

Witness Name: Robert Daily

Statement No.: WITN08940200

Dated: 27 December 2023

POST OFFICE HORIZON IT INQUIRY

SECOND WITNESS STATEMENT OF ROBERT DAILY

I, Robert Daily, will say as follows:

Introduction

1. I make this second witness statement to assist the Post Office Horizon IT Inquiry (the "Inquiry") with the matters set out in the further Rule 9 Request I have received, via my solicitors, dated 8 December 2023 (the "Second Request"). I have received advice and assistance from a lawyer in the preparation of this statement.

Clarification of matters in my first witness statement

2. I have also reviewed the first witness statement I made dated 7 November 2023 (my "First Witness Statement"), together with the Core Bundle that the Inquiry sent to me, in preparation for my giving oral testimony to the Inquiry. In doing so I have reflected further on some of the events that I described, and have spotted an error in one of the documents exhibited to my statement:

- 2.1 Paragraph 6 of my First Witness Statement notes that I was asked to consider a document (at [POL00105143]), a copy of my CV for the period 2005 to 2008. This is the document at Exhibit B1 of my First Witness Statement.
- 2.2 When I reviewed this document again, I realised that there was a mistake with the qualifications listed under the heading "Educational Achievements". The qualifications listed there are actually my wife's. My recollection is that when I was asked to prepare this CV, I didn't have a template or an example to work from, so my wife gave me a copy of a CV she had written for me to use. What seems to have happened is that I wrote an account of my knowledge, experience and additional qualifications, but forgot to amend the list of educational qualifications.
- 2.3 Paragraph 7 of my First Witness Statement notes that I was asked to consider a document (at [POL00129121]), which I said appeared to be a statement I made in support of an application for the role of Investigation Manager. This is the document at Exhibit B2 of my First Witness Statement.
- 2.4 I said that I thought this document dated from either 2008 or 2014, when I had to apply for my role as an Investigation Manager during organisational restructures. Having reflected on this, I now believe that I wrote this document in connection with the role of Investigation Manager, which I described having applied for in 2004, at paragraph 5 of my First Witness Statement. My recollection now is that this document was written at the end of the initial temporary six month period, before I was

permanently appointed to this role. This would have been in late 2005 or early 2006.

2.5 At paragraph 25 of my First Witness Statement, I said "I believe that from 2006 all reports all non-Police authorities were required to be submitted to the COPFS [the Crown Office and Procurator Fiscal Service] electronically". Firstly, there is a typo in this sentence ("... all reports *all* non-Police authorities..." should read "...all reports *from* non-Police authorities..."). Secondly, I believe the date I gave is likely incorrect. I now think that it was from 2009 or 2010 (and not 2006) that reports to COPFS had to be submitted electronically.

2.6 Paragraph 112 of my First Witness Statement notes that I was asked if any Horizon data (and, in particular, ARQ logs) were requested from Fujitsu in connection with the prosecution of Mr Peter Holmes. Referring to what I had written in my investigation report (the document at **[POL00050334]**, Exhibit B42 to my First Witness Statement, which said that "Horizon data had been requested") I said in my First Witness Statement that I did not believe I would have said this in my report if it had not been requested. I also referred to paragraph 229 of the Court of Appeal's judgment in the *Josephine Hamilton & Others v Post Office Limited* case (**[POL00113278]**, Exhibit B54 to my First Witness Statement) which said that ARQ data had been requested but that it was not clear if it was disclosed.

2.7 I said at paragraph 119 of my First Witness Statement, in connection with the account I gave of my role in preparing the prosecution case against

Mr Holmes, that I would have prepared the committal bundle. It occurs to me that the committal bundle would have had to have included a form "CS012 List of Exhibits", which records the details of the disclosure made. I am unable to recall if the bundle did indeed contain this form, and I don't recall seeing it among the documents disclosed to me. What I have seen are the two schedules of sensitive and non-sensitive unused material (at [POL00051526] and [POL00051527], Exhibits B8 and B9 to my First Witness Statement).

- 2.8 Lastly, at paragraph 117 of my First Witness Statement, I provided an explanation of my role as the disclosure officer in the prosecution of Mr Holmes. I said that my role would have been to ensure all appropriate material, used and unused, was disclosed to the prosecution and defence. On re-reading and reflecting on that part of my statement again, I believe that a more accurate account of the role of a disclosure officer in England is that it entailed ensuring that all appropriate material, used and unused, was disclosed to the Post Office Ltd ("POL") Criminal Law team, who would then disclose it to the defence. The position is different in Scotland, where "productions" (evidence) are submitted to COPFS, the prosecution authority in Scotland, who is then responsible for disclosure to the defence.

Training, instructions and guidance to investigators within the Security team

3. Turning to the matters I am asked to consider in the Second Request, paragraph 1 of the Second Request draws my attention to the Investigation Communication from Chris Card dated 1 November 2010 at [POL00169171], the attachment at

[POL00169172] and the Procedures and Standards document "Recovery of Property Obtained Dishonestly. Compensation, Costs & Final Disposal of Case Exhibits" at [POL00104846], and I am asked to give an account of the context surrounding the issue identified in [POL00104846], of any discussions I was a party to, and why the document placed emphasis on the recovery by Royal Mail Group Ltd on "the recovery of criminal assets and Business losses".

4. I don't recall the email or the attachment, but note that I was a recipient of the email. I do recall that in 2010 POL was part of the Royal Mail Group, and we would receive updates to changes in their procedures and standards. I note that section 7 of the document relates to the seizure of property under Scottish Law. I don't recall being involved in a case in Scotland where property was seized.
5. Paragraph 2 of the Second Request draws my attention to Investigation Circular sent by Chris Card on 8.3.11 (email at [POL00167250] and attachment at [POL00167251]) and I am asked to provide an account of the changes in interviewing practice in Scotland which were addressed in this communication. Again, I don't recall the email or the attachment, but note that I was a recipient of the email. On reading the circular, I note that it refers to the changes in interviewing practice which I described at paragraph 138 of my First Witness Statement (where I said that "Another difference was that prior to 2010, a suspect didn't have a right to a solicitor. This changed in 2010 with the Supreme Court decision in *Cadder v HM Advocate*. From 2010, anyone being interviewed under caution had to be offered a solicitor to be present").

Security team communications about the Horizon system

6. Paragraph 4 of the Second Request draws my attention to an email from Mark

Dinsdale dated 12.3.10 at [POL00172808] and the report attached (at document [POL00172809]) and I am asked how regularly these reports were sent to the Security Team, when they were introduced, the issues they covered, and the extent to which the reports provided information to investigators about technical issues relating to the Horizon system. Having considered the documents, I can recall these being sent and I believe they were sent every four weeks to the POL Security Team. I can't recall when they were introduced, but they generally covered the topics included within the document at [POL00172809] (for example, weekly incidents, updates of arrests, sentencing on branch attacks, prosecutions and programme update). I have considered the fifth bullet point under the heading "Security programmes for products" (on page 3). I don't recall receiving this particular report which contained this item on Horizon Online, but I accept I would have received it since I am on the distribution list of the email which enclosed this report.

Prosecution of William Quarm

7. Paragraph 9 of the Second Request asks me to provide a full account of my involvement in and my recollection of the criminal prosecution of William Quarm, and I am asked to consider the documents referred to in paragraph 10. The account I have given here of my involvement in, and recollection of, this case is informed by the documents which I have reviewed.

8. Paragraph 11 of the Second Request asks me how and when I first become involved in this case. I recall that I was initially involved as the second officer in the case, and that Raymond Grant, who was an Investigator/Fraud Advisor at the time, was the lead officer. In 2008, when this investigation commenced, I recall that there were only two investigators in Scotland, Raymond Grant and myself.

With the case being assigned to Raymond Grant, I would have been called on to act the second officer. I can't remember the exact date I became involved. At some point in 2009, I believe, Raymond Grant left POL and the case file was transferred to me. I can't remember at exactly which stage of the investigation this happened.

9. Paragraph 12 of the Second Request asks me if I was aware of any allegations made relating to the reliability of the Horizon IT system and, if so, what I thought the significance of this was. I don't recall being made aware of any allegations made during the investigation of this case relating to the reliability of the Horizon system.
10. Paragraph 13 of the Second Request asks me about my role in relation to the audit of the Paible branch undertaken on 23.7.08. Having considered the document at document at [POL00166616] (the audit report dated 23.7.08), I am satisfied that I took no part in the audit or the decision to conduct the audit. Having also considered the documents at [POL00166618] (email chain, dated 8 July 2008) and [POL00166619] (email chains dated 8.7.08 and 14.7.08), I note that there were communications between the Outlet Intervention Team, the Network Support Manager, Cash Management and the Compliance Team regarding excess cash at Paible PO. I therefore assume the decision to conduct the audit came about as a result of these exchanges.
11. Paragraph 14 of the Second Request asks me whose decision it was to interview Mr Quarm. I don't recall playing any role in the decision. I have reviewed the letter that Mr Quarm sent to Brian Trotter, Contract Advisor, dated 28.7.08 (at [POL00166620]) and I suspect this was the catalyst for the interview.

12. Paragraph 15 of the Second Request asks me whose decision it was to suspend Mr Quarm. I have reviewed the document at [POL00166788] (an email Brian Trotter sent to Andy Bayfield on 23.7.08) and it appears to me from what he says that Brian Trotter made the decision to precautionarily suspend Mr Quarm.
13. Paragraph 16 of the Second Request asks me what investigations were made into Mr Quarm's finances. Having considered the record of the interview which took place on 8.8.08 (the documents at [POL00166599] and [POL00166600]), I note that I obtained some financial details from Mr Quarm in order to complete the Financial Evaluation form. Having considered the document at [POL00166621] (a letter Mr Quarm sent to Raymond Grant dated 12.8.08), I can see that Mr Quarm sent bank statements to Raymond Grant, together with a copy of his wife's P60. I don't recall any further investigations Raymond Grant made into Mr Grant's finances.
14. Paragraph 17 of the Second Request asks me to explain what further sources of information I considered during the investigation. Decisions about what further sources of information would be required in an investigation would have been for the lead investigator to take. I cannot recall if any further investigations were required when the case transferred to me.
15. Paragraph 18 of the Second Request asks if any Horizon data (and in particular ARQ logs) were requested from Fujitsu in this case. I don't recall that any Horizon data or ARQ logs were requested.
16. Paragraph 19 of the Second Request asks if legal advice was obtained at any stage of the investigation. I am not aware of Raymond Grant obtaining any legal advice at any stage of the investigation. I personally do not recall obtaining any

legal advice at any stage of the investigation when the case was transferred to me. The only recollection I have about obtaining any legal advice was prompted by my review of the documents I describe at paragraph 21, but that related to the recovery of money after Mr Quarm's prosecution.

17. Paragraph 20 of the Second Request asks what role, if any, I played in the decision to prosecute. I had no role in the decision to prosecute. The decision to prosecute in Scotland is made by the COPFS.
18. Paragraph 21 of the Second Request asks me who was the disclosure officer in this case and paragraph 22 asks me to explain my role in relation to disclosure. Having considered the documents at [POL00166755] (the letter from COPFS to Raymond Grant dated 1.7.09 asking him to lodge the productions for the case) and [POL00166753] (the list of productions sent to the COPFS on 11.8.09) I can see that I submitted the productions to the COPFS. As I have stated previously, the position in Scotland is that the COPFS discloses the productions to the defence.
19. Paragraph 23 of the Second Request asks me what role I played in preparing for the prosecution. Other than what I have said above in relation to submitting the productions, I cannot recall any other role I played in preparing for the prosecution. In considering my response to this question I have looked at the Court Bundle (the document at [COPF0000001]), which has the details of the charge against Mr Quarm on page 1. It occurred to me that I may I have submitted the report to the COFPS (via the Specialist Reporting Agency ("SRA") website) which meant the charge was formulated in that way. The wording of the charge is similar to the wording used when you submit a charge via the SRA website.

But I cannot recall with certainty if this is something I did.

20. Paragraph 24 of the Second Request asks me to describe the disclosure requests made by the defence and how these were responded to. I don't recall any disclosure requests made by the defence.
21. Paragraph 25 of the Second Request asks me what criminal enforcement proceedings were taken and my involvement in these proceedings. Having considered the documents at [POL00166727], [POL00166728], [POL00166729], [POL00166730], [POL00166731], [POL00166732] and [POL00166733] (the various letters from French Duncan and other documents regarding the trust deeds in relation to Mr Quarm) I can see Mr Quarm's assets were placed in trust. I have also considered the documents at [POL00166833], [POL00166840] and [POL00166842] (email correspondence that I had with Mandy Talbot, from the Dispute Resolution Team in POL Legal Services, and Zoe Topham, from the Former Agents Debt team, in May and October 2010). I can see from these email exchanges that we discussed the recovery of money from Mr Quarm. I don't recall having exchanged these emails or, indeed, why there was a discussion about recovery since it was known Mr Quarm had been sequestered in 2008.
22. Paragraph 26 of the Second Request asks me to describe any further involvement I had in this case. Having considered the document at [POL00166683], I can see that that I obtained the witness statement that Doug Head, the Field Advisor/Auditor, gave detailing the outcome of the audit on 23.7.08 (the box at the end of the statement advises that I "noted" the statement on 16.3.09). Having considered the document at [POL00166754] (the letter I received from COPFS on 26.7.10), I can see that the productions in the case

were returned to me. I believe I would have included these in the case file and sent it to the casework team when the case was closed. Having also considered the document at [POL00166843], I can also see that I completed and sent the case closure report. These matters aside, what involvement I can recall having in this case, prompted by my reviewing the documents that have been disclosed to me, is as I have already described.

23. Lastly, paragraph 27 of the Second Request asks me what my reflections are now on the way the investigation and prosecution was conducted by POL and the outcome of the case.

24. Firstly, I have considered the document at [SCTS00000070], the minute dated 22.9.09 in which Mr Quarm raises points about the fairness of the interviews which took place on 7.8.09. I do not recall having received this minute, and was unaware that Mr Quarm had made this challenge. The minute states that Mr Quarm was denied the right to legal representation during the interviews, and goes on to say argue that this was contrary to Mr Quarm's rights under Article 6 of the European Convention on Human Rights. As I mentioned at paragraph 5, above, and in my First Witness Statement, the Supreme Court decision in *Cadder v HM Advocate* was made in 2010, with the result that anyone being interviewed under caution had to be offered a solicitor to be present. Mr Quarm's interviews were conducted in August 2008, so my belief is that the interviews would have been carried out in accordance with POL's policy and practice as it existed at that time.

25. Having reviewed the Case Closure Reporting form [POL00166843] and other documents, I am reminded that Mr Quarm had initially pleaded not guilty to

embezzlement of £40,277.76, but ultimately offered a guilty plea relating to a lesser sum of £27,000 and he was convicted at the Lochmaddy Sheriff Court on 29.6.10.

26. I have also reviewed the document at [SCTS00000112], an affidavit made by Mrs Anne Quarm on 7.9.23 in the matter of an appeal against Mr Quarm's conviction. I have considered what she has said about Mr Quarm never having admitted to taking money and the reference she has made to POL's evidence being "faulty". In preparing this statement I have also been made aware of reports in the media about the appeal and a statement made by the Scottish Criminal Cases Review Commission, and I understand that the appeal for Mr Quarm has been successful. I do not feel able to comment in any detail or offer any reflections on the handling of the case based on the limited information I have available to me at the moment.

Statement of Truth

I believe the content of this statement to be true.

Signed:

GRO
Robert Daily (Dec 27, 2023, 12:57pm)

Dated:

27 Dec 2023

Index to Second Witness Statement of Robert Daily

No.	URN	Document Description	Control Number
1.	POL00105143	Curriculum Vitae – Robert Daily, undated	POL-0080769
2.	POL00129121	"Robert Daily – Investigation manager – Northern Team (Glasgow)", undated	POL-0135052
3.	POL00050334	Investigation report, 6 October 2008 (Prosecution of Peter Holmes)	POL-0046813
4.	POL00113278	Court of Appeal judgment in <i>Josephine Hamilton & Others v Post Office Limited</i> [2021] EWCA Crim 577	POL-0110657
5.	POL00051526	<i>R v Peter Holmes</i> , Schedule of Sensitive Material completed 19 May 2009	POL-0048005
6.	POL00051527	<i>R v Peter Holmes</i> , Schedule of Non-Sensitive Unused Material completed 19 May 2009	POL-0048006
7.	POL00169171	Email Chris Card dated 1.11.10	POL-0167578
8.	POL00169172	"Royal Mail Group Security Group Investigation Communication 5-2010", dated 1.11.10	POL-0167579
9.	POL00104846	"Recovery of Property Obtained Dishonestly. Compensation, Costs & Final Disposal of Case Exhibits", v.2 dated November 2010	POL-0080478
10.	POL00167250	Email Chris Card dated 8.3.11	POL-0162693
11.	POL00167251	"Royal Mail Group Security Group Investigation Communication 2-2011", dated 7.3.11	POL-0162694
12.	POL00172808	Email Mark Dinsdale dated 12.3.10	POL-0168468
13.	POL00172809	"Security 4 Weekly Report 13/3/2010"	POL-0168469
14.	POL00166616	Audit of Post Office Paible branch, dated 23.7.08	POL-0162061
15.	POL00166618	Email exchanges 8.7.08 to 11.7.08	POL-0162063
16.	POL00166619	Email exchanges 11.7.08 to 14.7.08	POL-0162064
17.	POL00166620	Letter William Quarm to Brian Trotter, dated 28.7.08	POL-0162065
18.	POL00166788	Email Brian Trotter to Andy Bayfield, dated 23.7.08	POL-0162233
19.	POL00166599	Record of interview on 8.8.08 – part 1	POL-0162044
20.	POL00166600	Record of interview on 8.8.08 – part 2	POL-0162045
21.	POL00166621	Letter William Quarm to Raymond Grant dated, 12.8.08	POL-0162066
22.	POL00166755	Letter COPFS to Raymond Grant, dated	POL-0162200

		1.7.09	
23.	POL00166753	List of productions sent to COPFS on 11.8.09	POL-0162198
24.	COPF0000001	Court bundle – Lochmaddy Sheriff Court – Procurator Fiscal against William Quarm	N/A
25.	POL00166727	Letter French Duncan to POL, dated 17.11.08	POL-0162172
26.	POL00166728	Letter French Duncan, dated 26.9.08	POL-0162173
27.	POL00166729	Letter French Duncan, dated 26.9.08	POL-0162174
28.	POL00166730	Statement of Potential Trust Deeds, undated	POL-0162175
29.	POL00166731	Notice in Edinburgh Gazette of grant of Trust Deed, dated 17.9.08	POL-0162176
30.	POL00166732	Statement of Proposed Scheme of Division, undated	POL-0162177
31.	POL00166733	Statement of Affairs as at 5.9.08	POL-0162178
32.	POL00166833	Email exchanges 14.4.10 to 25.5.10	POL-0162278
33.	POL00166840	Email exchanges 10.10.10 to 18.10.10	POL-0162285
34.	POL00166842	Email exchanges 10.10.10 to 19.10.10	POL-0162287
35.	POL00166683	Draft Statement of Witness made by Douglas Head, undated	POL-0162128
36.	POL00166754	Letter COPFS to Robert Daily, dated 26.7.10	POL-0162199
37.	POL00166843	Case Closure Reporting form, undated	POL-0162288
38.	SCTS00000070	Minute by Willaim Quarm, dated 22.9.09	N/A
39.	SCTS00000112	Affidavit of Mrs Anne Quarm, dated 7.9.23	N/A