

Witness Name: Gayle Peacock

Statement No. WITN06160100

Dated: 31/01/2023

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF GAYLE PEACOCK

I, Gayle Peacock, will say as follows:

INTRODUCTION

1. I am a former employee of Post Office Ltd and held various positions of mid to senior management levels between November 2001 until I left the business in June 2021.
2. This witness statement is made to assist the Post Office Horizon IT Inquiry (the “**Inquiry**”) with the matters set out in the Rule 9 Request dated 4th January 2022 (the “**Request**”). The information I have provided in this statement is based on my own personal recollection of events. I did not have access to any documentation to assist me when answering the questions, with the exception of the documentation provided to myself by the Inquiry. I have not sought legal representation in the drafting of this statement.
3. I would like to make the Inquiry aware that the business re-organised itself

structurally a number of times during my employment. Whilst I am confident in the names of the roles I performed, the references I make to specific roles are from my memory and therefore I may not have the job title 100% correct.

General

4. I graduated in 1999 and initially had a career in the hospitality industry, eventually being a Public House Manager before joining the Post Office.

5. I started working for the Post Office in November 2001 as part of the Graduate Management Training scheme. This was a 12-month scheme which involved working for 6 months in a Directly Managed Branch, learning all operational aspects of working in a Post Office. This was followed by 6 months working in the Agency Commercial Segment, shadowing an Area Manager responsible for managing an area of larger postmaster-run branches. On completion of the secondment, it was my responsibility to find a permanent role within Post Office. I worked for the Post Office for nearly 20 years and undertook various roles. I have outlined below the name of the role, the period in which I undertook it, and a high-level view of my responsibilities. The gaps in the timeline were due to periods of maternity leave.

6. Rural Retail Line Manager (Nov 2002 – Jan 2004) – I worked with c.60 postmasters in larger rural branches to help drive improvement in all aspects of their business.

7. Network Concept Manager – (Jan 2004 – Oct 2006) – I designed, deployed and

tested new branch operating models and concepts. This did not involve changing the use of the Horizon system but developing the operating model of Core and outreaches.

8. Head of Network Co-ordination – (Oct 2006 – Jan 2010) – I was responsible for leading a team to provide remote non-sales support for all postmaster operated branches.
9. Program Manager, Our Best Way Project – (Jan 2010 - Nov 2010) – I led the Program that tested the deployment of a LEAN tools and techniques in the Directly Managed Branch network to improve customer service standards.
10. Network Conformance, Standards and Policy Manager – (Oct 2011 – April 2013)
I led a team responsible for providing remote support to branches to help them achieve the standards required to fulfil regulatory, legal, client and customer obligations.
11. Head of Branch Support Project – (Apr 2013 – Sept 2014) – I was responsible for managing the program to review the training and support provided to postmasters following the Second Sight Review.
12. Business Readiness Lead, Front Office Project – (July 2015 – Nov 2015) – I was a business Subject Matter Expert (SME) working with other business SMEs and the potential new supplier IBM who were initially contracted to replace the branch Horizon system.

13. Head of Branch and Customer Support – (Nov 2015 – Sep 2018) – I was responsible for managing the Branch Support Centre (the branch helpline previously known as the Network Business Support Centre), managing Customer Care teams, managing the Post Office Executive Correspondence team, managing the Post Office Model Office in Finsbury Dials HQ, managing the Network Gateway team and chairing the Branch User Forum.
14. Head of Performance and Support, Supply Chain – (Sept 2018 – Dec 2020) – I was responsible for managing the Supply Chain change portfolio and providing performance information to the operational teams.
15. Business Lead, Postmaster Journey Project – (Dec 2020 – June 2021) – I was the Post Office lead supporting colleagues from Deloitte completing a review initiated to inform the Group Executive and leadership teams of the extent to which Post Office had effective change and service plans in place to transform the culture of Post Office and the relationship with postmasters. The purpose was to undertake a holistic, independent review of changes to processes, policy, people and culture following the Group Litigation.
16. I have been asked to explain when I used the Horizon IT system in the course of my work and how my roles related to the Horizon IT System between 2000 and 2012. I can confirm that the only period of my career when I used the Horizon system directly was during the first six months of the Graduate Training Scheme where I was seconded to Middlesbrough Post Office branch. I was trained in a Counter Training Office for two weeks before arriving in branch, and then I used

the system on a daily basis to serve customers and to also complete branch balancing activities. Following that period my direct use of Horizon was limited. I was required to work on the counter in Directly Managed Branches during periods of Industrial Action and attended the refresher training courses before doing so.

17. I have been asked to confirm the details of my position in the organization structure for the delivery of the training of the Horizon IT System. From 2001 until 2006, I was not in the same function as those that were responsible for the design and delivery of the training. From my recollection, I believe that this was carried out by a central HR function within Post Office. There was a large-scale business reorganization in 2006 and the responsibility for training was transferred from HR into the Network Directorate. This is when I reported into the Network Support Director and the responsibility for training was transferred from into this function. The ownership for design and delivery of training sat with my peers in the team who ran the Network Support Field Teams.

Training Program(s)

18. I have been asked to provide an overview of the training program(s) with which I had involvement at the Post Office between 2000 and 2012. Along with this, I have been asked to provide very specific information regarding the training content, changes to content etc. As noted above, developing and deploying the Horizon system training was not my area of responsibility and therefore the individuals responsible for the Network Support Field Team would be best placed

to provide that detailed information. What I can provide is a high-level summary of what training offer was I believed the training offer to be.

19. From 2006, the Heads of Network Support Field Team were responsible to the design and delivery of the training for postmasters and employees of Post Office.

20. The offer for postmasters was a classroom-based course in one of the regional Counter Training Offices. The classroom training would cover a range of transactions including mails, benefit payments, banking, DVLA if appropriate and the relevant balancing activities. This was designed as a familiarization of the system before taking over the Post Office branch.

21. When the new postmaster took over their branch, a Network Support Adviser would attend the transfer. They would then attend the branch and conduct in-branch training for a period of time. I think this was a week from recollection and possibly longer for larger branches as they usually conducted a wider range of transactions such as DVLA, passports, bureau de change etc. The postmaster would then receive a follow-up visit when they next conducted a branch balance. A Network Support Adviser would then visit the branch at various intervals up until about 6 months after the postmaster was appointed.

22. For employees who went to work in Directly Managed Branches, it was the responsibility of the Branch Manager to complete the induction after the colleague had attended the classroom training course.

23. The classroom training and in-branch training was aimed at the postmaster, but it was not mandatory to attend. The postmaster was responsible for training their own staff, as noted in the postmaster contract. However, in practice if there were spaces in the classroom, postmaster spouses, staff or managers could attend as well. When the Network Support Advisor attended branch, whilst the training was aimed at the postmaster, in reality, training would be offered to everyone who was working. This would depend on whether there was a complete change of staff on branch transfer.

24. Network Support Field Advisors made notes of what was trained out and postmaster capability following each visit. This information was made available centrally should a different colleague be scheduled to complete the post-transfer follow-up visits.

25. Following the completion of the training, postmasters could request further support regarding training. From 2006, this request was made via the branch helpline, NBSC, who passed the request to the Network Support Scheduling Team to respond to the request. Other teams could also make extra training requests from this team should it be required. This included Contract Managers, Area Managers, Cash Management, Product and Branch Accounting or members of my team who when interacting with the branch felt that extra training was required.

26. In respect of what training was in place for members of Post Office in relation to

the Horizon IT System and wider Post Office activities, I do not know the answer to the question. Recruitment for employees was the responsibility of HR and from my experience of recruiting my own team members, it was up to the hiring manager to develop and complete the induction plan for new colleagues. I did not believe that a standard induction plan was available. Hiring managers could have arranged new colleagues to attend the classroom training, but this was not a mandatory requirement as far as I was aware.

27. I did not have any involvement in the Training Reviews of 2010.

28. I did not have any involvement in the 2011 Training Review.

29. I have assumed the question regarding my involvement in any training program(s) between 2000 and 2012 to be specifically related to the Horizon IT system.

30. In terms of wider training programs, I did act as a business SME regarding the various compliance training modules that were developed in the wider business. These training programs including modules such as Anti-Money Laundering, Financial Services Compliance, Information Security, Data Protection etc. This training did not focus on the Horizon transactional procedures but more about roles, responsibilities, regulatory and legal obligations and the consequences of not complying.

31. The content was drafted by the relevant business owner with input from myself

and other stakeholders. The completion of the training usually required all postmasters and their assistants to take a test on the Horizon system.

32. In order to help postmasters understand what they needed to do and when, it was my team when working as Head of Network Co-ordination and then latterly as Network Conformance, Standards and Policy Manager who would send reminders to branches of the requirement to complete the training. This was via the Branch Focus Magazine and via Memoviews on Horizon. It was my team who were then responsible on behalf of Network for ensuring all branches had completed the required training.

33. I have been asked to consider document titled BOMP [POL00032992]. Whilst there is no date or author on the document, from the title of it identified as "BOMP", I assume this to stand for the Branch Office Management Programme training. This was the training that was offered by the Network Support Field teams for the training of Branch Managers who were directly employed by Post Office.

34. I believe the contents of the course were developed by the Network Support Field teams in conjunction with the Directly Managed General Manager and the respective management teams. The Directly Managed team were responsible for recruitment and performance of the c.400 branches they were responsible for but called on the Network Support team to conduct certain elements of training, including the use of Horizon.

35. The agenda within the document POL0003992 refers to an “Our Best Way” item.

It indicates that the team were contacting me for information to include. I cannot recollect what information was provided to them and what ended up being included within the session. The training courses usually had a supporting PowerPoint presentation which I don't have access to in order to refresh my memory.

36. The “Our Best Way” program was an initiative I was asked to lead in 2010. A pilot had taken place in two Directly Managed branches with an external LEAN consultancy who has tested and deployed new branches ways of working with the aim to improve customer service and colleague engagement. Before rolling the initiatives out to the whole of the Directly Managed network, the Directly Managed General Manager wanted to test whether the tools would be effective in a larger sample of branches.

37. As a result, I led a small team of internal resources trained in LEAN to train the 25 Branch Managers in the Manchester area in the new ways of working and to measure the result.

38. The results of the project identified that it was not commercially viable to deploy the full program. However, there were some learnings and tools that the Directly Managed management team wanted to incorporate into standard ways of working, and therefore they were incorporated into the training. I cannot remember the specific tools that were chosen. However, I can confirm that none of them required the use of the Horizon system.

39. I have been asked to consider Branch Support Programme – Training Workstream [POL00034746]. The document is a workstream Terms of Reference that I drafted as part of the Branch Support Program.
40. The overall program had a number of workstreams. The approach of the program was to complete a gap analysis regarding the training and support offered to postmasters. The findings of that analysis then informed the creation of a number of work streams. The Training Work Stream was one of these.
41. It was my role as Program Manager to ensure that the work streams had a clear scope, budget and had the resources available to deliver the desired outcomes. I was then responsible for ensuring the work streams were being project managed correctly.
42. The scope of this work stream was to investigate the development and use of an on-line learning platform. Whilst Post Office employees had access to a learning system, postmasters and their assistants did not. This meant that all learning was undertaken on paper or on tests completed on the Horizon system. Therefore, all learning had to be done whilst in branch and the Horizon system couldn't manage interactive learning content. Developing an on-line learning platform would improve the quality of the training but also open up the opportunity to include wider learning content that would support postmasters in the running of their business.

43. The colleagues who worked as part of the work stream are named in the document. They were, Sarah Malone, Ann Miller, Drew McBride, Julie Thomas, Pam Heap, Julia Marwood, Sue Richardson, Gabriella Driver, Debbie Young and Claire Langley. These colleagues represented the central Learning and Development function, Network Support Field Teams, and the Directly Managed Network.

44. I have been asked whether I thought this training was adequate. However, this is an unclear question relating to the document to which I'm referred. It was clear that the overall training to postmasters needed to be improved and therefore the work stream was established in order to help remedy that for the reasons outlined above.

Advice and Assistance

45. I have been asked to consider various documents [POL00084463, POL00084464, POL00084465, POL00084768, POL00084769, POL00084770, POL00084771, POL00084772, POL00084773, POL00084774, POL00084775, POL00032992, POL00039158, POL0005690 and POL00005939]. The majority of these documents relate to the Branch Standards booklet and associated contractual change documentation with the exception of documents POL00032992 and POL00039158.

46. It was unclear whether the specific sub-questions associated with this question

wanted an answer regarding these documents specifically or a more general answer regarding my role in providing postmasters with Branch Support. After seeking clarification from the Inquiry Team, I have been advised to outline as much information as possible regarding Branch Support. Therefore, the approach I have taken is to reference each of my roles in turn and outline my role in providing postmaster Branch support.

47. During my time as a Rural Retail Line Manager, I was responsible for providing all different kinds of support to the branches in my area. The Network Business Support Centre was the first point of call for branches to resolve transactional queries including help with balancing procedures. My remit for support covered a wide remit from supporting branches with sales coaching conversations, helping with requests to undertake additional products and services, supporting after branches incidents such as robberies and burglaries, resolving customer complaints, dealing with requests to change opening hours, authorizing temporary closures, ensuring they were following the correct security procedures, checking they were completing their cash accounts and providing general pastoral support. I was usually the point of escalation where the business process didn't appear to be working. For example, if there was a dispute between Cash Management and the branch regarding cash holdings, I would help resolve the issue. I would find the relevant internal business team to escalate to. We were not asked to track the types of issues we were resolving for postmasters.

48. I tailored my visit program depending on the experience of the postmaster but

would ensure that each branch was visited at least every quarter at an agreed time with the postmaster. I visited larger branches on a monthly basis and new postmasters on a more regular basis. For new postmasters, I would review their progress and if I felt that they needed extra training, then I would raise a request for the training team to attend. It was agreed with the postmaster the level of visit frequency they felt appropriate. They could contact me at any time in between for any issues or questions they had.

49. One of the responsibilities of the Rural Retail Line Manager was to line manage a team member. I can't recall the exact name of the role but seem to think it was something like Rural Support Advisor. Whilst I was responsible for visiting the larger branches, these colleagues would undertake a visiting program to ensure that all of the smaller rural branches received a branch visit at least once a year. As these branches were so small that they did not have an opportunity to sell many products due to the low customer footfall, the focus of these visits was to cover areas such as customer service, branch balancing performance, general issues, and checking standards etc. If an issue was raised to them, they would escalate it in the same way I would as a Rural Retail Line Manager.

50. During my time as Network Concept Manager, I was working directly with pilot Core sub postmasters in the testing of new branch outreach operating models including the Partner and Home Service model. I was their direct point of contact for helping them test the model and was responsible for answering any operational questions regarding the concept. If I needed to escalate anything, this would have been to the Rural Strategy Program team. However, I cannot

recall an instance where I needed to. I did not get involved in the business-as-usual element of the postmasters running their branch. The Core branches chosen to operate within the pilot did have Area Managers who we worked closely with. If there was an issue that the postmaster raised with us regarding the day to day running of their Core branch, then this would have been flagged to the Area Manager to help resolve. I cannot recall a time where I ever had to do this.

51. I was appointed to the Head of Network Co-ordination role in 2006. This was following a large-scale business reorganization. The Post Office had a Sales and Service structure prior to that time. This was a national team based out of 11 Area Intervention Offices located across the regions within England, Scotland, Northern Ireland and Wales. I do not know the exact numbers within the team, but their role was to physically visit branches to support them and resolve any kind of service issue. The business decision was to remove this structure and I was asked to set up the Outlet Intervention Team in Maidstone in 2006 to provide remote telephone intervention support. Further detail of the team and the support they offered can be found in paragraphs 96,108,109 and 110.

52. As part of this role, my team also consisted of four Network Co-ordination Managers. They were aligned to the different area of the business to look at levels of service being provided to branches and look at process improvements, including the Network Business Support Centre, Cash Management, Product and Branch Accounting etc. The team would work with the Area Managers and the Outlet Intervention Teams to understand what issues branches were facing.

They built relationships across different directorates to understand what they were doing that would impact branches and implement improvement opportunities.

53. Whilst conducting this role I was also asked to run the Network Efficiency Program. This involved the establishment of the Branch Standards Team. More detail about the support provided to postmasters is provided within paragraphs 74 and 80 through to 89.

54. In 2010, I was seconded to run the Our Best Way Program in the Directly Managed network and therefore did not normally support postmasters. The exception to this was in the support provided to branches following an incident. The business process had been set up that managers would be tagged to branches near to the location where they lived. We were then the first point of contact to offer support to postmasters both in and out of hours if they were not part of the Area Managed branch network.

55. I returned to the Network Conformance, Standards and Policy Manager role in 2011 following a period of maternity leave. There had been a further business re-structure during my absence, but I maintained responsibility for the Branch Standards Team. I have explained the structure and the role of the team in providing support to branches in paragraphs 80 through to 89 below.

56. I did this role until 2013 when I was asked to lead the Branch Support Program. As part of this role, I did not support postmasters directly, but one of the tasks of

my role was to review the support provided to postmasters. Further detail regarding this role has been explained in paragraphs 90 through to 93.

57. My next role which had direct involvement with supporting postmasters was when I became the Head of Branch Support in 2015. My remit was the management of the branch helpline, (which became known as the Branch Support Centre rather than Network Business Support Centre), the Network Gateway Team, the Executive Correspondence Team, and the Customer Care Team. Within this role, I was responsible for colleagues providing immediate support to branches over the phone, 7 days a week.

58. The requests made to the Branch Support Centre for resolving were varied ranging from transactional help, balancing help, business process questions, request to close or change opening hours. Whilst the helpline IVR telephony system was a one number system for the postmasters to ring, calls regarding branch incidents were answered by Grapevine, and the IT Service Desk answered queries regarding IT equipment including Horizon. The Security Team were responsible for managing the service with Grapevine and the IT team were responsible for managing the IT Service desk.

59. Calls were categorized by the advisor and the data was available so we could understand the main drivers for the types of calls. I don't have access to the data, but from memory, the types of calls relating to Mails, Stock codes, and balancing were the main call categories.

60. One of the issues when I took over the helpline was the quality of the data available in order to undertake the analysis. The system they were using did not enable detailed interrogation. Options for Case Management solutions had been identified as part of the Branch Support Program and I was able to implement a Microsoft Dynamics Case Management tool across Branch and Customer Support and wider back-office teams in 2017. This enabled the provision of better call categorization to provide better data with regards to what was driving the calls into the centre. It also provided the ability to keep all communicated relating to that branch query within one record, regardless of who it was passed to in the business.

61. My remit whilst in this role was the management of the Executive Correspondence Team. This was the team who managed complaints directed to the Chief Executive and the Group Executive both from external customers, stakeholders and also postmasters. It was the role of the team to ensure the complaint or issue was raised to the relevant senior manager to resolve and provide support.

62. The types of correspondence raised were varied. Depending on who was raising the complaint, it could range from complaints from members of the public about not having a post office branch in their community, poor customer service standards, allegations of being sold the wrong service or product availability. Complaints from postmasters were also varied and from memory related to contractual issues, policy decisions, cash management reducing cash deliveries

to the branch, Royal Mail issues etc.

63. Each case was logged and tracked regarding who was resolving. This was done via spreadsheets until the introduction of the Case Management Tool. I do not have access to the data that confirms the exact numbers and types of cases that were resolved. The team were involved in formal responses and were informed about how the issue would be resolved. This depended on the circumstance but could include arranging someone to visit the branch, having a phone call with someone senior or apologizing. Where there were learning opportunities to prevent further occurrences, this would be discussed with the business owner who would take responsibility for implementing any necessary changes to process.

64. Cases were discussed on a regular basis, usually weekly. The team would flag any cases to me in between where they felt they weren't getting the right support from the teams who were required to support in the resolution. In these instances, I would approach the senior management team where it had been sent and work with them to agree the approach for responding and resolving.

65. I had indirect involvement with postmasters regarding support during my time in the role. In 2017 following another business restructure, I took over as chair of the Branch User Forum. This was a forum established in 2014 as part of the Branch Support Program that was designed to enable postmasters to have a better voice within Post Office. Branches from all segments of the network were

chosen following an application process to participate. This would involve members of Post Office such as Product Owners and change/project managers attending the forum to share details of change and ideas and get their input as to how their project or product could be successfully implemented into the network. It was also used as an opportunity for branches to raise questions or concerns that they would like the business to answer. It was the role of my Network Gateway Manager to work through these actions, issues and questions and provide responses to those branches.

66. I have been asked to explain whether I felt the support offered to postmasters was adequate. I think the changes experienced in 2006 had a massive impact on some postmasters and for some, the support was not adequate. The changes were made quickly from the point of business consultation announcements to the implementation of new structures which did not leave enough time for planning and preparation. Those teams in place left in place had no central reporting system to track and monitor who was supporting branches and for what purpose, leading to a disjointed support model for branches. Replacing physical support with remote intervention was not enough for some postmasters. This view was also supported in the review undertaken by Second Sight.

67. I have been asked to consider the Branch Standards Booklet [POL00084769]. (

68. I have been asked what my involvement was in drafting the Branch Standards Booklet. This was part of the Network Efficiency Program which I was project managing whilst in the role of Head of Network Co-ordination. The Program was

sponsored by the Network Director. I was responsible for working with members of the Network Efficiency Program Steerco to agree the areas of focus for Branch Standards. This group was made up of senior members of the Network, Finance and Operations directorate.

69. Once the draft outline was agreed, I worked with the key contributors outlined in document POL00084775 (mentioned in paragraph 45 above) to agree the specific wording for each section. As the areas within the Branch Standards booklet were owned by various business stakeholders, they had to sign off their area of content to ensure the information was factually correct. Once the draft was completed, it went through the process of being re-drafted with internal and external legal teams and the Communications Team. An external agency was commissioned by the Communications Team to support with the presentation and tone of the booklet. Following that exercise I was then responsible for re-circulating it for sign off and approval before arranging the distribution to branches.

70. I have been asked what the Post Office initiative to promote Branch Standards was. My recollection and interpretation of why Branch Standards was introduced was to help provide clarity to branches about what it meant to run a good branch. To my knowledge, what good looked like hadn't been communicated in this way before and it was felt that Branch Standards would apply a level of service consistency regardless of branch size, type or location. There were also different business teams with different objectives that were trying to improve branch performance. These teams were working in isolation which not only duplicated

resource efforts but also made it confusing for branches to understand the priorities. Therefore, the role of the Network Efficiency Program, of which Branch Standards was a part, was to help deliver a coordinated approach.

71. The topics identified to include within the booklet were chosen because of the impact failures in performance were having on customers, the risk of regulatory and legal sanctions through potential branch compliance breaches, the costs being incurred by Post Office either in cash holding levels or through service charges within the various client contracts, and the potential negative impact on postmasters.

72. The Branch Standards booklet also has to be considered in the context of the time that it was launched. As mentioned above, the Post Office had made a decision in 2006 to undertake a large-scale re-organisation of the business which included the decision to significantly change the focus of support for postmasters. It was decided that only the large commercial branches who had the potential to grow their sales income would receive the pro-active support of an Area Manager. This was c.2000 branches across the country. The remaining branches were informed they would not have a named individual, and should they need help, the first point of contact would be the branch helpline, the Network Business Support Centre. At the time of the re-organisation, a number of colleagues left the business, and a number of people were recruited with sales experience to focus on sales within those branches.

73. The impact of this was that it was felt that at the time the Network Efficiency

Program was launched, the standards within the branch network were not as they should be and for the reasons mentioned above, they needed to improve. Re-introducing physical support to branches in the way it had been prior to 2006 was not a commercially viable option.

74. Along with the launch of the Branch Standards booklet, a business case was put together to introduce a small Branch Standards Team to provide remote support to help branches meet the standards. The team consisted of c.6 team members including a team leader, and a data manager. Further detail of the support they provided is outlined in paragraphs 80 through to 89 below. I believe the introduction of Branch Standards and the supporting remote interventions made by the team was seen as the best alternative to driving improvements in standards in these areas.

75. I have been asked to consider whether the booklet adequately dealt with the matters it discussed. The areas within the Branch Standards were not new topics to postmasters and branches, and it wasn't designed to replace the operational instructions that were already available. The purpose was to signpost people to the key points regarding what was important and why. Branches were given the opportunity to ask any questions about the initiative and ask for help regarding any of the content. Processes were put in place with the Network Business Support Centre who were able to answer the majority of transactional questions, for example how to process mails transactions correctly. They could also escalate to the relevant team if there was something they couldn't answer.

76. I have been asked to consider Branch Standards Q&A document

[POL00084774] which is a document associated with Branch Standards. This was part of the communication collateral that was drafted and coordinated approval from the relevant stakeholders. This document was part of the communication that was sent to all branches which included the booklet itself, the contract variation document, a covering letter and Q&As. It was standard practice to include Q&As with any change communication of this type.

77. The type of questions to include were identified from direct experience of working with branches and knowing the types of things that would be asked, understanding what was usually asked to Area Managers, seeking feedback from the help-line, working with the Agents Development team who managed postmaster contractual change, and also getting advice from the legal team and the Communications team.

78. When drafting a document like this, it is impossible to cover every potential question that can be asked. I can't say whether postmasters and branches felt that it adequately addressed the matters in it as that pro-active feedback was not sought following the publication of it. As mentioned above, processes were put in place with the NBSC who were aware that I was the point of escalation regarding Branch Standards. If a large number of queries were raised, then they would have come to me to resolve. I cannot recollect having to deal with many queries as a result of the launch.

79. I have been asked to consider Branch Support Programme – Terms of

Reference document [POL00039158] and asked to explain my role (and any variations to that) of Network Manager. The document is the Branch Support Program Terms of reference which includes a reference to the business-as-usual role I was doing at the time when asked to take on the Program. This role was a variation of the Head of Network Co-ordination role I was doing between 2006 and 2010, which morphed into the role of Network Conformance, Standards and Policy Manager role I did when returning from maternity leave in 2011.

80. A significant part of my role following the launch of the Branch Standards was to manage the support and interventions to branches regarding the majority of the areas within the Branch Standards booklet. The exception to this was the sales areas. There were various business re-organisations in the time period, with the Network Gateway Teams and Outlet Intervention Teams moving into other parts of the Network team.

81. My team when I was the Network Conformance, Standards and Policy Manager in 2011 consisted of a data team, a team who made outbound telephone interventions to branches, a National Multiples Manager, and a Mails Relationship manager. The size of the team making outbound calls had doubled in size by this time, partly due to the success in helping to improve performance but also because of the signing of the renewed Mails Distribution Agreement with Royal Mail which contained a significant number of potential financial service credits for Post Office if standards weren't achieved.

82. The data team were responsible for receiving the performance data from the

different parts of the business regarding the areas outlined within Branch Standards. Some of this information was formulated into a scorecard, which was sent to branches on a monthly basis via the Branch Focus magazine. Topics included within the scorecard included whether the branch was making the relevant cash declarations, whether they were holding the right amount of cash, if they had processed mails transactions correctly and if the regulatory compliance training had been completed etc. The data team did not use any data sourced from the Horizon system. Performance files were received from the respective business areas and then exported into an excel reporting tool.

83. My role was to agree the intervention approach with the relevant business stakeholders and the performance data would be used to help prioritise activity given the resource available. Outbound interventions would be a combination of activity. If there was a wide scale issue, the normal approach would be to send communications to branches via Branch Focus. Specific branches could be targeted, and the data team would identify which branches to include in the communication. Telephone interventions would also be made to branches. Things like branches not making accurate cash declarations or not following bureau de change transaction processes correctly would usually warrant a phone call, as these areas were often more complex and required the person making the call to go through the data for the branch and provide more help with procedures.

84. I was also responsible for ensuring that the branch network completed the necessary regulatory compliance training on time. There were approximately

twelve training modules to complete each year. This usually involved a series of proactive interventions using a combination of Branch Focus articles, memoviews being made available on the Horizon system to remind branches the deadline for completion was coming, memoviews to branches after the deadline had passed with revised dates to complete, and then a series of phone calls would be made to ensure the branch had completed the training. Where the branch still did not complete the training, a request would be made to the Network Support Scheduling Team to arrange a visit by a Field Support Advisor to ensure the training was completed.

85. The data team had mechanisms in place to track the impact after the interventions were made so we could gauge how effective it had been in terms of improving performance. The intervention data and the performance data were used to start helping identify which branches had issues across a variety of areas, and also to look at where large numbers of branches didn't meet the required performance levels. Where there were branches that seemed to be struggling, the team would liaise with the field teams to see what further training and support could be given. If this approach didn't work, then we would work with the wider Contract Manager team to agree what further action needed to be taken.

86. Where it appeared that the issues were impacting large numbers of branches, the approach was often to make contact with branches and ask questions about what they were finding difficult and if there was anything that could be done to improve processes etc. Depending on what information came back and if there

was a common theme, myself and the team worked with the relevant business teams and also sometimes the client directly to initiate process improvements. Examples of this included the likes of Mail Redirection Forms where Post Office was financially penalised for branches not completing the forms correctly. We fed back and implemented ideas with Royal Mail to reduce the ability for branches to make mistakes by suggesting changes to the form which were implemented.

87. The telephone intervention team made outbound telephone calls to all postmaster owned branches, regardless of whether they had an Area Manager associated with them or not. Where contact was made with a branch who had a nominated Area Manager, the Area Manager was made aware and involved in helping to improve performance if appropriate. They were provided with the performance information. The Directly Managed Branch network Area Managers were provided with the performance information pulled together by the data team. They were responsible for acting on the data and agreeing the relevant approach with their team.

88. The branches that were often not in scope the telephone intervention activity were those operated by the multiple partners. The Multiples were considered to be strategic larger partners such as Spar, James Hall, McColls, Co-Op etc. who had a number of branches and their own structure of area manager support who were often responsible for the running of the retail and post office branch. The role of the National Multiples Manager was to ensure that our multiple partners were provided with the performance data for their branches so they could make the appropriate interventions with their staff. The National Multiples Manager had

relationships with named individuals within these organisations, who were the contact point for sending the information, agreeing the approach and being the escalation point for support.

89. The Mails Manager role was an addition to the team following the signing of the Mails Distribution Agreement with Royal Mail. Post Office had a number of obligations within this contract, including the meeting of standards regarding mails transactions in branch, but also with regards to how mail was stored in branches and transferred to the collection drivers etc. There were complaints from Post Office and Royal Mail respectively that were complex to resolve, and it was the role of this individual to help resolve these service issues in a way that was acceptable to Post Office, Royal Mail, the postmaster/branch manager and customers.

90. I have been asked to explain how I came to run the Branch Support Program and what this involved. I was asked to run the Branch Support Program in 2013 by Angela Van-den Bogerd. I was informed that there had been allegations into the robustness of the Horizon system and that a firm called Second Sight had been commissioned to complete a review of the system. The messaging that was given to me by senior management was that there was no indication that Horizon software was causing discrepancies but that there were a number of areas of improvement regarding the training and support offered to postmasters that needed to be implemented. The decision was made to set up the Branch Support Program to investigate and try to remedy the issues. I was working in Angela's wider team at the time of being asked to run the Program. I cannot

speaking for her as to the exact reason why she chose me, but I assumed that this was because I had the skills and knowledge required to do the job.

91. Running the program involved the following activities. The first requirement was to ensure that branches were made aware of the allegations being made regarding the Horizon system and to put a process in place for enabling branches to raise any individual concerns they had and to ensure that the claims were being passed to the relevant teams to investigate. This involved working with the Network Business Support Centre, the area support teams, IT, Security, Product and Branch Accounting, Contracts Managers, the Agents development team, communications team, the Issue Resolution Team or Mediation Team who had been put in place to review individual cases, and other business stakeholders.

92. The approach was then to validate the findings in the Second Sight report and explore the themes further. A small team of colleagues including myself conducted interviews and feedback sessions with a range of stakeholders including postmasters, the National Federation of Sub postmasters, Area Managers, Network Support Teams who were training branches and conducting audit, the Network Business Support Centre advisors, Product and Branch Accounting, the Security and Fraud teams and other business stakeholders who interacted with branches directly, to identify the list of issues and identify potential improvement opportunities.

93. This then involved reviewing the findings and then structuring the work streams with appropriate resource based on the guidance of the Program Steerco. I can't remember the exact names of the work streams, but they included Suspension Policy, Training, Support, Communications, Data, and IT. The scope of the IT work stream included identifying where transaction processes could be simplified on Horizon and also investigating systems that would help back-office teams support branches more effectively. There may have been others, but these were the main ones from my memory. It was my role to ensure the scope of the work streams was agreed, the relevant business stakeholders were involved, manage progress against deliverables, and flag, manage and escalate risks and issues where appropriate.

94. I have been asked whether I felt the support to Branches between 2000 and 2012 was adequate. I did not work in this area between 2000 and 2003 and therefore I can't comment on whether this was adequate. However, it is my personal opinion that the decisions made as part of the 2006 organisation re-structure and then subsequent changes to the Area Manager network had a detrimental effect on some postmasters. As mentioned previously, there was a business decision to remove Area Manager support to all but c.2000 branches within the network. The model relied on the branch asking for help and would usually be contacted by Post Office if there was a performance issue to resolve. The only exception to this was if the branch had experienced a serious incident such as a robbery or burglary, and therefore it was a priority to request an urgent visit from the wider Post Office team to provide pastoral support to branches.

95. This meant that there were some branches who had never been visited during that time period. There was no central system for Post Office to understand who visiting branches for what purpose and when.

96. The majority of support to branches therefore from 2006 to 2012 was done on a remote, reactive basis. Trying to resolve something over the phone had limitations, but this was the best that could be done given the resources available. I understood the business rationale for making the changes. However, on reflection, it appeared that a top-down business decision had been made regarding how efficiencies could be made without completing a proper assessment as to whether the remaining teams were ready and capable to offer the level of support from the launch of the new structure. For example, I was asked to put in place and run a small Outlet Intervention Team to triage escalations as the announcements were being made about the new structure to the network. Roles, responsibilities and processes were still being identified and people still being recruited.

97. The review of the Second Sight team concluded that the support provided to Branches between this time period was not adequate, which led to the initiation of the Branch Support Program.

Resolution of Disputes

98. I have been asked to consider document Branch Support Programme DRAID

Log [POL00039217]. Whilst the title of the document is the Branch Support Program DRAID log (Decisions, Risks, Actions, Issues and Dependencies), it appears to be the copy of the actions spans across my role as Network Conformance, Policy and Standards Manager and the wider Network Performance Team during 2011 and 2012 and then includes actions from the Branch Support Program in 2014. This would have been the type of document that I would have completed, inputted to and managed in both roles but I don't know why the two have been merged and the context of which is relates to the subsequent questions relating to audit and disputes regarding alleged shortfalls of money.

99. I have been asked to set out what involvement I had in the audit process. The Network Support Field team were responsible for carrying out two types of branch audit; a compliance audit and a financial audit. These audits were not often carried out together.

100. The compliance audit focused on regulatory, legal and procedural compliance. It included areas such as making sure the postmaster had registered all members of staff with HR, checking whether the regulatory compliance training to comply with Anti-Money laundering regulations had been completed, whether the branch was displaying out of date promotional materials which were in breach of Financial Services Authority requirements, checking that there was no evidence of Horizon passwords being shared, ensuring the branch were not keeping Post Office Card Account cards and PINS in the branch on behalf of customers, and making sure that the branch were not breaching the

Mails Integrity rules and regulations etc.

101. As the areas covered within the audit were the same types of areas covered within the Branch Standards booklet mentioned earlier. I put a process in place to ensure that the results of the audits were shared with the data team and the telephone intervention members of the team made follow-up calls to the branch to identify progress the postmaster was making in closing any gaps identified. This was because the audits were taking place and no follow-up activity had been taking place previously.
102. As part of the Branch Support Program, I was involved in a review of the compliance audit content to ensure that the content of the audit was focused on the areas that could only be checked during a physical visit.
103. With regards to a financial audit, this was the audit that was undertaken by a member of the Network Support Field Team to verify the cash and stock holdings within the branch. I was not involved in agreeing the approach, the content of the actual audit itself. My experience of an actual financial branch audit was when I shadowed members of the team for my own personal development. When I was a Rural Retail Line Manager, I would always attend a branch transfer audit to thank the outgoing postmaster and welcome the new postmaster.
104. The Branch Standards Team were not involved in following up after the completion of a financial audit. If a discrepancy was identified, the Network Support Field team would liaise directly with the Contracts Managers to discuss

discrepancies and the next course of action to be taken.

105. My team had some initial administrative involvement in the process following a suspension as part of the new business structure created in 2006. If the decision had been made to close the branch following a suspension, it was my team that completed some of the business paperwork to notify relevant business teams of the closure, to help source temporary postmasters and to facilitate branch transfers and re-openings – i.e. making sure there was someone available to reopen the branch and cash and stock could be delivered on the days required etc. I managed this for a short period of time before this element of support moved into the Contracts Manager team.

106. I have been asked to explain if I was involved in or party to any disputes between the Post Office and postmasters regarding any alleged shortfalls of money. In my days as a Rural Retail Line Manager, I would discuss the results of the branch balances during my visits and any shortages or surpluses. If a branch had a discrepancy, they were unclear about how it had occurred, I would help them by contacting the Product and Branch Accounting teams in Chesterfield to understand if the branch were due to receive any error notices back which would explain the discrepancy. My recollection was that more often than not, a mistake had been made and the team were in the process of generating an error notice to correct the branch account.

107. If a postmaster had a financial shortfall which they disputed, they had the opportunity to request the amount be written off. They could raise a request with

me, and I would then have to request approval via my Head of Area who had prescribed authority levels. To my recollection, I did not receive any request which required me to follow this process. None of the postmasters I was every responsible for had to be suspended or have their contract terminated due to financial discrepancies. None of my postmasters I visited expressed a concern to me about the Horizon system.

108. When I began my role as Head of Network Co-ordination, I was responsible for setting up the Outlet Intervention Team. This team would help triage requests from the business and administer certain service processes for the postmaster network. This would include escalations from the Network Business Support Centre if the branch had got a discrepancy or they wished to dispute discrepancies.

109. The NBSC would try to resolve the query as much as possible. If they didn't do this to the postmaster's satisfaction, the escalation would come to the Outlet Intervention Team. They would make contact with the postmaster and identify if there was anything further that could be done to help. Depending on the outcome of the conversation, the team would request a face-to-face support from the training team, liaise with the Product and Branch Accounting team if the branch was requesting more information, or put a contact request through to the Contracts Manager if the request was to discuss about resolving the loss. Any request to either write-off shortages or initiate the hardship process was the responsibility of the Contracts Advisors to resolve. I would get involved in the

process if the teams who the Outlet Intervention Team were trying to get support from were not being responsive to the requests, and they needed me to escalate to their line managers to resolve.

110. In terms of resolving disputes regarding shortfalls of money that were as a consequence of an error notice/transaction correction, the agreed business process was that the query would be raised with the Product and Branch Account Team who would provide further evidence to branch and review the case. If there was a further dispute, then there was a specific role within that function that reviewed the individual cases. I can't remember the name of the role, but it was undertaken by Andy Winn who was in Rod Ismay's team. If on review they still held the belief that the shortfall was correct to pay, then this was flagged to the Contracts Manager to resolve. The times I would get involved is if any cases flagged to me hadn't followed this process, and I would help escalate to ensure it was being reviewed as part of the agreed process.

111. As part of my status of senior manager within Network, I was required to be an Appeals Manager for both postmasters and employees. With the exception of when postmaster appeals were conducted by a specified person for a period of time (possibly around 2009), I was a designated appeals managers to undertake appeals from postmasters regarding having their postmaster contracted terminated.

112. In the majority of cases I heard, a financial discrepancy identified at audit was the contributing factor to the decision to terminate the contract. As an appeals

manager, it was my role to undertake a review of the case and provide the postmaster with an opportunity to provide evidence as to why it was not appropriate to terminate the contract. It was also my role to ensure that the correct processes had been followed and then to make a judgement as to whether it was correct to terminate the contract.

113. As part of the case papers I received, it was typical to have any relevant Horizon data that the Contract Manager had used in making the decision. This could include things like the transaction logs from the branch which would have been provided by the auditor, cash declarations and copies of Cash Accounts or Trading statements etc. Depending on the case, copies of remittance notes of cash and stock could be included if relevant. If the Security and Investigations team had been involved and used any key-stroke data provided by Fujitsu this was also included in the pack.

114. If after conducting the appeals meeting with the postmaster to understand their version of events, I sometimes did request additional branch data to verify the information being told. The data I typically asked for was any data that was accessible via the Product and Branch Accounting Team, Cash Management, Security and Investigations or information from the National Stock Team.

115. Following the review of the case, as an appeals manager I made the decision whether the appeal was successful or not. Those decisions were made against the contract under which the postmaster operated. It was not within my remit to agree whether and how any financial shortfalls would be repaid.

116. As part of running the Branch Support Program, I became aware of specific dispute cases between the Post Office and specific branches. This is because I had set up the process to ensure branches had a mechanism for raising concerns about the system, I attended the weekly business calls to discuss specific cases, and I used the findings from reviews to suggest business process improvements. I have expanded on this in paragraphs 130 through to 135.

117. The other times I was party to disputes between the alleged shortfalls of money was within my role as Head of Branch and Customer Support. I became responsible for the helpline in 2015, which became known as the Branch Support Centre rather than the Network Business Support Centre. If a branch suffered a shortage which was felt to be as a result of incorrect advice provided by an advisor or incorrect action taken to resolve the issue, then I would review the complaint. In these instances, of which there are only a couple I can recollect from my time doing the role, I would review the case listening to the calls and reviewing call scripts etc. If it was found that incorrect advice was given, or the correct process wasn't followed then I would request the shortfall to be written off against my cost centre code.

118. I have been asked to outline my awareness of the contact or input from Fujitsu in the resolution of these disputes. I was aware that as part of the contract with Fujitsu, there was an agreed number of ARQ files that could be requested free of charge. I can't remember what the acronym stood for, but it

was branch data that related to all the keystrokes on the system that somebody in branch had undertaken. This would provide more detailed information regarding which users were doing what on the system and when. The data available in the ARQ process was also available for a larger date range than the teams in Product and Branch Accounting Team had add access to.

119. I believe this process and the request for the data was managed by the Security and Investigations Team. I was aware that if the Post Office exceeded the request for ARQ data above the agreed allocation, then this was a charge to the Post Office. I can't remember the exact amount but understand it was in the region of £400 per request. If a request needed to be made, this had to be done via the Security Team and therefore I didn't have any dealings with Fujitsu as part of this process.

120. I have been asked whether there were any improvements that could have been made to this process. In my role as Head of Network Co-ordination, there were process improvements that were identified and discussed with Product and Branch Accounting. One of these was the consistency with which supporting evidence was provided when Transaction Corrections issued to branches.

121. Another issue which was raised with the team was the timing of the issuing of the Transaction Correction and the length of time branches had to resolve the dispute. Part of the Horizon balancing process was that all Transaction Corrections had to be accepted and processed before the branch completed its balance, otherwise the branch could not complete the required procedures to roll

the branch into the next accounting period. Feedback via the Outlet Intervention Team was that Transaction Corrections were being sent to branches on the day they were due to balance which forced them to accept the Transaction Correction and resolve the discrepancy, leaving them to dispute it afterwards. This was raised to the Product and Branch Accounting Teams in Chesterfield to put processes in place that prevented this from happening in order to give the branch longer to complete their own investigations before accepting it.

122. There were improvements to the process which were identified and implemented as part of the Branch Support Program. The first was the workstream that reviewed the suspension policy, which changed the approach of suspending a postmaster and then investigating to one where the postmaster was able to continue running the branch whilst the financial discrepancies identified at audit were investigated fully.

123. The second was the work that was undertaken to improve the accessibility to more detailed Horizon data. As part of the Program, I worked with colleagues in Fujitsu to understand how it would be possible to provide Post Office colleagues with access to a tool known as HORICe, which stood for the Horizon Information Centre. The data within this tool was all of the information generated by branch and had the level of granularity that was available as part of the ARQ process. Three months' worth of data could be accessed, and it worked on the basis of permission-based roles where a number of defined users could access the system at one time. The tool could also be used to run specific reports as

requested by the business, such as branches not logging on for a period of time, branches where connectivity had been lost and large numbers of reversals being made etc.

124. In 2014 I worked with Pete Newsome and Steve Parker from Fujitsu to implement this system. This was a licensed based system, and the licenses and the tool were implemented across identified users in the branch help line, Product and Branch Team, Cash Management, the Security Team and other functions. By having this system available in the likes of the helpline, trained advisors could now see all of the data relating to the branch to try and help the branch resolve what had happened. For example, they could help pinpoint possible causes of discrepancies, such as a postmaster may have entered too many 00s when entering the amount for a bill or processing a banking transaction as a withdrawal rather than a deposit. Depending on what they identified, they could then escalate the issue to the relevant resolving team more quickly or advise the postmaster what steps needed to be taken in branch to resolve the discrepancy.

125. The processes followed and improvements that I identified were based on the assumption that the Horizon system could not cause discrepancies and cash shortfalls. Had I known then about the issues with the system and the impact it could have had, then this would have completely changed my approach to the processes I was involved with.

126. I have been asked to consider various documents [POL00039244,

POL00043369, POL00043370, POL00043371 and POL00043372]. All of the documents with the exception of POL00039244 appear to be copies of the regular meetings that were held to discuss any new issues being raised regarding the use of Horizon. I have never seen this type of document before.

127. I have been asked to explain whether I was aware of any issues or problems with the Horizon system. Prior to the Second Sight review, I had not been made aware of claims that branch discrepancies were caused by the actual system itself.

128. Up until that point, the issues or problems that I was aware of with the Horizon system relating to cash discrepancies were associated with how the system was operated. This included things like a branch not accounting for the stock correctly onto the system when they received it from the stock centre; not processing transfers correctly between stock units in branch; miss-counting cash and stock; making mistakes declaring transactions correctly from other branch equipment such as the paystation or ATM; serving in the wrong stock units; not reversing things correctly; not following the correct procedures for recovering a transaction when the system went off-line, miss-keying incorrect amounts, or processing banking transactions as deposits rather than withdrawals but giving the customer the money.

129. Even when the claims about Horizon started to be known within the business, the messaging coming from the business was that the system was not capable of impacting the accounts. I made the assumption that the business had undertaken the relevant due diligence to ensure this was the case. I did not have

the technical knowledge to understand how this would be possible and therefore had to trust the information from the business as I had no evidence or knowledge to suggest otherwise.

130. I started attending the weekly calls with the range of business stakeholders when I ran the Branch Support Program. The purpose of the call was to discuss and share the details of branches who had concerns with the Horizon system. There were a number of teams present on the call who undertook various roles to support the investigations. It was agreed as part of the call who was taking ownership to investigate the cases and share up-dates. As the documents outline, representatives from Legal Services, Network, Communications, IT, Security, the Finance Service Centre (previously known as Product and Branch Accounting) and the Network Business Support Centre regularly attended the calls.

131. The person responsible for resolving would vary depending on the issue and the status of the claim. If this was a completely new branch for example, the Security and Investigations Team would look at retrieving all of the branch data and this would then be passed to the Case Resolution Team or the Mediation Team as it was known. With the likes of the case where concerns had been raised regarding ATM shortages, the investigation with the Bank of Ireland concluded that the losses were likely as a result of potential criminal behavior by a Wincor engineer. In this instance, the case was progress with the Product Team who managed the relationship with the Bank of Ireland to recover the branch losses.

132. My role within the team was to ensure that there was a mechanism in place to identify the branches that were having issues and to agree with the key stakeholders who would take the action and ensure that someone was owning the case to conclusion. In most cases the information collated by the different stakeholders on the calls and passed to the Case Resolution Team or Mediation Team to review. They would complete a review of the case and then try to identify the possible causes of the error. The Case Resolution Team or Mediation Team had a process to follow on the review of the case, but I cannot remember the details of what that was.

133. Whilst the common theme from the cases I was made aware of appeared to be caused by human error or a failure to follow the correct procedures, it was important that each case been considered independently on the evidence presented. Just because previous cases gave the impression that this was the case, it was important not to assume that there wouldn't be something within a new claim that would point to evidence.

134. As part of the Branch Support Program, the themes were being incorporated into the overall work streams. For example, the cases confirmed that there was a lack of understanding regarding what would cause discrepancies. The focus for training appeared to be on how to do something correctly and didn't cover what to do when something went wrong. As a result, the training team started to develop a module to address this.

135. If there was an opportunity to improve the transaction process on Horizon, then this was reported to the Product Owner, and it was agreed what could be done to improve it and remove errors. An example of this was an issue raised in processing of bureau de change transactions. The process required the printing of two receipts to record evidence of personal identification, with the second being required should the transaction turn out to be fraudulent. This wasn't automatically printed and therefore required the branch colleague to remember to print it. There were instances of the customer transactions being fraudulent and branches being required to stand the loss as they couldn't produce the second receipt. The project team worked with the Product Manager, the Finance Service Centre and Fujitsu to implement the change on Horizon to auto-generate two receipts to prevent mistakes from happening.

136. I have been asked how this knowledge impacted on how I interacted with postmasters or Post Office managers working in branch. This question is a bit ambiguous, and I have made the assumption that "this knowledge" refers to what my understanding was regarding what was causing the balancing errors to be. My knowledge was based on the assumption that Horizon could not cause these issues and therefore were down to operator error.

137. The impact this had on my interaction was to try and understand what could be done to prevent these issues happening in the first place, and how to get branch colleagues involved in change earlier on in the process to make it easier to complete transactions.

138. I have been asked what concerns I had in relation to specific areas of the Post Office system including Mails, Camelot, DVLA, Banking etc. One of the concerns I had was that where there was a piece of technology in the branch that didn't have a direct feed from it to Horizon and relied on postmasters and branch staff to manually transfer the transactions onto Horizon, this generated the opportunity for error. This included the likes of the paystation terminals, Post and Go, ATMs, Camelot etc.

139. All of these processes appeared to have been designed in isolation with the client and were constrained by the change constraints on the Horizon system. My interpretation was that the Horizon system wasn't defective, but that the process design and user experience for certain transactions was. As the optimal technical solution wasn't available for go-live for whatever reason, this had the potential to increase the operational burden into the branch.

140. When Transaction Acknowledgements were introduced in 2011 for products such as Paystation and Camelot, whilst this generated an automatic feed of the sales into the Horizon system, there was still an onus on the branch to set up correct stock units to accept the TA, process it correctly and then physically transfer the takings to the Post Office cash if for example the Lottery terminal was located on the retail side of the business.

141. I have been asked whether I had any concerns in relation to the in-branch technology and that it may be responsible for some of the errors. As mentioned above, I had no evidence to suggest this to be the case or have the technical

knowledge of the equipment used.

142. I have been asked with the benefit of hindsight whether the training to postmasters was sufficient between 2000 and 2012. As mentioned above, this was one of the focus areas of the Branch Support Program which confirmed that there were many areas of improvement, and the training wasn't sufficient. Whilst there were postmasters who ran their branches with few or no problems at all, I don't think there is data available to identify the role that the training played in that.

143. I have been asked in hindsight whether better support could have been offered to postmasters. My previous responses indicate that I don't believe that the support model offered was right. Also, had it been understood and communicated that there were potential defects with the system that could contribute to discrepancies, this would have been considered in how branches were supported to help resolve errors.

144. Had this been known on a personal level, this would have potentially changed the processes I managed and the decisions I made. On reflection, my knowledge and assumptions were not the full picture. If I had known about the potential problems, I would have sought to understand and include the possibility of a system errors in processes I was developing and implementing, or investigations I was completing.

145. I have been asked who and/or what do I think is responsible for the Post Office Scandal. I have not been party to all of the evidence presented and

therefore don't feel that I can comment on this with any level of authority. Any answer given would be opinion only and I don't think my opinion will provide any comfort to the postmasters who suffered as a result of the Post Office Scandal.

146. My experience of working in the Post Office was that it operated within a strict risk control framework and there were processes in place for making decisions. Any change to policy, approach, request for funding etc. had to be signed off at the highest level, sometimes including the shareholder, and it did not appear that individuals could make decisions in isolation or outside of their remit. Before the separation of Post Office from Royal Mail Group, there were internal processes for approvals and then this would go to Royal Mail Boards for further approval. Once decisions had been made and strategies agreed, this then filtered down into individual objectives at every level in the organization. It wasn't an environment where you could just do what you wanted if you felt like it.

147. Contributing factors to the Post Office Scandal goes beyond the Post Office as an organisation. Undertaking Prosecutions against postmasters was an agreed business policy and I assumed, as probably did others, that this would have gone through the relevant due diligence to get to the point of preparing the case for submission. You also had faith in the justice system in that people are innocent until proven guilty, and if the cases were unsafe then a verdict of not guilty would be reached. The very fact that this was happening, and the justice system was accepting the evidence provided, this added to the narrative and beliefs that it couldn't possibly be the Horizon system that was causing branch discrepancies. If a Court of Law believed it, then on what basis did any of us

have to challenge this not to be true? We now know that those convictions were a miss-carriage of justice.

148. From some of the decisions being made about how the network would be managed and the policies implemented, the personal impression I got was that the primary driver was cost and reducing the funding burden on government funding. I am not sure how much the impact on postmasters was considered and whether if they had a stronger voice in the making of those decisions and policies, then perhaps different decisions would have been made.

149. I have been asked whether there are any further matters I consider the Chair of the Inquiry to be aware of. I can confirm that there are no further matters I think need to be considered.

Statement of Truth

I believe the content of this statement to be true.

Signed:

GRO

Dated: 31/01/2023

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