

Witness Name: Diane Matthews

Statement No: WITN08330100

Dated: 1st November 2023

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF DIANE SARAH MATTHEWS

I Diane Matthews state the following:

1. This witness statement is made to assist the Post Office Horizon IT Inquiry with the matters set out in the Rule 9 request dated 29th September 2023.

Background

2. I began my employment with Post Office Limited on 5th March 1986 as a counter clerk (PO Grade). My roles were in branch offices where I progressed to the role of Assistant Branch Manager. In 1999 I was seconded onto the Horizon project where I assisted the offices during the “Live Trial” phase mainly in Northern Ireland. As the roll out started, I undertook the role of Team Leader, managing a team of 22 Horizon Field Support Officers (HFSO's) in ensuring they were supported in managerial terms for example timetable, accommodation,

performance. In 2003 I returned to my role as Assistant Branch Manager before taking up a role as Audit Manager with responsibilities for delivering an audit plan for the team as well as ad hoc audits where requested. I also undertook a small number of audits myself. In 2004, I accepted a temporarily move to the Post Office Limited Investigation team, initially to look at pension docket fraud. Approximately 6 months later, this role was made permanent. In 2007 I was promoted to Security Manager, managing a small team of investigators. In 2008 I moved to Royal Mail Group as an investigator, a role I undertook until 2018 when I left the business under voluntary redundancy terms.

3. Upon joining the Investigation team, I completed a 6 week training course covering all aspects of the role including witness statement taking, analysing data, interviewing suspects, PACE, Risk Assessments. I also attended Thames Valley Police Training Centre and undertook a search course.
4. My understanding of the role of an Investigator within Post Office Limited was to obtain the facts and circumstances pertaining to a Post Office Counter loss and report this to the Legal team for their consideration as to next steps.
5. During my 4 years within Post Office Limited Security function I was line managed by Paul Dawkins and latterly David Pardoe. The Head of Investigations was initially Tony Utting who was succeeded by John Scott and Head of Security was Tony Marsh.

6. I found the investigators, Team Leaders, Casework and Prosecution teams and the leadership of Tony Utting and Tony Marsh to be professional, had integrity and were committed to the business.

7. During 2007, I was promoted to Investigation Manager. This involved line managing approximately 6 investigators with their development and aspirations as well as day to day administrative duties. I was line managed during this period by David Pardoe with a level of input by Head of Security John Scott.

8. In my role as an Investigator/Investigation Manager, I played no part in disciplinary matters towards Subpostmasters apart from provide a report to the relevant Area Manager following any activity I attended at a Post Office. I was involved in the interviewing of accused individuals and subsequent reporting of these interviews. As part of any investigation following an interview with an accused, a further more in depth Investigation report compiled, a case file would be compiled and depending on the advice from the assigned lawyer, a committal bundle would be prepared which would ensure all evidence was forwarded to the legal team.

9. Any litigation strategy would be decided by the lawyers. There may have been some discussions with myself but this would be to tell me what their decision was. I have no legal training and the decision would be theirs. I would liaise with other Post Office departments which may include Pensions department (Northern Ireland) Helpline, Accounts, Audits and area management groups.

The Security team's role in relation to criminal investigations and prosecutions

10. I have been asked to consider 23 documents to assist me in this section of questions. I wish to state that 16 documents were written after I had left the business and 1 (POL00104968) "POL – Enforcement & Prosecution Policy" is undated and I have no recollection of this document. I note Helen Dickinson is named as the "Reviewer". Mrs Dickinson assumed a management role after I left the business so I assume this was written post 2008.

11. I have reviewed the following 6 documents:

- Casework Management Policy (Version 1.0, March 2000) (POL00104747) and (Version 4.0, October 2022) (POL00104777)
- Rules and Standards Policy (Version 2.0, October 2000) (POL00104754)
- Investigation Procedures Policy (Version 2.0, January 2001) (POL00030687)
- Disclosure of Unused Material, Criminal Procedures and Investigations Act 1996 Codes of Practice Policy (Version 1.0, May 2001) (POL00104762)
- Royal mail Group Ltd Criminal Investigation and Prosecution Policy (1 December 2007) (POL00030578)
- Royal Mail Group Security – Procedures and Standards – Standards of Behaviour and Complaints Procedure (Version 2, October 2007) (POL00104806)

12. From my recollection, the investigators were split into teams across England, Scotland and Northern Ireland. Each team had a Team leader. I am unclear if

there was another level of management before the Head of Investigations. During my 4 years with the department, there were several reorganisations where the teams were moved into different geographical areas and therefore a restructure of the reporting lines.

13. I did not play any part in the development and/or management of the policies listed in point 11.

14. I cannot recall the specific policies adhered to but as a Designated Prosecuting Authority the department was governed by Police and Criminal Evidence Act 1984 (PACE) and the Criminal Procedure and Investigations Act 1996 regarding disclosure rules. There were also internal documents which were circulated and adhered to, however, I cannot remember what they were some 15 years previously. The only noticeable change I can recall was the introduction of Financial Investigators and the recovery of monies through the Proceeds of Crime Act 2002 (POCA).

15. I have been asked to consider the email sent to myself from Dave Posnett and others. (POL00123309). Having viewed the document, I cannot see my name on the circulation list and I note the date the email was sent, that being 9th July 2014 was some 6 years after I left the company. I have therefore not reviewed the attachments (POL00123310), (POL00038728), or (POL00123312). I also note the email chain originated from Mick Matthews, so presume you have mistaken my name instead of his. I therefore have no comment to make regarding this question.

16. I have been asked what the process was for dealing with complaints about the conduct of an investigation by the Security team. I do not recall ever being involved in or consulted over this issue. I have never been the subject of a complaint made during my 32 year career within the Royal Mail Group.
17. With regards to supervision over criminal investigations, from my recollection, I had regular interactions with my line managers and peers over the development and progression of investigations and any areas which need to be addressed. There was also conversations with the casework management team and direction from the Legal team.
18. From my recollection, there was no difference in the investigations I undertook between Crown Office staff and Subpostmasters. I treated each one exactly the same, evidence based, and reported up to the relevant individuals in exactly the same manner. I cannot comment on if there was any different strategies adopted from a higher level than me. My approach did not change over my time with Post Office Limited with the exception of consideration given to POCA.

Audit and Investigation

19. I have been asked to consider the document "Condensed Guide for Audit Attendance" (Version 2, October 2008) (POL00104821). I have never seen this document as it was created after I had left the business. I therefore have no comment to make with regards to this document

20. As an investigator, I would attend an audit if the auditors on site, after verifying the cash and stock on hand, reported a large loss or if the Counter Clerk/Subpostmaster volunteered the cash declared was inflated by a significant amount. Another reason for attendance would be if the Investigator had requested the audit due to anomalies in the accounts. This could also be from information from another department for example Cash Management where an office would be ordering cash despite having declared in excess of what the office needed. The investigators role on these occasions would be a watching brief until the audit was completed with interaction with the staff involved.

21. After a shortfall was identified following an audit, I cannot recall who made the decision on whether the Post Office Investigators would be involved. There were thresholds on amounts which would trigger involvement but I cannot recall what they were. The involvement of the Financial Investigators, from my recollection, was down to the amount of loss, possibly with previous reported incidents being taken into account. I cannot recall if this changed during my 4 years with the team from 2004 to 2008.

22. The local Contract Manager would be involved in conversations regarding the branch but I cannot recall if they could influence any decision re next steps. This conversation would be undertaken at a higher level than me.

23. I cannot recall what the triggers were from raising a fraud case following a shortfall or discrepancy at a branch. I believe several factors would impact on next

steps taken including the amount of the loss, including any previous losses or concerns.

24. I have been asked what process the Security Team Investigators followed in conducting an investigation. From my recollection, the process was to obtain accounts/statements from relevant persons, analyse the data available including transaction logs, log on/log off records, attendance and annual leave records etc. Follow up any lines of enquiry or possible evidence to prove or disprove the allegations. This would be done in line with all legal guidelines including but not limited to Data Protection Act 1998, Police and Criminal Evidence Act 1984 and also the internal Post Office Limited guidelines for dealing with such matters.

25. The decision to prosecute was made by the Post Office Criminal Law Team and the Head of Post Office Security. I cannot comment if the Local Contract Manager had any input or influence in legal decisions as I was not involved at that level.

26. I have been asked what test was applied by those making prosecution and charging decisions. I cannot answer this as I was not involved in these areas. Furthermore, I hold no legal qualifications and have no expertise in these areas.

27. In terms of what advice the investigator provided the legal team, this was by way of a Suspect Offender report which detailed the individual, the alleged offence, the investigation and any supporting evidential material. On occasions, not always, a conversation would take place between the investigator and the assigned lawyer

regarding the case but in my experience this was to discuss any further evidence required and/or to inform me of the outcome.

28. I have been asked in what circumstances were steps to restrain a suspect's assets by criminal enforcement methods such as confiscation proceedings considered. Post Office Limited employed Financial Investigators to deal with these types of situations, however, I believe there was a threshold amount of a shortage which would trigger their involvement. I cannot recall what this amount was but it was around £15k. The decision to pursue this method of recovery lay with the Financial Investigators, maybe with involvement with the Head of Security.

Training, Instructions and guidance to investigators within the Security Team

29. I received training with regards to all aspects of interviewing individuals suspected of a criminal offence, statement taking, searching, the role of an investigator and obtaining, reviewing and disclosing evidence. This was by way of a 6 week initial intensive training course at the start of my tenure with the department and subsequent ad hoc workshops either as a refresher or when there were significant changes to either legislation or working arrangements within Casework Management.

30. I have been asked whether and in what circumstances evidence should be sought from third parties who might hold relevant evidence and in particular, Fujitsu,

where shortfalls were identified in branch. In the investigations I undertook I followed the evidence trail and I would seek information from relevant departments where needed for example, cash management teams and Helpline departments. With regards to Fujitsu, I believe there were protocols to follow should you require their assistance, I cannot recall exactly the process but having viewed the documentation provided to me, I believe it was via an ARQ request via the Casework Team.

31. I have been asked what instructions, guidance and/or training I received regarding an Investigator's disclosure obligations. Disclosure of evidence was part of the initial training on joining the Security function. I also recall attending a workshop where it was covered.

32. Instructions were given on drafting investigation reports which were subject to scrutiny by the Casework team prior to being forwarded to the Criminal Law team for consideration. At the start of my 4 year tenure, in 2004, my work was mainly checking pension dockets and inflated submissions by counter clerks. I did not compile many reports whilst undertaking this responsibility as I was mainly doing the background work for the Lead investigator in the case. I believe my subsequent reports were scrutinised by my peers and Line Manager prior to submission to the Casework Team.

33. I have been asked to consider the document entitled " The Casework Management document" (POL00104747) (version 1.0 March 2000) and

(POL00104777) (version 4.0 October 2002). I cannot recall being provided with either of these documents when I joined the Security team in 2004. I believe I may have seen something similar on my training course or from the document database which I referred to during my time in this role. I cannot state if these were the exact versions.

34. I have been asked what I understood by the bullet points on page 2 of the Casework Management. I have reviewed the October 2002 version (POL00104777) as it is highly likely the previous version from March 2000 had been superseded when I joined in 2004. The first 3 bullet points on page 2 are regarding the documents required to be associated in any casefile and that all casefiles go in the first instance to the Prosecution Support Office.

35. With regards to bullet point 4 on page 2 concerning failures in operational procedures and security, my recollections on this are anything you observed or encountered which played a part in a fraud being committed or loss in an office. This could be due to a system problem, for example allowing an uncapped number of deposits into an A&L account, procedural issue for example paper pension dockets being inflated which less than 5% were subject to random scrutiny at the processing centre in Lisahally, Northern Ireland, or a security issue for example a malfunction of a safe or the fact the clerk keeps excess cash in the draw. These are examples where the business would not want these details to become common knowledge.

36. I do recall compliance checks being undertaken on my files. I cannot remember if this was in force prior to joining the team or whilst I was there (2004 to 2008). I believe it was introduced to improve the standard of the files and try and standardise the submissions across all teams. It did not change anything I did, I just used it as a guide to ensure I had completed the tasks. My recollection is this was undertaken by the Casework Team in Croydon however there were several people in that department and I cannot remember whose responsibility it was. I played no role in the development of the Casework Management documentation.

37. I have been asked to consider an email from David Posnett dated 23 May 2011 (POL00118096) and the associated documents (POL00118096) (POL00118109) (POL00118101) (POL00118102) (POL00118103) (POL00118104) (POL00118105) (POL00118106) (POL00118107). As I had not been employed by Post Office Limited for some 3 years and therefore not included on the circulation of this email or had sight of the associated documents, I cannot comment as to the status of the suite of compliance documents at the times they were circulated nor the purpose of the documents.

38. I cannot make any comment on the document entitled "Guide to the Preparation and Layout of Investigation Red Label Case Files – Offender reports and Discipline reports" (POL00118101), the Offender Report Template (POL00118102) and the Identification Codes (POL00118104) attached to David Posnett's email dated 23rd May 2011 as I had not been employed by Post Office Limited for 3 years and therefore not included on the circulation of this email or had sight of the associated document.

39. I can state I played no role in the development, management or amendments to any Post Office Limited Security policies, procedures or guidelines. This includes any involvement in the document entitled "Identification Codes" (POL00118104) attached to David Posnett's email dated 23rd May 2011 as I had not been employed by Post Office Limited for 3 years and therefore not included on the circulation of this email or had sight of the associated documents.

40. My understanding of why Security Team investigators were instructed to assign identification codes to suspected offenders was to align with the details required when completing an antecedents documents and align the details to those required for input onto the Police National Database should a case reach that stage.

41. I have been asked what analysis was done by Security team investigators of Horizon data when a Subpostmaster/manager/assistant attributed the shortfall to problems with Horizon. The claim made by Mr Thomas that an intermittent electrical issue caused problems with the On-Line banking withdrawals on his Horizon system, was the first time I had heard a claim that a loss was due to a fault with the system, and when I left in 2008, it remained the only investigation I led or had involvement with in which similar claims were made. I investigated Mr Thomas's claims and requested the Horizon data. From my recollection, the data was in an excel spreadsheet. I then analysed this information to look for anomalies and patterns. I also asked Fujitsu via the Casework team, to undertake

checks at their end and I also had the equipment removed to be checked. I cannot comment what other investigators did or what the Post Office instructed investigators to do after 2008.

42. I have been asked to give an explanation of the contractual obligations of Fujitsu to provide data. I do not know what the contract with Fujitsu was, only that I requested data for specific times and information and received it. I knew there were limits on how many requests could be made to Fujitsu each month without having to pay for it so each application was scrutinised on its own merits. I played no part in this process apart from make an application. I also do not know who was responsible from Fujitsu to provide the data or any subsequent support offered as part of the contract. I did receive data and cannot be 100% sure but believe it was on CD discs.

43. I do not know if ARQ data was requested from Fujitsu as a matter of course regarding shortfalls identified which the Subpostmaster or clerk attributed to the Horizon system. I was not involved in this process. I do not know if the ARQ data was provided to Subpostmasters as a matter of course. If obtained, it should form part of the disclosure package.

44. I cannot recall the names of Gareth Jenkins or Penny Thomas, however, I do recall seeking assistance on one occasion with individuals from Fujitsu regarding obtaining data, checking the integrity of a system and providing statements.

45. I do not recall Gareth Jenkins and I do not know if he was an expert witness for Fujitsu. From the documentation provided, this may well have been the case.

Involvement in Criminal Prosecution Case Studies

Prosecution of Janet Skinner

46. I have been asked a series of questions regarding the POL v Janet Skinner case and wish to clarify that I had very little recollection of this case but have been aided by referring to the documentation provided by this inquiry. My answers will be from the documents provided as much as my own clear recollections.

47. On Tuesday 30th May 2006, I received information regarding a substantial loss at North Bransholme Post Office in the Hull area. I am unsure if this communication was from my Line Manager who I believe was Paul Dawkins or from Mrs Hoyles, Rural Support Officer. Following this an audit was undertaken which confirmed the total loss amount which I believe I would have been informed of.

48. On the day of the audit, after confirmation of the outcome, arrangements were made with Miss Skinner to undertake a tape recorded interview. From the List Of Exhibits (POL00047368), I refer to SB/1 "Copy of notebook entry of conversation with Janet Skinner 31/05/2006 at 09:58 hours. I am assuming the telephone call was made by Investigator Stephen Bradshaw. From the Summary of Tape Recorded Interview (POL00044632) an entry was made at 11:53 part of which states " *Notebook entry by SB read out regarding arrangements made for JS to*

attend a voluntary interview. Legal rights explained. JS confirms it is an accurate account of the conversation”

49. Accompanied by Stephen Bradshaw, on Thursday 1st June 2006 I travelled to North Bransholme Post Office and met Miss Skinner. As is standard procedure, Miss Skinner was cautioned and the offer to seek legal advice if she required, and/or a union representative or a friend to be present was reiterated and the relevant forms completed and signed by Miss Skinner. From my recollections, Miss Skinner declined both. (DM/1 “Copy of Legal rights form signed by J Skinner” on List Of Exhibits (POL00047368) and “Form CS003 friends at interview form J Skinner 1/06/2006” on Schedule of Non-Sensitive Unused Material (POL00048259).

50. I recall starting the interview in her premises, however, there was a problem with the tape machine. The tapes were sealed up and I obtained authority from the local police station to use a room and their facilities to conduct the interview. I don't believe Miss Skinner was ever arrested or placed in custody, we were just using their facilities in an administrative room which had a tape machine in. A notebook entry detailing the issues with the Tape Machine was made and entered on the Schedule of Non-Sensitive Unused Material.

51. My role in this investigation was to investigate the loss in question and obtain any evidence relating to it. This could mean exploring several avenues of enquiry as the investigation evolves. When I was in possession of all relevant documentation, I completed an Investigation report.

52. Statements were taken from POL employees from cash handling and the identification of the loss as well as other staff members working at North Bransholme Post Office.

53. I do not recall Miss Skinner making any allegations relating to the reliability of the Horizon system at any stage of the investigation. I have referred to the 3 documents titled " Summary of Tape Recorded Interview" (POL00044632, POL00044633 and POL00044656) and cannot find any evidence of Miss Skinner offering the Horizon system as a potential reason for the losses. Miss Skinner stated she believed mistakes were being made by her staff and/or one of her staff members was stealing and on POL00044632 at 33:15 goes into detail regarding this.

54. Miss Skinner was asked if she would agree to a voluntary search of her home address which she declined at that time as she had young children who would be at home. As was procedure at the time, I would relay this to my Line Manager to check on next steps. I was asked to contact the local Police Station for assistance. As I was already at the Police Station I spoke to an officer who said they had manpower issues and they could not help. I did not ask Miss Skinner again.

55. I have been asked to consider documents POL00048161 and POL00048168 in relation to my involvement in the decision to charge and prosecute Miss Skinner. I can state that I had no involvement in this decision. I have no legal training and

my involvement is to collate and present the facts and pass it to the Legal team for consideration. The Legal team alongside the Head of Security would make those decisions.

56. As is the same with all prosecution cases, I would have to present my documents in the form of a committal bundle and ensure they are placed on the relevant paperwork with regards to used/unused/sensitive material. Any additional material required by the assigned lawyer would be obtained or addressed although the majority of time this was only required should the subject plead not guilty. I would then forward the paperwork bundle back to the lawyer for them to scrutinise and do whatever they needed to do with it. Any summonses would be sent to the investigator to issue however, from the documents provided, I believe I wasn't involved in that process in this case.

57. With regards to the witness statements, I spoke to the individuals and drafted an account of the discussion which took place. This was read and checked by the person named before signing as accurate. Any handwritten notes made in the drafting of the statements were included on the Schedule of Non-Sensitive Unused Material (POL00048259).

58. I was not the disclosure officer in this case or any cases. The decision on what was disclosed was a legal matter and dealt with by the Prosecution Support Team. I submitted all documents to them on the relevant paperwork and I played no further part in the dissemination of the evidence.

59. From my recollections, I believe I had a discussion with the assigned lawyer regarding the theft charge against Miss Skinner. This was due to my belief that the evidence proved inconclusive as to what had happened to the missing money. The decision in all cases is made by the lawyers as the experts in this area.

60. I have been asked how the circumstances surrounding the suspension and dismissal of Mrs Lyell impacted the case strategy against Miss Skinner and also my views of the merits of the case against her. I cannot answer the question regarding strategy of the case as I was not part of any discussion, my role was to forward the information onto the legal team and assigned lawyer. My view of the merits of the case did not change as I did not conclude who, if anyone had stolen the money.

61. I have been asked the details of the discussion which I was party to at the plea and case management hearing and the reasons why a plea to false accounting was acceptable. Firstly, I cannot remember any exact details from the hearing, however, from the document "Letter from Myer Wolf Solicitors dated 8th January 2007 (POL00048407), I note the discussion where I was named was following a discussion from counsel with Head Office on the morning of the hearing. From my best recollections and as is normal practise in my experience of court hearings, discussions took place between the prosecution and defence barristers with the prosecution barrister having already been in contact with and been given direction from the instructing lawyer. I would have been informed at this point what was agreed. These were not discussions where I would have any influence on. I note

my discussion was with prosecution counsel and instructed solicitors, both legally trained individuals where as I am not.

62. I played no part in the confiscation proceedings, this was undertaken by trained Financial Investigators. Some information provided by Miss Skinner as part of the antecedents (POL00048013) and featuring in the report would have been passed to the Financial Investigator although I believe they have their own channels for obtaining financial information.

63. I played no further part in this case.

64. I have been asked what my reflections are now on the way the investigation and prosecution of Alison Hall was conducted by the Post Office and the outcome of the case. I was not involved in nor have ever heard or read anything about Alison Hall's case, I therefore have no comments to make on this.

65. Having read the evidence given to the inquiry by Janet Skinner (INQ00001035) I wish to make the following comments. It is my recollection that Miss Skinner did not make any reference to the Horizon system being to blame for her losses. Having read through all the documents provided to me, especially the Interview transcripts, I cannot see it ever being offered as a possible explanation by Miss Skinner.

66. I requested and received Horizon data discs ARQ123 and ARQ124 which are listed on the List of Exhibits (POL00047368). From my recollections, the dates coincided with losses and I requested the data for look at anomalies, large transactions or movement of cash and look at each counter clerks transactions in isolation for anything suspicious.

67. From my best recollections, as in all cases with large losses, I would contact the Helpline for any calls relating to the office experiencing losses. I did not receive any call logs back from them. I did not find this unusual as in her interview Miss Skinner was asked if she called anyone for help with her losses and replied No, stating her reason for not contacting anyone is because she would then have to pay it back. Summary of Tape Recorded Interview (POL00044632) at 23:12 refers. If there were any indications from Miss Skinner that she did engage with the Helpline for this reason or due to Horizon faults then the logs would be more comprehensive and I would have expected to receive data. A considerable number of the calls made by this Post Office would have been in relation to the numerous changes to the cash remittances due.

68. My views in this case have not changed in one respect. I was not convinced Miss Skinner had stolen the money and there was no evidence to prove she had. I was therefore unhappy with a Theft charge and conveyed this at the time to the assisting lawyer. I felt Miss Skinner had lost control of the office and was too trusting of her staff despite knowing one had a large loss she was repaying and also with a background of family issues. Miss Skinner was absent for a lot of the

time and gave her staff keys to the office and safe despite the losses growing. She didn't want to upset or offend them.

69. At the time of this investigation, I was not aware of any other complaints or challenges regarding the integrity of the Horizon system. The losses Miss Skinner was experiencing were rising at an alarming level, sometimes £7k in a week and it is unusual for counter clerks to steal at this level as they know repercussions will occur. On Hindsight, knowing now the problems that have been highlighted, the Horizon system seems like a feasible cause of the losses Miss Skinner experienced.

70. With regards to False Accounting, on face value, this appeared a valid charge, however, if the losses were created by a system whose integrity cannot be relied upon and which attempts have been made to hide this or minimise the impact, then both the counter clerks and Investigators were experiencing and investigating issues that were never going to be resolved. To that end, having read the Judgement of the Court of Appeal (POL00113278) paras 190 to 193, it maybe that justice has been done for Miss Skinner.

Prosecution of Hughie Noel Thomas

71. I have been asked to describe the circumstances in which I became involved in the case involving Mr Thomas. I recall receiving a phone call from Stephen Bradshaw informing me our Line Manager Paul Dawkins, had contacted him

stating that an audit team was on site at Gaerwen Post Office in North Wales and had encountered a large cash shortage. Stephen Bradshaw asked me to attend with him to investigate the loss and undertake an interview with the Subpostmaster Mr Thomas.

72. Whilst en route to the office, we received a phone call from Mr Emlyn Hughes, Contracts Manager, informing us that Gaerwen Post Office had had a previous loss of around £11,000 which Mr Thomas's daughter was responsible for. Mr Hughes said he had allowed Mr Thomas to keep the Post Office on the proviso that the money was repaid and his daughter did not have anything to do with the Post Office. Mr Hughes said he had suspicions the money had not been repaid and the situation may have repeated itself and compounded the losses. Subsequent documents produced in this case make reference to Mr Hughes comments, the documents are "Post Office Ltd Confidential – Investigation Personnel report" (POL00044861) and Terms of Reference for the Criminal Investigation" (POL00047748)

73. My role in the investigation was to confirm the audit shortage, introduce myself to Mr Thomas and explain why we were there, what we wanted to do and how we proceed. This was dependant on a number of factors, mainly the Health and Safety of the auditors and Investigators in what are always difficult and tense situations. Being in the Subpostmaster's premises and also his home with his family and friend present poses risks and the situation has to be dynamically risk assessed. Always at the forefront of my mind was a situation in the Chester area

in 1999 where an Investigator was shot and killed and colleagues injured by a Royal Mail Group employee whilst undertaking a search of his house.

74. I was also responsible for any follow up actions and the reporting of the case to Mr Hughes, as he would be considering Mr Thomas's status as a Subpostmaster and also the Post Office legal team. I note the report which I have been forwarded titled "Investigation- Personnel" (POL00044861). This was the report purely for Mr Hughes and prepared soon after the audit and prior to some of the follow up actions being undertaken. A far more detailed report at the conclusion of the investigation was prepared and forwarded to the lawyers titled Investigation-Legal. I have not been provided with the document to assist in this inquiry.

75. I have been asked to consider Mr Thomas's evidence to the enquiry in INQ00001044 pages 135 to 160 and provide any observations.

76. Page 141 Mr Thomas was asked:

"You said you had an audit in 2004

"Yes"

"if that one went ok"

"yes".

It is my recollection, that this audit in 2004 discovered a loss of £11,000 attributed to misappropriation by Mr Thomas's daughter, as mentioned by Mr Emlyn Hughes in point 72 and referred to in documents "Post Office Ltd Confidential – Investigation Personnel report" (POL00044861) and Terms of Reference for the

Criminal Investigation” (POL00047748). The October 2005 audit was a planned one, which had to take place within 12 months of the previous audit, due to a previous loss being recorded.

77. Page 142, Mr Thomas stated:

“They hoovered my office, I didn’t have a shred of paper left, even my council work went. Everything went”.

I was responsible for the evidence gathering of the paperwork. I seized the weekly envelopes containing the paperwork generated by the Horizon system as well as Horizon generated paperwork from the auditors on the day. That is all I was interested in and was quite substantial. No search was ever undertaken of Mr Thomas’s private living areas or retail shop. Only the Post Office area was ever searched. I did not see or remove anything to do with Mr Thomas’s council work nor did I come across anything non Post Office related when I went through the documentation. I can also state that the Investigation team played no part in clearing his office of any stock or taking the keys off him.

78. On Page 143 Mr Thomas stated:

“a lady came in, and a gentleman with her. The lady was quite robust. She wanted to interview me on my own. I refused”

I wish to clarify that I do not recall my behaviour to be robust and I have never been described in that manner either before or since. I was walking into a very difficult situation where Mr Thomas was rightly upset and was angry and raising

his voice. My first priority is to try and calm the situation and explain in a methodical manner, why I was there and what I needed to do.

79. At no point did I ask Mr Thomas to be interviewed alone, in all situations, I would prefer to have somebody present to oversee proceedings, this is to help all parties. Mr Thomas would have been offered a friend to be present and also for him to seek free and independent legal advice and I would assist him to do this if he so wished. Mr Thomas asked for Mr Jim Evans to be present at an interview, however, this was deemed inappropriate at the time as Mr Evans was now the interim subpostmaster for this office.

80. On page 143, Mr Thomas has stated:

“She said they had to go outside and make a couple of telephone calls and within half an hour two policemen arrived. She walked through the door and she said “Cuff him, he’s a thief”.

I find this comment outrageous for many reasons. It is for the Police to decide how they deal with suspect offenders. I did not ask them to do this nor have I ever used the words “cuff him”, it’s like something out of a Police TV programme, It’s not real life. I never use the word “cuff”. I was also informed by Mr Thomas, prior to the Police arriving, that he is friends with the Police and they frequent his office regularly for tea and biscuits as they are only a few doors away. I knew the Police would not consider Mr Thomas a threat or that he would be non-compliant with their requests and I never even considered there would be a need to restrain him.

These comments are completely untrue. I have done numerous investigations which involved the Police regarding employees or Subpostmasters and handcuffs have never been used. At this stage, I also knew that other members of Mr Thomas's family, including his daughter, had active user accounts on the system and therefore, it was believed the loss may have been due to the loss in 2004 not having been made good and the problem continuing. Therefore at this stage, I did not consider Mr Thomas to be a thief.

81. On Page 144 Mr Thomas states the Police answered:

"No I am not going to cuff him" and "Noel will find his own way to Holyhead Police Station for an interview".

The police did not make the first part of the statement as the request was never made. With regards to the second part of the statement, the Police Officers and Mr Thomas were conversing in Welsh which neither myself or Mr Bradshaw speak or understand. We were not informed that Mr Thomas had not been arrested at this point, and were asked to make our way to Holyhead Police station believing they would transport Mr Thomas there. It was only when we were at the custody suite that we were informed Mr Thomas was attending on a voluntary basis.

82. Mr Thomas has described me as aggressive. I do not consider my behaviour to be aggressive at all. I remember being quite overwhelmed with Mr Thomas attitude towards me as he was very loud and angry but could understand that as it was a really stressful situation for him.

83. On page 144 Mr Thomas stated I was aggressive with the custody sergeant in charge and wanting him put in a cell, against stating:

“first of all, she wanted me cuffed and thankfully again, I knew one of the Policemen and he said no ”

This did not happen. This was one of my first occasions when I had to attend a Police Station to interview a suspect and the explanation of the background and necessity for the situation we were in was undertaken by Stephen Bradshaw who liaised with the Custody Sergeant. I was observing at this point and I had a pleasant normal interaction with them. I have attended Police stations on numerous times since, possibly over 50, and when I go into a Custody suite, I do as I am told by the Custody Sergeant and their staff, the same as the suspect. The Custody Sergeant will then agree a course of action and I abide by this in all cases. In my experience it is absolutely normal for suspects to be placed into a cell whilst awaiting a solicitor or to be interviewed. This is decided by them and I certainly played no part in Mr Thomas being placed into a cell.

84. Mr Thomas stated the interview lasted 6 hours. This is not my recollection at all, nothing like. From checking the documents “Summary of Tape Recorded Interview” (POL00044864) it is noted the interview lasted 46 minutes and 1 set of tapes. Mr Thomas may have been in the Police Station for this length of time, I am not sure. Mr Thomas arrived around 18:00 hours and at 19:52 the interview started and at 20:36 the interview ended. I remember waiting for Mr Thomas’s

Legal Representative to arrive, then we gave disclosure. Following this Mr Thomas had a consultation with his solicitor. I remember clearly, myself and Stephen Bradshaw were asked to approach the desk and speak with the Custody Sergeant who informed us a request was made by Mr Thomas's solicitor for the interview to be undertaken in the Welsh language. We were happy to comply but an interpreter would be required. The Custody Sergeant then asked if Mr Thomas had been conversing in English during the day to which we both replied yes. We were recalled back approx. 15 minutes later to inform us they had declined the solicitors request as he agreed Mr Thomas understanding of English was good and therefore the interview would proceed in English.

85. Mr Thomas stated "*I wanted him*". I am taking that as meaning I wanted him to admit or wanted him be guilty at all costs. I can state that this was never the case. As with all interviews, I have to ask difficult and challenging questions and I want the suspect to be able to give their account and if there are mitigating circumstances then I will investigate them. From reading the "Summary of Tape Recorded Interview" (POL00044864), I do not think my questioning reflects me "wanting him". I never received any challenge from Mr Thomas's solicitor, Mr Williams, and on the final page Mr Williams is asked "*Are you happy the interview has been conducted in accordance with PACE*" to which he replies "Yes I'm sure". Also, as is reflected in the same document, Stephen Bradshaw led the majority of the questioning as at this time I was fairly inexperienced.

86. I have been asked to describe the nature of the Police involvement in this investigation. Gaerwen Police station was located around 50 to 100 yards away from Mr Thomas's Post Office. We had a conversation with Mr Thomas about that and he stated he knew the Police Officers and they would often call in for tea and biscuits.

87. The situation within the Post Office was quite tense. Both myself and Stephen Bradshaw were asking questions to both the auditors and Mr Thomas who appeared angry, understandably. The request was made to interview Mr Thomas and he suggested he was accompanied by Mr Evans as discussed above. I went outside and called my Line Manager Mr Dawkins to update him on the situation and take guidance as to the next steps. I was told to contact the Police as they were yards away and seek assistance from them. I do not know Mr Dawkins's rationale for this as he made the decision but I do know some of it was due to the risks to Post Office staff and not wanting the situation there to escalate into something worse as had happened previously.

88. When the Police arrived it was very clear they knew Mr Thomas and his family personally. They were talking in Welsh and laughing, I do not know what was said. I cannot remember if myself or Stephen Bradshaw spoke to the Police and explained what we were looking to do which was interview Mr Thomas. The Police agreed to assist and we believed Mr Thomas was being arrested and a subsequent search of his home would be undertaken. The police had a further conversation with Mr Thomas, in Welsh and I believed it was being explained to him what we had just discussed. It was a couple of hours later, upon arrival into

Holyhead Custody Suite that I was informed Mr Thomas had not been arrested as he had been allowed to voluntarily attend. We were also informed no search had been undertaken.

89. I have been asked to consider FUJ00155181, FUJ00152563, POL00068342 and POL00063813 regarding any contact I had with Fujitsu. I emailed Graham Ward from the Casework Team requesting some assistance from Fujitsu to try and substantiate, or not, Mr Thomas's claims about the Horizon issues. I received data from them, I think as part of an ARQ request. I have not had sight of the exhibits list to refresh my memory but presume the transactions re withdrawal data for incorrect PIN etc came from them.

90. From my recollection, I did not have any direct communication with Penny Thomas or Gareth Edwards apart from to manage them as witnesses in the case for example dates to avoid, dates required in court etc.

91. The email POL00068342 refers to me meeting Brian Pinder, Head of Fujitsu on Monday 19th December 2005 to oversee the removal of the Horizon equipment. I did meet somebody from Fujitsu when the equipment was removed by cannot recall his name, I presume it was Mr Pinder. The reason for this is Mr Thomas stated the equipment was faulty and I insisted on it being checked. I was not comfortable with an Interim Subpostmaster opening the Post Office with the same equipment as they may experience the same issues Mr Thomas had reported and experience losses and I thought that would not be right.

92. I have been asked to provide details of my understanding of the allegations made by Mr Thomas relating to the Horizon system and what the significance of this was. From my recollections, Mr Thomas stated his electricity is affected when wagons or HGV's pass his office causing online card withdrawal transactions to not be registered.

93. I have been asked if the call logs from Mr Thomas to the Horizon Service desk or NBSC for the relevant period were ever requested by anyone involved in the prosecution of Mr Allen. Firstly, I do not know who Mr Allen is on any investigation associated with during my tenure with POL. Secondly, the call logs were requested for Mr Thomas and Gaewen Post Office and are associated as part of FUJ00155181. From my best recollection, the call logs for 2005 were requested and received on 14th October 2005, the day after the audit and subsequent interview with Mr Thomas. It was noted that the only call pertaining to issues with the Horizon system was made after the arrival of the auditors on 13th October 2005. The caller who was identified as the PM *"Some On-Line banking PIN withdrawals are zero value on the On-Line banking report by Pin and the PM wants someone to explain this to him"*.

94. Regarding the removal of equipment from Gaerwen Post Office, please see point no: 91

95. I have been asked about my involvement in the decision to charge Mr Thomas. I did not play any part in this decision or any subsequent arrangements made

between both sets of Legal teams. I was there to undertake the administrative parts for example witness management.

96. All evidence and supporting paperwork and documentation would have been forwarded to the Prosecution Office and advising lawyer for their advice. The subsequent evidence bundle would be compiled by them. I do not recall providing any further evidence. As stated in point 74, I did compile an Investigation Report – Legal which would have been much more in depth and contained evidence gathering which was done after the audit and interview. I have not been provided with this document to review.

97. I have been asked to consider documents FUJ00152587, FUJ00152635 and FUJ00152641. I recall meeting somebody at the Post Office to remove the equipment and presume from the documents this was Brian Pinder. I think Gareth Jenkins was a Fujitsu expert on Horizon and Penny Thomas was the contact for obtaining Horizon data. I have never met Gareth Thomas or Penny Thomas and my interaction with them was regarding their witness availability. All other requests were made via the Casework Management Team who would be the interface into all requests made to Fujitsu.

98. With regards to the request for a statement from Gareth Jenkins, I would have asked the Casework Team for a statement regarding the Fujitsu involvement and it would be the Casework Management Team who would go via their agreed

channels and obtain this, with Gareth Jenkins offered by Fujitsu as their subject matter expert. I was not involved in this process apart from ask for a statement.

99. I was not the disclosure officer in this case. This was undertaken by the Prosecution Support Office.

100. I did not review the prosecution decision or review the indictment. I was sent the advice which is from the Legal experts, which I am not.

101. I have been asked about a conversation I had with Mr Pinder as on FUJ00152635 relating to a conditional plea by Mr Thomas that "*Horizon in no way played a part in this loss*". I do not recollect this conversation, however, from the documents I can recall it was proving difficult to arrange for Mr Jenkins to commit to a date to attend the upcoming trial and I was in constant communication with him via email. With Mr Jenkins being based down South and Caernarfon Crown Court being a considerable logistical commute for him, I was relaying the advice received from Juliet McFarlane, advising POL Lawyer and ratified on document POL00048201. Mr Pinder would let his Fujitsu team member know accordingly.

102. I had no discussion with Mr Thomas regarding the basis of plea being "*Horizon in no way played a part in this loss*". This was undertaken at a much higher level than myself between the prosecution and Defence parties. I was informed of the outcome.

103. I have been asked about my comment on FUJ00152650 "*Mr Thomas was not expecting a custodial sentence and although not a particularly long sentence, it does send out the right message*". The first part of the sentence was made due to a conversation in court where the prosecuting barrister said both parties expected a suspended sentence. We were all shocked when the judge gave his sentencing submissions especially given the character references provided and read out in court. With regards to the last part of the sentence, this was a quote from the POL communications department which I cut and pasted.

104. I played no part in any subsequent proceedings against Mr Thomas or had any further involvement in the case.

General

105. I have been asked on my reflections on the way the investigation and prosecution of Alison Hall was conducted. I have no recollection of being involved in any case against this person so cannot comment.

106. I have also been asked my views on POL00113278 para's 149 to 155 and I have no comment to make that I have not already delivered in this statement.

107. When I left POL in 2008, the issue of the Horizon system having bugs and its integrity were just starting to be raised. I did not become involved in this whilst in

POL and where raised as mitigation in my investigation, I followed the process and raised the issues. The evidence has shown in some instances, there are clearly issues and if these have been covered up then everybody associated with this period has been working against a backdrop of false information. The high level decision makers need to answer for their actions.

108. I cannot comment regarding information passed to POL from Fujitsu as I was not involved in this process.

109. Clearly, as an investigator gathering evidence to show how/why losses occurred, if I did not have the right data or knew there were bugs or defects then I am not reporting the true state of affairs. I feel this is especially relevant to the case against Miss Janet Skinner although she did not suggest Horizon as an issue, the system defects should have been highlighted as part of Fujitsu/POL safeguards for losses that are growing at a pace like they were at Bransholme Post Office.

110. I have no further comments to make or matters to bring to the attention of the chair of the inquiry.

Statement of Truth

I believe the content of this statement to be true.

Signed: GRO

Dated ..1st November 2023

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<u>No.</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
1.	POL00104968	POL - Enforcement and Prosecution Policy	POL-0080600
2.	POL00104747	Casework Management Policy (Version 1.0, March 2000)	POL-0080387
3.	POL00104777	Casework Management Policy (Version 4.0, October 2022)	POL-0080417
4.	POL00104754	Rules and Standards Policy (Version 2.0, October 2000)	POL-0080394
5.	POL00030687	Investigation Procedures Policy (Version 2.0, January 2001)	POL-0027169
6.	POL00104762	Disclosure of Unused Material, Criminal Procedures and Investigations Act 1996 Codes of Practice Policy (Version 1.0, May 2001)	POL-0080402
7.	POL00030578	Royal mail Group Ltd Criminal Investigation and Prosecution Policy (1 December 2007)	POL-0027060
8.	POL00104806	Royal Mail Group Security – Procedures and Standards – Standards of Behaviour and Complaints Procedure (Version 2, October 2007)	POL-0080438
9.	POL00123309	Email from Dave Posnett to Aftab Ali, Andrew Daley, Andrew S McCabe and others Re: Investigation Communication 6-2014 Joint Investigation Protocols RMGS and PO Ltd Security	POL-0129508
10.	POL00123310	Royal Mail Group Security Investigation Communication-Joint Investigation Protocols RMGS And PO Ltd Security	POL-0129509
11.	POL00038728	RMG 2.2 Joint Investigation Protocols - RMGS and PO Ltd Security v1 Final	POL-0028039
12.	POL00123312	A Memorandum Of Understanding On Joint Investigation Protocols Post Independence Involving Royal Mail And Post Office Ltd Security	POL-0129511

13.	POL00104821	Condensed Guide for Audit Attendance" (Version 2, October 2008)	POL-0080453
14.	POL00118096	Email from Andrew Wise to Michael Stanway forwarding an email re Casework Compliance	VIS00012685
15.	POL00118109	Appendix 2 - File construction and Appendixes A, B and C: "Compliance Guide: Preparation and Layout of Investigation Red Label Case Files" Undated - date taken from parent email	VIS00012698
16.	POL00118101	Appendix 3 - Offender reports and Discipline reports: "Compliance Guide to the Preparation and Layout of Investigation Red Label Case Files" - undated (date taken from parent email)	VIS00012690
17.	POL00118102	Appendix 4 - Offender reports layout: "POL template Offender Report (Legal Investigation	VIS00012691
18.	POL00118104	Appendix 6 - Identification codes	VIS00012693
19.	POL00047368	Post Office List of Exhibits in The Queen v Janet Skinner	POL-0043847
20.	POL00044632	Interview Transcript - Janet Louise Skinner	POL-0041111
21.	POL00048259	Schedule of non-sensitive unused materials by Diane Matthews. R v Janet Skinner.	POL-0044738
22.	POL00044633	Summary of tape recorded interview - Janet Louise Skinner	POL-0041112
23.	POL00044656	Summary of tape recorded interview - Janet Louise Skinner	POL-0041135
24.	POL00048161	Memo re Post Office Limited v Janet Louise Skinner, by Juliet McFarlane.	POL-0044640
25.	POL00048168	Janet Skinner Case Study: Internal memo from Terry Crowther (Investigation Casework Team Support) to Diane Matthews	POL-0044647
26.	POL00048407	Letter from Myer Wolff to Royal Mail Legal Services, RE: Outcome of Plea hearing (R v. Skinner)	POL-0044886
27.	POL00048013	Antecedents re Janet Louise Skinner (North Bransholme Post Office branch).	POL-0044492

28.	INQ00001035	Transcript (25/02/2022): Post Office Horizon IT Inquiry - Stephanie Reilly [WITN0318], Tracy Felstead [WITN0319], Seema Misra [WITN0065] and Janet Louise Skinner [WITN0126].	INQ00001035
29.	POL00113278	Approved Judgment between Josephine Hamilton & Others and Post Office Limited	POL-0110657
30.	POL00044861	Investigation Discipline Report by Diane Matthews - Hughie Noel Thomas	POL-0041340
31.	POL00047748	Post Office Limited Internal Investigation Team - Terms of Reference: Criminal Investigation - Gaerwen Post Office	POL-0044227
32.	INQ00001044	Transcript (14/02/2022): Post Office Horizon IT Inquiry - Baljit Sethi [WITN0200], Jo Hamilton [WITN0040] and Hughie Noel Thomas [WITN0162]	INQ00001044
33.	POL00044864	Summary of tape- recorded interview of Hughie Thomas - conducted by Diane Matthews and Stephen Bradshaw.	POL-0041343
34.	FUJ00155181	Criminal case study of Hughie Thomas: Audit Record Query 0506/401 Re: Gaerwen PO requesting an analysis of all helpdesk calls from 14/09/05-13/10/05 and Relevant Documents	POINQ0161376F
35.	FUJ00152563	Email to Penny Thomas re: Gaerwen FAD Code 160604 - Branch Audit and Transaction Issues	POINQ0158758F
36.	POL00068342	Electronic Memo from Sue Hodgins to Emlyn Hughes, Area Intervention Office 10 and Alan Knowles re: Gaerwen in confidence	POL-0064821
37.	POL00063813	Memo from J A McFarlane to Investigation team Post Office Limited Re Royal Mail Group plc v Hughie Noel Thomas	POL-0060292
38.	FUJ00152587	Email from Graham C Ward to Brian Pinder re: Gaerwen Statement	POINQ0158828F

39.	FUJ00152635	Email from Brian Pinder to Gareth Jenkins, Penny Thomas and Andy Dunks re Gaerwen (Hughie Thomas case study)	POINQ0158830F
40.	FUJ00152641	Noel Thomas Case Study: Email chain from Diane Matthews to Thomas Penny. Re: Gaerwen	POINQ0158836F
41.	POL00048201	Memo from Phil Taylor to Investigation Team Post Office Limited cc Diane Matthews re: Regina v Hughie Noel Thomas Adjourned Sentence	POL-0044680
42.	FUJ00152650	Hughie Thomas case study: Email from Diane Matthews to Alison Edwards, Mal Rannard, Jay O'Laogun and others Re: Hughie Thomas Gaerwen Post Office	POINQ0158845F
43.	POL00113278	Approved Judgment between Josephine Hamilton & Others and Post Office Limited	POL-0110657