Witness Name: Shaun Turner
Statement No.: WITN04640100
Dated: 13th January 2023

THE POST OFFICE HORIZON IT INQUIRY

First Witness Statement of Shaun Turner in the Post Office Horizon IT Inquiry

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I, SHAUN TURNER, SAY AS FOLLOWS:

1. My name is Shaun Turner. I have been employed by Post Office Limited ("**POL**") (or its predecessors) since September 1996.

2. Except where I indicate to the contrary, the facts and matters contained in this witness statement are within my own knowledge. Where any information is not within my personal knowledge, I have identified the source of my information or the basis for my belief. The facts in this witness statement are true to the best of my knowledge and belief.

3. In this statement I use the term "Postmaster" broadly to refer to those people or entities that are responsible for operating post offices (but excluding those individuals employed by POL), rather than with any formal definition in mind. I use the terms "Postmaster" and "Subpostmaster" interchangeably given their common usage. Nothing in this statement is intended to detract or differ from any definition adopted by POL.

4. This witness statement has been prepared in response to the request made by the Horizon IT Inquiry (the "**Inquiry**") pursuant to Rule 9 of the Inquiry Rules 2006, dated 7 November 2022 (the "**Rule 9 Request**"). In this witness

statement, I address each of the questions set out in Appendix 1 to the Rule 9 Request regarding my career background at POL and my knowledge of and involvement with the following areas within POL:

a. Oversight of Horizon;

b. Training;

c. Advice and assistance;

d. Bugs, errors and defects;

e. Dispute resolution and Transaction Corrections;

f. Horizon Online;

g. Back Office Efficiency Programme;

h. Smart ID/'Enhanced User Management'; and

i. General.

5.   Where I refer to specific documents in this statement, copies of those documents are exhibited to this statement (as set out in the index below) and identified by the Inquiry's unique reference number for that document.

DEFINED TERMS

6.   In this statement, I have used a number of acronyms and defined terms. I have set out a definition of each, as I have introduced them. However, for convenience, I also set out the definitions of these acronyms below:

BRA	Business Readiness Assurance
BSC	Branch Support Centre
BTTP	Branch Technology Transformation Programme
DMB	Directly Managed Branch

EPOS	Electronic point of sale
EUHSP	Enhanced User Help & Support Programme
EUMP	Enhanced User Management Project
FS	Fujitsu Services
FSC	Financial Services Centre
Horizon	The Horizon IT System
HSD	Horizon Service Desk
Inquiry	The Horizon IT Inquiry
ITIL	IT Infrastructure Library
NBSC	Network Business Support Centre (which later became the Branch Support Centre)
P&BA	Product & Branch Accounting
POca	Post Office card account
POL	Post Office Limited
POLFS	Post Office Limited Finance System
RMG	Royal Mail Group
Rule 9 Request	The Inquiry's request pursuant to Rule 9 of the Inquiry Rules 2006, dated 7 November 2022
TC	Transaction Correction
UMS	User Management System

BACKGROUND

7. I have been asked to briefly set out my professional background and identify and explain my roles within Post Office to date.

Sept 1996 – Sept 1999: North East Region Helpdesk & Customer Care

8. In September 1996, I joined POL with a role in the North East Region Helpdesk and Customer Care. My responsibilities were handling calls from branches and customers and dealing with customer complaints. I held this position before the national rollout of Horizon.

Sept 1999 – Sept 2001: NBSC Incident Analyst

9. In September 1999, I then moved to the role of Incident Analyst at the Network
    Business Support Centre ("**NBSC"**). I held this title during the period in which
    Horizon was rolled out across the POL network. As part of the Horizon rollout,
    POL migrated all of its pre-existing helplines into one single helpline for
    Postmasters which, at the time, was called the NBSC.

10. The NBSC was the helpline within POL that was responsible for dealing with
    operational queries from branches, for example in relation to products or
    transactions. Conversely, the Horizon Service Desk ("**HSD**") was the helpdesk
    within Fujitsu that was responsible for dealing with technical issues experienced
    in branch, for example those relating to printer or Horizon equipment failures.
    Both the NBSC and HSD were expected to log calls from Postmasters into their
    respective call logging systems. If a Postmaster contacted the wrong help
    centre, the call was either directly transferred to the correct help centre or the
    Postmaster was told to which help centre they should reach out.

11. Given their different remits, the NBSC and HSD therefore each had a separate
    knowledge base of articles and other documents that advisers could use to
    answer queries from branches. However, the NBSC and HSD were able to
    share information with one another in relation to capacity issues (for example
    where one or both help centres were receiving large call volumes) and I think
    also known issues (for example problems logged in a Known Error Log). My
    recollection is hazy and I cannot recall the precise details, but I think that the
    HSD shared a spreadsheet of Known Error Logs with managers and team
    leaders in the NBSC for awareness, so that if the issue arose on a call it could
    be redirected to the HSD, which was responsible for dealing with system issues.

I cannot recall whether the spreadsheet was said to contain details of all Known Error Logs or just those that the HSD thought the NBSC should be aware of. My sense is that this spreadsheet was shared with NBSC managers periodically but infrequently across a period of time (rather than my whole time at the NBSC). My sense is that the spreadsheet was intended to assist the NBSC in identifying some issues of which the HSD was already aware so that calls could be redirected to the HSD, rather than for the NBSC to advise postmasters on. I am not sure whether the details of Known Error Logs were shared with the advisers operating the NBSC helpline in addition to managers and team leaders.

12. My role was to analyse the data arising from calls in order to identify trends and common issues experienced by Postmasters. Once identified, I would raise the issue as a 'problem' and then work to fix the underlying root cause with the Problem Management team. At that time, the Problem Management team sat in a separate part of the POL business and was responsible for undertaking root cause analysis of issues and implementing short and long term fixes. I was also responsible for monitoring NBSC call operator performance in this role.

Sept 2001 – Sept 2002: Network Performance Analyst

13. After two years as an NBSC Incident Analyst, I moved into the role of Network Performance Analyst. Again, my focus was data analysis, this time looking at conformance and compliance data arising from branches. An example of this kind of conformance and compliance data would be data showing which branches were experiencing particular types of transaction errors. I was also responsible for prioritising calls to those branches to address the issue(s).

Oct 2002 – May 2003: Banking Project Analyst

14. My next role was as a Banking Project Analyst for the roll out of Post Office card accounts ("**POca"**). POca was the project by which plastic cards were rolled out to replace paper benefits books. I reviewed external customer call data and call data from branches, and helped to build and maintain a call forecast model based on that data and expected behaviour in relation to customer call volumes.

May 2003 – June 2005: Network Conformance & Capacity Manager

15. This was in large part a continuation of my role as Network Performance Analyst (as described in paragraph 13 above) as the work relating to that role was essentially moved into the NBSC at this time. Again, I looked at error rates and conformance within branches to help to prioritise targeted support calls to branches. By conformance in this context, I mean how branches adhered to the correct operational processes (for example correctly declaring cash every day). The other part of this role was to assist with capacity planning for the NBSC.

June 2005 – May 2010: Service Relationships/Network Coordination Advisor

16. I moved into this role when POL separated the sales and services parts of its Retail business. Previously, POL had Retail Network Managers who were responsible for branches and performed sales and coaching roles as well as dealing with performance issues or queries from branches. After the re-organisation of Retail, the sales and service functions operated separately from one another. In particular, the service side of Retail continued to provide support to branches but now did so from several Area Office locations. The service side often worked with the NBSC helpline. I sat within this service side

of Retail. I was responsible for managing the relationship between the sales and services teams and each of their relationships with other parts of the business. At first, the role had a transformative element of helping with the transition into the newly configured Retail divisions. During the five years in which I performed the role, however, the emphasis shifted to one of process improvement.

June 2010 – July 2013: Branch Standards Data Analyst

17. In 2010, a new team called the Branch Standards team was established within POL. A key purpose of this team was to make outbound calls to branches to tackle common issues faced at those branches. My particular role, however, was to analyse data from the Royal Mail Group ("**RMG**") and other business partners, as well as internal teams and stakeholders, to construct outbound call plans to support branches in reducing repetitive errors. This involved identifying which branches to call and loading call campaigns onto our call logging system for call operators to work through. I also collated performance data for the Team Leaders who were managing the call operators.

July 2013 – Dec 2015: Network Conformance, Policy & Standards Manager

18. Subsequently, I moved into a managerial role in the Branch Standards team as the Network Conformance, Policy & Standards Manager, where I was responsible for monitoring both the data analysis of network conformance (as in my previous role) and managing those making outbound calls to branches. I also represented the Network team in meetings with RMG to monitor mails conformance, for example looking at the proportion of mails that were correctly

segregated by branches before being passed to RMG, and to develop plans on how to improve conformance.

December 2015 - March 2017: Business Readiness Lead (Operations)

19. This was a Subject Matter Expert role. Initially, we were working with IBM to replace Horizon. After a few months, however, a business decision was made to withdraw from that contract with IBM, and my role instead became about looking for opportunities to upgrade the current Horizon system as part of the Branch Technology Transformation Programme ("**BTTP**"). I was involved in identifying ways of improving Horizon from the postmaster perspective, or for compliance and regulatory purposes. I was mainly involved in three strands of the BTTP: the Enhanced User Management Project ("**EUMP**") (described at paragraph 20 below), the Enhanced User Help & Support Programme ("**EUHSP**") (described in paragraphs from 49 to 58 below) and the Screen Sharing project. The Screen Sharing project was about investigating a new functionality on Horizon which would allow Postmasters to share their screens with an NBSC advisor so that the advisor could better advise Postmasters on how to resolve issues they were experiencing.

April 2017 – April 2019: Smart ID Product Owner, EUMP

20. My next role in the EUMP arose from the analysis undertaken in my previous role as Business Readiness Lead in the BTTP. The context for the EUMP was a recognition that the way user management operated on Horizon at the time may not have been meeting certain regulatory obligations, as it could be difficult to prove who was working at a counter at any given time and that they had been trained to carry out transactions involving regulated products. I worked as a

conduit between the business and the two technical teams – Accenture (who were developing the User Management System ("**UMS**")) and Fujitsu (who were responsible for Horizon). Part of my role was to ensure internal business stakeholders were kept up to date with the progress of the UMS solution and that they signed off on each stage of the project. I was also involved in working with operational teams, such as the NBSC, and setting up processes to train and inform NBSC advisors on what the UMS would mean from a branch operation perspective. My role was not technical. Instead, I was focused on working out what the business wanted the UMS to do and relaying the business requirements to the technical teams developing the UMS.

April 2019 – Nov 2020: Smart ID Product Owner, BAU

21. When the EUMP ended, I moved onto the management of Smart IDs created as part of the EUMP which were required to access Horizon. I managed the operational team that administered, created, changed and deactivated Smart IDs as well as taking on management of the team which undertook the vetting of Postmaster assistants.

Nov 2020 – Present: Learning Technologies Manager, Retail Engagement Team

22. In my current role as Learning Technologies Manager, I manage learning solutions that are used when onboarding Postmasters, or for supplemental training. Examples of this supplemental training would be the various online modules which can be assigned to branches or accessed by branches on a self-service basis should they have difficulties with certain aspects of branch accounting, such as ATMs. I do not control the design or content of the

underlying material but manage the design of the e-learning system to make it easier for Postmasters and others to use and learn.

Training received for roles

23. I have been asked to describe any training that I received for my various roles. When I joined POL in September 1996, I received three or four weeks of operational training in a classroom, including in relation to products and branch processes such as carrying out transactions and balancing. This was the same training as provided to those going to work in branches. I also had two weeks of onsite training on the counter at a directly managed branch (**"DMB"**), which involved interacting with customers with supervision and guidance from counter colleagues. I also received some initial training when I started to work in the regional helpline centre. This covered, for example, topics like how to use the phone and various computer applications.

24. The only other formal training I received was an IT Infrastructure Library (**"ITIL"**) foundational course when I moved into the NBSC Incident Analyst role. ITIL was a methodology for incident and problem management.

25. Otherwise, my training for the other roles which I held within POL was generally done 'on the job'. This 'on the job' training depended on the nature of each role, though it often related to who the key contacts and stakeholders were for that role, and to using different software packages, such as Excel, PowerPoint and Visio. I typically received this training from peers and people doing the job at the time, though I did also teach myself some of the technical skills required.

26. More generally, I received standard compliance and health and safety training for my roles within POL. This was often delivered in the form of online e-

modules. POL also provided diversity & inclusion and anti-harassment training sessions throughout my career.

27. As I moved into more managerial roles, I also received performance management training, for example how to manage employee absences and grievances. There has been more of this in recent years.

OVERSIGHT OF HORIZON

<u>Knowledge and use of the Horizon system</u>

28. I have been asked to describe how familiar I was with the Horizon system and how it operated, and whether my knowledge changed over time. I have been asked to explain when I used the Horizon IT System in the course of my work.

29. At the beginning of my career, I did not use Horizon as it had not yet been launched within POL. I was however familiar with how balancing was carried out in branches.

30. I first started to become aware of Horizon in 1999 when we moved from a regional helpline to the centralised NBSC helpline and Horizon was rolled out nationally. I developed a good general knowledge of Horizon processes during my time at the NBSC. I was familiar with the back office aspects of Horizon, such as balancing, remittances and cash declarations, as this is what branches would often call the NBSC helpline about. For example, I remember queries made in calls to the NBSC helpline about how to correctly declare cash and stock, and how to correctly undertake transaction reversals.

31. As I moved away from the helpline environment, my familiarity with and knowledge of how Horizon operated became more specific and tied to my particular roles. For example, as Branch Standards Data Analyst from 2010, I

was closely involved in looking at compliance and common errors with transactions in branches, and so my focus was on those areas.

32. Since 2016, when I moved into project roles, I became more narrowly focused on specific aspects of Horizon and examining how the products I was helping to deliver would affect the Horizon system, for example Smart IDs.

33. In terms of using Horizon, there were Horizon terminals available in the NBSC which could be used to navigate the system and to allow those in the NBSC to follow the steps that the Postmaster had taken and therefore help resolve queries from those working in branch. I think that these Horizon terminals were not live at the time, but that live terminals were subsequently installed after I had moved out of NBSC. Since then, I have only really used Horizon when out supporting in branches during strike actions and Christmas cover in branches.

34. On a couple of occasions when I was Smart ID product owner, I recall observing model office testing of the Smart IDs on Horizon at POL's head office in Finsbury Dials.

Training received in relation to Horizon

35. I have been asked whether I ever received any training or instruction on how to use Horizon. When Horizon was being rolled out, I attended a familiarisation session on Horizon with the NBSC team with whom I worked at the time. I also became familiar with the system through my work, as set out in paragraphs 28 to 34 above. I do not recall who delivered this initial familiarisation training session in around 1999-2000 or details relating to the duration or structure of those sessions. Later in my career, if particular aspects of Horizon were relevant to my role, I would be given instructions on those.

TRAINING

Involvement with training of Postmasters using Horizon

36. I have been asked to describe my involvement with the training of SPMs, branch managers or assistants in using the Horizon IT System. As part of my project roles (from 2016 onwards), I provided input on training materials and operational communications relating to the changes being made, and in particular the introduction of Smart IDs.

37. While preparing this statement I was shown (by Herbert Smith Freehills) a draft business specification document for compliance training as part of the BTTP in which I am named as a reviewer (POL00035756). This document appears to have been prepared to set out what the existing compliance training was and how it could be improved. At the time it was difficult to definitively establish whether everyone who needed to undertake compliance training had done so. A lot of the recommendations in this document were ultimately rolled into the EUMP and addressed through that programme.

38. Since 2020, I have had more direct involvement in training through my role as Learning Technologies Manager. I am responsible for maintaining the system that new joiners undertake e-learning on, and there are also some supplemental training modules for existing Postmasters and others. The learning materials and digital training are created by other teams, which we make sure is kept up-to-date, easy to find and easy to use. When a Postmaster first joins, they would typically begin with e-learning modules, before attending classroom training and later having onsite training

Enhanced User Help and Support programme

39. I have been asked to consider POL00035811, POL00035812 and POL00027044, and to explain the background and purpose of the Enhanced User Help and Support programme ("**EUHSP**").

40. I have reviewed documents POL00035811, POL00035812 and POL00027044 identified in respect of the EUHSP but have not limited my responses in paragraphs 41 to 48 below to these documents.

41. The EUHSP was a strand of the BTTP which was looking at ways that the Horizon Online Help function could be improved. Horizon Online Help is a function available through Horizon that those in branch could use when they are having difficulties with a transaction or questions from a customer. One of the focuses for improvements was on speed of access to the right information, so that Postmasters and others could find the information they needed quickly without having to call the NBSC helpline. In order to find information on Horizon Online Help, users could either use the search function or navigate through the menu hierarchy for different product areas. However, there was some concern that neither method provided the information needed quickly enough. I recall that there was no ranking or prioritisation in the search results, all relevant pages were simply listed, so users still needed to spend time navigating the list to find the page or information they were looking for. If navigating through the menu hierarchy, it could take a lot of clicks to get to the page the user was looking for, particularly if they started down the wrong menu path.

42. Another concern was that the user would have to leave the transaction screen in order to look at Horizon Online Help, rather than being able to check Horizon Online Help in a pop-up or overlay so that they could look back at the transaction screen more easily. A list of the perceived deficiencies in Horizon

Online Help (including feedback from postmasters through the Branch User Forum) may be found in section 2.3.3 of the Business Solution Design for the EUHSP (POL00027044).

43. As part of the BTTP, we conducted initial scoping on a number of different programmes that might make improvements to the current Horizon system, with the EUHSP being one of them. Once the scoping for a programme had been carried out, we then submitted a business case to the Senior User Forum ("**SUF**") for approval (as shown in POL00035811). I think the SUF was chaired by Gill Tait, the project lead at the time. I have exhibited the slide deck that was attached to the email in POL00035811 at WITN04640101.

44. Ultimately, it was decided not to progress with the EUHSP. The financial business case for the EUHSP was largely based on to what degree improvements to Horizon Online Help would reduce call volumes to the NBSC, which was very difficult to quantify. Of the three BTTP strands that I was involved in (the EUHSP, the EUMP and the Screen Sharing Project), only the EUMP was ultimately implemented.

45. I have been asked whether the EUHSP was being implemented to address deficiencies in training.

46. The EUHSP was concerned with improving operational support provided to branches through Horizon Online Help, rather than training. The main drivers were to deliver information to branches more quickly to resolve any issues while serving customers and as a consequence, we would potentially reduce the number of calls being made to the NBSC Helpline.

47. POL00035812 is a requirements catalogue for the EUHSP which lists out the detailed requirements which could potentially improve the Help system available in branches. A summary of the deficiencies that the EUHSP was intended to address (by reference to the detailed requirements) can be found at section 2.2.2 of the Business Solution Design document (POL00027044).

48. I have also been asked to consider why members of Project Sparrow were included as reviewers of this document. I vaguely recall that members from the Project Sparrow team were included as standard reviewers of the business solution design documents and related documents that were being prepared as part of the BTTP. My understanding was that the Project Sparrow team were undertaking detailed investigations of discrepancies. I think they were included to prevent any changes being made to Horizon which might increase the risk of issues occurring such as discrepancies, but I cannot recall their precise role.

Training Needs Analysis

49. I have been asked to consider POL00035834 and to explain the background and purpose of this document.

50. I have reviewed document POL00035834 identified in respect of Training Need Analysis but have not limited my responses in paragraphs 50 to 58 below to this document. My understanding is that this document POL00035834 was looking at the portfolio of BTTP changes and identifying what the potential training requirements for branches and internal staff would be to deliver those changes, as well as the impact of those changes on existing training materials.

51. While preparing this statement I was also shown document POL00036010 (by Herbert Smith Freehills), which is a later version of the same document.

52. I have been asked to set out my role in the preparation of this Training Needs Analysis. I would have been a reviewer of this Training Needs Analysis (including later versions of the same document), which I expect was drafted by one of the training representatives working on the BTTP. My role would have been to review the sections relating to the EUMP, the EUHSP and the Screen Sharing project and provide input if anything was missing or required changing.

53. I have been asked why Northern Ireland branch colleagues were assumed to require different treatment. I do not recall the specific reason why Northern Ireland branch colleagues were assumed to require different treatment. However I note that the passage on page 8 also refers to Computacenter engineers and BFPO branches (run by the Ministry of Defence) and I recall there being conversations about whether they would be migrated to the new UMS. I would imagine that there were similar questions relating to Northern Ireland branches but I cannot think of what reason that would be for. In the end, Northern Ireland branch colleagues were issued with Smart IDs, while BFPO branches and Computacenter engineers were ultimately exempted.

54. I have been asked to expand on the following at page 13: "*Under the original Front Office Application solution, IBM were responsible for delivering the programme of training work stream in collaboration with the BTTP training team…In the current Fujitsu solution, these training responsibilities now fall to Post Office*". I have also been asked to address why Fujitsu was not providing training and whether the change in plan had any effect on training.

55. Under the Front Office Application project, IBM were engaged to design and supply a replacement for Horizon. I think IBM had a contractual obligation to contribute to training on the new system that they were engaged to supply, as

it would have looked different from Horizon. POL then decided to withdraw from the contract with IBM in around 2016, and to revert to looking at improvements to Horizon. It was POL's responsibility to create training materials and deliver training on Horizon. So the training requirements would have been different under the Front Office Application project as it would have involved the wholesale replacement of a system. Instead, as part of the BTTP we were looking at more incremental change, and so the training needs would have been smaller in scope.

56. I do not recall being told the reasons for withdrawing from the IBM contract, though the impression I got was that there were concerns over the speed of delivery and the cost of the project.

57. I have been asked to provide details of any changes that were made to the training as a result of this analysis and, in particular, whether there were any changes to the training provided to Postmasters in respect of (a) balancing and (b) identifying the cause of discrepancies. As mentioned above (at paragraph 44), of the three strands of the BTTP that I was involved in, only the EUMP was ultimately implemented. Communications to branches (such as a quick reference guide) were prepared when the changes that were being made when Smart IDs were introduced, and classroom training for new Postmasters was adapted to include reference to Smart IDs which controlled access to Horizon, however none of the changes introduced under the EUMP touched directly on balancing or identifying the cause of discrepancies.

58. I have been asked to set out any feedback that has been received by Postmasters following any such changes. There may have been feedback on the limited changes to training as a result of the EUMP, but I cannot recall any

specific feedback or what mechanism it would have come through. It may have gone directly to the training team.

<u>Balancing Simplification workshops</u>

59. I have been asked to consider POL00039359 and to set out what the Balancing Simplification workshops were and why they had been arranged.

60. I have reviewed document POL00039359 identified in respect of Balancing Simplification workshops but have not limited my responses in paragraphs 61 to 64 below to this document. I note that the Rule 9 Request initially also referred me to POL00037733 in relation to this issue, but I understand that the Inquiry has subsequently confirmed this document is not relevant to Balancing Simplification workshops because it relates to Smart IDs instead. I have therefore only considered POL00037733 when responding in paragraphs 229 to 292 below in relation to the Smart ID project.

61. Balancing Simplification was another project looking at ways to improve Horizon in 2016-17, and specifically how to reduce the amount of time Postmasters spent balancing. I think it was separate to the BTTP programme. I was involved in early scoping work for Balancing Simplification, including the workshops, which were a way to solicit feedback from key internal stakeholders around the business, such as the Financial Service Centre ("**FSC**") and the NBSC, and to understand how long it was taking branches to carry out balancing.

62. I have been asked to explain what was moving forward to a *"go/no go decision"*. After the initial scoping exercise for Balancing Simplification, we would have identified potential changes to consider, such as changes to the ATM balancing

process, the management of the suspense account and the development of a "balancing wizard". The Balancing Wizard was envisaged as a function on the Horizon system that guided a user step by step through the balancing process, like an intelligent checklist, it would advise on what was outstanding and the correct order to do things. The changes being considered under Balancing Simplification would have then been submitted to various governance forums, together with a high level business case explaining what would be gained from Balancing Simplification, such as improvements for Postmasters in branches or financial gains.

63. I have been asked what information I sought on the NBSC and why I sought this information. As part of the analysis and scoping for Balancing Simplifications, I was trying to understand the types of issues that the NBSC was receiving calls on, to make sure we were focusing on the right kinds of changes. I had some high level call data but was looking for some more granular data from the NBSC to build that understanding and support the business case.

64. I have been asked to set out what happened on this issue following these emails (including whether any relevant changes were made to training and / or advice and assistance). Shortly after these emails, I moved onto the EUMP full-time and was therefore no longer involved in the Balancing Simplification workstream. I believe certain changes, including changes to ATM balancing, were progressed but I am not sure if they were delivered in the end. I believe I handed over Balancing Simplification over to Angela James (who had been working alongside me on Balancing Simplification) and Gill Tait, though both have since left POL.

Adequacy of training available to Postmasters

65. I have been asked to set out whether I think the training available to Postmasters, branch managers and / or assistants was adequate throughout my time with the Post Office.

66. Historically, in the early to mid-years of my POL career, I think there were gaps in training on some of the back office processes, and when working in conformance and branch standards I got the impression that a lot of training focused on what the correct processes were, but there was less of a focus on troubleshooting where something went wrong. However, I think this has improved in recent years with the development of an optional classroom session on investigating discrepancies. In my current role as Learning Technologies Manager, we have been trying to make training more accessible, including through the use of short "how to" videos and downloadable work aids (such as "top tips"). Online learning was first introduced as part of the Postmaster onboarding journey in 2014/15. The system was upgraded in 2021 to improve navigation and I have observed a steady improvement in the learning resources available to Postmasters as well as the promotion of those resources over the last couple of years.

67. I think another weakness in training is that the amount of classroom training has gradually decreased. When I first joined, I had three to four weeks in the classroom, whereas now new joiners receive about a week of classroom training or less, and a lot of the classroom training has been replaced by e-learning. At present, new joiners need to register for an account in order to gain access to e-learning. However, moving forward, with the new electronic point of sale ("**EPOS**") system replacing Horizon, we are looking to ensure that

everyone will get access to the same digital learning materials by automatically pairing their Smart ID with an account on the online learning system. This would create the potential to deliver training through virtual classrooms and for trainees to work through self-service training at their own pace.

ADVICE AND ASSISTANCE

<u>Involvement in advice and assistance to Postmasters</u>

68. I have been asked to describe whether I was responsible for providing Postmasters or Post Office branches with advice or assistance.

69. My first role on the North East Region Helpdesk (September 1996 – September 1999) involved a lot of contact with Post Office branches as I sought to provide advice and assistance to those calling the Helpdesk with their queries. This included answering questions on balancing and transactions before Horizon was introduced. At that time, branches might have been balancing manually or using their own EPOS system.

70. In my roles as an NBSC Incident Analyst (September 1999 – September 2001) and as Network Conformance & Capacity Manager (May 2003 – June 2005), I was also part of the second line support for the NBSC helpline. If someone in the first line could not answer a Postmaster query, it would be referred to a manager, such as myself. During the initial national rollout of Horizon, if those in the second line were not able to resolve the issue, it would be referred to a third line consisting of Fujitsu or POL individuals involved in the actual design of Horizon, who were known as domain experts. I remember support being needed from the third line team during the first few nights in which Postmasters undertook balancing on Horizon. Since then, issues with Horizon or claims of

discrepancies raised to me were infrequent, though I address some specific instances in relation to the Callendar Square bug and other bugs, errors and defects in paragraphs 81 to 113 and 118 to 120 below. As part of this second line support, I would occasionally have direct contact with branches if one of our staff was having a particularly difficult call which I then picked up, but it was mostly a case of managing the call operators who were having direct contact with branches rather than having direct contact myself.

71. As explained at paragraphs 10 and 11 above, any calls that came into the NBSC helpline concerning system issues on Horizon would be redirected to the HSD and Fujitsu, so I do not recall there being NBSC call scripts on how to work around or fix a system issue on Horizon. I have a vague recollection of scripts which included details of workarounds for procedural or operational issues. For example, I recall there being a script regarding the removal of obsolete stock. If a certain stock item was discontinued, it would later be removed from Horizon. However, if a branch had not cleared that stock out by the time it was removed from Horizon, this could create a discrepancy on the branch accounts. I believe there was scripting around this, though I do not recall how it was resolved. Another example was scripting around the manual process for revaluing stock when the cost of stamps was increased, and what to do if mistakes were made, but I do not recall the details of this script.

72. As Service Relationships/Network Coordination Advisor (June 2005 – May 2010), I had limited contact with branches, but as I was liaising with the NBSC and other service support teams, there may have been occasions where I picked up calls from branches when certain issues were flagged to me. If I could not resolve an issue myself, I would try to identify the right stakeholder to

escalate it to. I would generally escalate complex issues to the Problem Management team to investigate, or if they related to transaction corrections ("**TC**"), to Product & Branch Accounting.

73. In the Branch Standards team (June 2010 – December 2015), I did not generally speak to Postmasters directly but was involved in the management of members of the team making outbound calls. I was also involved in reviewing and amending call scripts for outbound calls to branches. These calls were designed to support branches to avoid repeating certain errors, which mainly related to mails and cash declarations. These errors tended to relate to wider branch processes (for example, how to segregate mails correctly, or measure the size of parcels), rather than the actual operation of Horizon. I cannot recall any call scripts in the Branch Standards team on how to work around or fix a system issue in Horizon, as this was the remit of the HSD and Fujitsu. There was a formalised escalation process for issues concerning RMG or Parcelforce. This was a two way process with Postmasters able to use it to raise issues they were having with RMG or Parcelforce, and which RMG and Parcelforce could use to raise issues with branches. On occasion we would also involve the contracts team or area managers to help resolve issues at branches.

74. As a Business Readiness Lead and when working on the EUMP (December 2015 – April 2019), I occasionally had contact with a group of Postmasters through the Branch User Forum, who were consulted on new changes affecting branches. When Smart ID was first being introduced, we also had a team that would be in contact with branches in order to migrate to the use of Smart IDs, as well as answering any queries from branches on Smart IDs. In 2019, when I took on the vetting team, I would occasionally speak to Postmasters if they

were unhappy about the length of the vetting process or our decision to reject an application that they had put through for a Smart ID for one of their staff members.

75. In my current role as Learning Technologies Manager (since November 2020), I sometimes speak to Postmasters to assist them with getting onto or navigating the e-learning system.

Adequacy of advice and assistance available to Postmasters

76. I have been asked whether I think the advice and assistance on the Horizon IT System that was available to Postmasters, branch managers and / or assistants was adequate at all times.

77. I think in the early days of the Horizon system there was an underestimation of the support that branches would require especially around balancing and back-office procedures. I remember there were some impressive looking operational process booklets and quick reference guides produced, but they did not provide branches with adequate tools if they had followed the steps and produced an unexpected result. This meant a large number of calls coming into NBSC which required more than just cursory investigation. In addition, centralisation of the helpdesk into one location from 7 regional centres did present resourcing and training challenges as Horizon rolled out. In the 7 regional helpdesks the bulk of advisors tended to have a branch background, whereas the new NBSC was more mixed. Even with support from Horizon experts in the early days of rollout, building knowledge and capability was difficult. So I would say that there were gaps in the operational guidance available to branches when Horizon was first introduced.

78. Prior to Horizon Online, branches had hardcopy Counters Operations Manuals, which had to be maintained and updated manually. Although I was not involved in the decision making within the Horizon Online programme or the development of Horizon Online Help, my understanding of the rationale for its introduction was to centralise and digitalise the operational information contained in the Operations Manuals so that it could be updated centrally and more quickly, to improve the accuracy of the information available to Horizon users. Whilst I think the introduction of Help onto the Horizon system itself was a step forward, it has not been evolved since then, and I do not think POL has ever stood up an adequate self-serve option for operational guidance. Horizon Online Help for the most part has the information, but it is not sufficiently easy to find for a lot of branches and it is therefore just easier to call the helpline or ask another colleague. One of the reasons for the EUHSP (which was not taken forward in the end) was to try to improve the search functionality on Horizon Online Help, to make things easier to find. Although that was not taken forward in the end, I think the new EPOS system we are looking at to replace Horizon is going to have an improved Help system.

79. I think in the past 3-4 years there have been improvements in how branches are supported. When I first joined Post Office every branch had a Retail Network Manager, but in the early 2000s there was a move to focus these field resources on driving sales in those branches with the greatest sales potential whilst service issues were increasingly handled by NBSC and several Area Intervention Offices. I think this left some branches, especially smaller ones, feeling very isolated and I think a return to the earlier model where every branch

has an Area Manager has been a big improvement in terms of not only how branches are supported but how they feel about that support.

80. On discrepancy diagnosis, I am aware of improvements in the Support Centre in the past few years with some advisors being assigned to providing support to branches with discrepancies. I think the deployment of specialised resource to support branches with discrepancy diagnosis has also been a major boon.

BUGS ERRORS AND DEFECTS

Callendar Square Bug

81. I have been asked to consider FUJ00083664, FUJ00083812, FUJ00083815, POL00070134, POL00081928, POL00028984, and POL00001195, and to set out my recollection of dealing with issues in the Horizon IT System that arose at the Callendar Square branch during 2005 and 2006.

82. I have reviewed documents FUJ00083664, FUJ00083812, FUJ00083815, POL00070134, POL00081928, POL00028984 and POL00001195 identified in respect of the Callendar Square Bug. Prior to reviewing these documents, I had a broad recollection that I had dealt with a receipts and payments mismatch issue in a branch at this time, though I could not remember any specific details of the issue or the branch name. These documents have therefore assisted my recollection contained in paragraphs 81 to 113 below, but I have not limited my answer regarding this issue to them.

83. I have been asked to address how the Callendar Square Bug presented in September 2005. The issue was first presented to me by the relevant service manager for the Callendar Square branch at that time, Sandra MacKay, following a conversation between Sandra MacKay and the Callendar Square

branch Postmaster. I cannot recall precisely when my first contact with Sandra in relation to the Callendar Square bug took place.

84. I do not know how Sandra MacKay discovered the issue in the first place and, in particular, whether it was identified in the usual course of business as part of an audit conducted into the branch by POL or as a result of the Callendar Square branch Postmaster making a specific complaint.

85. At this time in September 2005, my only knowledge of the issue was that relayed to me by Sandra MacKay; that the Callendar Square Postmaster was claiming that there was a loss in the Horizon system due to a transfer.

86. I have been asked why the Postmaster was told to continue rolling the loss. As stated in paragraph 82 above, I have reviewed the documents identified in respect of the Callendar Square Bug. In particular, reading two Area Intervention Manager Visit Logs (pages 21 and 24 of document POL00070134) in relation to site visits to the Callendar Square branch undertaken by Sandra MacKay on 19 September 2005 and 7 October 2005 shows me that the Postmaster was told on both occasions to continue rolling the loss.

87. I note that the visit log on 7 October 2005 in POL00081928 is identical to document FUJ00083812. I should also add that the visit log on 19 September 2005 in POL00081928 is identical to FUJ00083810, to which I have been referred in relation to the Lee Castleton civil proceedings (discussed in paragraphs 114 to 117 below) only.

88. The visit log on 19 September 2005 states that "*The Spmr made several telephone calls to the NBSC, telling them about his problems and he was*

advised to carry on with balancing and produce his Cash Account. Whilst doing

this a warning came up however the NBSC told the staff to continue to roll over."

89. The visit log on 7 October 2005 refers to Sandra MacKay having "*discussed*

this with Andy who has agreed to send another email relating to the shortfall

due to the Horizon failure to Shaun Turner, meanwhile the office should

continue to roll the loss".

90. My interpretation of these logs is that the Postmaster was told to continue rolling

the loss to allow time for an investigation to take place into whether a system

error was causing the alleged shortfall which the Postmaster had reported to

the NBSC. In this context, I assume rolling the loss would have meant the

Postmaster would not have had to account for the loss at that point in time, and

that this would then have allowed time to determine the root cause of the

shortfall before deciding whether to hold the Postmaster responsible.

Investigating and resolving the Callendar Square bug

91. I have been asked what Fujitsu told me following the September 2005

presentation regarding the potential cause of the problem or its rectification. As

stated in paragraph 82 above, I have reviewed the documents identified in

respect of the Callendar Square Bug, but I have not limited my answer in

relation to this question to these documents and recalled this process before

reading the documents.

92. As a general point, my contact with Fujitsu in relation to potential causes or

rectification of Horizon issues was indirect. The relevant service manager would

flag issues within branches to me and I would then ensure these were logged

efficiently with the Problem Management Team and accepted as a problem so

that they could be flagged for investigation with Fujitsu. My role was essentially that of a conduit for information and I was not involved in the technical fixes that were implemented to deal with any issues. The Problem Management Team would then have liaised with Fujitsu's technical team to understand the potential cause of the problem and to sort its rectification.

93. With regards to this specific error, from looking back at the email chains and, in particular, FUJ00083664, it seems that Gary Blackburn was my contact in the Problem Management Team at the time the Callendar Square bug arose. It appears from the document that Lynne Fallowfield subsequently took over that role within the Problem Management Team from Gary, though I do not otherwise specifically recall this.

94. Again, in terms of general process, I would have indirectly received feedback from Fujitsu, via the Problem Management Team, about how each issue was going to be rectified. My role was to relay proposed fixes to the relevant service manager who would communicate with the Postmaster. Document FUJ00083664 includes an email sent on 17 February 2006 by me to Gary Blackburn, with Sandra MacKay and Brian Trotter in copy. With regard to the Callendar Square bug, based on this email, I clearly relayed to the service managers "*that the branches issue should be fixed with the release of the S90 software*" and that it was important "*that the branch continues to report any issues into HSD*" so that Fujitsu could track the issue as part of the wider solution. This was to ensure that the issue continued to be logged with HSD to create a clear trail of a continuing problem at the branch. For the avoidance of doubt, the HSD refers to the Horizon Service Desk run by Fujitsu.

95. I have been asked what was done to investigate and / or rectify the problem between September 2005 and Sandra MacKay's email of 11 January 2006. As stated in paragraph 82 above, I have reviewed the documents identified in respect of the Callendar Square Bug. In particular, documents FUJ00083664 and POL00081928 have assisted my recollection in relation to this question, beyond which I do not recall what was done to investigate or rectify the problem between September 2005 and January 2006.

96. An email on 16 January 2006 from myself to Gary Blackburn (page 12 of POL00081928) refers to the fact "*I had to do some chasing around with P & BA to ensure that the error notice got issued*". Whilst I am unable to comment on the detail, I think this indicates that I did take some action to resolve the branch discrepancy. I may have been involved in other conversations, but I cannot recall any specifics.

97. I have been asked what the "br*eakdown in processes between [P & BA] and FS relating to the BIM report*" was. As stated in paragraph 82 above, I have reviewed the documents identified in respect of the Callendar Square Bug, but they do not assist my recollection in relation to this question. In particular, I cannot recall what a reference to a "*breakdown in processes between [P&BA] and FS relating to the BIM report*" could specifically be referring to in the case of the Callendar Square bug.

98. However, in general terms and in no way connected to the specific Callendar Square bug, I am able to guess what the breakdown in processes between P&BA and Fujitsu Services ("**FS**") in relation to BIM reports might relate to.

99. Casting my mind back, I think that the BIM reports were incident reports prepared by Fujitsu for the P&BA team, in which Fujitsu identified system issues in Horizon that required P&BA investigation.

100.   A reference to a breakdown in processes could mean one of many things: (i) a BIM report was not sent by FS to P&BA when it should have been; (ii) a BIM was received but misinterpreted by P&BA; (iii) a BIM report was received but not progressed by P&BA; (iv) P&BA took the wrong action in relation to the BIM report without issuing a TC that would have fixed an issue with the branch's accounts.

101.   I have been asked whether there was any follow-up with this branch following these emails and / or the release of S90. As stated in paragraph 82 above, I have reviewed the documents identified in respect of the Callendar Square Bug. In particular, POL00081928 and FUJ00083664 show that I explained to Sandra MacKay and Brian Trotter on multiple occasions during February and March 2006 that the S90 fix implemented by Fujitsu should have fixed the issue in branch.

102.   Beyond these emails, I am unable to recall whether there were any follow-up communications with the Callendar Square branch. This does not mean that these did not take place, but any communication would have come from someone in the service management team, in this instance Sandra MacKay or Brian Trotter, or Fujitsu who may also have dealt with the branch at this stage (especially where the branch raised calls to Fujitsu on the issue). At this point, in my role as a Network Coordination Advisor, my contact with branches was very limited, with communications being channelled through those who had been interacting with the branch (service managers).

103.   I have been asked whether there were any further investigations that were carried out to identify other branches affected by the Callendar Square Bug. As stated in paragraph 82 above, I have reviewed the documents identified in respect of the Callendar Square Bug. Before reviewing these documents, I remembered that more than one POL branch was affected by the Callendar Square bug. However, I was unable to recall the precise scope and scale of how many branches were affected until I read the documents.

104.   Looking at the documents, I emailed Sandra MacKay and Brian Trotter on 2 March 2006 to provide an update on the Callendar Square bug (page 4 of document POL00081928), in which I noted that "*there is now recognition that [it] is a wider issue than just a software "quirk" at just one branch, which means it is now being actively managed as a cross domain problem with Fujitsu*".

105.   I understand from having read POL00070134 that at least four branches were affected by the Callendar Square bug at this time. However, I was only in copy in this email and I do not recall the extent of the problem more widely. I should also note that the email from POL00070134 is identical to an email in POL00070131.

106.   As far as I can recall, I was not involved in any investigations in relation to any of the other branches affected by the Callendar Square bug. The investigation and resolution more widely across the different branches would be managed by the Problem Management Team in POL and the parallel team in Fujitsu. Looking into the cause of the issue or understanding the solution was outside of my remit.

107.   I have been asked whether I was satisfied that the issue had been resolved. As stated in paragraph 82 above, I have reviewed the documents identified in respect of the Callendar Square Bug, but these do not assist my recollection in relation to this question. Based on my experience as Network Co-ordination Advisor at the time, I would have expected to receive confirmation from the Problem Management Team confirming that the issue had been fixed. I am unable to recall receiving any such specific communications or passing this on to anyone else, though this does not mean I did not receive such a communication.

Fujitsu's response to the Callendar Square bug

108.   I have been asked whether I was satisfied with Fujitsu's response to this issue. As stated in paragraph 82 above, I have reviewed the documents identified in respect of the Callendar Square Bug but have not limited my response to this question to these documents. As mentioned in paragraphs 92 and 94 above, I only had indirect contact with Fujitsu through the Problem Management Team in relation to the Callendar Square bug.

109.   From reviewing the documents, I believe that I would have understood the S90 release to be the final fix. However, from my broader experience, I would have expected the Problem Management Team and Fujitsu to have had a monitoring process in place to identify whether the S90 fix had in fact resolved the issue successfully. My understanding is that the Problem Management Team would not have been able to log the issue as closed until they had confirmed it had been fixed post-S90, and that this would have involved some monitoring of the effect of the S90 fix in the branches.

110.   I would also have expected to be made aware of the issue if it had persisted, because branches would have continued to log the problem with HSD and service managers, who would have in turn escalated the issue to me. For any new issues that were logged with the HSD or service managers and then raised with me, I would have spoken to the Problem Management Team who would have arranged a diagnostic process to determine whether the issue was in fact new or connected to any previous or ongoing issues in Horizon. From reviewing the documents, I believe this is why I stressed the importance of branches continuing to log issues with the HSD. For example, in the same email discussed in paragraph 104 above, I said branches "*need to let [the] Horizon Systems Desk know if they have further problems*". Logging issues in this way would not only create an audit trail but would also mean that the issue gets flagged to the relevant team and/or person who could then investigate it and determine the root cause. I would have assumed if I had not heard anything further that the issue had been resolved.

111.   Whilst I am unable to recall specific communications confirming the issue was closed, this does not mean that I did not receive such communications.

112.   I note that I am not copied into the email on 23 February 2006 from Anne Chambers to Mike Stewart, in which Anne Chambers raised concerns that "*This problem has been around for years and affects a number of sites most weeks, and finally Escher say they have done something about it. I am interested in whether they really have fixed it which it [sic] why I left the call open – to remind me to check over the whole estate once S90 is live – call me cynical but I do not just accept a 3rd party's word that they have fixd [sic]*

something!" (page 6 of POL00081928). I should note that this is the same email as on page 1 of FUJ00083664.

113.   From reviewing the documents, I can see that I was subsequently copied into this same email chain on 1 March 2006. I am unable to recall receiving this email. In any event, the technical detail being discussed between Anne Chambers and Mike Stewart would not have been relevant to my role and would have been beyond my understanding. I did not have the technical knowledge to understand the cause of the bug.

<u>Lee Castleton</u>

114.   I have been asked to consider POL00070131, POL00070132, POL00070133, POL00070134, FUJ00083810, and FUJ00083812, and to set out my involvement with Lee Castleton, including the civil proceedings brought against him.

115.   I have reviewed documents POL00070131, POL00070132, POL00070133, POL00070134, FUJ00083810 and FUJ00083812 identified in relation to this issue, but they do not assist my recollection as decisions regarding litigation against Postmasters was not within my remit and I was not involved in any discussions regarding such proceedings.

116.   I note that I am not copied into any of the emails that directly relate to or discuss the civil proceedings against Lee Castleton, in particular the email on 6 December 2006 from Mandy Talbot to SP Parker at Fujitsu (POL00070133 and POL00070132).

117.   Whilst I was copied into the email from Mandy Talbot to Lynne Fallowfield on 6 December 2006 and Lynne Fallowfield's response on the same

date (POL00070131), I assume this was because of a communication from Gary Blackburn to me in February 2006 regarding the issues with the Callendar Square bug, as referenced in Mandy Talbot's email.

Other bugs, errors and defects

118.   I have been asked to explain whether I was aware of any other issues or problems with the Horizon system. Please read my answer to this in conjunction with paragraphs 81 to 117 above and paragraphs 229 to 175 below.

119.   Other than the Callendar Square bug discussed in paragraphs 82 to 113 above, I recall that I was only aware of one other issue or problem with the Horizon system during my career at POL. This was the Smart ID receipts and payments mismatch issue which arose when I was the Smart ID Product Owner between April 2017 to April 2019. I include a detailed description of the Smart ID programme in paragraphs 229 to 254 below.

120.   Otherwise, I do not recall any other significant issues or problems with the Horizon system or being involved or aware of other technical system errors. However, I did not often deal with operational issues in relation to how Postmasters used the Horizon system given the nature of my roles in POL. This is particularly the case since 2010 as from this point onwards my roles have related to specific projects or areas of conformance.

121.   I have been asked to set out who I received information about other issues or problems with the Horizon system from or how I came to be aware of these issues, and how widely known I consider them to have been. Please read my response to this question in conjunction with paragraphs 229 to 254 below.

122.   I received information in relation to the Smart ID receipts and payments mismatch issue from Esther Harvey, the Smart ID project manager, in late 2018. The issue was flagged to her as an issue by Fujitsu and was caused by the changes made to the Horizon system as part of the Smart ID programme. Details of the issues are set out at paragraphs 280 to 292 below.

123.   I do not know how the issue first became known to Fujitsu as I was not involved in those communications. However, whilst considering this question, I recalled that I have previously seen a document prepared by Fujitsu and saved on the EUM Teams site entitled "*EUM Locking Issues Technical Investigation*" dated 12 December 2018 (WITN04640102). Whilst I am unable to recall when I would have first seen this document, it would have been supplied by Fujitsu either directly to me or to Esther. I think this document was created to list all of the scenarios that could create the issue, though I note it is in draft form and includes track changes.

124.   It notes that the changes in Horizon implemented as a result of the Smart ID product "*caused incidents to occur in the live estate*". Whilst I do not think this document makes clear how the issue was originally identified by Fujitsu, I have been able to locate from the EUM Teams site a "*Horizon Issue Management – Incident Report & Status Update*" (WITN04640103) which explains that "*Incident INC1742274/PC0275532 was raised by ATOS (26-Nov) for branch 236855 reporting a discrepancy that has appears overnight. It was passed to the SSC on 27-Nov*" (page 1). The status report also noted that "*It seems that following TP/BP rollover some transactions have recorded in the old TP/BP and so will not appear on the branch accounts, although they will be successfully sent to back end systems*" (page 1). From reviewing this

document, I think this makes clear that the issue was raised to Fujitsu by a call from a branch. I believe I would have read this document on the day it was issued or shortly thereafter. I should add that this document WITN04640103 is a later version of document POL00043585 to which the Inquiry referred me in relation to Smart IDs (as discussed in paragraphs 229 to 254 below).

125.   My recollection is that there was a lot of concern at the time about this issue, particularly given the concurrent GLO proceedings. Esther Harvey sought to ensure that various stakeholders were informed and given full visibility as to how the issue was being progressed in conjunction with Fujitsu. In particular, I remember Esther reporting the issues to Angela Van Den Bogerd who was the point of contact for the GLO. Whilst I am not able to speak to how broadly the issue was communicated by Esther to wider business stakeholders within POL (beyond Angela Van Den Bogerd) and how frequently updates took place, I remember that Esther provided an initial brief and regular updates to the Smart ID project team on this issue.

126.   I have been asked how this knowledge had an impact upon how I dealt with Postmasters or Post Office managers or assistants working in Post Office branches. I did not deal with the Postmasters directly in relation to the Smart ID receipts and payments issue. My role was to sort out the documentation required to resolve the issue because it was going to require a code release.

127.   From memory, Fujitsu was monitoring the occurrence of the issue in branches and would notify the Smart ID project manager, Esther Harvey. Esther Harvey would then arrange for the affected branch to be contacted about the discrepancy via the Financial Service Centre (**FSC**). In these communications, the FSC would have advised Postmasters on how to manage the issue.

128.   If a Postmaster contacted the NBSC helpline in the meantime and before the FSC reached out, the Postmaster would also have received guidance from them. However, I recall that it was generally the FSC making outbound calls to explain what had happened and how the Postmaster could manage the issue.

Global User Access

129.   I have been asked to consider POL00030155, and to explain my understanding of the global user access issue that arose during 2019 and any resolution. I have reviewed document POL00030155 identified in relation to global user access, but it does not assist my recollection (discussed in paragraphs 130 to 136 below) as I was not involved in this issue at this time. My answer in paragraphs 130 to 136 below is therefore not confined to this document.

130.   The email on 13 May 2019 from Rebecca Turner to Somita Yogi, Rob Houghton and Michael Passmore, with Tom Lee in copy, comments that "*The global user access process is managed by Shaun Turner/Kendra Dickinson's teams*". I was not copied into this email at the time, and I do not recall seeing it before being referred to it by the Inquiry for the purposes of the Rule 9 Request.

131.   I assume that my name was incorrectly attached to the global user access process because of my previous role working on the project. Though I cannot recall precisely, I think the last time I worked on global access issues was in around 2013 or 2014, though I cannot recall the exact timing. By this time in 2019, I had moved onto a new role.

132.   Whilst my recollection is vague, my understanding of global access IDs was that users with a global access ID allocated to them could access Horizon terminals in any branch in the network without having to be set up on the terminal by the relevant branch manager. The global access user would still need to physically be in front of the Horizon terminal, so this functionality did not to my knowledge allow any remote access. I think that global access IDs were introduced possibly in connection with the Horizon Online rollout during 2010, though I cannot be sure of the exact timing.

133.   I think my involvement related to the process of adding and removing people to the global ID list when it began being managed by the BSC, and in making sure that the BSC was clear about how to handle requests to amend the list of users with global access IDs. My recollection is that there was a specific process by which authorisation had to be requested and obtained for an individual to be assigned a global access user ID. For example, only a list of authorised requesters, such as training and audit managers, were able to ask for new people to be given global access IDs, for instance when hiring new members of staff. If the BSC received a request from someone who was not an authorised requester, they would have to reject that request and signpost the unauthorised requester to someone who was able to make such a request.

134.   I think I was also then involved in the process for periodic review and audit of the global access user IDs list. This looked at, for example, how global IDs should be validated and authorised and how the notification of changes or leavers should work. The aim was to make sure that only those who needed global access user IDs were on the list, such that people who no longer needed access were removed and their IDs revoked. My recollection is that global

access IDs were mainly allocated to POL trainers and auditors. I also remember engineers being another category of employee with global access IDs.

135. When I did work on the project, I never owned the process but helped to advise in relation to how the process should be carried out. For a long time, the project was owned by the Branch Support Centre ("**BSC**"), which is why I think Kendra Dickinson was involved. I believe the document makes clear that Kendra Dickinson was involved in the management of NBSC (which was at this point called the BSC) at this time; Julie Thomas' email on 21 May 2019 to Rob Houghton, Ben Foat, Michael Passmore and Mick Mitchell, with Rodric Williams, Kendra Dickinson, Kim Abbotts and Kenneth Garvey in copy, states that "*I trust this answers the questions, but please feel free to pick up directly with Kendra for any follow up questions or further information as she is owning this on my behalf*".

136. More broadly at this time, I think Julie Thomas was Kim Abbott's boss and Kim Abbott was mine and Kendra Dickinson's boss. Kim Abbott managed the support centre functions, for example the BSC and the Branch Standards Team. As far as I can recall, Kendra Dickinson's main involvement was managing the BSC, which included BSC advisors, customer care and the capacity management team. I was based in the Branch Standards Team, which was responsible for making outbound calls to Postmasters in relation to compliance issues.

DISPUTE RESOLUTION AND TRANSACTION CORRECTIONS

<u>Involvement in disputes regarding alleged shortfalls</u>

137.   I have been asked to explain whether I was involved in or party to any disputes between POL and Postmasters regarding any alleged shortfalls of money. I do not recall being involved in or party to any specific disputes between POL and Postmasters regarding any alleged shortfalls of money.

138.   I also do not recall being involved in any specific cases where the dispute went to court. My involvement in the dispute resolution process had been general and at an early stage, involving queries relating to TCs and other discrepancies from branches in my various roles at POL, through the ways described in paragraphs 140 to 147 below.

139.   I do not have technical expertise in relation to TCs. However, my understanding is that a TC is a reconciliation mechanism issued centrally to branches in order to correct an accounting error and, in particular, typically a mismatch between central and branch accounting figures. For example, if a branch sent £100 of physical cheques to be processed centrally but recorded £50 of cheques on its accounts, a TC of £50 would be issued to resolve the mismatch. When I first joined POL, TCs were issued in paper form to branches. Subsequently, after the introduction of Horizon, TCs became electronic.

NBSC Incident Analyst

140.   As a NBSC Incident Analyst between September 1999 to September 2001, my only involvement with TCs and discrepancies was when NBSC advisors were struggling with a particular issue (which had been reported to them by the branch) and they needed further advice. The NBSC Advisor would escalate issues to their team leader in the first instance, but if they were not

available, other managers in the NBSC (including myself) would be the second point of contact.

Network Coordination Advisor

141.   Out of all of my roles, I was most involved in helping with queries about TCs and shortfalls during June 2005 to May 2010 as a Network Coordination Advisor. Similar to my involvement as an NBSC Incident Analyst, in this role there were occasions when Area Managers/Contract Advisors would contact me on behalf of branches about issues with TCs or other discrepancies. I would then refer the query to the appropriate team.

142.   The responsibility for dealing with issues involving TCs sat with P&BA, who provided evidence to support the issuing of the TCs and would investigate and resolve issues relating to them. My key contact at P&BA was the Relationship Manager, Andy Winn. Andy would, where necessary, refer the query to the appropriate sub-team within P&BA who specialised in dealing with that particular issue. I remember for one query Carol King from P&BA was also involved but I cannot recall which sub-team she was in. My recollection is that Andy would make sure that the P&BA team in Chesterfield either reached out to the Postmaster to undertake further investigations or, where there was already sufficient evidence, to discuss the outcome of P&BA's investigation with the Postmaster.

143.   After I referred queries to P&BA, it was then the contracts advisors who would have the follow-up and, once the investigation had been completed and the shortfall confirmed, have the final conversations with Postmasters about recovery of money. There were also specific policies developed to manage the

debt recovery process, though I am not the right person to speak to about those as these were not in the remit of my role at the time or subsequently. I would stay involved in the process mainly in terms of chasing up if a query had not been progressed, though my general recollection is that P&BA resolved a lot of these types of issues (which had already been escalated) pretty quickly. It was only really the more complex cases that needed a push.

144.   My involvement in the whole disputes process was at arm's length. I did not have the tools or access to the information needed to investigate whether a TC was issued properly or to resolve a discrepancy. My role was to co-ordinate the teams who could resolve them. There were existing routes for Postmasters to dispute shortfalls or TCs via the NBSC helpline or directly to P&BA, and it was generally the P&BA team who asked the Postmasters directly for evidence in relation to issues to do with TCs and shortfalls. Often queries were referred to me as an informal form of escalation to get a resolution because the responsible internal teams at POL were not responding quickly enough. The sales and service teams had direct contact with branches and received queries from the branches on TCs or discrepancies. My understanding is that these teams knew that Network Coordination had contact with internal stakeholders and other teams, such as P&BA, and that I was the relevant person to contact if there was a TC or discrepancy issue which they were not able to resolve without additional support.

145.   I should note that this internal escalation process only took place for certain exceptional queries; by no means was every concern raised in relation to alleged shortfalls referred to P&BA. An example of when a case would have been referred in this way is where the P&BA helpline had not responded to a

Postmaster quickly enough, and the case was escalated to me by the area manager for a quicker resolution.

146.   I should note that dealing with these issues was a minimal part of my work as Network Coordination Advisor. I cannot remember specific volumes, but I would say I only received queries like those I have described in paragraphs 141 to 145 above once or twice a month.

Branch Standards Data Analyst and Smart ID/EUM Programme

147.   After my roles as Network Coordination Advisor, I mainly worked in data and compliance and was not involved in accounting queries from branches. However, as Smart ID Product Owner between April 2017 to November 2020, I helped to deal with queries from branches relating to a receipts and payments issue that was caused by changes to Horizon as a result of Smart IDs. Detail in relation to this is set out in paragraphs 229 to 292 below.

Resolving disputes process – Transaction Corrections

148.   I have been asked to describe the process by which any disputes relating to shortfalls were raised and resolved, and to specify any individuals I know to have been involved. Please read my answer to this issue in conjunction with paragraphs 137 to 147 above.

149.   I do not recall the specific mechanics by which any disputes were raised and resolved. I only have a vague recollection that there was a formal documented process that branches were expected to take when raising a query about a TC or discrepancy and I cannot recall the specifics. I could describe what I understand was the process at the time in vague terms only as it was a long time ago. However, I seem to remember that the formal processes for

Postmasters to dispute TCs and other more general discrepancies were slightly different.

150.	To the limited extent I am able to remember, I think that each TC had details on it of whom the Postmaster should contact in P&BA if they wanted to dispute that TC. The Postmaster could then go through that team to dispute the TC. There was also an option for the Postmasters to seek evidence on TCs, though I cannot recall whether this was available on all TCs or only on a particular subset of TCs. The P&BA team in Chesterfield would then send the evidence as requested to the relevant branch. The Postmaster could also contact the NBSC if they had queries about TCs. The NBSC did not have access to the back-end accounting system to investigate the TC issues so they could only offer general advice and would refer issues they could not resolve to the P&BA team.

151.	If the TC was still in dispute at the point when the branch came to do its trading statement, I think Postmasters were forced to accept the TCs in order to roll over the trading statement. However, the Postmaster could choose not to roll over the branch trading statement and dispute the TC. Alternatively, if the Postmaster chose to rollover and accept the TC, they could settle any corresponding discrepancy centrally and then dispute the TC at that subsequent point instead. This would mean that the discrepancy was on the Postmaster's customer record, but the amount would be blocked from recovery pending the outcome of the TC dispute. I recall that POL's preferred option was for Postmasters to roll over the branch trading statement, as this moved the associated discrepancy into the established process where it was visible to P&BA and the Contract Advisor and could be managed through that process,

and failure to balance and rollover could eventually cause issues such that the Horizon terminal needed to be swapped out.

152.   For both of these routes, P&BA was ultimately responsible for issuing TCs and investigating and resolving queries about them.

Resolving disputes process - other discrepancies

153.   I have limited memory of the formal process for other discrepancies. I think queries from branches about general shortfalls not connected to TCs would initially go the NBSC for investigation and resolution. The NBSC would take the Postmaster through the diagnostic process to try and assist the branch in identifying the discrepancy.

154.   In complex cases, the general discrepancy might be escalated for auditor or trainer resource, and this sometimes involved a site visit to the branch. This was only for exceptional cases. P&BA would only become involved with investigating general discrepancies it if became apparent that some of that discrepancy related to a TC. I know Andy Winn was the focal point for the more difficult cases.

Fujitsu's role in the resolution of disputes

155.   I have been asked to describe whether I am aware of any contact or input from Fujitsu in the resolution of any disputes. Please read my answer to this question in conjunction with paragraphs 81 to 113 in relation to the Callendar Square bug and 229 to 292 in relation to Smart IDs.

156.   I am unable to recall the precise details of whether there was any contact or input from Fujitsu in the resolution of disputes. However, I know that certain teams I was working with did have direct contact with Fujitsu in relation

to particular issues, for example, in relation to the Callendar Square bug (as discussed in paragraphs 92, 94 and 108 to 110 above). In this case the POL Problem Project Management Team had direct contact with Fujitsu, specifically Fujitsu's own internal problem resolution team to whom POL's Problem Management Team would escalate problems. I remember the POL Problem Management Team was managed by David Hulbert, though at certain points it had about 12 different problem managers.

157.   I am not sure of the specifics of how this receipts and payments issue was actually resolved by Fujitsu. I think Fujitsu diagnosed the root cause and implemented a fix, by some code or software change. I do not know the details of this fix.

158.   More recently, in my role as the Smart ID product owner, I have had more direct dealings with Fujitsu. Details of my role and the Smart ID programme are in paragraphs 263 to 269 below. In particular, I note that Fujitsu raised with the Smart ID team that changes implemented into Horizon as a result of Smart IDs were causing a receipts and payments mismatch issue. Having reviewed the documents to which the Inquiry referred me in relation to Smart IDs (the lists of which are set out in full in paragraphs 229 and 278), I can see that this issue could cause a shortfall in branches, hence the need for rectification processes to be put in place.

159.   Fujitsu put in place a monitoring process so that they could identify and flag every time the issue arose, though there were only a small number of examples of this problem happening across the network. Fujitsu also sent reports of these instances to the Smart ID project manager, Esther Harvey. I

think these reports would generally be sent within 24 to 48 hours of the issue being identified by Fujitsu.

160.   To fix the issue, Fujitsu implemented certain changes into branches. My role was to document these new requirements. Esther would then check whether these new requirements had worked, or whether it was necessary to issue advice to Postmasters on this receipts and payments issue. I was not personally involved in this contact with Postmasters.

General Transaction Corrections process

161.   I have been asked to consider POL00039024, and to explain the purpose of this document and my role in its development. I have reviewed document POL00039024 in relation to this issue. I did not initially recall the TC process review detailed in this document or being asked for input and only vaguely remember it after reading the document itself.

162.   I recall that the TC process was one of the things considered by the Network Coordination Team. From reviewing the document, I think my contribution would have been around the data file structures in Appendices 4 (Concurrence Report) and Appendix 5 (DFR Report). I may have made other contributions, but I do not recall them. However, I am able to recall that the purpose of both of these reports was to support Contract Advisors in administering the DFR process.

163.   The DFR process is short for "*Deduction From Remuneration*" which was one of the mechanisms for recovering money from serving Postmasters for shortfalls that, after investigation, were found to be the Postmaster's liability. My understanding is that where there was no identifiable reason for the

shortfall, the Postmaster would still be expected to pay the amount of the shortfall to POL in line with their contracts. As I have explained in further detail in paragraphs 142 to 145 above, the first step in resolving queries around TCs or account discrepancies would be to investigate the cause of the shortfall and establish whether (and how much) money should be recovered from the relevant Postmaster. If an investigation concluded that the TC was issued properly or the Postmaster was responsible for the discrepancy, at that stage the Contract Advisor would take over and contact the Postmasters to talk about the recovery of any outstanding debt they had on their customer account. As part of the DFR process, the Contract Advisor would either agree a payment plan with the Postmaster or for payment of a one-off cheque which would be entered against the relevant branch account straight away. If a payment plan was agreed, the final loop of this debt recovery process would be to send the details of that plan to the P&BA team in Chesterfield to set up payments out of the Postmaster's remuneration. Contract advisors used the reports in the appendices to help with the DFR process as these reports contained extracts from the customer accounts of Postmasters. Any payments received or plans agreed with Postmasters would also be included in these reports.

164.   Around this time, I remember working with John Breeden, who was leading the Contract Advisor team. I helped John and his team design the Concurrence and DFR Reports to make sure they captured the right information and correctly facilitated reporting of the DFR process. I also helped John extract data from these reports, for example to see levels of outstanding debt for each Contract Advisor.

165.   As such, I was involved from a data perspective, rather than managing any part of the DFR process or the TC process. My input to the document would have been in designing the reports and deciding what should be included in the reports, such as recommending headings for the columns in Appendices 4 and 5. For example, Appendix 4 (Concurrence Report) includes a column with the heading "*Document Type (BD, TC or DZ)*". BD would tell the Contract Advisor that the issue was a branch discrepancy where a Postmaster did not know how the discrepancy had been caused and TC would tell the Contract Advisor that the discrepancy was related to a TC. I cannot remember what DZ stood for.

166.   The Contract Advisor would have been responsible for inputting data into the report, specifically the blank columns in Appendix 4 with the headings "*DFR Number of Instalment Months & Instalment Details*", "*Cheque Payment Made*", and "*Credit / Debit Card Option*" and in Appendix 5 with the headings "*Head of BD*", "*BDM*", "*Contracts Advisor*", "*Current Loss*", "*Total loss settled centrally by branch*", "*Approximate Monthly Remuneration*" and "*Comments*".

167.   I should add that the author of the document is Nicky Barraclough who was part of the Network Coordination team and would have been working alongside me at this time. Based on this, I may have provided some input to the process maps (pages 7, 9 and 10 of the document) but I do not recall this. The only thing I recall specifically was having a greater level of involvement in Appendices 4 and 5, anything else would have just been a cursory review.

168.   I have been asked to expand on the "*number of issues…identified with the Transaction Correction Process*". Without reading the rest of the document POL00039024, I would not have been able to expand on this. Whilst I am not entirely sure, I think the issues to which this comment refers are documented

further down under the "*Issues*" heading of the document, for example timeliness of issuing TCs. I cannot comment beyond what is in the document.

169.   I have been asked to expand on "[*w]hat will not be addressed will be those issues that require a system change to resolve as these must be progressed by P&BA*", and what type of issues was I aware of that would require a system change to resolve. As stated in paragraph 157, I did not initially recall this document and only vaguely remember it after reading the document itself.

170.   I am unsure to what this question is referring. I think the reason for this comment is to signal that this is about a process review rather than looking for technical system changes. I read this comment as defining the scope of the document. This would largely have been because my team did not have the budget to deliver technical changes to Horizon. I am unable to recall any issues that would require a systems change at that time.

171.   I have been asked to expand on the issue identified under the heading "*Disputing the Transaction Correction*" and to identify each stage that a Postmaster could dispute a TC. As stated in paragraph 157, I did not initially recall this document and only vaguely remember it after reading the document itself. Please read my response to this question in conjunction with paragraphs 148 to 154 in relation to resolving disputes processes.

172.   My understanding of the process at this time was that there was a process of investigation and dispute prior to the Postmaster accepting the TC. Once the TC had been accepted, the shortfall or gain could be settled centrally, and the debt would be blocked and then disputed. A Postmaster had an opportunity to dispute a TC at each of these two stages.

173.   I have been asked to explain the differences between the recommendations under the heading "*Disputing the Transaction Correction*" on page 4 and the practice for dispute resolution in place at that time. As stated in paragraph 157, I did not initially recall this document and only vaguely remember it after reading the document itself.

174.   I am unable to recall specific differences between the recommendations under the heading "*Disputing the Transaction Correction*" in this document and my understanding of when a Postmaster was able to dispute a TC, as explained in paragraphs 150 and 172 above, beyond what is described in this document.

175.   My reading of the document is that its purpose was about improving the speed of the TC process and implementing better tracking and monitoring of debt recovery from Postmasters at the end of the TC process. It seems to me to be about building a more cohesive end to end process and not about changing when a branch could or could not dispute a TC.

176.   My interpretation of the contents under the heading "*Opportunity to dispute*" (page 4) is that this document was not intended to increase or reduce the number of opportunities for Postmasters to dispute TCs. I note that bullet point 1 on this page states "*The proposal is to continue to give the subpostmaster opportunity to dispute the Transaction Correction, at any point within the process*". This means that we were not withdrawing or increasing the number of stages where Postmasters could dispute TCs, but the process stated did reflect opportunities that Postmasters had to dispute before and after accepting the TC. The process maps (pages 7 to 10 of this document) may also

add clarity as they show that there was an opportunity for Postmasters to dispute TCs on multiple occasions both before and after acceptance of a TC.

177.   I have been asked whether a final version of this document ultimately issued, and if so, how it changed existing practice. I have reviewed document POL00039024 in relation to this question, but it does not assist my recollection in relation to this question. I am unable to recall whether a final version of this document was ultimately issued and whether it changed existing practice.

Improvements to the Transaction Correction process

178.   I have been asked to give my view on whether there could have been any improvement in this process and to identify who would have been responsible for implementing any improvement I have suggested.

179.   My understanding is that during and since the GLO proceedings, general improvements to the resolving disputes processes have been made in terms of how much support is provided to branches experiencing accounting discrepancies. I am not close to these changes given my remit was not to provide support directly to branches in relation to resolving disputes and I can only speak to my general awareness of relevant changes. That said, I think the main changes have been in relation to improving the information and evidence issued in relation to TCs as well as that provided to branches to help resolve queries. For example, there is now a team set up within the support centre to help diagnose and support branches with the discrepancies. The Training team has now also introduced a new 'investigating discrepancies' work aid and there is a new half day classroom course available to Postmasters. These are all

positive changes, with hopefully further refinements to come based on Postmaster feedback.

180.   I think this shows that there were inadequacies prior to the GLO, particularly in relation to the language used by those teams dealing with branches. The focus was on getting disputes resolved quickly and there could have been a more supportive element. POL is a complex business with over 100 products on offer. Postmasters need to know how to transact for these products and manage external systems such as ATM and Camelot. Prior to the GLO and the changes made in response to those proceedings, I do think that there was not enough support for Postmasters in how to identify discrepancies and their root cause, particularly for branches experiencing the same repeated issues.

181.   In terms of who would have been responsible for implementing these improvements, POL was ultimately responsible in global terms. As to specific teams, there would have been a role for the Training team, but I think improvements being made in the support centre side and in the initial diagnosis and monitoring of issues in the branches was critical.

HORIZON ONLINE

Involvement in Horizon Online

182.   I was not part of, or attached to, the Horizon Online project or its rollout at any point in time. My recollection comes from my ancillary role of Network Coordination Advisor during the period in which Horizon Online was rolled out. However, as explained in paragraph 190 below, I think that I left the Network

team and moved into the Branch Standards team in 2010 when Horizon Online was actually being implemented in branches.

183.   In terms of my specific involvement, I helped with making sure that the migration process was as smooth as possible, given the number of branches to be migrated in a short amount of time. As part of that process, POL was dependant on Postmasters taking various actions in branch and doing so within certain timeframes. For example, Postmasters had to complete Horizon Online training before the migration of their branch could take place. The Horizon Online team reached out to me as a Network Coordination Advisor to provide support in relation to key processes which Postmasters needed to follow to help ensure a successful migration to Horizon Online. I also helped the Horizon Online programme team minimise potential risks which could arise in branches for other reasons beyond the Postmasters' control, but would still have delayed the migration process.

184.   This was a two way process. I remember being consulted about the effect that certain aspects of the rollout would have on the Sales and Service teams, and I was also involved in thinking about what the Network team would need from the Horizon Online programme to ensure staff were fully trained and understood the changes that were being made. Detail of the roles of the Sales and Service teams are set out in paragraphs 16 above.

185.   Whilst I am unable to recall details, it is possible that I may have also reviewed some of the documentation coming out of Horizon Online and kept the Network team informed about progress made by the Horizon Online programme.

186.   I think I was also involved in either developing or advising on a solution to collate data, though I was not able to recall this aspect of my involvement until I reviewed document POL00034433 to which the Inquiry referred me in relation to Horizon Online migration non-conformance (discussed in paragraphs 191 to 196 below). After reviewing this document, I vaguely remember that data collected from site visits during the rollout process was added to a centralised Sharepoint database, but I do not remember its name.

Difficulties with pilot, roll out and implementation of Horizon Online

187.   I have been asked to set out what, if any, difficulties I encountered or was aware of in the pilot, roll out and / or implementation of Horizon Online. Please read my answer to this question in conjunction with paragraphs 182 to 186 above in relation to my involvement with Horizon Online.

188.   As explained in paragraph 183 above, in the initial stages of the Horizon Online programme, I was involved in identifying the potential difficulties that might be encountered with the rollout because of Postmasters not performing necessary actions in branch. I also helped define the steps that the Network team could take in such instances to support the migration process onto the Horizon Online system.

189.   I should also note that my work assisting the Horizon Online programme was done in conjunction with other pieces of work as I was not dedicated to this project.

190.   I am unable to recall whether any difficulties were in fact encountered in the implementation of Horizon Online. I believe that this is because I was moving away from the Network Coordination Advisor role and into the Branch

Standards team during the actual implementation of Horizon Online in 2010. I also note that there would have been a period of handover once I knew I was leaving the Network Coordination Advisor role, although I cannot recall to whom I handed over this role.

<u>Horizon Online migration non-conformance</u>

191. I have been asked to consider POL00034433. I have reviewed POL00034433 in relation to this question, though before doing so I had no recollection of its existence or content. Please read my answer to this question in conjunction with paragraphs 229 to 292 in relation to Smart IDs.

192. I have been asked to explain the purpose of this document and how it came to be written. After reviewing "*Horizon Online Migration Non-conformance Process*" (POL00034433)*,* I am able to recall that this document is an example of the type of work in which I was involved in relation to assisting with the implementation of the Horizon Online migration.

193. I believe that I would have written this document in my role of developing the non-conformance process, as described in paragraphs 183 to 185 above. I would have also been involved in ensuring that this document was reviewed and ultimately implemented. I am unable to recall the details of this review process, but I expect that the document would have been reviewed by the Horizon Online Programme, internally within my team (for example by my line manager) and potentially by service managers.

194. I note that the document references the "*Issues Resolution Team*" within the Horizon Online programme. Based on this comment, I am able to recall that part of the purpose of this document would have been to formalise

the interaction between the Issues Resolution Team in the Horizon Online programme and the Network team in relation to specific areas where the Horizon Online programme might need support from the Network team with migration in branch.

195.   I have been asked to set out what, if any financial support POL provided to Postmasters for undertaking Horizon Online training. I have reviewed POL00034433 but it does not assist my recollection in relation to this question as I did not work directly on the Horizon Online programme or sign off on the training package. I do not recall any financial support offer provided by POL to Postmasters for undertaking Horizon Online training as this would have been outside my remit. The Horizon Online programme would have been responsible for developing the training package and any associated payments.

196.   I have been asked to expand on the nature or scale of non-compliance that occurred on roll out. I have reviewed POL00034433 but it does not assist my recollection in relation to this question. Please read my answer to this issue in conjunction with paragraphs 187 to 190 below in relation to the pilot, roll out and / or implementation of Horizon Online. These matters took place over a decade ago and I cannot recall being aware of the nature or scale of non-compliance that occurred with the Horizon Online rollout. As mentioned in paragraph 190, I believe this may be because I was moving away from my role as Network Cooperation Advisor at this time.

BACK OFFICE EFFICIENCY PROGRAMME

PING project

197.   I have been asked to consider POL00001535, and to explain the background and purpose of the PING project. I have reviewed document POL00001535 in relation to this question. Whilst I do not recall this specific document, I have broader memories in relation to this project and have not limited my answers in paragraphs 198 to 217 below to this document.

198.   My understanding is that the general purpose of the PING project was to automate the process by which transactions were entered from some other third party terminals/devices used in branch into Horizon. This was intended to reduce risks of human error and ultimately the number of TCs issued to branches.

199.   An example of this is Camelot, which is a lottery terminal used in branches to sell lottery and scratch cards. Before the PING Project, Postmasters had to log their branch's lottery transactions on a separate Camelot terminal. At the end of the day, Postmasters would then have to translate those transactions onto Horizon for accounting purposes. It was a manual process.

200.   Instead, the PING mechanism worked electronically by automatically sending information from the Camelot system to Horizon in the form of a transaction acknowledgment. Postmasters would not have to enter manually figures into Horizon and the third party system and Horizon should match.

201.   Other terminals/devices to which the PING process could be applied were ATMs and Paystation. Paystation is a payment device predominantly used to accept bill payment transactions from customers. I remember, though, that the first system that the PING project was applied to was Camelot. I am unable

to recall whether it was applied to ATMs and Paystation as I do not think I was involved in any subsequent phases of the PING project. However, after reviewing POL00037733, which is an extract from the Operational Training Guide (September 2020), I can see that Transaction Acknowledgements were subsequently extended to Paystation. I should note that this document is otherwise not relevant to this question.

202.   From looking at the date of this document, 28 May 2009, I am able to recall that the PING project took place in parallel with the migration from Horizon Legacy to Horizon Online. The PING project was going to be released into Horizon Online. In a way, if I remember correctly, the project was therefore predicated on Horizon Online being successfully delivered.

203.   I have been asked to explain my role in relation to this project. As stated in paragraph 197, I have reviewed document POL00001535 in relation to this question. Whilst I do not remember this specific document, I recall being involved in meetings about the PING project in which its project manager, Sally Rush, would have outlined how the project would work from a branch perspective.

204.   I note that this document lists me as a reviewer and I assume that my role as reviewer would have been limited to picking up on anything that was unclear to me. I was not the project author or sponsor and was not involved in the technical side of the PING project.

205.   Beyond this document, my role as Network Coordination Advisor at this time in 2009 was to liaise with other internal teams working on the PING project, including those developing the technical side. I had to understand what

the PING project might mean for Postmasters and the support that would be made available to branches with this transition, including the communications that were sent to branches to advise them of the PING project rollout.

206.   I have been asked to expand on the conformance issues caused by the manual input of client data into Horizon Online. As stated in paragraph 197, I have reviewed document POL00001535 in relation to this issue.

207.   Ultimately, people are human and make mistakes. It is inevitable that mistakes will be made when manually inputting data from one system to another. System to system integration should mean that there are no conformance issues or disputes in relation to the accuracy of the data.

208.   Prior to the PING project, Camelot harvested data from its lottery terminals and sent it to POL, where that data was then matched against the information that the Postmaster had input into the Horizon accounting system. If the Postmaster had input the data incorrectly or not at all into Horizon, the data would not match, and a TC would be issued to resolve the discrepancy.

209.   I have been asked what the catalyst was for implementing the PING project, and why it was not implemented before. As stated in paragraph 197, I have reviewed document POL00001535, but it has not assisted my recollection in relation to this question. My particular interest in the PING project was in making processes easier for Postmasters and reducing the scope for errors. I would not have known the catalyst for implementing the PING project or why it was not implemented before, as this was not within the remit of my role at any time.

210.   I have been asked to set out any changes that were made to the Horizon IT System as a result of this project and how this affected SPMs. As stated in paragraph 197, I have reviewed document POL00001535 in relation to this issue, though I cannot speak to the technical changes in Horizon because these were beyond my understanding and went beyond the remit of my role at the time.

211.   In terms of how branches and Postmasters were affected by changes made to Horizon, after the PING project was rolled out Postmasters would log on to Horizon each morning and an information screen showing the branch transactions would appear. This did not happen before the PING project was implemented. I think that Postmasters were (and are still) able to print this information screen.

212.   During the rollout of the project, there was also a question around whether Postmasters should be required to accept transaction acknowledgments to verify the data that had been automatically entered into Horizon from the third party system via PING. I remember this was ultimately not implemented because of concerns that Postmasters would not accept the transaction acknowledgments either at all or in good time. This would have defeated the purpose of the project. Postmasters therefore did not have the ability to refuse to accept transactions made by PING into their accounts.

213.   I should note that I was not involved in the transaction acknowledgment decision making process. I picked this background up as part of the wider meetings chaired by the PING project manager about implementing the PING process in branches. Sally Rush was my contact in the PING project team, and I remember her explaining the PING process to me.

214.   I have been asked to state whether any problems were caused by or during the implementation of this project. As stated in paragraph 197, I have reviewed document POL00001535 in relation to this issue.

215.   I have a vague recollection that there were some calls from branches at the beginning of the PING rollout. From my limited memory, there was an interface within Horizon whereby Postmasters had to map Camelot transaction acknowledgments to the Camelot stock unit. I think the calls from Postmasters was where this mapping process had not been set up or had been done incorrectly, resulting in transaction acknowledgments being applied to the wrong stock unit, such that the branch overall stock unit was correct but individual units, including Camelot stock unit, would be incorrect.

216.   There was also one other issue caused by the changes made by the PING project. Transaction acknowledgments would appear on screen to the first individual logging in to Horizon each day (regardless of terminal) and would then disappear from the terminal screen. The first individual logging in was not always the Postmaster or manager responsible for balancing the Camelot stock unit and checking the transaction acknowledgments. I am unable to recall how this was ultimately resolved but I expect there would have been further communications on this.

217.   However, overall, I do not remember there being a lot of calls from branches in relation to problems caused by or during the implementation of the PING project. There were teething problems as Postmasters became familiar with the change in process, not long term issues.

Stock Adjustments project

218.   I have been asked to consider POL00001697, and to explain the background and purpose of the Stock Adjustments project. I have reviewed document POL00001697 in relation to this issue. I have no broader recollections of the Stock Adjustments project beyond my review of this document.

219.   From reviewing this document, a "*Back Office Efficiency Programme – Stock Adjustments Project Definition Document*" dated 19 March 2010, I think the Stock Adjustments project was trying to implement better controls around stock adjustments in branches in a way that attempted to minimise inaccuracies in stock figures and opportunities for fraud.

220.   More generally, there were various ways that Postmasters could legitimately adjust stock in branches: (i) remitting in new stock received from the stock centre; (ii) selling stock; and (iii) reversing any incorrect sales. Postmasters would have to declare their stock when balancing their branch accounts and this would be compared with stock levels in Horizon.

221.   It seems that there was a concern that stock adjustments were being undertaken to correct a branch stock position when one of the three options (paragraph 220 above) would have been more appropriate. My understanding was that such stock adjustments were causing issues in tracking stock movement and sales.

222.   From the document and, in particular, the comment that "*The objective of this project is to enhance the current Horizon Online functionalist so that, where stock adjustments are made or discrepancies confirmed, the clerk will be forced to supply a reason where these breach the tolerances set within*

Reference Data" (page 4 of POL00001697), I think that the project also sought to implement better tracking of stock adjustments in branches by making it compulsory for Postmasters to include their rationale for certain adjustments made in Horizon.

223.   I have been asked to explain my role in relation to this project. As stated in paragraph 218, I have reviewed document POL00001697 in relation to this question. I have no broader recollections of the Stock Adjustments project beyond my review of this document.

224.   From the date of POL00001697, 19 March 2010, I believe that the Stock Adjustment process was implemented during my time as a Network Coordination Advisor. I assume that my role in the project would therefore have been to design the process and make sure the Network team and branches knew about the changes being implemented.

225.   With regards to the document, my input would have been as a reviewer, including sense-checking the document. I would also have been inputting into the document on behalf of the Sales and Service teams in the Network division and so I would have also extracted any pertinent information which needed to be passed on to Area Managers/Contract Advisors.

226.   I have been asked to set out any changes that were made to the Horizon IT System as a result of this project and how this affected Postmasters. As stated in paragraph 218, I have reviewed document POL00001697 in relation to this question. Please read my answer to this question in conjunction with paragraph 124 above.

227.   After reviewing the document, I understand that this project intended to require Postmasters to enter their rationale behind making certain stock adjustments in Horizon. I assume that this change was taken forward because I know that this is a requirement in the version of Horizon which is currently operational, though I cannot recall the precise timing of when this change was actually deployed into branches.

228.   I have been asked to state whether any problems were caused by or during the implementation of this project. As stated in paragraph 218, I have reviewed document POL00001697 in relation to this issue. I do not recall any problems being caused by or during the implementation of this project. Although removing shortcuts and enforcing processes always results in some opinions being expressed, I do not recall any specific problems or complaints made by Postmasters by or during the implementation of this project.

SMART ID/'ENHANCED USER MANAGEMENT'

229.   I have been asked to consider POL00036204, POL00036331, POL00030084, POL00036218, POL00036254, POL00036345, POL00036669, POL00036678, POL00043585, POL00038770, and POL00037819.

230.   I have reviewed documents POL00036204, POL00036331, POL00030084, POL00036218, POL00036254, POL00036345, POL00036669, POL00036678, POL00043585, POL00038770, and POL00037819 in relation to Smart IDs / EUM, but I have not restricted my answer to this issue in paragraphs 231 to 277 below to these documents.

Explanation of the Smart ID / End User Management programme

231.   I have been asked to explain what the Smart ID/'End User Management' programme entailed and the reason for pursuing it. As stated in paragraph 229, I have reviewed the documents identified in respect of this issue.

232.   The Smart ID programme was about implementing a new way of controlling access to the Horizon system. It was all about user management and how Postmasters log on to Horizon.

233.   The main change made by the project was the allocation of a Smart ID to each individual user within Horizon, except for those users in British Forces Post Offices which were branches run by the Ministry of Defence. Global ID users (for example engineers, auditors and trainers) could also continue to use their previous Horizon logins. I should also note that certain back office staff were issued Smart IDs to allow them to administer the Smart ID system. For example, the Smart ID Operational team were allocated Smart IDs so they could log in to the Smart ID system to create and deactivate Smart IDs for Postmasters and undertake other Smart ID maintenance activities. This Smart ID was only to be issued to a user once they had passed a vetting process and only individuals with Smart IDs were allowed to work on branch counters.

234.   This control was one of the key reasons for pursuing the programme. Prior to the Smart ID project, Postmasters should have vetted individuals before putting them on the counter. However, there were no system controls within Horizon to ensure this was happening and, in reality, Postmasters could put staff on branch counters without them being vetted. The Smart ID programme aimed to manage some of this risk.

235.   The other risk that the Smart ID programme was trying to manage was around compliance training. Prior to Smart ID, there was no system control in relation to compliance which meant individuals had to be chased. Given individuals did not have a unique identifier and could have multiple logins, it was difficult to know how many people needed to be chased and also to prove that all staff had completed their compliance training. This project associated a compliance record with each individual Smart ID and would lock Postmasters out of certain functions in Horizon until their compliance training was complete.

236.   Whilst considering my answer to this question, I recalled a document from the Smart ID project team file site which documented the business case for and rationale behind the Smart ID project in March 2017 (WITN04640104). I would have seen this document in 2017 not long after joining the Smart ID project. From reviewing this document, I understand that part of the rationale behind Smart IDs was to comply with regulatory standards in relation to financial services products. If POL could not evidence clearly that all staff working on branch counters had been vetted and that they had completed their compliance training, I understand that there was a risk of POL being sanctioned for being in breach of regulations, and losing the ability to transact those financial service products.

237.   Compliance training covered various regulated products and the required procedures around transacting them. For example, there was specific compliance training around the procedures to ensure adequate security in relation to mail. A Postmaster should ensure no mail is left in an area where it could be accessed by the public. Another example relates to Prohibited and Restricted Goods, where the compliance training covers the importance of

establishing the content of parcels from customers in order to ensure the conditions of carriage are met. The training outlines the consequences of not following these procedures, which can lead to customers seeing their item delayed or destroyed or, in worst-case scenarios, parcels leading to fires or explosions. I understand that this is regulated by the Civil Aviation Authority. Financial Services compliance training covered what Postmasters could or could not say when introducing a product to a customer in branch. It also covered rules around what materials Postmasters were allowed to display in branch, for example Postmasters cannot display their own promotional materials and they have to ensure that their promotional materials are kept up to date and changed as required.

238.   There was also more general compliance training in relation to required procedures cutting across all products, for example in relation to anti-money laundering and Information Security & Data Protection.

239.   Whilst preparing this statement I was shown (by Herbert Smith Freehills) a draft business specification document for compliance training as part of the BTTP (POL00035756) (as described in detail in paragraph 37 above) and, in particular, page 6 which lists the regulatory compliance training modules delivered to Postmasters. Not all of the examples listed in this document were ultimately incorporated into Smart ID controls. The modules which were enforced by Smart ID controls are: (i) Financial Services; (ii) DVLA; (iii) Homephone & Broadband; (iv) Information Security & Data Protection; (v) Anti-Money Laundering; (vi) Dangerous Goods; and (vii) Mails Compliance. The other modules in this list were not covered by Smart ID controls, largely

because they relate to internal compliance which is not relevant to branches (for example, Working Safely and Manual Handling compliance training).

240.	I should also add that DVLA training compliance was initially but is no longer enforced by Smart ID training controls, as this was replaced with an Insurance training compliance module in around 2018 - 2019. The Homephone & Broadband module is also not part of the Smart ID training controls anymore because POL exited this market. In addition, the Dangerous Goods compliance module was renamed the Prohibited & Restricted Goods module, although the scope of the training remained the same.

Perceived benefits of changes made under the Smart ID / EUM programme

241.	I have been asked what the perceived benefits were of implementing (a) dual login capability (b) EUM Network Deactivation (c) the creation of a counter training role (d) local update of training records and (e) screen messaging for training reminders. As stated in paragraph 229, I have reviewed the documents identified in respect of this question, and in particular, the IT System Change Request to Fujitsu made on 14 August 2017 (POL00036254).

242.	I should add that this document does not contain a full list of the different functionalities of Smart IDs. Instead, it lists the elements implemented by a second release within the Smart ID project. The first release which launched the core features of Smart IDs – the allocation of Smart IDs to Horizon users in branches – had already been implemented. This second release added features to Smart IDs which were intended to build on this base functionality, as explained in detail in paragraphs 243 to 254 below.

Dual Login Capability

243.   Originally, Smart ID functionality restricted individuals to being able to log in to only one counter at any point in time. In the early stages of the programme, I raised the point that this was going to cause problems on the ground as Postmasters needed the ability to switch easily and quickly between different counters. I did not need a branch to tell me that; this was clearly going to be an issue.

244.   Whilst the initial pilot rollout did have this one counter restriction, we also included a tactical workaround called a 'restricted use ID'. This essentially issued a Smart ID to each branch with more than one terminal and these IDs worked at a branch level. This meant Postmasters could use this ID to log in to another terminal at the same time as being logged in with their unique individual Smart ID. This was a temporary fix, pending a long term technical solution.

245.   The solution was the Smart ID dual login capability. This was designed to allow users to be logged in at more than one counter at a time, but they could only be active on one terminal and the other terminal which they were logged on to would have to be locked by the user before they logged on to another terminal. As I say, this was to facilitate people working in branches needing to jump between two different terminals. For example, processing 'drop and go' transactions on one terminal and moving to another terminal to serve a customer. Drop and go transactions are where a customer leaves a bulk of mail with the Postmaster for processing and the Postmaster charges the cost of this to the customer's account.

246.   Smart ID dual login capability was trying to find a balance between the compliance requirement of needing to know who was logged on to each

terminal at any given time and the need for Postmasters working in branches to be able to switch quickly between different terminals.

EUM Network Deactivation

247.   A number of compliance training controls were introduced into Horizon with the Smart ID project. As part of this, Postmasters had to complete various online training modules in Horizon within set timeframes in order to access the system. The system would record this training data and if a Postmaster failed to complete the required training in time, the Postmaster would be temporarily locked out of some functionality in Horizon. The functionality from which a Postmaster would be locked out of depended on the particular compliance training that was incomplete or expired. For example, if Postmasters had not completed Anti-Money Laundering, Information Security or Data Protection training, they would be prevented from transacting all products. Conversely, if Postmasters had not complied with their training requirements on other topics, they would only be prevented from transacting a certain designated list of regulated products. The precise scope of that list would depend on the content of the incomplete or expired training. These lists of designated products were configurable in the reference data so products could be added or removed easily.

248.   These controls could potentially cause system wide issues if, for example, the training data for Postmasters across the network became corrupted and falsely showed that none of the Postmasters had completed their training, the training controls would lock all of the Postmasters out of the system. This would prevent Postmasters from using Horizon and completing any transactions, which would be a major business incident.

249.   The EUM Network Deactivation was a fail-safe solution which could be used in such scenarios to disable the training controls across Horizon. This would mean that Postmasters would no longer be locked out of Horizon and could continue to complete transactions. Senior stakeholder authorisation from the business would be required before the EUM Network Deactivation could be used.

250.   Once the cause of the data corruption was investigated and resolved, the EUM Network Deactivation would be turned off and the training controls would be reapplied.

The creation of a counter training role

251.   The creation of a counter training role was Fujitsu's way of handling the conundrum that if Postmasters let their training lapse, they would be locked out of the system (as described in paragraph 247 above), but then they would be unable to rectify this as the training had to be done online on Horizon. The counter training role put Postmasters temporarily into a training mode on Horizon in which they only had access to training functions. Whilst in this training mode, it would be clear to branches that they were locked out of transacting certain products (as explained in detail in paragraph 247 above) but I do not believe that the counter training mode displayed a particular message or actively notified Postmasters that they were temporarily in a training only mode. Once complete, Postmasters would again have access to the rest of the system after logging off and back on.

Local update of training records

252. In scenarios where the user had either not completed or let compliance training lapse, it was necessary to have a way of restoring their ability to carry out all of the Horizon transactions that were previously restricted (on account of their lapsed training) once they had completed the necessary training. The user's main training record was updated with any training they passed overnight using a batch process, so this local update ensured their access to transactions could be restored without waiting for that batch process to run. All the Postmaster would need to do following completion of training was to log off Horizon and then log back in and their transactional access would be restored.

Screen messaging for training reminders

253. I remember both myself and others pushing for screen messaging for training reminders. It was not in the original Smart ID build. In fact, none of these changes that I have addressed in this question were in the original build.

254. As explained in paragraph 251, the Smart ID programme introduced training controls which could lock Postmasters out of certain functions within Horizon in relation to regulated products, if they had not completed the required training in time. It was important to have a notification users would see to flag that they were approaching the deadline to complete their training. This was achieved by displaying training reminders to Postmasters which were displayed upon logging into Horizon. These screen messages confirmed the training which was outstanding and the deadline for training completion.

Role of bugs, errors and / or defects

255. I have been asked to set out whether the implementation of (a) to (e) in paragraphs 241 to 254 above was pursued to address any service problems or

identified bugs, errors and / or defects in the Horizon IT System. As stated in paragraph 229, I have reviewed the documents identified in respect of this question. Please read my response to this question in conjunction with paragraphs 229 to 254 above 247 to 250 above.

256.   To my knowledge, there were no bugs or defects in the pilot build and the existence of possible bugs or defects was not a driver in the implementation of these Smart ID features. Instead, these were pursued to address operational concerns of how the new system would work in branches and to provide appropriate support to Postmasters.

257.   The dual login capability was designed to address a particular operational issue about needing to switch quickly between terminals and for which the restricted ID solution was only a temporary solution. This is where the change request (POL00036254) came from originally.

258.   The other features described in paragraphs 247 to 254 were largely connected to the training controls. The Smart ID project was implemented in two stages. The login side of the Smart ID functionality was implemented first and the training controls were added on later. My recollection is that the initial pilot took place in mid-2017 and then a decision was made around September 2017 to decouple the login functionality from the training controls to allow more time to work on the training controls and related features. Whilst preparing this statement, I remembered an email on 25 August 2017 from me to Julie Thomas (Smart ID project sponsor) in relation to Smart ID implementation and, in particular "*concerns about EUM training controls where training lapses*" (WITN04640105). The email provides context for the decision which I remember Julie ultimately taking to descope the training controls discussed in

paragraphs 247 to 254 above from the initial Smart ID rollout. For example, it states "*it might make sense to rollout the POD control element of EUM (i.e. everyone needs to have a POD and new Horizon User IDs set up) but not to have system enforcement of training controls at this stage … This would give branches [the] chance to get used to the POID and RUID method of operation, but you do not have the risk of either locking out 30% of users on each test or have to expend resources in NBSC/HRSC administering training extensions*". The "*30% of users*" referred to the current levels of training non-compliance within branches at the time. I should note that this email was written before the term Smart IDs was used and so refers to "*POIDs*" which stood for Post Office IDs.

259.   Accordingly, the Smart ID login was rolled out from September 2017 onwards and well into 2018. It was at this later stage during 2018 that the training controls were then turned on. The document entitled "*EUM TRAINING CONTROLS ENABLEMENT – GO/NO GO CRITERIA*" (POL00036669) makes clear that the training controls rollout took place in Phases. The target dates for each Phase were: (i) Phase 1 (Prohibited & Restricted Goods) 7 September – 1 October 2018, (ii) Phase 2 (Mails) between 12 October – 5 November 2018, and (iii) Phase 3 (Financial Services) between 7 – 30 January 2019.

260.   My view was that it was important to have these features, in particular the training notifications and local update of training records, in place before the training controls were rolled out. Dual login was essential from an operational perspective to support ways of working in branches but was not a dependency for the rollout of training controls in the same was as training notifications and local updates. I recall this view being shared by those in the Smart ID team. A

lot of these features were actually implemented following discussions around the dual login change request, as this was seen as an opportunity to improve the functionality of the Smart ID project more generally.

261.   I should also note that I recall that certain elements of the Smart ID project were descoped during the initial development phases, particularly on the Fujitsu side, though I do not know whether some of those features described in paragraphs 247 to 254 above were among those descoped during these early stages. I do recall that the original intention was for password set up and resets to be managed through the Smart ID system rather than being done locally in branch as it had been previously. However, this feature was descoped and the password set up and reset processes in branch were left intact. Instead, the implementation of Smart IDs simply meant that a user needed a Smart ID to access Horizon in order to manage their credentials, for example passwords. I do recall that a previous colleague of mine, Dawn Brooks, was responsible for user management during the initial development of the Smart ID requirements.

262.   For context, Accenture was developing the identity management system that the Smart IDs (the "**Smart ID system**") would be stored on and how this was going to interface with Fujitsu. There were concerns that Fujitsu's delivery timeline would prevent certain pilot delivery dates from being met. From memory, I believe that I joined the Smart ID project at this point when discussions were taking place around what it was or was not possible for Fujitsu to deliver in the required timeframe and therefore what should be descoped.

<u>Involvement in the design and implementation of the Smart ID / EUM programme</u>

263.   I have been asked to explain my role in the design and implementation of the Smart ID/EUM programme. As stated in paragraph 229, I have reviewed the documents identified in relation to the Smart ID / EUM project and, in particular, POL00036331. I also refer to paragraphs 20, 21 and 122 above where I explained my role as product owner of Smart ID, and that Esther Harvey was the product manager.

264.   I was the product owner of Smart ID for the duration of the programme. This was a delivery role rather than one of just scoping potential changes and providing input as had been the case in my previous role.

265.   As mentioned in paragraph 261, I think Dawn Brooks was responsible for the initial requirement gathering and developing this with Accenture. I then took over this role when I became the Smart ID product owner and I recall some handover with Dawn around March to April 2017.

266.   I was responsible for establishing what the business wanted to achieve through the programme and turning this into requirements that the technical teams could deliver. I was involved in the testing and release process and working with the project's two suppliers, Accenture and Fujitsu.

267.   Accenture was building the Smart ID system which would interface with Horizon. Fujitsu was building the Horizon level functionality. There were direct conversations between the technical team at POL and the technical team in Fujitsu, though the high level design was done by the technical experts. My role was to establish how the interface would work and how the technical teams could achieve the business goals. There was a lot of technical resource supporting me during this time.

268.   I also did a lot of work with the business stakeholders at each phase of the project. This involved discussing the project with stakeholders at various forums during each stage of the project and running through a standard list of questions with stakeholders to ensure they were happy with the project. An example of such a forum is business readiness assurance ("**BRA**"), for which there was a standard set of business stakeholders with whom the Smart ID team had to liaise. This covered all directorates in the business at the time, for example Commercial, Legal, Network and IT. This engagement process gave each part of the POL business the chance to raise questions and input into the project. The BRA sign-off process also acted as a forerunner to the formal gating process where Esther Harvey would get sign off to proceed to the next stage of the project. In addition to these formal stakeholder sessions, I also ran informal 'drop in' sessions, for example of the kind noted at the end of document POL00036331. This document is a Smart ID rollout update. It states that "*EUM Product Owner Shaun Turner runs regular stakeholder drop-in sessions (Tuesday and Friday at 11.30) – you are welcome to have a Network Operations representative on the calls, and you don't need to join every call but can dial in when you need to – please let Shaun know … if you'd like a nominated representative to be included on the invitation*" (page 3).

269.   More broadly, an entire project team was set up for the Smart ID programme. This was run by the project manager, Esther Harvey, and included a training representative, a communication representative, an implementation manager and a technical delivery manager.

Effect on Postmasters

270.   I have been asked to explain in non-technical terms how the changes made under the Smart ID/EUM programme would affect Postmasters. As stated in paragraph 229, I have reviewed the documents identified in respect of the Smart ID / EUM project. Please read my answer to this question in conjunction with paragraphs 229 to 277 and, in particular, paragraphs 241 to 277 where I explain certain features in the Smart ID programme and changes made in branches.

271.   In terms of issues in branches, the dual login functionality was the most problematic change made under the Smart ID programme in terms of technical changes and Postmaster feedback that was received. This was the one thing Postmasters disliked the most about Smart ID implementation. From my recollection, Postmasters thought that dual login was too restrictive and reduced their operational flexibility. I outlined some of these issues, which were raised to me by the National Federation of SubPostmasters, in the "*Horizon Multiple Login: Options Paper*" in August 2020 (POL00037819). For example, the paper stated that "*Multiple login functionality slows down quick switching between counters … by forcing, when a user wishes to switch counter positions, them to lock their current counter and unlock the one they wish to work on by entering their password*" (page 3).

272.   This document was prepared to scope Postmaster responses to the operational issues which arose from the dual login functionality. The paper outlines: (i) the background of Smart ID dual login, (ii) the operational issues experienced by Postmasters as a result of dual logins as flagged by the National Federation of SubPostmasters ("**NFSP**"), and (iii) in high-level terms, the potential options to address these operational issues.

273. During the autumn of 2020, as part of the business reorganisation, my responsibilities as Smart ID product owner were gradually transferred to my colleague (Jayne Pardoe). I believe that my last meeting with the NFSP on this subject was in December 2020 before Jayne took on fully that responsibility.

274. As I explained in paragraph 236 above, the dual login functionality was ultimately a compromise between the compliance requirements and giving Postmasters flexibility in the way they worked.

CTO system

275. I have been asked to explain why the CTO system was not upgraded to reflect the changes with the EUM programme. As stated in paragraph 229, I have reviewed the documents identified in respect of the Smart ID / EUM project.

276. The CTO system was the counter training office system. There were 15 or 16 counter training offices around the country. This is predominantly where new Postmasters would be trained, though it also offered refresher training. There were Horizon training terminals at these CTO offices.

277. As part of the Smart ID programme, my team considered whether the Horizon training terminals at the CTO offices should be changed to incorporate Smart IDs. However, I recall that the decision was ultimately taken not to do so based on cost. I should also note that the Smart ID functionality was still covered in the training for new Postmasters, even if Postmasters did not get hands on practice during their CTO training.

Smart ID / EUM discrepancy issue

278.   I have been asked to consider POL00043585 and POL00037819, and to set out my recollection of this incident and its resolution.

279.   I have reviewed documents POL00043585 and POL00037819 in relation to this question, but I have not restricted my answer to this Smart ID discrepancy issue in paragraphs 278 to 292 to these documents. Prior to reviewing these documents, I remembered this incident. However, I was not able to remember whether the incident caused discrepancies in branches until I reviewed POL00043585.

280.   I believe I was first informed about the incident by the Smart ID Project Manager, Esther Harvey, to whom Fujitsu had flagged the issue previously. I remember subsequent meetings in which Fujitsu outlined particular scenarios that would cause this receipts and payments discrepancy. My general recollection is that there was a lot of activity when the issue was first identified to understand its cause and determine the route to fix it. The issue was discussed every week during the Smart ID team's weekly project meetings.

281.   At the time, I remember the GLO proceedings were happening in parallel and there was a lot of concern about this issue within the Smart ID programme. In this context, Esther Harvey sought to ensure various internal stakeholders were informed about the occurrence of this receipts and payments mismatch issue via regular meetings and status reports. Stakeholders were aware of Fujitsu's involvement in diagnosing the issue and working towards a solution.

282.   I specifically remember that Angela Van Den Bogerd (Business Improvement Director), Julie Thomas (Smart ID project sponsor) and the FSC

teams assisting branches were kept in the loop. The document "*Horizon Issue Management – Incident Report & Status Update*" (WITN04640103) lists individuals who were kept up to date as the Horizon Issue Management Core Group: (i) Mick Mitchell, IT Security and Service Director, (ii) Julie Thomas, Networks Operations Director, and (iii) Rodric Williams, Head of Legal – Dispute Resolution & Brand). Other group attendees who would have been kept in the loop were: (i) Steve Bansal, Senior Service Delivery Manager, (ii) Pete Newsome, Post Office Account Manager, (iii) Angela Van Den Bogerd, Business Improvement Director and (iv) Martin Godbold, Head of IT Service (Retail), as well as myself and Esther Harvey.

283.   After the initial meetings with Fujitsu, I also recall follow up discussions taking place with Fujitsu in which they relayed further analysis of why certain scenarios caused the mismatch issue. Some of this analysis is captured in POL00043585, which notes that dual logins had "*caused incidents to occur in the live estate … if the active user session rolls over the current stock unit, and a locked session on another counter attached to the same stock unit is then resumed. This is because when the locked user session is resumed the counter is not aware of the rollover and continues to trade in the old trading period*" (page 3). Whilst considering my response to this question and as mentioned in paragraph 123 above, I was able to locate a document entitled "*EUM Locking Issues Technical Investigation*" (WITN04640102) on the POL EUM Teams site which records Fujitsu's analysis into the issue and three options for the "*proposed resolution*". I believe that this document would have been issued to the Smart ID team by Fujitsu. I should note that this document also includes identical wording as quoted in this paragraph from POL00043585 and that I did

not recall this document prior to reviewing POL00043585, though I would have first seen the document shortly after it was issued in December 2018.

284.   My involvement in fixing the incident was in documenting the necessary requirements to drive the code fix in conjunction with business analysts who had worked on the project since its inception. Fujitsu had identified that a code fix would be required because the issue was affecting multiple branches, albeit in small numbers. My involvement was taking what Fujitsu had identified as the scenarios which triggered this problem in branches and ensuring these were covered in a requirements document on which Fujitsu could build.

285.   In the meantime, Esther Harvey in conjunction with Fujitsu set up a monitoring process to identify branches where the issue was occurring and for Fujitsu to provide the Smart ID team with daily reports listing the affected branches. In particular, these reports flagged any new branches affected by the mismatch issue. The next step was the FSC team contacting the branches where there had been an issue and advising them as to how to resolve it, though this was managed by Esther Harvey and I was not involved in this process element.

286.   I have been asked to consider the comment by Fujitsu's representatives that "*We have alert[ed] the branch that raised the original ticket to the cause of their discrepancy but have not yet gone into the detail of the cause*". As stated in paragraph 278, I reviewed the documents identified in respect of this Smart ID discrepancy issue and, in particular, POL00043585 which includes the comment in question.

287.   While I was not a party to the discussions held between the affected branches with either Fujitsu or the FSC in relation to discrepancies, I do recall that a process was set up for all affected branches to be contacted by the FSC to advise them on how the rectification of the discrepancy should be handled.

288.   From reviewing this document, I interpret this statement as meaning that Fujitsu had explained the scenario that was causing the discrepancy so that the branch could avoid encountering a repeat issue, but that Fujitsu had not yet explained the granular technical detail of the cause with the branches.

Resolution of the Smart ID / EUM discrepancy issue

289.   I have been asked to set out how this problem was rectified. As stated in paragraph 278, I have reviewed the documents identified in respect of the Smart ID discrepancy issue. Please refer to paragraphs 278 to 285 above in relation to this question.

290.   I have been asked to explain what Postmasters were told about this identified problem. As stated in paragraph 278, I have reviewed the documents identified in respect of the Smart ID discrepancy issue. Please read my answer in relation to this question in conjunction with paragraphs 278 to 288 above. I can only comment on what Postmasters were told about this identified problem in vague terms because I was not responsible for contact with Postmasters. I think that Postmasters were told by Fujitsu how to avoid repeatedly encountering this receipts and payments mismatch issue and how the discrepancy was to be rectified.

291.   I have been asked whether steps were taken to identify whether any Postmasters had been affected by this issue. As stated in paragraph 278, I have

reviewed the documents identified in respect of the Smart ID discrepancy issue. Please read my answer in relation to this question in conjunction with paragraphs 278 to 288 above. I recall that Fujitsu and the Smart ID project manager agreed a process for flagging new cases which had been identified by the monitoring system that had been put in place and was being managed by Fujitsu. All of these new cases were then captured in status reports and the Smart ID team were updated on these new cases on a weekly basis.

292.   I should note that although POL00037819 is referenced in relation to this question, this document is not related to the technical receipts and payments mismatch issue which arose in late 2018 and which I discuss in response to this question. Instead, POL00037819 was prepared in response to feedback from the NFSP on how the multiple login functionality of Smart IDs had caused operational (not technical) issues for Postmasters in branches (as explained in paragraph 271 above).

GENERAL

293.   I have been asked who and / or what I think is responsible for the problems in the Horizon IT system. I think there was a baseline assumption within POL that Horizon was a robust accounting system. Although there was some identification, monitoring and resolution of issues in Horizon, which I have discussed in this statement, 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. Generally, I think the ways in which changes were made to the system were not always communicated clearly enough to Postmasters and that this led to confusion in branches, calls to the NBSC and greater potential for errors to be made by Postmasters.

294. In terms of the particular receipts and payments mismatch issue on Smart IDs, covered in paragraphs 279 to 285 above, to which I can speak through my experience as Smart ID product owner, I remember the team reflected at the time on whether anybody could have anticipated the issue and, if so, who should have done so. Certainly, I did not have the technical knowledge to even realise that this could have happened. I would have expected Fujitsu's impact assessment of Smart IDs to have pre-empted that the mismatch issue would have been a possibility.

295. I believe that this particular case reveals an issue in the wider systems in relation to the scope and scale of impact assessments done for changes being made to Horizon. The question which naturally follows is what POL could have done to make the impact assessment more comprehensive. I do not know the answer to this, but the set of checks that POL required from its IT suppliers for these complex system changes needed to be broader. In the case of Smart IDs, I think there should have been greater recognition within POL that implementing dual logins was a significant change to the Horizon system. Perhaps POL should have been more prescriptive around which areas of the change need to be assessed and how they should have been assessed depending on their complexity. I am not a technical person and I did not have knowledge of the technical aspects of Horizon. However, I think there should have been better controls in place and that POL's own technical resources should have been able to assure the change more effectively.

296. More generally, Horizon does belong to POL, and I do think POL is ultimately responsible for the system that is used by Postmasters. Whilst POL worked with IT suppliers, including Fujitsu, it was POL's responsibility to

manage them properly. The Smart ID receipts and payments issue is an example of where POL's management of Fujitsu was perhaps lacking. However, I would say that the way the Smart ID project manager reacted to the issue was reasonable. The problem was monitored, and POL immediately worked with Fujitsu to understand the root cause and implement a fix.

297.   I would also add that, in the last three years or so, I think that there has been an increasingly strong emphasis within POL on listening and responding to Postmaster feedback. For example, I have seen this in the: (i) appointment of a Postmaster to the Board; (ii) the heightened focus on analysing the results of the annual Postmaster survey; and (iii) project teams taking greater care to solicit feedback on potential changes to the system.

298.   I have been asked whether there are any other matters that I consider the Chair of the Inquiry should be aware of. As a general point, I would like to draw to the Chair's attention that whilst some of the documents referred to in my witness statement contain my name as well as the names of others, this does not mean that these individuals were the authors or sponsors of these documents. As I have mentioned in some of my answers in this statement, there are instances where I have been a reviewer of a document as opposed to having a more active role as author or sponsor.

299.   I would also like to add that this statement reflects what I can recall to the best of my ability, but my recollection may be affected by the passage of time. This is especially true of questions relating to events which took place earlier in my POL career. I also note that I reviewed all of the documents provided to me by the Inquiry in order to assist my recollection for this statement

and I have sought to make clear where documents have aided my response in

relation to particular questions.

Statement of truth

I believe the content of this statement to be true.

Signed: | **GRO** |

Dated: 13th January 2023

Index to the First Witness Statement of Shaun Turner

No.	URN	Document Description	Control Number
1.	POL00035756	Business Technology Transformation Programme: Business Specification Document	POL-0032691
2.	POL00035811	Email from FrontOfficeDeliveryPMO to Gill Tait, Richard James, Andy Thornton and others re: 10.03 Enhanced User Help & Support documents for SUF Sign-off	POL-0032746
3.	POL00035812	Version Control: Spreadsheet	POL-0032747
4.	POL00027044	BTTP/Enhanced Help and User Support (10.03) Business Solution Design	POL-0023685
5.	WITN04640101	10.03 Enhanced User Help and Support - Management Summary V2 2.pptx	POL-0104289
6.	POL00035834	Release 1 Training Needs Analysis v0.2	POL-0032769
7.	P OL00036010	Training Needs Analysis (Release 1) v1 0 (2016 07 14).docx	POL-0032945
8.	POL00039359	Email from Emma King to Alison Clark, Annette Caddick and Nigel Davies Re: Branch Balancing Simplification: NBSC Information with chain attached	POL-0035841
9.	POL00037733	Post Office Ltd Getting Started Presentation, v0.1 (draft)	POL-0034668
10.	FUJ00083664	Email from Mike Stewart to Anne Chambers (with chain) re: Callendar Square	POINQ0089835F
11.	FUJ00083812	Area Intervention Manager Visit Log	POINQ0089983F
12.	FUJ00083815	Area Intervention Manager Visit Log	POINQ0089986F
13.	POL00070134	Email from Royal Mail to Post Office regarding complaints by SPMs about Horizon	POL-0066697

14.	POL00081928	Emails between Nicola Sherry, Mandy Talbot, Stephen Dilley, Keith Baines and Clare Wardle re Callendar Square & Lee Castleton	POL-0078491
15.	POL00028984	Email exchanges between Post Office and (Contract & Service Managers) Sandra MacKay, Brian Trotter, Shaun Turner, Gary Blackburn, Stewart Mike, Lynne Fallowfield, re: Callendar Square Bug.	POL-0025466
16.	POL00001195	Telephone note of attempted call from Sandra MacKay to Shaun Turner on 15/02/06	VIS00002209
17.	FUJ00083810	Area Intervention Manager Visit Log	POINQ0089981F
18.	POL00070131	Email from and Lynne Fallowfield to Mandy Talbot, copied to Gary Blackburn, Sandra Mackay, Shaun Turner and Stephen Dilley, re: Callendar Square URGENT	POL-0066694
19.	POL00070132	Email from Adrian Bratt to Andy Dunks, Anne Chambers, Cath Oglesby, Helen Rose, John Jones, Andrew Wise, Liz Morgan, Ruth Simpson and copied to Mandy Talbot, Stephen Dilley and Tom Beezer, E: POL v Castleton Trial Details	POL-0066695
20.	POL00070133	Email from Mandy Talbot to Steve Parker re: Callendar Square URGENT, with chain	POL-0066696
21.	FUJ00083810	Area Intervention Manager Visit Log	POINQ0089981F
22.	WITN04640102	EUM Locking Issues Technical Investigation v0.18.docx	POL-0104291
23.	WITN04640103	Horizon Issue Management - Status Update_Balancing enhancements 1.7 06032019.docx	POL-0104292
24.	POL00030155	Email from Rob Houghton to Julie Thomas, Ben Foat and Michael Passmore	POL-0026637
25.	POL00039024	Draft Report on Transaction Corrections Process Review for Agency Branches v6b	POL-0035506

26.	POL00034433	Action Plan Presentation on Horizon Online Migration Non-conformance process v4.2	POL-0031368
27.	POL00001535	PING Project (Interfacing Client Data into POL Systems) Requirements Catalogue	VIS00002549
28.	POL00001697	Back Office Efficiency Programme – Stock Adjustments – Project Definition Document dated 25 March 2010	VIS00002711
29.	POL00036204	Training level Table	POL-0033139
30.	POL00036331	PO: Smart ID Roll-out Update - Internal Brief	POL-0033266
31.	POL00030084	Incident Summary (FSR136) run on 30/07/2018 (covering period of 9/10/2015 to June 2018)	POL-0026566
32.	POL00036218	Table of EUM Document Versions	POL-0033153
33.	POL00036254	Back Office Efficiency Programme - Stock Adjustments	VIS00002711
34.	POL00036345	Learning Needs Analysis and Strategy Enhanced User Management - Phase 2 v 0.2	POL-0033280
35.	POL00036669	Plan & Progress Report for Phase 1 EUM Training Controls Enablement - Go/No Go Criteria (07/09/2018 - 05/11/2018)	POL-0033604
36.	POL00036678	EUM Help Article Smart ID Table	POL-0033613
37.	POL00043585	Horizon Issue Management- Incident Report & Status Update	POL-0040088
38.	POL00038770	BTTP/10.11 Enhanced User Management Business Solution Design	POL-0027656
39.	POL00037819	Horizon Multiple Login: Options paper, v2	POL-0034754
40.	WITN04640104	EUM Baselined Business Case for TDG 9 March 2017 TDG Submission v1.0 FINAL.docx	POL-0104293
41.	WITN04640105	Email on 25 August 2017 from Shaun Turner to Julie Thomas entitled "Implementation Options	POL-0104290

Witness Name: Shaun Turner
Statement No.: WITN04640100
Dated: 13th January 2023

THE POST OFFICE

HORIZON IT INQUIRY

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WITNESS STATEMENT OF SHAUN

TURNER

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