WITN07340100

Witness Name: Alan Staves
Statement No: WITN07340100
Dated: 03/04 2023

THE POST OFFICE HORIZON IT INQUIRY

First Witness Statement of Alan Staves in the Post Office Horizon IT Inquiry

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I, **ALAN STAVES, WILL SAY AS FOLLOWS:**

1. My name is Alan Staves. I have been employed by Post Office Limited or its predecessors ("**POL**") since 1982.

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. I also use the terms NBSC and BSC interchangeably.

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

WITN07340100

2006, dated 21 February 2023 (the "**Rule 9 Request**"). This statement has been prepared (with the assistance of my solicitors, Herbert Smith Freehills LLP, who are also currently POL's solicitors) over telephone and email. 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, the NBSC, based on the best of my recollection, which may be influenced by the passage of time since I began working at POL.

Professional background

5. I have been asked to set out my professional background. I worked in the steel works from 1973 until 1980. I then held a temporary role in the food processing industry from 1980 until 1982. In January 1982 I got a job at POL, as a postman. In April 1985 I received an eight-week counter training course with POL before starting as a counter clerk in June 1985. I held this role until 1987. In May 1987 I joined the Accounts team in Sheffield as an accounts clerk, which involved processing giro deposits and making inward and outward remittances for branches in Sheffield. In 1993 the Accounts team moved to a new purpose-built building in Sheffield which became the dedicated cash centre responsible for the wider region, including Doncaster, Hull, Worksop and Chesterfield. My role in the cash centre was chief cashier, and my responsibilities remained largely the same as in the Accounts team.

6. I started working in the NBSC in January 2000 as a Tier 2 advisor. At this time Tier 2 advisors were managed by POL, whereas Tier 1 advisors were managed by Royal Mail Group ("**RMG**"). I do not know why the management of the team was divided in this way. As far as I can recall and, in my experience, it did not cause any particular issues. Tier 1 and Tier 2 advisors were all part of the same

WITN07340100

wider team and based in the same location. Sometimes Tier 1 advisors would ask me and other Tier 2 advisors questions informally on our breaks. I held the Tier 2 advisor role until 2005 when I became a Tier 1 advisor. This was due to the POL and RMG restructure, following which the NBSC sat fully within RMG and almost all advisors were classed as Tier 1 (with a small escalation team of eight people as described at paragraph 31 below). I think Tier 2 was formally reintroduced shortly before the start of the Covid-19 pandemic, and I returned to a Tier 2 advisor role in March 2022.

Training received toward working in the NBSC

7. When I first joined the NBSC, I undertook three weeks of counter training in Doncaster Counter Training Office. I do not recall who delivered this training. The content of this training was focussed on the different transactions available in branch, and how to process them all. It was similar to the training I had received in preparation for my role as a counter clerk and I was mostly familiar with the content already. Of the eight people on this training course, I believe I was the only one with prior counter experience at POL. I do not recall this course including any training on Horizon.

8. Following this, I attended one-week of classroom training at Dearne House on the NBSC computer systems, and on how to process transactions on Horizon. This training was delivered by a training officer called Nicola Reeves, who was the main trainer in Dearne House for the first two years of my employment there.

9. I then underwent two weeks of shadowing on the NBSC Helpline. During the first week, I observed a more experienced Tier 2 advisor taking calls. During the second week I answered calls myself, whilst being observed by the more

WITN07340100

experienced advisor who would provide feedback. At this time, Horizon had only been running for a month, however the advisor I was shadowing had experience working in a regional helpline prior to joining the NBSC.

10. When I first joined the NBSC we had a weekly one-hour training session in addition to half an hour of reading time (to read the Post Office Gazette, for example). These were staggered between teams so that there was never a point when all the advisors were away from the phones. After approximately one year, these sessions were replaced by gatherings known as 'Work Time Learning' sessions during which each team would have an informal discussion about any new products. These sessions would be held within a team and would be led by the team leader. I recall that it was common for these sessions to be cancelled when the Helpline was busy, and eventually they stopped altogether in around 2002/3.

Experience working in the NBSC

11. When I first joined as a Tier 2 advisor, I was responsible for handling any calls which could not be dealt with by Tier 1 advisors and were escalated accordingly. Examples of calls which would often be passed on to me included questions about how to reverse transactions (such as where the Postmaster had keyed something into Horizon incorrectly, or had accidentally scanned a product twice). If the transaction could not be reversed, we would need to fill in a form and send it to Chesterfield to resolve the error. For example, if the Postmaster had pressed £100 instead of £10, we would need to arrange for a recovery of £90. The NBSC Helpline was open until 10pm although I recall occasionally getting calls shortly before closing time, which could go on until much later (on one occasion until 11.45pm).

12. When I moved into a Tier 1 advisor role in 2005 I was the first point of contact for Postmasters calling the NBSC. The call would be assigned on a first come, first served basis to whichever call handler had been available the longest, although Postmasters could request to speak to a specific handler if they wanted to. I would ask the Postmaster what the issue was, and what they thought the errors were, and would also record the branch name and code. Given many people had been Tier 2 advisors prior to the re-structure, they had more knowledge than a typical Tier 1 advisor, and we were therefore often able to resolve calls in the first instance.

13. When I started as a Tier 1 advisor in 2005, Tier 1 call handlers had a target of around 180 seconds within which to resolve the call. I had a target of 168 seconds as I was more experienced and could therefore answer questions more quickly. As far as I am aware, this target was based on a service level agreement which required that Tier 1 calls were concluded within this time. In my experience it was usually possible to resolve calls within this time as many queries raised by Postmasters were not complicated. For example, I would often receive calls asking for a specific stock code, which I could answer immediately as I knew them off the top of my head. Other calls, for example those relating to balancing, would usually take longer to resolve. If I knew the answer, I would try to resolve the call myself even if it took longer than the time limit. If I was not sure of the answer, or if I thought the call was going to take considerably longer, then I would pass it on to the escalation team. Advisors would be given their average call handling times and would be encouraged to ensure their average time was below the limit, i.e. if one call took fifteen minutes to resolve, you were supposed to bring down the average by concluding other

calls more quickly. Target times increased over time, and by the time I stopped being a Tier 1 advisor in 2022, the target time had increased to 500 seconds and as far as I am aware, that remains the current target time. As far as I recall, there was never a limit within which Tier 2 advisors were required to handle a call.

14. When a Postmaster called the NBSC, we would ask them to explain the issue they were having. If it was a technical issue, we would refer the call to the Helpdesk run by Fujitsu (the "**Helpdesk**"). Examples of calls falling into this category included anything to do the with the hardware, or the actual Horizon system itself. If the call related to a counter process, we would talk the Postmaster through how to process it on Horizon. This category included calls relating to products, transactions and balancing. For example, over time more transactions started involving the use of barcodes, so we would typically ask the Postmaster whether the product had a barcode reference. As I recall we would sometimes get questions about products after POL stopped selling them, for example television licenses. As far as I am aware, guidance around which advice line Postmasters should call under which circumstances was communicated to Postmasters during their initial training on Horizon.

15. We would try to resolve the Postmaster's issue on one call. If that was not possible, the Tier 1 advisor would refer the call to Tier 2 support. If a Tier 2 advisor was available, the Postmaster would be transferred immediately, on the same call. If none of the Tier 2 advisors were available, a call back would be arranged, which I think was supposed to happen on the same day if possible. If a Postmaster became agitated, we would sometimes ask one of the NBSC team leaders or managers to talk to them. When I was a Tier 2 advisor, I would

WITN07340100

sometimes discuss an issue with other Tier 2 colleagues to see if they had any suggestions.

16. We were expected to log a call and record certain details including the branch code, the name of the Postmaster, a summary of the issue they were experiencing and the solution we had suggested. We had to enter something into the resolution textbox before the call could be closed, and this would indicate either a successful outcome or an escalation. Each call would also be assigned a reference number. As far as I recall, I was not responsible for assigning a priority level to calls.

Types of Calls

17. I have been asked to comment on the most common types of calls I received and how they were resolved. In my experience, the most common type of call was in relation to Postmasters inputting transactions incorrectly, which would then require a reversal. For example, if a lottery transaction had been processed on the wrong stock unit, you would need to reverse the transaction before re-entering it into the lottery stock unit.

18. Another example was where a Postmaster had incorrectly recorded a banking withdrawal as a deposit. As this kind of transaction was non-reversible, we would have to send a mis-key form to Chesterfield to explain that a withdrawal had been put through as a deposit, so the bank could be notified. The bank would then contact the customer to confirm that the transaction was recorded incorrectly. Once confirmed, the bank would send the information to POL's banking team who would issue the transaction correction to the branch. If the customer said the original transaction was correct, a transaction correction

WITN07340100

could not be issued and the Postmaster would be responsible for the loss (or gain). From what I recall, this process could take several weeks to complete. When I was a Tier 1 advisor, this kind of issue used to come up four to five times per day. There were similar processes for other types of errors such as mis-key errors when making automated payments.

19. In addition, Postmasters could order stock through the NBSC so this was another type of call we would commonly receive.

20. Whenever new products were introduced or changes to the system were made (for example, the introduction of contactless payments or scannable barcodes), this usually led to a spike in calls. It was also usually busier on balancing afternoons (which used to be Wednesdays), pension pay-out days (which used to be Mondays) and bank holidays.

21. When a Postmaster called with a balancing issue, I would begin by asking how large the discrepancy was, and then ask questions to try to find out if there was anything that they had or had not done which might be responsible for the discrepancy. I would ask the Postmaster to print a transaction log which would contain all of their transactions for the previous 42 days. The log would show the transaction carried out and the method of payment, and I would ask the Postmaster to read it aloud. I would then help them to interpret the information in the log, and consider whether there were any transactions that needed to be reversed or transferred to a different stock unit. If there was a large discrepancy, this might be caused by a mis-key error, for example someone accidentally entering a remittance of £10,000 as £1,000, which would leave a discrepancy of £9,000.

WITN07340100

22. I have been asked whether there are any specific requests for support which I consider to be important to the Inquiry's terms of reference. I cannot recall any examples which I consider to be particularly relevant.

Resources available to assist resolving calls for support

23. I have been asked to comment on the resources that were available to me to assist with resolving calls for support.

24. When I first joined the NBSC we used Remedy, a system for logging calls and for accessing solutions to common issues raised by Postmasters. When using Remedy, it would ask the advisor to input categorisations for the call, such as the product the issue relates to (e.g. lottery or TV licenses or BT), and the process or procedure being attempted (e.g. counter procedure, or reversal). After this, the system would give some suggested entries which appeared to match the description. If they did not match the query I was assisting with, I would sometimes have to recategorise the calls to find the right answer. These entries then informed the solution we would suggest to the Postmaster. My recollection is that the entries and scripts on Remedy were written before I joined the NBSC, and that they were updated by the BSST (which I believe stands for Business Service Support Team). I recall that this team included Martin Green and Wendy Schofield. As far as I am aware, the BSST has been responsible for updating scripts and guidance on Remedy/Dynamics throughout my time at POL.

25. We also had hard copies of the counter operations manuals provided to branches, which explained how to carry out transactions. There were separate manuals on different topics, such as DVLA products or lottery products. We

WITN07340100

could also refer to the balancing guide given to Postmasters. The counter operations manuals were digitised in around 2009 when Horizon Next Generation was introduced.

26. My recollection of Remedy was that a lot of it was good, however occasionally the information on Remedy was out of date or otherwise not very helpful. I think the scripts were generally written by people who had not worked on the counters in branch, which meant the solutions were sometimes impractical. For example, when I started as a Tier 2 advisor, the suggested solution for a balancing query was initially to refer it to the Helpdesk but we found that the Fujitsu staff would often be unable to resolve the query because they did not have an understanding of how the counters worked, and would therefore pass the call back to NBSC Tier 2 advisors to resolve. As far as I can recall, it was only in the first year of my time at the NBSC that balancing calls were passed to Fujitsu. After that, instead of recommending that you transfer the call, there were new categories on Remedy relating to balancing issues, and it would give you a suggested solution. As far as I recall, we may have received some additional training around this time in one of the regular weekly training sessions.

27. If I was unable to find a solution on Remedy, I would speak to a more experienced colleague in the NBSC, such as a team leader, to see if they knew the answer to the query or who else might know the answer. Sometimes we would ask the area manager to go into the branch to check what the issue was and see if they could help.

28. Remedy was later superseded by Dynamics. I recall that Dynamics was introduced around 2014. When a call came in, the process for logging it on

WITN07340100

Dynamics was similar to the process on Remedy. One difference was that calls on Remedy would be given a reference number starting with 'H' whereas calls on Dynamics were given a reference number starting with 'CAS'. You would first categorise the call in four steps, then you would be presented with an article containing a list of the correct steps that should have been followed to process the transaction, and you would have to identify the relevant section of the article to address the query. The articles on Dynamics are generally focused on the process for carrying out transactions, or other branch processes such as balancing.

29. In my current role as a Tier 2 advisor, I have access to a reporting system called HORice, which produces reports on different branch data that I can use to assist callers. This includes session data going back twelve months which shows details of the transactions carried out in branch (similar to the transaction logs printed in branch, but without abbreviations). I also have access to a report called Rep Events, which shows cash, stock and currency declarations made on Horizon, a balance reporting tool which highlights any discrepancies, and a transaction correction tool showing transaction corrections at the branch. Prior to having access to these tools I would have to ask the Postmaster to print out transaction logs to identify where they thought they had made an error, but now I can usually see it immediately. I do not know when these tools were introduced as I only became aware of them when I took on the Tier 2 advisor role in 2022.

30. I have been asked to comment on the adequacy of resources. My recollection is that I generally felt that the resources available to me were good at the time however with the benefit of hindsight, I can see that these may not have been

WITN07340100

sufficient. The resources and reporting tools available to me now are considerably better than when I first joined.

Management of the NBSC team

31. When I first joined the NBSC as a Tier 2 advisor, there were fourteen advisors on the Tier 2 team. Within two years, there were nine teams of ten people and, I believe, around twice as many Tier 1 advisors. As I recall, the number of advisors remained consistently at this level until 2005 when the teams were amalgamated (as described above at paragraph 6). After this, there were 100 Tier 1 advisors split into seven or eight teams, each with a team leader. There was also an escalation team of about eight people. I cannot remember what this team was called, but I recall we did not refer to it as Tier 2. This restructure meant that many people were let go, however these were mostly the Tier 1 advisors on temporary contracts, whilst the Tier 2 advisors on full-time contracts were generally retained. As set above at paragraph 12, many of the advisors who joined Tier 1 in 2005 had previously been Tier 2 advisors and therefore did not need to escalate calls as often as the previous Tier 1 advisors. There were also more senior managers in the NBSC however I did not have much interaction with them, as I would go to my team leader in the first instance.

32. In around 2014, three to four people were introduced whose role it was to walk the floor where the advisors sat, and provide advice to anyone who put their hand up to say they needed assistance. Now, I understand there are 40-50 Tier 1 advisors, and sixteen Tier 2 advisors.

33. As a Tier 1 advisor, we had weekly meetings in the form of the Work Time Learning sessions, referred to in paragraph 10 above. We also had monthly

WITN07340100

appraisals with team leaders, during which we were scored on how we handled calls. This would include assessing whether we were giving clear and accurate information, and also the tone of our voice on the calls. They would listen to five calls during an appraisal and you were expected to score above 80 out of 100 on average. If we did not meet this score we would be given advice on how to improve.

Attitude of the NBSC towards Postmasters

34. From my point of view, if a Postmaster rang the NBSC it was because they needed help and it was my job to help them. A small number of Postmasters were difficult to get on with but I always tried to treat them with kindness and found that if you called them by their name, and gave them a verbal smile, then you could talk to them. There were one or two advisors who did not always approach calls in the same way, and occasionally I heard arguments over the phone. We were however instructed to keep a level and cordial tone when speaking, to listen to the Postmaster before giving an answer and not to jump in before the Postmaster had finished speaking.

Adequacy of support provided by NBSC

35. I have been asked to comment on whether in my view, the NBSC provided adequate support to Postmasters who called for assistance. In my view, we tried our best to give Postmasters the support they required. There were one or two Postmasters who seemed like they were never happy, no matter how much support they were given. In my view this was often because they did not receive the answer they were hoping for on the call, or because the necessary solution

WITN07340100

resulted in additional issues. But I would always try to give them the advice they deserved, and I considered it my duty to help them sort out their problem.

36. I am not sure what the overall success rate was for calls. Based on my own experience as a Tier 1 advisor I would estimate that 80-90% of the calls I took were resolved successfully in the first instance, with the remaining 10-20% being escalated further. I imagine that other Tier 1 advisors, who did not have prior experience at Tier 2 level, may have needed to escalate a higher proportion of calls.

37. As far as I recall there was no default process for Postmasters to provide feedback on their experience of calling the NBSC. Over the years, a few Postmasters have called to say thank you for my help on a call.

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

38. I was not aware of any confirmed bugs, errors and defects in the Horizon IT System, and as far as I can recall I was not told of any bugs, errors or defects by either POL or Fujitsu. Though I am not a technical person, in my recollection most of the issues raised by Postmasters on calls resulted from mistakes in what had been typed into Horizon. Although I was aware that Postmasters had made allegations about issues with the Horizon system, I remember receiving some centralised communications from someone senior within POL shortly before the Group Litigation Order ("**GLO**") saying that they had found Horizon to be robust. This was communicated to the NBSC team leaders who passed the message on to us. As far as I recall, POL never admitted there were any problems with Horizon until after the GLO. After the GLO there was a dedicated

WITN07340100

team set up to respond to queries arising from that. I cannot recall the name of this team, although I recall that Louise Liptrott worked in the team.

39. I understand that many Postmasters must be feeling angry about what happened to them as a result of issues with Horizon. Having worked on the counter myself, I understand the pressures that Postmasters are under and I do feel empathy for them. In my role in the NBSC, I always try my best to help Postmasters with whatever issue they are having.

Statement of truth

I believe the content of this statement to be true.

Signed: GRO

Dated: 03/04/2023