Witness Name: Michelle Keohane
Statement No: WITN06270100
Dated: __13/01/2023

THE POST OFFICE HORIZON IT INQUIRY

First Witness Statement of Michelle Keohane in the Post Office Horizon IT Inquiry

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I, **MICHELLE KEOHANE, WILL SAY AS FOLLOWS:**

1.   My name is Michelle Keohane. I have been employed at Post Office Limited ("**POL**") since 2009.

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 25 November 2022 (the "**Rule 9 Request**"). In this witness

statement, I address each of the questions set out in the Rule 9 Request, including my career background at POL and my knowledge of and involvement with training within POL, based on the best of my recollection, which may be influenced by the passage of time since I began working at POL.

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.

Professional background

6. I have been asked to set out my professional background. I left school in 1984 after completing my O-levels. I then worked for National Westminster Bank from 1985 to 1992. After that I worked at a local primary school between 1995 and 2001. I worked for SWALEC for a few months around 2001.

7. In around 2006/07, prior to commencing my employment at POL, I was employed by a Postmaster in a local Post Office branch. I received some training from the Branch Manager on how to use the Horizon IT System (**"Horizon"**). This mostly consisted of me observing transactions for a few hours before serving customers myself, using Horizon under the supervision of the Branch Manager. I felt this training was sufficient for me to carry out my role in the branch. My role involved serving customers on the counter and balancing my stock unit and I developed some experience of working with Horizon.

8. I have held several roles at POL since 2009, which I summarise as follows.

   a. From February 2009 to September 2010, I worked in a Crown Office in Cardiff as a Customer Support Advisor (**"CSA"**). I was initially employed on a temporary basis and then taken on in May 2009 on a permanent

basis. I worked on the counter and was responsible for serving customers, which involved using Horizon for day-to-day transactions. I was not involved in any back-office functions. As I had previous experience of using Horizon in the local branch, I picked up working on the Crown Office counter very quickly and so did not attend the usual two-week training session for new Crown Office staff.

b. From February 2010 to September 2010, I held the role of Horizon Online Migration Support Field Advisor ("**Migration Support Advisor**"). This was at the time that POL branches were transitioning from Legacy Horizon to Horizon Online and support was required to assist Postmasters with the migration. In this role, I was responsible for supporting Postmasters through the migration. In order to assist Postmasters, I made use of a touch-screen tablet provided by POL, which illustrated how to perform various transactions on Horizon. This also contributed to my understanding of Horizon. I discuss this role in further detail below at paragraphs 13-15, including my experience acting as a trainer.

c. From September 2010 to June 2012, I returned to my position as a CSA in Cardiff Crown Office and performed the same role.

d. From June 2012 to December 2013, I commenced a new role as a trainer/auditor. My title was Field Support Advisor ("**FSA**"). The training and audit team was hiring as it needed a lot of people to carry out Network Transformation, which was a programme to modernise branches. At the beginning, a lot of the focus was on audits, but I also became involved in delivering training as my local Training Office was in

Newport. I gained further experience of using Horizon in this role, providing instructions on how to use the training kits in the classroom and supervising the use of live Horizon terminals in branches. I discuss this role in further detail below at paragraphs 16-24, including my experience acting as a trainer.

e. From December 2013 to December 2014, I was in the role of Mediation Case Handler. In this role, I assisted with the Initial Complaint Review and Mediation Scheme, which was established by POL to consider concerns raised by Postmasters about Horizon and losses they had incurred. My role involved investigating claims and writing up investigation reports. In doing so, we would look at and collate branch files, training and support records, call logs and raw data in relation to claimants' branches. We would then try to address their questions and concerns in the report and provide an overall view of what had occurred in that branch over time.

f. From December 2014 to February 2015, I returned to my position of FSA, where I had the same responsibilities as my role between June 2012 and December 2013. At this time, following Network Transformation, POL was downsizing the training/audit team and I took voluntary redundancy in February 2015.

g. In 2017, I was invited to return to POL and assist with the Group Litigation. I held the role of Resolution Advisor, where my responsibilities were similar to those that I had in my role of Mediation Case Handler. In this case, though, I investigated claims that were part of the Group Litigation. Again, we would look at and collate transaction data, branch

files, customer accounts, transaction corrections and call logs in relation to claimants' branches. We would then typically prepare a report regarding their specific claim to inform the approach taken by POL in the Group Litigation.

h. Alongside the Group Litigation role, I had a business-as-usual role in the Support Services Resolution Team ("**SSRT**"). If a branch was having issues with balancing, Contract Advisers could then come to us and ask for help investigating. We would try to identify what was going wrong by looking at branch data on HORice, a database containing transactional data at branch-level. I would use HORice to review session and event data, Branch Trading Statements and Balance Reports for a particular branch. At the time I was using HORice, the branch data available on the database went back 9 months. At some point later, it changed to one year and my understanding is that it now goes back two years. I do not know when HORice was first introduced, and I no longer have access to it. As far as I am aware, HORice did not have a function where you could write, edit or delete data from branch accounts. A lot of the time we would be able to find the cause of the discrepancy in question. Generally, we would prepare a report which detailed our findings, and this would be fed back to the requestor, who was usually the Contract Adviser. When the Group Litigation ended, I continued working in the SSRT.

i. Since February 2020, I have held the role of Claim Review Advisor, where I support the analysis of applications under the Horizon Shortfall Scheme. In this role, I investigate the eligibility of claims (e.g. identifying where shortfalls claimed have occurred prior to the rollout of Horizon in

that branch) and collate data on the shortfalls that a claimant has incurred during the eligibility period, including whether they had been repaid or written off. We then provide a report to the Panel, who decide the final compensation figure. I am not involved in the ultimate decision of what amount, if any, Postmasters are entitled to under the Scheme.

9. During my time at POL, I have not been involved in IT roles.

Training received towards being a trainer

10. I have been asked to describe any training I received towards being a trainer for users of the Horizon IT System. As a result of the experience I gained of Horizon working on the counter, I became familiar with day-to-day transactions entered on the system and felt comfortable operating it.

11. This experience made me a good candidate for the role of Migration Support Advisor. I received a couple of days of training from POL in Birmingham for the role, though I do not recall specifically who provided the training. We were shown how to conduct a cash check at a branch and shown how to use a touch-screen tablet which would form the basis for the training and support we would deliver when migrating a branch. The tablet would illustrate how to navigate through transactions and processes on Horizon Online. The tablet had a "serve customer mode" and a "back-office" mode. At the time, the way transactions and processes worked on Horizon Online was similar to Legacy Horizon, however the screen looked different. For example, Legacy Horizon had a black and green backdrop whereas Horizon Online had a cleaner, white backdrop. Icons such as an egg-timer, which indicated when the system was loading, were

no longer present. The principles were very similar, including with respect to the balancing process, but Horizon Online had a different cosmetic finish.

12. When I became an FSA, I received five days of training at a hotel, both on how to be a trainer and an auditor. I do not really remember what the training consisted of, but I think it was mainly focused on the audit process, including how to conduct an audit and how to use the P32 application on our laptops to record the amount of cash and stock in branch following an audit. In terms of the time allocated for training on how to be a trainer and an auditor, the majority was spent on the auditor role. I believe this was because I was already considered proficient and experienced at using Horizon, so there was less focus on training. The training was provided by two Field Team Leaders: Chris Guilding, who was my leader, and a person called Jane whose surname I cannot recall. I do not recall how much time was spent on balancing and identifying discrepancies nor do I recall discussing the existence of any bugs, errors or defects within Horizon.

Training provided to persons on the use of the Horizon IT System

13. I have been asked to explain the training I provided to persons on the use of the Horizon IT System. I provided training to persons on the use of Horizon in my roles as a Migration Support Advisor and as an FSA. I provide further detail on the support and training that I delivered in these roles below.

Migration Support Advisor

14. Although I would describe my activities in this role as providing support to Postmasters who were migrating to Horizon Online, rather than delivering training, it did involve assisting branches with Horizon processes.

15. I would deliver training on-site with the use of the touch-screen tablet that I described at paragraph 11 above.

16. I would use the tablet to illustrate how to perform common day-to-day transactions on Horizon Online. I was generally dealing with people who already knew how to use Legacy Horizon, and as the processes for balancing had not changed, we did not really spend any time on balancing or identifying discrepancies. It was mostly a case of explaining why the screens looked different even though the processes were largely the same, and migrating the branch to the new system at the end of the day. I would then be in branch the next morning to support them as they navigated through Horizon Online. I recall that Postmasters found the training to be relatively straightforward. I would always leave my contact number with Postmasters who I had assisted on-site but I do not think I received any calls from Postmasters experiencing issues during (or immediately after) the migration of their branch.

Field Support Advisor

17. In my role as an FSA, I provided training to end-users of Horizon Online in classrooms of six to eight trainees.

18. The time set aside for training was determined by the nature of the branch and, in particular, whether it was a Main or Local branch. For Mains, training would be conducted over six to eight days, while for Locals training would take place over three days. Training was shorter for Locals because the branches tended to be smaller and there were fewer transactions to learn.

19. The content of the training centred around learning how to perform common transactions on Horizon. The most common of these were mail transactions. In

these sessions, we tried to replicate real-life scenarios as far as possible with mock aids. For example, we made use of mock stamps and money and we used pin-pads for Postmasters to practise key functions such as withdrawing and depositing money. Each trainee would also have a Horizon training kit, which looked like a regular Horizon terminal but was not live.

20. In the classroom sessions, we would also practise stock unit balancing. However, because there were fewer transactions to practise on, compared to what might be expected in the field, this was relatively straightforward. In the classroom environment, we would only practise basic transactions across a range of services, as indicated in the timetable for the six-to-eight-day course (POL00038327). In comparison, in an actual branch there would be hundreds of transactions completed daily, reflecting the huge range of services provided by the Post Office.

21. To support Postmasters on balancing, we would also test the ability of trainees to resolve issues. For example, during a lunchbreak, we might add a transaction to their training kit and then ask the trainees on their return from lunch to balance the stock unit again. This would involve re-counting cash to see if anything was missing, re-counting stock and adjusting inputs in Horizon. We would also show them how to search their logs for transactions and give them tips on how to avoid discrepancies. In the three-day course, we might have spent 15-30 minutes on these activities, while in the six-to-eight-day course the time spent on these activities was factored into the time allocated for training on balancing, as shown in the course timetable (POL00038327).

22. In the three-day course, I would have demonstrated the end-of-day balancing procedures at the end of each day, which would involve counting and declaring

the cash in the training kit. While preparing this statement, I was shown (by Herbert Smith Freehills) a classroom timetable for the three-day course (POL00038237). The timetable looks familiar to me. The timetable shows that day one included 60 minutes on stock unit training and day three included 90 minutes on stock balancing. On the six-to-eight-day course, the timetable (POL00038327) records that we practised stock unit balancing for around four-to-six hours across two-to-four days.

23. I would also attend branches as an onsite trainer for six days, regardless of whether the branch was a Main or Local branch. This involved supervising the new Postmaster or their staff as they carried out transactions and processes in a live branch environment, providing support where necessary. On the Wednesday evening, I would assist them with their first weekly balance. This could take a number of hours, depending on how smoothly it went. I would then return to the branch for their first monthly balance and assist them with that.

24. I would help the trainee to identify the cause of any discrepancies that arose during the weekly or monthly balance, or during the cash and stock declarations at the end of each day. The amount of time spent on identifying discrepancies while training onsite would vary. I would also encourage trainees to adopt best practices and avoid activities that might increase the risk of a discrepancy, for example by making sure to finish a transaction on Horizon before serving the next customer. As I was not aware of any bugs or defects in Horizon, I did not discuss these with trainees.

25. The competency of Postmasters ability to use the Horizon was measured during the onsite training, and if it was felt they needed further training then this would be requested. Postmasters were also monitored during post-transfer visits

which were made throughout their first nine months (as described in paragraph 26 below).

26. Once the onsite training was complete, I would also leave my phone number for them so that they could call me if they were having issues, such as with balancing or identifying discrepancies, which they were unable to resolve. I had quite a bit of freedom to go back and visit a branch to make sure they were okay and to provide assistance. Branches with a new Postmaster would also receive a follow up visit called a "post-transfer visit" three months after the new Postmaster started. Training audits would also be conducted around 6-9 months after the new Postmaster began, in which we would visit branches and conduct an audit to identify any issues they might be facing.

Feedback received from trainees on the training available

27. I have been asked to set out my recollection of any specific or general feedback I received from trainees on the training available and what I did with such feedback.

<u>Migration Support Advisor</u>

28. In the role of Migration Support Advisor, I recall leaving feedback forms with Postmasters when I had finished my on-site visit. The feedback forms would then be sent to a data collection firm called "Kendata".

29. Although there was a procedure in place for Postmasters to deliver feedback, I did not see the results. I believe this was because, at this time, I was employed on a casual basis. Others might have had meetings with their line managers to discuss feedback from Postmasters, however, I was not involved in this process.

<u>Field Support Advisor</u>

30.   In the role of FSA, I recall that feedback was an important process. Feedback was scrutinised by POL and it was highlighted if standards fell, which encouraged FSAs to take on board feedback for future training. I would provide feedback forms to trainees at the conclusion of the classroom course, and I would encourage all trainees to fill out the forms. It was common for most trainees to provide feedback. Again, the feedback would be sent to Kendata and it would then be relayed to my line manager, who would inform me of the feedback I received for a particular period. I took pride in the fact that my feedback was regularly positive.

31.   Although I do not recall specific questions on the feedback forms, the metric by which training was assessed was "poor", "bad", "satisfactory", "good" or "very good". There was also a comment box at the bottom of the form that allowed trainees to provide written feedback.

32.   I would add that, in classroom training, as trainers we also provided feedback on trainees' competence and any issues on which they needed additional support, which would then be forwarded onto the onsite trainer. I do not recall Postmasters providing their views on the Horizon IT System or the training available other than general feedback that they had enjoyed the classroom course.

Awareness of bugs, errors or defects in the Horizon IT System

33.   I have been asked whether I was aware of any bugs, errors or defects in the Horizon IT System when providing training. I was not aware of any bugs, errors

or defects in Horizon when I was providing training in the roles of Migration Support Advisor and FSA.

34. My approach to training would have differed if I was aware of issues in the system. However, I would not have been responsible for designing the training that would be delivered on issues in the system. I would have been instructed by my line manager as to what form the training would take.

35. I believe that training would have implemented teachings on how to deal with bugs, errors and defects because the support I delivered in my role as Migration Support Adviser included instructions on fixes and workarounds. For example, I recall delivering training on recovery processes to address situations where Horizon went out or lost power. Where this would occur, we advised Postmasters how to perform a recovery process that would indicate whether a transaction that was in the process of being entered on the system at the time of the failure had been recorded. If the recovery process suggested that the transaction had not gone through, the Postmaster would be instructed to perform the transaction again. The recovery process was fed out to me from my line manager, and I provided Postmasters with a laminated sheet illustrating the process.

Adequacy of training on the Horizon IT System

36. I have been asked to consider whether, with hindsight, the training on the Horizon IT System was adequate. Although I believe that training on Horizon was adequate to enable most Postmasters to perform day-to-day transactions, in hindsight, there were features of the training that could have benefited from improvement.

37. For example, classroom training squeezed in a lot of content in a relatively short space of time. By contrast, on-site training would vary depending on the customers that walked into the branch on those days, and might be quite limited if the branch was quiet (as there would be fewer transactions to practise). As a result, despite the support and training that I delivered in these roles, I would not have expected Postmasters to be familiar with every single transaction or process after attending these sessions. It was important, therefore, that we offered follow up support through post-transfer visits after 3 months, and training audits around 6-9 months after the new Postmaster began. Postmasters could also use the Helpline or Horizon Online Help if they needed further assistance.

38. The classroom training also tended to be limited to Postmasters who, in practice, may not have been running the branch. Postmasters often had existing staff and assistants who would be more heavily involved in running the branch. Many Postmasters were also retailers who were more interested in that side of the business. Postmasters were contractually responsible for the training of their assistants based on their knowledge. I did however deliver onsite training to whoever was in branch at the time, in addition to the Postmaster. It was up to the Postmaster to ensure that assistants would be in the branch while a trainer was onsite.

39. More recently, Postmasters have been able to request for assistants to be given classroom training. I think this change was introduced following the Initial Complaint Review and Mediation Scheme. However, the Postmaster would still have to pay the assistant their salary for those days in the classroom while also

finding cover for the branch. If Postmasters instead choose to train their assistants themselves, POL has little control over that.

40.   Given the amount there is to learn when becoming a Postmaster, trying to teach someone to balance and investigate discrepancies at the beginning when everything is new is difficult. In hindsight it would have been helpful for them to do a course on investigating discrepancies a little while after they began, which is something POL now offers. I believe this is an optional half-day course. My understanding is that training has been regularly updated and improved to better address the issues that branches face, and I have seen training materials which go into more detail about balancing and investigating discrepancies now than they did when I was involved with training.

Statement of truth

I believe the content of this statement to be true.

Signed: __ GRO

Dated: _____13/01/2023_____

Index to the First Witness Statement of Michelle Keohane

No.	URN	Document Description	Control Number
1.	POL00038327	New entrant six-to-eight day course timetable for Main branches dated August 2013	POL-0035262
2.	POL00038237	New entrant three day course timetable for Local branches dated September 2013	POL-0035172

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THE POST OFFICE

HORIZON IT INQUIRY

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FIRST WITNESS STATEMENT OF

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