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**From:** Lillywhite Tom[/O=EXCHANGE/OU=ADMINGROUP1/CN=RECIPIENTS/CN=LILLYWHITET]  
**Sent:** Thur 25/02/2010 8:01:33 PM (UTC)  
**To:** Kirkham Suzie[REDACTED] Jenkins Gareth  
GI [REDACTED]  
**Subject:** RE: Alresford Large debt outstanding , legal request fro info

I think we are all watching this with interest

Tom Lillywhite  
Principal Security Consultant  
Information & Security Services

FUJITSU

22 Baker Street, London W1U 3BW

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**From:** Kirkham Suzie  
**Sent:** 25 February 2010 15:26  
**To:** Jenkins Gareth GI  
**Cc:** Lillywhite Tom  
**Subject:** RE: Alresford Large debt outstanding , legal request fro info

Gareth

I have asked JP to liaise with Hugh Flemington on this – don't reply at the moment. I'll let you know in due course how we are going to handle this

Kind regards

Suzie

**Suzie Kirkham**

**Account Manager**  
**Royal Mail Group**

FUJITSU

Love Lane Road, Bracknell, Berks RG12 8SN

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**From:** Jenkins Gareth GI  
**Sent:** 25 February 2010 15:05  
**To:** Kirkham Suzie; Lillywhite Tom  
**Cc:** Allen Graham (BRA01); Thomas Penny  
**Subject:** FW: Alresford Large debt outstanding , legal request fro info

Suzie / Tom,

Please see email trail below. This is another example of postmasters trying to get away with "Horizon has taken my money". Dave Smith seems to have put me forward as the expert to help on this.

How should I respond to this request?

Regards

Gareth

Gareth Jenkins  
Distinguished Engineer  
Applications Architect  
Royal Mail Group Account

FUJITSU

Lovelace Road, Bracknell, Berkshire, RG12 8SN

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(Note new external number -

old number will not work after 31/12/2009)

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**From:** dave.posnett **GRO** [mailto:**GRO**]  
**Sent:** 24 February 2010 17:27  
**To:** mandy.talbo **GRO**; alison.bolsover **GRO**; andy.bayfield **GRO**; Jenkins Gareth GI; adrian.morris **GRO**; carol.ballar **GRO**  
**Cc:** andy.hayward **GRO**; jason.g.collins **GRO**  
**Subject:** Fw: Alresford Large debt outstanding , legal request fro info

**Mandy,**  
For info as discussed.

**Alison,**  
Please note the string of emails below.  
Do you know who, in P&BA, could provide knowledge on the Fujitsu audit log (pink highlighted text below)? It would also be useful if that person could access all information about the debts at Alresford (blue highlighted text below) in readiness for a conf call on this subject.

**Andy (B),**  
Ditto re emails below.  
P&BAs remit is really the back office workings of Horizon. From a front line users perspective, could you offer

up a Training Manager who would have knowledge in this area.

**Gareth,**

I've a feeling you may have an in-depth knowledge of all areas of Horizon, but are you able to assist.

**Adrian,**

I believe you had/have this case as a fraud enquiry (POLTD/0910/0029) and have also obtained Fujitsu logs as part of enquiries. I think this was a £10k rem loss and subsequent audit shortage (representing the £50k owed to Late Account). I know you are on leave this week and next, but I may call on you thereafter from an Investigative stance (if timescales allow) to participate in discussions.

**Carol,**

You've been asked to assist (blue text below). If you haven't contacted Chesterfield yet, this is covered under Alison above. If you have contacted Chesterfield could you let me and Alison know who is dealing at Chesterfield.

**All,**

Once I have names, locations, contact numbers, I'll look to arrange a conf call - so Mandy can lead on clarifying requirements and we can agree a way forward. Feeling is that timescales seem tight so hopefully we can arrange for next week. I probably can't obtain the Fujitsu logs that Adrian has until he returns, so will need to see if duplicates can be obtained or a fresh request to Fujitsu is necessary. Apologies for size of email and if it seems disjointed, but this seemed the easiest way of communicating with you all.

**Regards,**

**Dave Posnett**  
**Fraud Risk Manager**

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Security Suite (G14), Leatherhead DO, Station Rd, Leatherhead, KT22 7AE  
GRO (Mobex: GRO)  
GRO  
GRO Post-line: GRO Fax: GRO



----- Forwarded by Dave Posnett/e/POSTOFFICE on 24/02/2010 10:37 -----

**John M Scott**

23/02/2010  
18:41

To: "C Posnett Dave" GRO  
cc: "Mandy Talbot" GRO "B Lowther Sue" GRO "C Hayward Andy"  
GRO "B Murphy Iain" GRO  
Subject: Fw: Alresford Large debt outstanding , legal request fro info

Dave.

Please see below, if you can support and assist Mandy Talbot in the issue described, I'll leave to you to get engaged with those involved.

Cheers.

John.



----- Original Message -----

**From:** Mandy Talbot

**Sent:** 22/02/2010 10:40 GMT

**To:** David Smith

**Subject:** Re: Fw: Alresford Large debt outstanding , legal request fro info  
Dave

Thank you for the very comprehensive reply.

Who do you suggest we go to within the business and Fujitsu to obtain the full audit logs? I am really sorry to learn that you will be leaving us, can you suggest who we should talk to about Horizon issues after you are gone? Hopefully its early retirement or a brilliant job offer but we will be sorry to see you go.

I agree that once we get everything we can together than it should be examined by POL and Fujitsu- again can you suggest some useful candidates who are expert but also quite robust so as to be capable of rebutting anything that the Subpostmistress' expert can throw at us.

Ultimately given the complexity of the Horizon system are there any external individuals or firms who you can recommend would have the appropriate background to create a proper report in case POL has to defend itself?

Carol

Can you arrange with Chesterfield to get full detail of the discrepancy together with all the documentation behind it and an explanation of how each of them contributed to the final total loss. It also needs to confirm whether other transaction corrections are expected. Also if any documentation was removed from the branch at the time of the audit we need to identify where it is and retrieve it.

Regards

Mandy Talbot  
Dispute Resolution  
Company Secretary's Office  
Royal Mail Legal Services

100 Victoria Embankment  
London  
EC4Y 0HQ

Postline:  STD Phone:  Fax:  Mobile:   
External Email:

David X Smith

18/02/2010 11:17

To: Mandy Talbot   
cc: Carol Ballan  Rebekah Mantle   
Subject: Re: Fw: Alresford Large debt outstanding , legal request fro info [Link](#)

Mandy,  
Forgive me if this is a rather long response but its important given my impending departure from the Post Office that my logic is fully understood after I'm no longer around to ask.

I've been embroiled in the various newspaper, TV and flag case letters all claiming that Horizon is at fault. As yet I haven't seen a single shred of evidence to back up any of these claims. However, a recent meeting with

MPs encapsulated the issue we face very nicely. People know that computer systems go wrong from time to time, particularly, government computer systems, and, therefore, believe that a computer system such as Horizon could have caused these discrepancies. As long as the argument is carried out on the level of what could happen then we will always struggle to win it. Our greatest chance of winning the argument case by case is to fix the debate on what actually happened.

Two cases of which I believe you are familiar further reinforce this view and shape my response to your question. In the case referred to as Cleveley's an independent expert was appointed. Unfortunately POL and Fujitsu did not manage this spectacularly well and probably fielded the wrong people or at the very least insufficiently briefed people. I read the so called experts report and I have to say it was far from the professional effort I would have expected. There was no sign of a systematic approach to evidence gathering or that the expert had gained essential knowledge of how Horizon enables accounting integrity to be maintained. The expert concluded that Horizon could have created the discrepancies. Crucially the audit logs which would have proven what did happen on the system had not been retained. We settled out of court. This matter was determined on what could have happened.

In the case of Castleton we were able to disclose the audit log. My recollection is that Castleton's solicitor, or an expert retained by the solicitor, examined the log and concluded that Horizon did not cause the discrepancy. I seem to remember that Castleton fired this solicitor and decided to continue with his counterclaim. He lost ! Having heard Castleton's arguments , the Judge decided that there was "no flaw" in the Horizon system, and that "the logic of the system is correct": he said "the conclusion is inescapable that the Horizon system was working properly in all material aspects". We won the case on the basis of what had actually happened.

I believe that we should therefore allow an expert to examine the audit log having been fully briefed on how Horizon maintained integrity as this gives us the best chance of winning the argument. However we need to do so in a controlled manner and I suggest the following way forward.

1. It is not clear whether we have examined the audit log for this branch over the period during which the discrepancies occurred. If not we should do so. It would also be useful to understand the details of the investigation including a statement from P&BA as to whether it is possible that there are outstanding transaction corrections.

2. Horizon is a very complex system. We should ensure that the experience of the expert equips him to carry out the task. Being a bit of a whiz on a pc wouldn't make the guy an expert - I'd expect a background in the technical detail of say large scale banking system as the experience that would equip someone to carry out this task. This is not just in our interest it is also in the interest of the subpostmistress.

3. We should control the process. Firstly whoever faces off to the expert - and I'd suggest a combined Post Office/Fujitsu effort- should have first immersed themselves in what we discover from 1 so that they can prepare their explanation in the light of what we know. Secondly we should set out how Horizon maintains integrity and illustrate how this is ensured and explain how the audit log demonstrates this integrity. Then and only then should we handover the audit log. Finally we should ensure that the expert has an open channel to our experts to follow up any queries. Finally, and we possibly can't insist on this, we should try to get the opportunity to comment on any report that is drafted before it is finalised.

Let me know how you want to proceed,

Dave

David Smith  
Head of Change & IS  
Post Office Ltd

2nd Floor, Bunhill Row wing, 148 Old Street, LONDON, EC1V 9HQ

Postline:  STD Phone:  Mobex:  Mobile:   
External Email

Mandy Talbot

17/02/2010 11:18

To: David X Smith, [GRO]  
cc: Rebekah Mantle, [GRO], Carol Ballan, [GRO]  
Subject: Fw: Alresford Large debt outstanding , legal request fro info

David

Has Pol received requests like this before and if so how has it responded to them? Does the business in principle have any objection to meeting with a "computer expert" and explaining to him how the system works. Possibly even showing him the data. It may be beneficial in resolving this case but it will set a precedent. If we refuse I anticipate there is no way that we will be able to recoup any money on the sale of the branch without litigation which will revolve around computer evidence. I have looked up Vella who appears to be featured on a number of websites as a computer expert but what his experience is in the field is impossible to tell. Your opinion would be really useful to us in advising the business how it should respond to the request against the background of attacks on Horizon in the press and Courts.

Regards  
Mandy Talbot  
Dispute Resolution  
Company Secretary's Office  
Royal Mail Legal Services

100 Victoria Embankment  
London  
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External Email: [GRO]

----- Forwarded by Mandy Talbot/e/POSTOFFICE on 17/02/2010 10:59 -----

Carol Ballan

To: Mandy Talbot, [GRO]  
16/02/2010 cc: Lin Norbury, [GRO], Jessica Madron, [GRO], Dominic  
16:44 Williams, [GRO]  
Subject: Alresford Large debt outstanding , legal request fro info

Mandy, I am aware that there are many cases at the moment , both current and ex PM's, where there are challenges regarding the integrity of the Horizon system .

Background to this case, I've had two I meetings with the PM to discuss how the £50k loss came about in may 2009 but she( Mrs Sangha) has so far been unable to provide any evidence. I provided her with both Sales & non sales information for the period 2/3/2009 to 6 /7/2009 , so that she could go through the data and check it alongside her paperwork . Again she has never come back to me with any queries/challenges .

In line with our debt process, in that all debts have to be cleared/recovered prior to any transfers taking place , i wrote to Mrs Sangha asking for her to either supply me with a letter of undertaking or a cheque for the outstanding amount , she ignored my letter in Dec so i followed this up a couple of weeks ago and have now received the response from her solicitor. I did authorise deductions of £1600 per month to start clearing the debt , which stands to day ay £46, 286.74.

If the transfer does happen then the business will end up incurring costs in a legal case

Mrs Sangha has done a commercial deal with the Co-op and the branch is due to transfer on 24th March 2010 , which she was advised that should this debt not be cleared then we may consider stopping the transfer

Please can I have you advice on a response to her solicitors

Many Thanks

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**Carol Ballan**

Contract Advisor – South East England

**Post Office Ltd – Network Support**

Royal Mail Building, 1<sup>st</sup> Floor Admin Block, 98 Sandling Road, Maidstone ME14 1AA



GRO Mobex GRO



GRO

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>>>> Alresford - Solicitors letter.pdf attachment was removed from this email <<<<