A trainer quality review process was also in place.

- e. On the resignation of a subpostmaster after the Horizon system had been installed in an office the training of the incoming subpostmaster on Horizon was incorporated into the initial on-site training given to all newly appointed subpostmasters. This was normally for one week.

- f. Where there was a major change of procedure such as happened with the new CSR+ software release (WITN0522_01/8 - NFSP00000318) suitable briefing material or workbooks were issued to outlets in advance of the change to prepare for it.

- g. Although it was before my time on the project I believe the training package had been jointly designed with ICL. I understand that a detailed training needs analysis was undertaken between September 1996 and March 1997 and a training specialist, Knowledge Pool, was engaged to deliver the training. They inspected potential training venues, often hotels, across the country and selected suitable locations which sought to keep the travelling distance from an office to no more than 15 miles. Knowledge Pool admin staff arranged training placements, handled queries and changes and organised pass certificates for those who successfully completed training.

- h. The training system was built around the needs of potential users as identified in the initial training needs analysis. Feedback was collected at each training session and where appropriate was incorporated into future events. As a first time automation system the training had to encompass a wide range of ages,

abilities and backgrounds. Many trainees had no previous experience of IT so needed to be taught some basics. Training was not a “one size fits all” event and was tailored as far as reasonably possible to the roles and needs of individuals, including specialists like auditors.

9 HELPDESK

- a. The Inquiry has asked me to comment on how helpdesk performance was assessed by POCL during the Horizon roll out and what steps were taken to improve performance and how this was monitored. There were a variety of key performance statistics for both helpdesks. Those at the Horizon System Helpdesk (HSH) were governed by a service level agreement with ICL. Those for the Network Business Support Centre (NBSC) were incorporated into a service level agreement with Post Office Customer Management who were contracted to provide an initial call handling function. Performance measures included time to answer (% calls answered within 20 secs), duration of call, number of calls passed to another team for specialist response, types of call, comparisons with previous regional Helplines performance etc. These were permanent performance measures not just for rollout but beyond. Call handler scripts at each helpdesk were updated to ensure responses kept pace with transactional and other changes and to incorporate improvements when identified.

- b. Regular liaison with both ICL and PO Customer Management ensured that day-to-day situations were tracked and appropriate remedial work initiated to respond to any emerging situation. Performance review meetings between the organisations involved were also held at different levels and frequencies

to ensure compliance with requirements. Any issues that could not be resolved at working level were escalated to a higher level for resolution.

- c. The Inquiry has asked me to comment on the concerns identified in/around October 2000 concerning ICL Pathway's performance against service level agreements, what I understand in regard to non-polling transactions and what I believed the underlying causes to be. My recollection is that the ICL problems in October 2000 were largely about the time to answer calls which had fallen below the standard specified, especially on the busy days when weekly office accounts were being prepared. This had been compounded by ICL being unable to collect transactional information from some outlets.
- d. Transactions were not completed in real-time and were harvested at the end of each working day by the ICL server when the outlet was closed. This process was triggered by ICL but required the outlet to have left the Horizon system powered on. Even if the collection of transactions could not be completed on any day we were assured by ICL that there would be no compromise to data integrity.
- e. Initially a frequent cause of the non-polling of transactions was a post office not leaving their system powered on at close of business meaning the ICL server could not collect the transactional data. Sometimes polling had been attempted by ICL but could not be completed because of faults in the public network communications system to the outlet.
- f. The Inquiry has also asked me to comment on my understanding of what was causing the errors in Horizon cash accounts describing what I understood to

be the 'root causes' of these errors, remedial actions taken and service improvements made as a result of feedback from end users. Without access to working documents not now available to me I cannot elaborate on the causes of errors in cash accounts, the remedial actions taken to address them or the service improvements suggested by users. There was a structured and comprehensive process on each helpdesk for identifying and managing issues such as these. We also encouraged and listened to feedback from users via other routes, such as outlet visits and user groups, and took on board that which would enhance the performance and acceptability of the Horizon system.

- g. The Inquiry has asked me to explain the purpose, function and composition of the 'User Groups.' User groups were essentially small informal focus groups of subpostmasters and branch office staff designed to capture feedback from users and test ideas on them with the aim of identifying system improvements. Invitations to a local group held after hours were issued to those who had been on the Horizon system for at least 3 months and had had time to settle in to the new way of working. The agenda for these meetings was compiled from the user responses to questionnaires sent out with the invitation to attend and ideas received by Business Service Management often through the NBSC helpdesk. Each group was led by a senior manager in BSM and lasted 2-3 hours. They were held around every 3 months in different locations nationwide. They were an inherent part of our listening strategy to secure service improvements for the benefit of all users.

10. BUSINESS SERVICE MANAGEMENT

- a. The Inquiry has asked me to explain what was involved in my role as Head of Business Service Management. The Head of Business Service Management had overall responsibility for managing operational support to as well as supplying all post offices across the network with cash, transactional stock and stores (stationery etc.). This included oversight of the NBSC, and relationship and supplier management of other internal partners such as Stores, Cashco, and Customer Management. Liaison with ICL, or Fujitsu Services as it had then become, within BSM at this stage was largely at working level. Except for keeping an eye on the remnants of the national roll out my Horizon project work ceased on this appointment. My involvement with Horizon was then in a business as usual mode and included the continuation of links with outlets, through visits and user groups, and the NFSP on support issues.
- b. The Inquiry has asked me to explain the purpose of the sub-committee mentioned in para 5 of NFSP Executive Meeting report (WITN0522_01/9 - NFSP00000501 NFSP report of the meeting of the National Executive Council held on 30th & 31st July 2001). The sub-committee relates to an NFSP group they would appoint to meet with key managers in BSM 3 or 4 times a year to discuss operational issues on Horizon. It provided an opportunity for key NFSP players to discuss concerns, ensure BSM was alert to user requirements and was progressing the resolution of issues. My recollection is that we did not have too many of these meetings before they dried up through non-attendance by NFSP reps, seemingly because the effectiveness of business support processes and other regular communications between us rendered them unnecessary.

- c. The Inquiry has asked me to comment on my understanding of 'major Horizon issues' which is referenced in the report. The "major Horizon issues" is NFSP secretarial terminology to cover all ongoing implementation issues. So far as I was aware, there were no major issues and none that were not on our radar being managed to resolution through business as usual processes. Later this document (WITN0522_01/9 - NFSP00000501) records how the NFSP "were extremely impressed" with the NBSC and that "it was working extremely hard to reach its objectives". As with outlets it took time for all non-outlet staff, such as those in NBSC, to acquire expertise in the new system. There was during my tenure a continually evolving situation to improve system resilience and to prepare for forthcoming transactional changes, not least of which was the introduction of universal network banking. This project was to introduce system and process changes to enable banking transactions for most commercial banks to be handled at PO counters.
- d. The Inquiry has asked me to provide steps that were taken to resolve issues. All reported issues were recorded and analysed. Where frequent or significant the issue was passed to a team of specialists in BSM for further action and follow up. On these issues root cause analysis was undertaken and an appropriate resolution path identified. Where warranted alerts were communicated to outlets via a service message on the system or in the weekly bulletin and more significant improvements handled through the business change control process and incorporated into future software updates.
- e. The Inquiry has asked me to provide my understanding of issues in relation to impounded books. From the report to the NFSP National Executive

meeting on 30/31 July 2001 (WITN0522_01/9 - NFSP00000501) it seems that the Benefits Agency were unhappy that some notifications to the Horizon system had not resulted in the impounding of some benefit books to stop further payments being made. This may have happened because the Benefits Agency was late in notifying us but I am unable to say after so many years what was the precise cause.

- f. The Inquiry has asked me to comment on changes that were being made within the NBSC at this time and the reason for these changes. There was an ongoing programme to strengthen NBSC procedures and provide more extensive training of call handlers to increase their skill sets and flexibility to be able to respond better to fluctuating demands. Side-by-side with this work was a continual refinement of call scripts to be more efficient and helpful to outlet staff. There was also an extensive team preparing for the introduction of the universal banking product across the network which was another major change with an impact right across the business.

- g. The reason for these changes was twofold. Firstly, a desire for continuous improvement and, secondly, readiness for a major business change.

11 BUGS, ERRORS & DEFECTS

- a. The Inquiry has asked me to comment on what I understood about bugs, errors and defects in Horizon during my tenure as Horizon National Roll Out Project Manager and Head of Business Service Management. No project of this size and nature can escape without some issues and remedial work. So far as I am aware, quality was never sacrificed for speed and as they arose

relevant issues were recorded, collated and appropriately resolved.. The number and nature of bugs, errors and defects was never unmanageable. Inevitably some (e.g. the time to rollover between account periods) attracted more user noise than others but all were given proper and serious attention as part of a comprehensive improvement process. After so long since my time on the project and in BSM I cannot recall the nature and number of bugs, errors and defects identified but my abiding memory is one of an improving not worsening position.

12 ROBUSTNESS OF SYSTEM

- a. The Inquiry has asked me to comment on whether I considered Horizon to be a robust IT system at this time. After national rollout began I cannot recall any serious discussion in which genuine doubts were expressed about the fundamental unreliability of the Horizon system or major flaws within it. Had this been so during implementation I would have recommended a suspension until the problem had been fixed. As with any major change it took time for users to adjust to the new system but, throughout, my experience was one of a caring, industrious and professional multi-discipline team seeking to make a success of this project. There were teething problems and some concerns but no alarm bells or red flags to indicate that a major system weakness or jeopardy to data integrity existed.

- b. During my time on the project and in BSM I was not aware of any undue concern about the level of office misbalances. These situations had been a fact of life in the manual balancing era and in serious cases the contract of a subpostmaster would be terminated. The reported instances after Horizon

rollout commenced did not amount to a significantly changed pattern. Indeed, later user research in autumn 2000 mentioned at page 4 of my letter to the NFSP General Secretary on 5 October (WITN0522_01/6 - NFSP00000289) provides evidence of an improved feel good factor, including balancing, amongst users.

13. ERROR REPORTING

- a. The Inquiry has asked me to comment on whether I consider that known bugs, errors and defects in Horizon were properly reported by the Post Office to end users of the system during the national roll out and early years of operation. The Horizon system was a major business change and involved learning new practices and procedures at all levels in the business. During my time with the project there was never any attempt that I am aware of to suppress problems or bad news. There was an open business culture in which everyone, especially users, were actively encouraged to report defects of any kind. During the previous decade POCL had invested much time and effort into a total quality and putting customers first approach and this was very much ingrained in business practice.

- b. It was, in my experience, the custom and practice of the Post Office to resolve problems expeditiously and economically. The scale, importance and potential impact on business integrity and reputation of this change made this even more crucial in the early days of Horizon. With end users we tried to strike the right balance in effective communication. The consensus view from subpostmasters was that they wanted fewer and simpler messages so every effort was made to keep communication to what was appropriate and

necessary but there was never in my experience any attempt to withhold information or conceal issues from users. Open and timely communication happened when there was anything that should be shared, usually in the established weekly service bulletin to offices.

14. CONCLUSION

It is regretful that the sad events that have happened after Horizon roll out and which led to this inquiry have caused so much distress and scarred the lives of people who have served the Post Office and their communities well. This has left a permanent stain not only on the business but on what, at the time, was a great collective achievement.

15. STATEMENT OF TRUTH

a. I believe the content of this statement to be true.

Signed:

GRO

Dated: _11 October 2022

Index to First Witness Statement of Donald Scott Grey

No.	Exhibit Number	Document Description	Control Number	URN
1	WITN0522_01/1	Email from Keith Hardie, Head of PR & External Communications at POCL to POCL employees re Horizon Acceptance Update	POL- 0024945	POL00028463
2	WITN0522_01/2	Horizon/Pathway Delivery Meeting: Special Meeting Notes, 14 Jan 2000, sent by Dick Brazear, Head of Programme Office for Post Office Network to POCL and ICL employees	POL- 0024991	POL00028509
3	WITN0522_01/3	Electronic memorandum by the Post Office on acceptance and business impact.	POL- 0026875	POL00030393
4	WITN0522_01/4	Circulation: National Executive Council, NFSP, enclosing: i) letter from David Smith to Colin Baker, 31 Jan 2000; ii) PO Consulting "Christmas	VIS00008709	NFSP00000261

		Horizon Research Report", Jan 2000,		
5	WITN0522_01/5	Letter from Don Grey (POL) to Colin Baker	VIS00008796	NFSP00000348
6	WITN0522_01/6	Letter from Don Grey, Horizon National Roll Out Project Manager to Colin Baker, General Secretary of the NFSP	VIS00008737	NFSP00000289
7	WITN0522_01/7	Email from Mike Ingle (Post Office Network) to Don Grey Horizon Roll Out Project Manager	VIS00008735	NFSP00000287
8	WITN0522_01/8	Letter from Don Grey, Horizon National Roll Out Project Manager to SPMs	VIS00008766	NFSP00000318
9	WITN0522_01/9	NFSP report of the meeting of the National Executive Council held on 30th & 31st July 2001	VIS00008959	NFSP00000501