

Witness Name: Colin Lenton-Smith
Statement No.: WITN08590100
Dated: 22nd May 2023

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF COLIN LENTON-SMITH

I, COLIN LENTON-SMITH will say as follows:-

INTRODUCTION

1. I am a former employee of Fujitsu Services Ltd and held the position of Commercial and Finance Director, ICL Pathway Ltd, later Post Office Account.
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 18th April 2022 (the “**Request**”).

BACKGROUND

3. I qualified as a member of the Institute of Chartered Accounts in England Wales and worked in industry from 1979 and predominantly in the IT industry from 1985. I joined International Computers Ltd (ICL) in 1990 as a Commercial Manager within the International Division; I then worked for ICL Pathway Ltd

and Fujitsu Services in various Commercial Management roles until I retired in September 2018 (ICL was taken over by Fujitsu in 2002).

4. I joined ICL Pathway in March 2001, which later became Post Office Account (Fujitsu), as the Commercial and Finance Director until October 2007. My role involved managing an autonomous finance team and a small commercial team to contract manage the Horizon contract with Post Office and execute contract changes for additional functionality releases, notably Network Banking. When Fujitsu separated the Commercial and Finance functions in 2003/4, I relinquished management of the finance team to a Financial Controller in the Finance function. My role then, within Fujitsu's Commercial function, was to continue to contract manage the existing contract but also to carry out the financial modelling and manage the commercial negotiations of the contract for Horizon Next Generation (HNG) signed in September 2006.

5. Regarding Post Office Ltd (POL) legal action against SPMs, as part of the service for Horizon, Fujitsu provided support to POL as and when required in the form of audit data, witness statements and if required appearances in court. Outside of the standard service POL may request Fujitsu to provide special assistance.

6. If POL decided to make a case a commercial matter, then I would receive formal notification by letter from Keith Baines, POL Commercial Manager. I kept a separate email folder for the correspondence on a particular case and as far as I remember, there were very few cases dealt with between Keith Baines and myself - less than 5, over the period March 2001 to October 2007. I cannot recall the names of the cases involved.

Post Office Limited v Mrs J Wolstenholme (Cleveleys Post Office)

7. My recollection, prompted by the listed documents, is as set out in the specific points below.

8. I would say that I became aware that POL had an issue that required assistance from Fujitsu in August 2003. I am not able to pinpoint a date exactly before the date of the email to me from Jan Holmes dated 20/8/2003 (FUJ00121482). POL Legal Services were looking for information to support the POL litigation against Mrs Wolstenholme, SPM of Cleveleys Post Office. I can't be specific about the details of the request as I don't have site of the papers faxed over from POL as Jan Holmes noted in his email to me dated 20/08/2023 but can only refer to Jan Holmes' response, reviewed by me on 21/08/2023, and included in Jan Holmes' email to Jim Cruise POL – Subject – Cleveleys – Horizon Equipment dated 21/8/2023 (WITN04600202).

9. I have been asked to consider the following documents:-

- i) A letter from Keith Baines to me dated 5 February 2004 (POL00095375),
- ii) An email from Jan Homes to me dated 18 February 2004 (FUJ00121485), and enclosed draft response to POL (FUJ00121486),
- iii) My email to Jan Holmes in reply dated 18 February 2004 (FUJ00121489) and his reply to me on the same date (FUJ00121490),
- iv) My email to Jan Holmes dated 20 February 2004 (FUJ00121502 and his email to me of the same date (FUJ00121507 and v) The report I sent to Keith Baines at POL on 20 February 2004 (FUJ00121511 and FUJ00121512).

10. I refer to Keith Baines letter to me of 05/02/2004 (POL00095375) which states that Mrs Wolstenholme had made a counter claim against POL as a result of deficiencies in the Horizon systems, the HSH service. Mrs Wolstenholme claimed that the Horizon system itself caused losses in the sub post office accounts. As a result, she wanted the computer equipment to be examined by an expert witness before agreeing to release it to Fujitsu. This is why the County Court instructed the parties to commission a report from an expert approved by the Court, which I understand was produced by Jason Coyne.

11. My understanding is that the role of the expert was to have knowledge and experience of IT and knowledge and understanding of the Horizon system so as be able to provide a factually correct, unambiguous, neutral, independent statement for the benefit of the Court.

12. I expressed Fujitsu's view of the expert report in the Response to Expert's Opinion attached as an Appendix to my letter to Keith Baines dated 20/02/2004 Section "Conclusion" (FUJ00121512). It was concerning that as the sole expert opinion, the report reflected that the expert did not have a detailed understanding of how the Horizon system works and in relation to the expert's point "Worrying Discrepancies" the report inferred that system errors may be responsible but there was no evidence available to substantiate this inference.

13. I have been asked what was the *"data/response that we/POL have used before which countered the PM system problem allegation"* referred to in FUJ00121489. It is my recollection that there had not been any earlier POL legal actions that had been raised by Keith Baines to me as a commercial issue. This question posed in my email was simply to check with Jan Holmes that if he had been involved in providing litigation support at an operational level had this provided data/or response in respect of an allegation by a Post Master (PM) (i.e. SPM) to system problems.

14. I am not able to say whether POL Investigations provided Fujitsu with any data or information to assist with this case other than to keep alignment and monitor progress through ongoing email correspondence, telephone calls and a case management conference.

15. Based on the email from Jim Cruise dated 03/03/2004 (FUJ00121534) POL's concerns about the experts report from Best Practice were that the expert

had not revised his report in the light of Fujitsu's Response to Expert's Opinion (FUJ00121512).

16. As to why Jim Cruise was concerned about the case, I can only rely on the direct information from Jim Cruise's email to Keith Baines and me dated 04/03/2004 (FUJ00121534) in respect of the initial report of Jason Coyne of Best Practice Group, where he stated that the expert report "cannot be accepted by POL and that an application needs to be made to the court for Fujitsu to give evidence about the Horizon system and its working in view of the stance taken by the expert witness".

17. I have been asked if the problems reported by Mrs Wolstenholme (in particular, blue screens, system freezes and screen lock issues) were common problems being encountered by the Horizon users in early 2000s. This is a technical question which I am not able to answer.

18. In regard to Fujitsu's response to the expert report as communicated by POL, in the letter from Keith Baines to me dated 05/02/2004 (POL0095375), he requested Fujitsu Service's view of the main points in the expert report, and if Fujitsu did not agree with them to suggest what information or advice Fujitsu can provide to the expert that might lead him to change his finding. Fujitsu's detailed response is set out in the Appendix "Response to Expert's Opinion" in my letter to Keith Baines dated 20/02/2004 (FUJ00121512).

17. In terms of what data was available to Fujitsu which compiling their response, this is a technical question which I am not able to answer.

18. I have been asked to consider the following documents:-

i) An email from Jim Cruise to me and others dated 4 March 2004 (FUJ00121533) and the attachments (FUJ00121534, FUJ00121535 and FUJ00121536), ii) My email to Jan Holmes dated 4 March 2004 (FUJ00121541), iii) An email from Jan Holmes to me dated 4 March 2004 (FUJ00121549) and attachment (FUJ00121550), iv) An email from Jan Homes to me dated 11 March 2004 (FUJ00121557) and attachment (FUJ00121558), v) An email from Jan Holmes to me dated 12 March 2004 (FUJ00121561) and attachment (FUJ00121562), vi) An email from Jan Holmes to Jim Cruise, copied to me dated 12 March 2004 (FUJ00121567) and attachment (FUJ00121568); vii) An email from Jan Holmes to me dated 6 April 2004 (FUJ00121602) and viii) An email from Jan Holmes to me dated 7 June 2004 (FUJ00121637).

19. I found the response from the expert to the points made by POL/Fujitsu to be disappointing, as per my email to Jan Holmes dated 04/03/2004 (FUJ00121541).

20. At the request of Jim Cruise in his email to Keith Baines and myself dated 04/03/2004 (FUJ00121534) he welcomed any further points on the expert's position set out in Jason Croyne's email to Weightman Vizards dated

02/03/2004 (FUJ00121535) attached to Jim Cruise's email. Fujitsu's response was to provide POL with a response to the Expert's Reply to Fujitsu Services Submission (FUJ00121568) with the email to Jim Cruise from Jan Holmes dated 12/03/2004 (FUJ00121567). This also included an invitation via POL for Fujitsu to offer to host Jason Coyne, the expert, at any of Fujitsu's Post Office Account locations, arrange interviews and provide access to data and records he required. I am aware from the Report on Cleveleys Post Office (FUJ00121747) that POL did not pass onto the expert, Jason Coyne, either Fujitsu's response to the initial expert report or the invitation to the host him at a Fujitsu Post Office Account location.

21. Additionally, a draft witness statement from Jan Holmes was written providing a description of the support services provided by Fujitsu to POL in respect of the Horizon system and its users (FUJ00121707).
22. Fujitsu also provided a Report on the Cleveleys Post Office dated 01/09/2004 (FUJ00121747) which describes the involvement of Fujitsu Post Office Account with Post Office Security Investigations in the matter of Cleveleys Post Office and the dispute between POL and the Postmaster (SPM). This document includes at section 5.0 a copy of Jan Holmes' Witness Statement, referred to above, which appears to have been lodged with Blackpool County Court, dated August 2004, Claim No. CR101947 between Post Office Counters Limited and Mrs Julie Wolstenholme.

23. My understanding of why POL wanted to keep the expert report out of the public domain, I refer to the letter from Keith Baines to me dated 05/02/2004 (POL00095375) he states that POL was concerned of the findings in the expert's report because of any precedent that this might set and used by SPMs to support claims that the Horizon Systems caused errors in their branch accounts.
24. I have been asked if Fujitsu had any concerns about the approach of trying to settle cases, this was a matter for POL to decide how to conduct their legal actions against SPMs.
25. I have been asked about my views on the strategic approach being suggested by POL, if by a strategic approach the point is referring to mediation or settlement in the documents at paragraph 18 above, then it was my view that it was a matter for POL to decide how to conduct their legal action.
26. I have been asked to consider an email from Jan Homes to Ian Lamb dated 30/07/2004 (FUJ00121668). It is my view that in the email Jan Holmes is conveying a conversation he had with Keith Baines about a conversation Keith had with Dave Smith (POL) in that it was Dave Smith's opinion that POL shouldn't have settled the case.
27. I have been asked to consider the following documents:-

- i) An email from Jan Holmes to Keith Banes, copied to me amongst others dated 3 August 2004 (FUJ00121686), ii) An email from Jan Holmes to David Barker, copied to me dated 10 August 2004 (FUJ00121702), iii) Email from Jan Holmes to me dated 11 August 2004 (FUJ00121704) with attachments (FUJ00121705, FUJ00121706, FUJ00121707) and iv) An email from Jan Holmes to me and William Mitchell dated 20 August 2004 (FUJ00121724).
28. My view on the outcome of the Cleveleys case was that the outcome was a matter for POL.
29. I have been asked if it could be constructed from the documents listed at paragraph 27 above that POL bought off Mrs Wolstenholme rather than defend their system, no and the way that POL decided to conduct and settle the case was a matter for POL.
30. I have been asked to consider and email to me dated 2 September 2004 seeking approval of the Fujitsu report on Cleveleys Post Office (FUJ00121746) with attachment (FUJ00121747).
31. The retention period for TMS transaction data in 2000 was 18 months after which the data was deleted as per the then terms of the Horizon contract with POL. TMS transaction data was no longer deleted after 18 months for data archived after 18th May 2002 which then made data available for audit purposes. This is described in the Report on Cleveleys Post Office section 3.2 POA Involvement (FUJ00121747).

32. The absence of transaction data from 2000 meant that it could not be demonstrated that the system was operating normally during the disputed time period of the Cleveleys case.
33. I have been asked to consider the following documents:-
- i) Email from Forrest Hilary to me dated 30 March 2004 (FUJ00121584) and attached draft minutes (FUJ00121585), ii) email to Pam Purewal dated 31 March 2004 (FUJ00121590) and attachment (FUJ00121591), iii) Email from Forrest Hilary to Pam Purewal and me (FUJ00121620) and attachment (FUJ00121621) and iv) email from Pam Purewal to me amongst others dated 5 May 2004 (FUJ211632 and the enclosed final minutes (FUJ00121636).
34. I have been asked what was meant by the note in the original draft minutes at page 5 “*did Colin take an action to arrange a discussion with Keith to see how we can avoid Julie Wolstenhomes in the future? – I have it noted as a non urgent action*” and why this note was modified in later version of the draft minutes and the final minutes. Minutes of the Commercial Forum were taken by John Cole (POL) and issued to Pam Purewal (Fujitsu) as a draft for Fujitsu’s comment and revisions to reach a version of the Minutes agreed by POL and Fujitsu. Closed actions and old notes were greyed out to assist readers of the minutes to focus on current matters. The Fujitsu attendees would take notes of the Commercial Forum to have a collective view of any amendments needed to be made to the draft minutes received from POL. In the email (FUJ00121584) dated 30/03/2004, Hilary Forrest forwarded to me an updated

draft version of Commercial Forum No 15, draft minutes including her notes, comments and Fujitsu internal questions shown in square brackets as a prompt for my consideration (FUJ00121585). Section 15.05 has several such comments and notes in square brackets; one being a prompt regarding the Julie Wolstenholme's case that was discussed in the Commercial Forum No. 15 but omitted from the POL draft minutes. The revised version of the draft minutes sent back to POL includes my revisions and includes below item 15.06 a Noted section which conveys a minute of the comments made by Keith Baines (POL) at the Commercial Forum (FUJ00121591), namely:

"KB advised that PO were trying to negotiate a settlement with regards to the Julie Wolstenholme case.

KB further suggested that a discussion should be held between both parties at some future date to understand how the situation regarding the "Expert" could be avoided in the future."

Fujitsu's Noted wording was accepted by POL as it included without change in the draft minutes of Commercial Forum Minutes No. 16 (Draft 1) (FUJ00121621) and in Minutes No.16 (Final) (FUJ00121686).

Other Civil and Criminal Cases

35. I have been asked of my recollection of a list of criminal case studies that the Inquiry is investigating. I don't have any recollection of the criminal cases listed. As I mentioned in paragraph 4 above there was correspondence between

Keith Baines (POL) and myself for a few cases, but I cannot recall the details, nor do I have any documentation to refer to.

36. I have been asked if there are any prosecutions (including but not limited to the above) that I had a role in that I consider are relevant to the matters being investigated by the inquiry (in particular bugs, error and defects in the Horizon system), I am not able to comment further.

37. I have been asked if I have any concerns about any criminal cases which I were involved in, I am not able to comment further.

38. I have been asked of my recollection of a list of civil case studies that the Inquiry is investigating. I don't have any recollection of the civil cases listed. As I mentioned in paragraph 4 above there was correspondence between Keith Baines (POL) and myself in a few cases, but I cannot recall the details, nor do I have any documentation to refer to.

39. I have been asked if there are any civil action (including but not limited to the above) that I had a role in that I consider are relevant to the matters being investigated by the inquiry (in particular, bugs, error and defects in the Horizon system. I am not able to comment further.

40. I have been asked if I have any concerns about the civil cases I were involved,
I am not able to comment further.

Knowledge of bugs, errors and defects in the Horizon system

41. I was not aware of any concerns regarding the robustness of the Horizon system
having been raised to me internally within Fujitsu or as a commercial issue by
POL.

Other Matters

42. I don't have any other matters that I wish to bring to the attention of the Chair of

Signed:

GRO

Dated:

22 May 2023

Index to First Witness Statement of Colin Lenton-Smith

No.	URN	Document Description	Control Number
1	FUJ00121482	Email from Colin Lenton-Smith to Jan Holmes dated 20/08/2003	POINQ0127696F
2	WITN04600202	Email from Jan Holmes to Jim Cruise dated 21/08/2003	WITN04600202
3	POL00095375	Letter from Keith Baines to Colin Lenton-Smith dated 05/02/2004	POL-0094958
4	FUJ00121485	Email from Jan Holmes to Colin Lenton-Smith dated 18/02/2004	POINQ0127699F
5	FUJ00121486	Post Office Account 0 FAD: 153405 Cleveleys – Review of Expert Witness Report	POINQ01 27700F
6	FUJ00121489	Email from Colin Lenton-Smith to Jan Holmes dated 18/02/2004	POINQ0127703F
7	FUJ00121490	Email from Jan Holmes to Colin Lenton-Smith dated 18/02/2004	POINQ0127704F
8	FUJ00121502	Email from Colin Lenton-Smith to Jan Holmes dated 20/02/2004	POINQ01 2771 6F
9	FUJ00121507	Email from Jan Holmes to Colin Lenton-Smith dated 20/02/2004	POINQ0127721F
10	FUJ00121511	Email from Colin Lenton-Smith to Keith Baines dated 20/02/2004	POINQ0127725F
11	FUJ00121512	Letter with Appendix, Response to Experts Opinion from Colin Lenton-Smith to Keith Baines dated 20/02/04	POINQ0127726F
12	FUJ00121533	Email from Jim Cruise to Colin Lenton-Smith & others dated 04/03/2004	POINQ0127747F
13	FUJ00121534	Email from Kathy Hopkins to Jim Cruise dated 03/03/2004	POINQ0127748F
14	FUJ00121535	Letter from Jason Coyne to Weightman Vizard dated 27/02/2004	POINQ0127749F
15	FUJ00121536	Letter from Susanna Helliwell to Jim Cruise dated 03/03/2004	POINQ0127750F
16	FUJ00121541	Email from Colin Lenton-Smith to Jan Holmes dated 4/3/2004	POINQ0127750F
17	FUJ00121549	Email from Jan Holmes to Colin Lenton-Smith dated 04/03/2004	POINQ0127763F
18	FUJ00121550	Fujitsu Services Post Office Account – Response to J Coyne Email dated 03/03/2004	POINQ0127764F

19	FUJ00121557	Email from Jan Homes to Colin Lenton-Smith dated 11/03/2004	POINQ0127771F
20	FUJ00121558	Fujitsu Services Post Office Account – response to the Experts Reply to Fujitsu Services Submission	POINQ0127772F
21	FUJ00121561	Email from Jan Holmes to Colin Lenton-Smith dated 12/03/2004	POINQ0127775F
22	FUJ00121562	Fujitsu Services Post Office Account Response to the Experts Reply to Fujitsu Services Submission	POINQ0127776F
23	FUJ00121567	Email from Jan Holmes to Jim Cruise dated 12/03/04	POINQ0127781F
24	FUJ00121568	Fujitsu's response to the Expert's reply to Fujitsu Services' submission	POINQ0127782F
25	FUJ00121602	Email from Jan Holmes to Colin Lenton-Smith dated 06/04/2004	POINQ0127816F
26	FUJ00121637	Email from Jan Holmes to Colin Lenton-Smith dated 07/06/2004	POINQ0127851F
27	FUJ00121747	Fujitsu's Report on Cleveleys Post Office dated 01/09/2004	POINQ0127961 F
28	FUJ00121707	Jan Holmes' draft Witness Statement	POINQ0127921F
29	FUJ00121668	Email from Jan Holmes to Colin Lenton-Smith and Ian Lamb dated 30/7/04	POINQ0127882F
30	FUJ00121686	Email from Jan Holmes to Keith Baines, Colin Lenton-Smith & other dated 03/08/2004	POINQ0127900F
31	FUJ00121702	Email from Jan Holmes to David Barker and Colin-Lenton-Smith dated 10/08/2004	POINQ0127916F
32	FUJ00121704	Email from Jan Holmes to Colin Lenton-Smith dated 11/08/2004	POINQ0127918F
33	FUJ00121705	Notes to go with Jan's statement	POINQ0127919F
34	FUJ00121706	Notes to go with Jan's statement	POINQ0127920F
36	FUJ00121724	Email from Jan Holmes to Colin Lenton-Smith and William Mitchell dated 20/08/2004	POINQ0127938F
37	FUJ00121746	Email from to Colin Lenton-Smith dated 02/09/2004	POINQ0127960F
39	FUJ00121584	Email from Hilary Forrest to Colin Lenton-Smith dated 30/03/04	POINQ01 27798F
40	FUJ00121585	Horizon Commercial Forum Minutes No.15 (Draft) dated	POINQ0127799F

41	FUJ00121590	Email from Colin Lenton-Smith to Pam Purewal dated 31/03/2004	POINQ0127804F
42	FUJ00121591	Horizon Commercial Forum Minutes No.15 (Draft) 1 (with Fujitsu amendments)	POINQ0127805F
43	FUJ00121620	Emails Forrest Hilary to Pam Purewal and Colin Lenton-Smith dated 30/04/2004	POINQ0127834F
44	FUJ00121621	Horizon Commercial Forum Minutes No.16 (Draft1)	POINQ0127835F
45	FUJ00121632	Email from Pam Purewal to Colin Lenton-Smith & others dated 05/05/2004	POINQ0127846F
46	FUJ00121636	Horizon Commercial Forum Minutes No.16 (Final)	POINQ0127850F