

Witness Name: Joanne Swinson  
Statement No.: WITN10190100

Dated: 19 June 2024

## POST OFFICE HORIZON IT INQUIRY

---

### FIRST WITNESS STATEMENT OF JOANNE SWINSON

---

I, Joanne Swinson, formerly Parliamentary Under-Secretary of State for Employment Relations, Consumer and Postal Affairs, will say as follows.

#### INTRODUCTION

1. I am currently Director of Partners for a New Economy, an international philanthropic fund. I was a Liberal Democrat MP between 2005 and 2015, and again between 2017 and 2019. I was deputy leader of the Liberal Democrats between 2017 and 2019, and leader for the latter half of 2019. My background is set out in greater detail in response to the Inquiry's questions below.
2. I served as Parliamentary Under-Secretary of State for Employment Relations, Consumer and Postal Affairs, and also as Parliamentary Under-Secretary of State for Women and Equalities, from 6 September 2012 to 8 May 2015. These were my first Ministerial roles, and it is events during this time which are relevant to the Inquiry. I was on maternity leave between 18 December 2013 and 30 June 2014; during this period my Ministerial roles were covered by Jenny Willott MP.
3. I make this statement in response to the Inquiry's request for evidence dated 14 May 2024 ("**the Rule 9 request**"). I have prepared it with the support of the Government Legal Department and counsel. I have depended on others putting documents before me to assist with the chronology of events set out below, which goes back almost 12 years. Unfortunately, some documents which would have

been helpful in preparing this statement, such as the minutes of many meetings, briefings notes as annotated with my handwritten comments, covering notes from my private office and my Ministerial Diary, have not been located by the Department for Business and Trade, but I have done my best to deal with the issues raised by the Inquiry on the basis of what is available.

4. Before going into my detailed recollections of that time, I would like to express my heartfelt sympathy for everyone who has been impacted by this horrendous miscarriage of justice: all the subpostmasters affected, as well as their loved ones on whom it also took a toll. I realise this Inquiry and the legal redress comes too late for some of them, and that it will never be able to undo the damage done. I do hope, however, that this Inquiry process will help in some ways, by determining the truth of what happened, holding people to account, and crucially ensuring that lessons are learned so this kind of scandal can never happen again. I am glad to be able to play my part in contributing to this process and hope that my evidence can be of assistance to the Inquiry.
5. My statement contains two sections. The first section is a chronological account, based on a combination of the documents I have been provided with and my own recollections and observations. In the second section, I respond to the specific questions set out in the Rule 9 request in sequential order, adopting the same numbering. At the end of that second section I set out some reflections about what went wrong and some suggested lessons to be learned.

## **SECTION 1: CHRONOLOGICAL ACCOUNT**

### **Ministerial role and portfolio**

6. On 6 September 2012, I was appointed to two Ministerial roles: Parliamentary Under-Secretary of State for Employment Relations, Consumer and Postal Affairs in the Department for Business Innovation and Skills (“**BIS**”) and Parliamentary Under-Secretary of State for Women and Equalities in the Department for Culture, Media and Sport (“**DCMS**”). As is evident from the titles of these roles, they spanned a wide range of policy areas. Like all Ministers, I therefore relied a great

deal on the civil servants in both BIS and DCMS, and particularly my private office, to direct my attention to which issues needed my focus at any given time and to give me a clear steer as to where a decision from me was needed.

7. My Ministerial briefs from September 2012 (covering Employment Relations, Consumer and Postal Affairs as well as Women and Equalities) covered a very wide range of issues. The demands on my time were many and varied: when I started as Minister, the Enterprise and Regulatory Reform Bill was in Report Stage, which was a time-consuming process for me as the sponsoring Minister, requiring attention to detail on technical, legal matters in which I had no background. I had to hit the ground running.
8. The issues on which I was focussed at the start of my time as a Minister were primarily employment rights, which were a constant battle between the two parties in the Government, consumer protection and the forthcoming equal marriage legislation. I had about four days each week to spend on all these issues and everything else in my portfolio, as the other three were spent in my constituency in Scotland dealing with constituency matters.
9. Postal affairs were a small part of my overall responsibilities, and within postal affairs, even once it became an issue I was aware of and to which my attention was drawn, Horizon and subpostmaster complaints were only one part of a number of pressing issues under the umbrella of postal affairs, including the network transformation project to stabilise the post office network after years of closures, increasing post office revenue through government services contracts, and working towards the longer-term mutualisation of the post office. Issues relating to Royal Mail, which included the significant work around its privatisation and the initial public offering, were dealt with by Michael Fallon MP, who was a Minister of State in BIS.
10. It may be helpful to provide some context as to how my Ministerial role worked in practice. During any given day I would be at a wide range of meetings, events or Parliamentary debates. Every evening, I would then receive a large set of formal submissions, several written parliamentary questions (“PQs”), a stack of correspondence and a diary pack with briefings for meetings and events the

following day. Typically, I would receive 10 to 20 submissions which would say whether they were 'to note' (i.e. for my information) or 'to approve' or 'for decision' (i.e. requiring an action, decision or judgement from me). They would come with a handwritten cover note from my private office directing me to particular parts of the submission and on different coloured paper based on a 'traffic light' system with the colours indicating whether something needed urgent attention (pink), consideration within normal timescales (yellow) or to get to it as and when I could (green). Usually there would also be some draft answers to approve in response to written PQs from MPs.

11. The stack of correspondence received by BIS for my attention would be split into two categories. The yellow folders contained 'standard lines'. These were letters on issues that were similar or identical to previous correspondence and I would sign the letters based on pre-agreed wording. The orange folders contained 'bespoke correspondence'. These draft replies would usually be clipped to the front of the original letter for me to scan, potentially amend, and then sign. Occasionally these would also contain a short briefing note to give background on the issue. The vast majority of the correspondence I received was from MPs, as the volume of general correspondence to the Department meant most of this would receive a reply from a civil servant, rather than a Minister. Certain organisations or individuals would also receive Ministerial replies, such as key Departmental stakeholders. I would typically sign about 2,000 items of correspondence in a year (WITN10190101, Written Statements, Cabinet Office, Handling Member's Correspondence dated 13 May 2014).<sup>1</sup> Shortly after I became a Minister I highlighted a problem with the quality of correspondence replies, as I was routinely finding multiple typos or incomplete sentences within the letters. A senior civil service official from the Permanent Secretary's office offered to review the correspondence passed to me for signing for a week to assess the situation, and after that agreed that the quality was not acceptable. I recall her explaining that what I should be able to expect as a Minister was a letter that I could briefly scan and then sign, not have to spend lots of time over reading every word.

---

<sup>1</sup> This estimate is based on the figures available.

12. My diary and paperwork were organised by my private office, which consisted of a small number of BIS and DCMS officials. BIS and DCMS also had officials who were subject matter experts in the various policy areas and who would draft the advice/briefings/submissions ahead of key meetings, debates, Parliamentary Questions and so on. For the purposes of the POL part of my postal affairs brief, the relevant policy officials worked within the Shareholder Executive (“**ShEx**”, which subsequently became UK Government Investments, “**UKGI**”).
13. My private office would put important information in my Ministerial box. My practice was to annotate submissions or correspondence by hand, indicating where I needed more information or disagreed with something. Unfortunately, I have not been able to access the marked-up submissions in preparing this witness statement, which makes it harder to recall what my thinking was at the time I received them.
14. Traditionally the Ministerial box is literally a large red box with a briefcase handle, but I tended to carry my folders of ‘box’ papers in a canvas tote bag as a red box would have been rather unwieldy and ostentatious on the bus. I would usually receive a ‘box’ each night from Monday to Thursday, and occasionally also on a Friday, when I was the ‘Duty Minister’ on the rota on a Friday when the House of Commons was sitting. On other Fridays, when I was back home in my constituency, I would not usually receive a box as the default delivery method was sending it with a Government Car Service driver, which only really worked for constituencies within easy reach of London. During the summer recess a mechanism was eventually found to courier box papers to me at my constituency office in the west of Scotland, using a secure bag with padlocks.

#### **Relevant events to the Inquiry’s Terms of Reference**

15. In relation to the Post Office, the first relevant document I have been shown is from 17 September 2012, and is a submission I received from Mike Whitehead, a civil servant in the ShEx (UKGI00041975 Meeting with the Chair and CEO of Post Office LTD (Tuesday 18th September 2012, 10:20-11:00). The submission of 17 September 2012 was ahead of what I believe was my first meeting relating to the part of my Ministerial brief which covered Post Office Limited (“**POL**”). This was a

meeting with George Thomson of the National Federation of Subpostmasters (“**NFSP**”). I do not recall this meeting and I have not been provided with any note of it, but I can see the submission raised a number of matters which I might wish to discuss with Mr Thomson, under the heading of “*current issues*”, but there was nothing about Horizon or the prosecution or investigation of subpostmasters for theft or fraud.

16. On the same day, I received a submission from ShEx generally briefing me for my first meeting with Alice Perkins and Paula Vennells, Chair and CEO of POL respectively (UKGI00041975). Again, this briefing focussed on network transformation, Government services which could be provided through POL, financial services and mutualisation. I understood these to be the central issues affecting the POL part of the postal affairs brief. There was no mention of any issues with Horizon or with the prosecution or investigation of subpostmasters. My memory of this meeting is of a brief general introductory conversation, but I do not have a detailed recollection of it, nor have I been provided with any note of it (this is the case for all other meetings below, except where I state otherwise).
17. On 23 October 2012, I received a submission from Mike Whitehead relating to a freedom of information request which had been sent to BIS seeking information about the integrity of Horizon (UKGI00018248 Draft Email from Mike Whitehead to Jo Swinson re Freedom of information request 12/1362: proposed Section 36 exemption regarding Ministerial briefing). I was advised that the intention was to release most of the information requested but to hold some specific items back. To do so, because of the way the Freedom of Information Act 2000 works, my approval as the relevant Minister was required. The reasoning given was that:

*“We consider that disclosure of this information may alter the nature and substance of future advice given by Post Office Ltd if they feel that candid advice provided about the Horizon system for the purposes of briefing Ministers or developing strategy more broadly may in future be publicly disclosed. Our oversight of Post Office Ltd as shareholder relies on us being able to get access to information from that company.”*
18. While I think the Freedom of Information Act is a vital and powerful tool, I also recognise the exemption for candid advice to Ministers has an important function in preserving space for good decision-making, so this struck me as a reasonable

approach to take and I approved Mike Whitehead's suggested approach. The focus of the submission was the freedom of information exemptions and whether they applied to the documents in scope. Paragraphs 4-5 provided some background information about the Horizon issues, but there was little detail and no mention of prosecutions:

*"The request covers the Department's engagement with Post Office Ltd with regards to concerns and criticism from a number of former subpostmasters who believe Post Office Ltd's accounting system (Horizon) is responsible for their contracts being terminated by Post Office Ltd. The Department has always supported Post Office Ltd's assertion that the system is robust.*

*In June, the company, with agreement from the Department, appointed an external forensic accountancy firm to conduct an independent review of a selection of cases where former subpostmasters believed the system was at fault. This review has been championed by James Arbuthnot MP on behalf of a former subpostmaster in his constituency. Post Office Ltd is confident that the independent review will support their view that the system is robust and fit for purpose. However, the review has sparked some interest, including this Fol."*

I recall receiving this submission and thinking about the decision on withholding or releasing documents, rather than the specific content, which was unfamiliar to me so early on in my role.

19. Between October 2012 and April 2013, I did not deal with anything of relevance to the Inquiry, except that I believe I received a letter from Yasmin Qureshi MP (as far as I know a copy of this has not been found) because among the documents provided to me by DBT in preparing to draft this statement is a draft reply to that letter (UKGI00013747 Letter from Yasmin Qureshi MP dated November 2012). That letter would have been drafted by a civil servant in ShEx and given to me in my nightly stack of correspondence to approve. I set out below in section 2 more detail on how correspondence was dealt with during my time as Minister. This draft reply stated that "*Neither I, nor the Department are able to comment on, or intervene in individual cases concerning operational and contractual matters*" and directed Ms Qureshi to James Arbuthnot MP.
20. On 17 April 2013, Alan Bates wrote to me setting out concerns he had about Second Sight's work in the mediation scheme and offering to meet with me (POL00144511 Letter from Alan Bates to Jo Swinson MP RE: Second Sight

presentation at Portcullis House). I do not have the letter that was sent in response, but I have been provided with a draft response by BIS in which it was set out that Second Sight were independent of Government and of POL, but that James Arbuthnot MP had taken on a "*co-ordinating and liaison role in overseeing the conduct of the review*". I am afraid I do not have any recollection of this particular piece of correspondence; as the response was straightforward and positive I can imagine I would have signed that without any cause for concern (UKGI00013902 Letter to Alan Bates dated April 2013).

21. My clear memory of first realising the possible importance of the Horizon issues was a meeting with Paula Vennells and Alice Perkins in which I was told about the impending publication of the Second Sight interim report. I cannot be certain about the timing as I do not have access to my Ministerial Diary but it would most likely have been in June 2013. I recall the genesis of the meeting being slightly mysterious. It was not in the usual cycle of my regular catch ups, and unusually, I did not have a briefing note for the meeting in my diary pack for that day. I would not typically meet Paula Vennells and Alice Perkins together. I cannot recall many details of the conversation, but do have a recollection that their tone was quiet and serious as they explained the background to the report. I felt that they were very keen to reassure me that they were taking it very seriously but everything was under control, and I would receive a further update from them shortly
22. I also recall that James Arbuthnot was identified as a key MP co-ordinating Parliamentarians on the issue, and I spoke with him about the issue on 3 July 2013. Following that call I asked one of my officials, Will Gibson, to follow up on various issues James had raised, one of which was the suggestion that they should speak with Second Sight on my behalf.
23. Between Friday 5 and Monday 8 July 2013 various briefing notes and information was sent to my private office. While I cannot be certain without access to my Ministerial or Parliamentary calendars from that time, it is likely that I saw these updates collectively on Monday 8 July, as I would likely have been in Scotland from Friday 5 to Sunday 7 July. I do recall the run up to the Ministerial Statement on Tuesday 9 July feeling very rushed and information being available only very



late in the day, which was stressful as I also had to prepare for and respond to two debates in Parliament on 9 July, in addition to making the Statement. The relevant documents were as follows:

- a. On 5 July 2013, my private office was sent an email by Will Gibson of ShEx with an attachment that set out, as he put it, *“the key narrative and findings of the draft Second Sight report, POL's proposed next steps and handling for its release on Monday, and suggested lines to take”* (UKGI00001693 Email from Peter Batten to Swinson MPST cc Will Gibson, Mike Whitehead and others RE Draft Second sight report into POL Horizons system) as well as a copy of the report itself (UKGI00001695 Narrative and summary of the Second Sight report).
- b. The attached note set out that Second Sight *“appears to have further widened its remit to act as an arbitrator for aggrieved ex-SPMs”* but stressed the small numbers of branches affected by the *“anomalies”* found, and that POL had *“voluntarily admitted”* to these anomalies' existence. It stated that (emphasis original)

*“On the question of the core Horizon function, SS finds that the system achieves its intended purpose and concludes that they have “so far found no evidence of system wide (systemic) problems with the Horizon software”*”.

It went on to say that Paula Vennells and Alan Bates were in discussion, that it was likely a joint statement on the report would be signed up to which welcomed the Second Sight interim report, and that *“POL has commissioned external lawyers to review all cases where legal action against an SPM has been initiated by POL since separation or may be pending in light of the interim report findings”*. It was not explained what part of the report made it necessary to review past prosecutions, and I do not think I asked, though it seemed a proactive and responsible step for POL to take. Overall, the note was reassuring. The underlined conclusion was that there were no system-wide (systemic) problems with the Horizon software. From the contents of the note and my call with James Arbuthnot it seemed there were agreed next steps and apparent goodwill between POL, JFSA

and the MPs which suggested to me at the time that, while there was clearly some concern within Parliament that I would have to respond to on POL's behalf given that they could not speak in the House of Commons, this was not an issue that was likely to require significant further attention from me afterwards. The reference to 'no systemic problems' I understood, given the context in the surrounding paragraphs of the note, to mean that there were no fundamental problems with the Horizon system that could affect or were affecting subpostmasters very widely, but that some small issues had been identified and resolved, and there were some ongoing training and support issues for POL to address in the way they engaged with subpostmasters.

- c. The language used to describe the two matters now known as the 'Receipt and Payments Mismatch Bug' and 'Suspense Account Bug' in the note was 'anomaly', which at the time I thought sounded reasonable. I was not an IT expert and would not have thought anything of this word being used rather than 'bug' or 'error'. I did at one point in the 9 July House of Commons Ministerial Statement refer to the issues as bugs. The important thing for me in this context was that they were issues that had been proactively identified and resolved, rather than ongoing problems. The summary also referred to the commissioning of external lawyers by POL to review past convictions. I do not recall this standing out to me; it seemed a reassuring, obvious step to take and I was pleased to see it being referred to. I cannot recall any detailed briefings about the nature of this review, nor seeing any further documents on the matter.
- d. On 6 July 2013, my private office received an update from Will Gibson about the latest meeting on the subject of the Interim Report between POL and James Arbuthnot MP (UKGI00001712 Email chain from Will Gibson to Swinson MPST, cc'ing Mike Whitehead and Peter Batten re: James Arbuthnot - POL/JFSA Statement for Media Appearance). The meeting was described as positive. It was suggested that I speak to Mr Arbuthnot again. My private office then asked Will Gibson by reply whether there was any prospect of an Urgent Question in Parliament from Mr Arbuthnot and noted that the whips may need to be kept updated. Will Gibson's response was

that a reactive position should be taken, and that a Question was unlikely as it was an operational matter so not related directly to Government policy. I do not believe I saw this on the day it was sent, but may have been kept informed by a phone call with my private office.

- e. On 8 July 2013, the whips would have been preparing for the Parliamentary week ahead and anticipating potential urgent questions. Accordingly, my private office was sent an email by Mike Whitehead containing the information to be incorporated into a briefing for the whips' office on the interim report (UKGI00001748 Email from Mike Whitehead to MPST Swinson, cc Will Gibson, Peter Batten and others re: FW: Horizon: James Arbuthnot MP). He stated, among other things, that "*The report confirms that no systemic problems with the Horizon system were found*" and summarises that:

*"we would suggest that there is a strong case against tabling an Urgent Question on the basis that a Government statement could not achieve the objectives [James Arbuthnot] seeks because:*

- the issues are not related to any Government action or policy decision but are wholly operational matters for Post Office Ltd in which Government has no role.*
- no systemic problems with the Horizon system have been identified by the review.*
- the number of subpostmasters who have experienced problems are a minute proportion of the tens of thousands of people successfully using the system across the network of over 11,500 branches on a daily basis*
- Post Office Ltd has proposed measures to address some of the points about subpostmaster support and training raised in the Report*
- Government cannot intervene in the legal process to review or appeal past convictions."*

- f. The outcome of this was the production of a draft briefing to the whips' office (UKGI00001749 Memo re: Update to 4 July 2013 Note on the independent review of Post Office Limited's (POL's) computer system). I can see from this document that I had a conversation on the morning of 8 July 2013 with James Arbuthnot in which he "*agreed that the report was better than*

*expected and acknowledged that it did not point to any wide-scale problems with the Horizon system.*" The briefing goes on to explain that:

*"[James Arbuthnot] believes that the Report provides evidence that some of the convictions of sub-postmasters who plead guilty to false accounting were unsafe and he would like the Government to intervene to offer some form of redress or to reopen these verdicts.*

*We would strongly reject the suggestion that it is the role of either POL or Government to intervene to reopen the cases of individual sub-postmasters as Mr Arbuthnot [sic.] appeared to suggest."*

24. It is unlikely that I read Second Sight's interim report itself ahead of the statement in the House of Commons, though quite possible that I gave it a quick scan after reading the briefing cover note, which I relied upon as an accurate summary. By way of context, on the day I made the statement in the House of Commons, 9 July 2013, I was in Westminster Hall at 11am for a debate on consumer protection issues relating to gift cards. I made the Horizon statement at 1:38pm then from 2:30pm - 4:00pm I was listening and responding to another debate in Westminster Hall, this time on zero-hours contracts. As such there would have been three debate packs in my Ministerial box the night before (Monday), and because of difficulties I had getting Ministerial boxes delivered to my constituency in Scotland, this was likely the first time I saw the written briefing material on the Second Sight report that had been sent on the Friday and over the weekend.
25. The Inquiry has shown me an email chain between Paula Vennells and other POL executives dated 6-8 July, in which Paula Vennells comments that: "*I have also spoken to Jo Swinson again today [8 July], who remains supportive about our actions and relatively relaxed about the situation*". I cannot recall details of the specific conversation on this date and confidently distinguish it from others I had with Ms Vennells on these issues. I think it was a telephone call. On another occasion I recall Ms Vennells explaining to me in a tone of taking me into her confidence, with something of a pained expression, that while it was a sad situation, the reality was that some subpostmasters 'had their fingers in the till' or something to that effect. From the context of the concerns being raised by James Arbuthnot and other MPs I did recognise that there was a real need for POL to deal with and resolve the issues especially around training and support for

subpostmasters, but my thought process would have been 'do I have the information I need to go into the House of Commons and make the statement I have to make, and do I feel like Post Office are genuinely doing what they can to address the matter?'. I thought that I did. That does not mean that I was happy about it, but it was my job as the Government Minister speaking to the Post Office issues in Parliament. I had questions and they had been answered, there was a comprehensive brief and what seemed like a robust plan to work alongside the JFSA and MP stakeholders to explore the issues in good faith. James Arbuthnot was relatively positive about how it was being addressed, and he seemed to be the MP most engaged on the issue so that gave some reassurance too.

26. Events can be fluid and move quickly in Parliament, and often the Departmental civil servants did not have a good handle on Parliamentary procedures or management. Here the Departmental brief to the whips was making the case against the tabling of an Urgent Question, which was not in the control of the whips as James Arbuthnot would decide whether he would table a Question and then the Speaker would decide whether it would be accepted and heard in the House of Commons. The whips would advise on the best Parliamentary handling. One alternative option often deployed, if it was felt an Urgent Question were likely, would be to make a Ministerial Statement instead. The key difference is that the Government can decide that a Ministerial Statement will be made. Often it would be difficult to get agreement from the whips to make a Ministerial Statement, as there were limited slots available to make them, but sometimes it would be seen as better to be proactive than risk an Urgent Question being granted, which would be more disruptive for the scheduling of Parliamentary business as it would only be confirmed to be going ahead a couple of hours beforehand, and it would have knock on effects by delaying all debates in the House of Commons that day.

27. I recall several phone call briefings in preparation for the potential Urgent Question (Ministerial Statement as it became), partly to get up to speed on the content, partly to understand the concerns of James Arbuthnot and understand his appetite for tabling an Urgent Question, and partly to think through the Parliamentary logistics on a day where I had to be in three different debates and therefore ensure they would all be at different times. I do not have a detailed recollection of my call with James Arbuthnot, but I do recall there being both clear genuine concern and

also willingness to engage constructively with what appeared to be a positive plan to move the issue forward through the Working Group. The actions of POL in advertising the Second Sight review widely to subpostmasters to put forward their concerns also gave me some confidence that they were engaging in an open, positive manner and that a resolution could be reached.

28. On 9 July 2013, there was an exchange between my private office and the Parliamentary Unit ahead of my statement which was to be made in the House of Commons following the Interim Report's publication, agreeing the final text of that statement and confirming that No. 10 has seen and agreed it as well (UKGI00041996 Email from Emily Cloke (Secretary to Jo Swinson MP) to Parly Unit - Others cc Will Gibson, Mike Whitehead and others RE: Post Office - Oral Statement). This is all standard Parliamentary procedure.
29. On the same day, I made that Statement (POL00206822 Hansard, Post Office - Horizon System, Volume 566: debated on Tuesday 9 July 2013) in the House of Commons at 1:38pm. I have seen the evidence of Lord Arbuthnot (as he now is) to the Inquiry, where he expressed some frustration that I emphasised the arms-length nature of the Government relationship with POL in this Statement but acknowledged that this was the policy of successive Governments (INQ00001127 10 April Hearing pages 10-12) I remember feeling the need to be careful in my remarks in Parliament to respect the independence of the judicial system. I recognised that while it was appropriate and indeed desirable for MPs to advocate for their constituents, as a Minister I should be mindful not to speculate about individual cases where courts had reached a judgment. My answers to MPs at the time of the Statement showed that, on the basis of what I had been told, I understood Second Sight had found evidence of bugs in Horizon, but that these had been fixed and were not a widespread or ongoing problem:

*"The hon. Gentleman is right that it is imperative that these cases be looked at speedily, although I think he would also agree that that needs to be done comprehensively, and clearly when forensic accountancy work is going on, things can take time. We need to be clear about what the report says about the Horizon system. It did not find evidence of systemic failures; that is not to say there has never been a bug in the system, but I defy anyone to find an IT system that has never had a bug. What is important is that when bugs are found, they are dealt with and the problems are rectified. What has not been found, however, is any systemic problem leading to the issues faced by sub-*

*postmasters, although there have been issues with the support and training provided alongside Horizon.”*

And

*“The report mentions a couple of bugs in the Horizon system, which the Post Office proactively found and rectified, but basically what it has found to be lacking in Horizon is not the software, but the support and other issues around the software.”*

30. That evening, Alan Bates sent me an email, which I saw and replied to on 11 July (POL00145667 Letter from Jo Swinson MP to Alan Bates - Re: 2nd sight interim report on the post office horizon computer system). He thanked me for my statement in the House and expressed disappointment with the interim report, stating that he was particularly concerned that it did not address, as he put it, *“the failure of Post Office Investigators to look at any other possible causes of the subpostmaster’s problem, and just go straight to prosecution”*. He did not ask for a specific response but stated that he thought it *“important to raise”* this issue with me. My reply noted the issue raised and recommended that Mr Bates raise the issue in the Working Party. I also stated that I would seek *“regular progress reports”* on this issue. As this draft reply had been prepared for me by the same people who would also be updating me, I took this to mean that the officials would be keeping an eye on the progress of the scheme and briefing me accordingly at relevant points. Over the subsequent months I received several submissions which mentioned the scheme, unfortunately of course detailing the breakdown of trust between the parties, which I tried to better understand from Sir Anthony Hooper, and find ways to address such as by enabling MP involvement in cases (UKGI00001867 Letter from Jo Swinson MP to Alan Bates re: Second Sight Interim Report).
31. In the midst of this on 10 July 2013, I received (jointly with Vince Cable, the Secretary of State at BIS at the time) a submission from Tim McInnes of ShEx containing a briefing for a meeting with POL on its Strategic Plan. (UKGI00001835 Meeting Agenda with Post Office Ltd from Tim McInnes to Vince Cable and Jo Swinson re: POL's Strategic Plan) The briefing was five pages long, and covered a range of issues but did not address Horizon, the mediation scheme or subpostmaster prosecution or investigation.

32. The Inquiry has provided me with a copy of a letter from Stephen Mosley MP dated 30 September 2013 (POL00196410 Letter from Stephen Mosley MP to Jo Swinson MP Re: Correspondence received from Mr Alan Bates from JFSA regarding his concerns relating to the suicide attempt of Mr Martin Griffiths). This letter encloses a very moving email. I am afraid I do not remember seeing it, but I would not want to say that I never saw it at the time. It may have been dealt with by my private office or correspondence unit.
33. I have seen the evidence given by Alice Perkins to the Inquiry about efforts made by POL and ShEx in the lead up to the privatisation of Royal Mail in October 2013 to get the Royal Mail prospectus altered in order to remove or tone down negative references to POL, including the Horizon issues (INQ00001157 6 June 2024 hearing, pages 153-167). It appears that there was discussion about asking me as Minister to get involved, but I have no recollection of any such request by POL crossing my desk or being communicated to me and I am fairly confident I would have recalled it if it had. This does not surprise me, because there was a strict 'Chinese wall'/information barrier in place between me and Michael Fallon MP (the then Minister of State for Business and Enterprise) within BIS at the time whereby he dealt with RMG issues and I dealt with POL issues. I assumed there was the same information barrier in place at official level, but it is not clear from the ShEx emails shown to Ms Perkins whether that was in fact the case.
34. The next document I been shown by the Inquiry is an email exchange between Joe Moor (who appears to have worked for a firm called Grayling providing public affairs services to Fujitsu), my private office, and members of ShEx (UKGI00002168 Email chain from Paul Hadley to Jonathan Preece, Darrell Midgley, cc'd Richard Callard, David Francis, Maureen Wathen and others, re: "Ria - meeting request – Fujitsu). These emails were exchanged between 18 and 27 November 2013. I was not aware of this exchange at the time but I note that my private office observed that I "*may want to ask [Fujitsu] to reassure [me] of the systemic integrity of the Horizon network given the recent Parliamentary and news interest on that.*" I was not consulted on whether this meeting should go ahead (it did not (UKGI00002181 Email from MPST Swinson to David Francis, Jonathan Preece, Midgley Darrell and others re: Meeting request for Jo Swinson - Fujitsu).



35. On 11 December 2013, I received a submission form ShEx briefing me on a meeting with Paula Vennells and Alice Perkins (WITN10190102 Briefing of meeting with Alice Perkins and Paula Vennells dated 11 December 2013). It did not address Horizon or the prosecution or investigation of subpostmasters. I cannot recall the detail of our discussions on that date, but as the Working Group was still only relatively created, I would not have expected a significant progress report. It is possible I raised it, though if so it would have been briefly, given the number of other issues to cover.
36. I was on maternity leave between December 2013 and June 2014. I therefore was not carrying out any of my Ministerial duties at this time; Jenny Willott provided cover for me. I have set out in the paragraphs below what the relevant documents recently brought to my attention show about events in that period of time, but I cannot provide any further insight beyond them. I spent several “Keeping in Touch” days in the department towards the end of my leave, being briefed on various issues. The specific documents referred to below were not shared with me on those visits, with the exception of the 28 May 2014 briefing pack which was created to bring me back up to speed with my portfolio (see paragraph 41 below).
37. The Inquiry has drawn my attention to the minutes of a meeting of POL’s ‘Project Sparrow’ Board Sub-Committee on 9 April 2014 (during my maternity leave) (POL00294186 Minutes of a meeting of the Project Sparrow Sub-Committee of the Board held on Wednesday 9 April 2014. Present: Alice Perkins, Alasdair Marnoch, Richard Gallard and others). I did not see these minutes at the time. I was first made aware of some of the content of this meeting by BBC Panorama in 2022, but had not seen this document in full until my preparations for the Inquiry. I note that Richard Callard of ShEx was present and that at §3l the minutes state: *“A paper should be produced for the next Sub-Committee meeting on the role of Second Sight and options to support them or reduce their role”* Also at §3m they state that: *“it was agreed that effort should be made to try and accelerate cases that were not thematic and might be useful to show the Minister”*.
38. Alan Bates sent a letter to addressed to me dated 16 April 2014 (during my maternity leave) (POL00304194 Letter from Alan Bates for the JFSA to Jo

Swinson MP re Initial Case Review and Mediation). I did not see this letter at the time. The letter raised concerns about delays and other problems with the operation of the Case Review and Mediation Scheme. It concluded, with words which have proved to be prescient:

*"I fear you are reliant upon POL for information that we believe is based upon reports and assurances given from the lower and medium ranks of POL who for whatever reason are telling the upper management what they want to hear rather than the truth. But one way or another the truth will come out, far too many people have seen it now, the only one refusing to accept it is POL.*

*I would like to believe I am wrong, but from what I can see, I doubt POL will ever change its stance on this issue until it has had to answer to a select committee or a full independent inquiry is held. However, if there is anything you or your department can do to head off the impasse I believe we are now heading towards, there are many people who would be very grateful."*

39. It seems that officials (I would expect from ShEx) forwarded on Alan Bates' letter to Paula Vennells and Sir Anthony Hooper later in April 2014 and asked Sir Anthony Hooper for a meeting to discuss the Working Group and operation of the Mediation Scheme. Jenny Willott replied to Mr Bates, noting that the Government did not play a role in the Working Group and that Sir Anthony Hooper must be allowed to perform his duties independently, and that "*it would be inappropriate to respond to the operational concerns that you have raised*", but informing him that she intended to pass on a copy of his letter (POL00100583 Letters from Jenny Willott MP (on behalf of BIS) to Alan Bates, Sir Anthony Hooper and Paula Vennells re Initial Case Review and Mediation Scheme). I did not see this correspondence at the time.
40. The Inquiry has drawn my attention to the minutes of a POL Board meeting dated 30 April 2014 (during my maternity leave). I would not have seen these at the time; and, generally, I did not get provided with copies of POL Board minutes or those of its sub-committees, but relied upon the ShEx representative, Richard Callard, to advise me. I note that there appears to have been a discussion about a Deloitte report relating to Horizon issues (POL00021524 Meeting Minutes: minutes for Board meeting held on 30<sup>th</sup> April 2014). I have also been shown a further set of 'Project Sparrow' Board Sub-Committee dated 30 April 2014 (also during my maternity leave) (POL00148201 Post Office Ltd, Project Sparrow Sub-Committee

Minutes of 30/04/2014). Richard Callard of ShEx was again present. I note that none of the subsequent briefings I received about the closing of the Working Group and acceleration of the mediation process was explained in the terms, used in these minutes, of "*bringing [investigation] within the control of Post Office*". As will be seen below, the briefings I later received on this issue did not clearly frame it in this way, but rather as a way of ensuring the cases were resolved more quickly.

41. On 28 May 2014, ShEx provided me with a briefing on POL as part of my preparations for returning from maternity leave (UKGI00002333 Agenda for Post Office Shareholder team update). It contained a section on "*Key on-going risks*". The sole entry concerning Horizon states only that (emphasis added) "*The Working Group established to consider complaints raised by current and former spms with respect of the Horizon accounting system has an independent Chair and is beginning to consider cases, but progress has been slow and POL is seeking assurance on its position.*" With hindsight I assume this is an oblique reference to the Deloitte report or various pieces of legal advice, but I would not have realised this nor did the phrase sound controversial at the time. The main takeaway for me from this as regards Horizon was that the Working Group was up and running but speed of progress was an issue.
42. The Inquiry has drawn my attention to an email chain from Alwen Lyons, POL Company Secretary, to various other POL executives and POL Board members on 4 June 2014 summarising a briefing from Deloitte and attaching the full briefing (POL00029733 Email from Alwen Lyons to Rodric Williams Re: FWD - Deloitte Briefing - Message from Chris Aujard and Lesley Sewell - Strictly Private & Confidential - Subject to Legal Privilege, POL00130618 Deloitte Draft Board Briefing document further to report on Horizon desktop review of assurance sources and key control features.) Obviously I did not see these documents at the time, but I also have no recollection of being informed at a later date about the contents of this Deloitte briefing. It is possible that a Deloitte report was mentioned to me by ShEx after my return from maternity leave, maybe not by name or in general terms such as 'POL has had lawyers and independent auditors review or re-investigate'. What I do recall is that what I was told was always reassuring.

43. The Inquiry has also shown me the minutes of another Project Sparrow Sub-Committee meeting on 6 June 2014, which appears to have discussed the Mediation Scheme and options for taking it forward. There is a reference to the group recommending 'Option 3', and the 'Chairman' (which I think must be a reference to Alice Perkins) exploring with the Minister "*the extent to which she would be prepared to support Option 3*" (POL00006571, Project Sparrow Sub-Committee Minutes 6 June 2014). What is meant by Options 2 or 3 is difficult to understand from this document without more context or detail (although the Board Minutes of 10 June 2014 which the Inquiry has shown me (POL00021526 Post Office Limited: Minutes of a Board meeting held on June 2014) says the Board "*agreed Option 2 (continuing with the Scheme but seeking to refine its work, within the existing Terms of Reference) was the preferred option.*") As I explain below, I was wholly unaware of these discussions at the time, and as events unfolded later in 2014-2015 I was not actually asked to decide what would happen to the Mediation Scheme but instead presented with a decision from POL. With hindsight, it looks like the June decision to "refine" the work of the scheme in practice meant a change in posture from POL on the Mediation Scheme at this time to become obstructive, which explains the unravelling of trust in the Scheme by the JFSA and MPs later that year. I note that I was not briefed or told that POL was changing its position in how it approached the Scheme or interpreted the Terms of Reference. Instead, I was briefed that others in the Working Group were being unrealistic in expectations or misunderstood the purpose of the Scheme.
44. I have been shown a letter to the then Prime Minister, David Cameron, dated 1 July 2014, from Mrs Jennifer O'Dell, which was apparently copied to me, as well as Sir Anthony Hooper and Paula Vennells, amongst others (POL00116649 Letter to David Cameron PM from Mrs Jennifer O Dell Re: Mrs O'Dell's Second Sight case). The letter expresses significant frustration about the delays in the Mediation Scheme, and refers to the suicide of Martin Griffiths. I am afraid I do not recall seeing this letter and I have not been shown any documentation that suggests I responded to it or an official responded on my behalf. It is not clear whether it was sent to my Parliamentary email address or to BIS. If it was received at my Parliamentary email address my constituency staff would have forwarded it to the correspondence unit in BIS as with any emails relating to my Ministerial role. It

may then have been responded to either by the Prime Minister, if the correspondent was his constituent, or by an official in No 10.

45. I have been shown by the Inquiry an undated briefing note (UKGI00002440 Preparation document for the press prepared by Richard Callard). It seems to have been attached to an email on 20 August 2014 sent to my private office (UKGI00002439 Email from Richard Callard to Swinson MPST RE Confidential Prep for Friday). I understand, seeing it now, that this appears to have been written by Richard Callard as points or prompts for Alice Perkins in advance of a call scheduled between her and me, to help her try to convince me to ask the Treasury for permission to recruit a new CFO, Alisdair Cameron, on a very high salary, to replace Chris Day (WITN10190103 Agenda for Meeting dated 10 July 2014: Post Office Limited Appointment and Remuneration of New Chief Finance Officer (CFO)). In light of Government finances at the time and the austerity measures in place, any appointment using public money to a role above a certain level of remuneration required Treasury approval. I did not see this document at the time, indeed it was not something ever designed for me to see, as the covering email and the contents of the note make clear (e.g. the fact that the note is structured as a series of responses to questions I might ask). It seems that Richard Callard was asking my private office for advice on how Alice Perkins could make the points in the note to me in the way that would be most persuasive, and he anticipated that I would not be happy (*"I would be grateful if you could flag any potential 'red rags' in here"*).
46. I was shocked to read this note. It seems to show Mr Callard, a ShEx official who was one of the key officials who was supposed to support me in my Ministerial role with regard to Post Office matters, instead using his Departmental position, access and contacts to work on behalf of POL to seek to persuade me to do what POL wanted, contrary to wider Government policy on pay restraint. It also makes clear that he had deliberately kept me in the dark about the concerns ShEx had about Paula Vennells' performance.
47. I was even more shocked to see the evidence of Alice Perkins on 6 June 2024 to the Inquiry, and the PowerPoint presentation entitled 'Post Office Ltd Senior Management' dated February 2014 (UKGI00042677, Post Office Ltd Senior

Management Risk and Assurance Committee February 2014) which was shown to her (and which I had previously never seen) referring to significant concerns about Paula Vennells' performance and with specific reference to her not having a good working relationship with me. I had not expressed doubts about Ms Vennells' performance to ShEx, nor do not recall Alice Perkins or Richard Callard at any of our meetings expressing serious concerns about her performance. The note itself confirms (see the question 'Why haven't you told me about the CEO before?') that nobody had mentioned anything about concerns about Ms Vennells before this date nor had they raised concerns about the CFO in any detail. Richard Callard did not ever give me the impression that he or the Board generally had concerns about her suitability as CEO. Indeed, only three months before the date of this presentation I was given a submission on POL Directors' remuneration in November 2013 which stated that "*We wish to retain both Directors [i.e. Paula Vennells and Chris Day] who are more than half way through the transformation programme and do not believe that it would be appropriate to seek further downward pressure on executive pay for this year*" (WITN10190104 Agenda for Post Office Limited- Director's Remuneration Post Office Limited- Director's Remuneration dated 12 November 2013). In that context, I am very surprised to discover that there were concerns about performance being expressed in February 2014, as this would clearly be a strategic matter on which I would have expected to be briefed about and have an opportunity to discuss in depth, and indeed for the Secretary of State also to have been included in such briefings.

48. The briefing note in August 2014 was during the Parliamentary recess, less than a month before the Scottish independence referendum so I would have been in my constituency working to keep Scotland in the UK at the time this call with Alice Perkins was scheduled to take place, and it would have been fitted in around public meetings and campaign activities. I do not recall whether or not the call happened. I think it may have done, but as no meeting notes or diary records have been located by DBT I cannot be sure. I am confident that Ms Perkins did not mention concerns about Ms Vennells. If she had, I would have remembered this and it would have been a prism through which I interpreted Ms Vennells' subsequent assurances. I have not seen any documents to suggest this was followed up in any way, and Ms Vennells stayed in post for a further five years, all of which

suggests the concerns were never raised or taken forward. In the end I was not willing to approve a higher pay award for the new CFO recruit, but I think the Secretary of State Vince Cable was ultimately willing to do so.

49. On 29 August 2014, Alan Bates sent me a letter informing me that Second Sight's next report had been completed, but that he could not supply me a copy, and providing the JFSA's summary of it (UKGI00013791 Letter from Alan Bates to Jo Swinson dated 29 August 2015 re Justice for Subpostmasters Alliance). This was the draft 'thematic report' by Second Sight, which was later leaked.
50. On 9 September 2014, following the leak of the thematic report (although I do not think the report was published anywhere in full at that stage) and some media attention, my private office asked Richard Callard for a briefing update on the Horizon mediation scheme (UKGI00002472 Briefing for Jo Swinson regarding recent reports on Horizon System - 10th September 2014). This briefing was sent to my private office on 10 September, and set out, among other things:
- a. that POL "*consider that independent investigators Second Sight have "gone native" and are unduly taking the side of JFSA. This is supported by the fact that SS have admitted privately that they find it emotionally difficult to opine against SPMs, regardless of the circumstances of the case.*";
  - b. that "*Claims in the thematic report (and the individual reports on each case prepared by SS) have generally been unsubstantiated*" which resulted in the fact that "*A number of the reports written by SS in relation to individual cases have been rejected by Tony Hooper*";
  - c. that "*Second Sight has continued to widen the scope of the investigation rather than focus on the Horizon system, prolonging the investigations and increasing costs (most of which fall on POL)*";
  - d. that Sir Anthony Hooper "*would not be prepared to support the removal of SS or back POL in pulling out of the scheme.*" (I do not think I noticed at the time that this implicitly meant there must have been a suggestion from someone, presumably POL, that Second Sight should be removed); and
  - e. around 'a dozen' cases had been settled outside of the mediation process and three had been mediated - two straightforward and uncontroversial

examples were given to show that *“in those cases that have been mediated or settled, POL considers it should have conducted itself better operationally, but it is important to stress that these are not system related.”* (what is not mentioned here, notably, is that POL had intentionally accelerated cases which did not raise ‘thematic’ issues, apparently for the very purpose of reassuring me - see paragraph 37 above and POL00294186).

51. I believe I reviewed the document within a couple of days of receiving it in Scotland around 11 September, then couriered the box back to London, with my private office receiving my annotations on 15 September. I wish my handwritten notes had been preserved on documents like this in particular, as the strongly worded email from my private office to ShEx on 15 September seeking clarifications suggests I was punchy in my comments. They noted that I *“found it difficult to just accept POL’s analysis of the report without any evidence”*. I picked up on the fact that Sir Anthony Hooper had been willing to challenge previous Second Sight reports but had not done so in this case, and asked whether this meant he found the report credible. I also asked if we could approach him for more details as I was seeking an independent source to either reinforce or challenge what I was being told. I think I was beginning to get frustrated by this point that I was not being kept sufficiently up-to-date by ShEx on the Horizon issues and how they were being dealt with; a sense of this is captured in the email from my private office where it says *“For the future, please keep private office copied in on any newsworthy developments....It is really important that we are aware of these kinds of events so that Jo feels prepared and sighted on issues within her portfolio.”* With hindsight, it now is clear that there was much, much more I was not being told.
52. The answer from Peter Batten of ShEx explained at some length that *“the fact that [Sir Anthony Hooper] didn’t ask for the thematic report to be re-written does not suggest he found it credible.”* He also told me it would be inappropriate to ask Sir Anthony Hooper for more details about his views (UKGI00007352 Email chain from Peter Batten to Jo Swinson, Richard Callard cc Alexander Hamilton and others Re: POL and reports on IT).



53. I have been shown an email chain between my private office and Tim McInnes of ShEx between 24 October 2014 and 12 November 2014 (UKGI00002521 Email from Swinson MPST to Tim McInnes, CC Richard Callard and Peter Batten re Second Sight Report). This shows that at this time my private office were pursuing various lines of enquiry about the progress of the Mediation Scheme on my behalf, including further details on what kinds of settlements had been reached. The context was that I was shown a letter from Paula Vennells (POL00116720 Letter to Jo Swinson from Chris Aujard and Paula Vennells Re: Initial Complaint Review and Mediation Scheme) which prompted me to ask my private office to seek more information on Second Sight, media coverage and the Mediation Scheme. It is not clear whether I ever got an answer to my questions; had details been provided about the cases being settled it might have alerted me to the fact that the Horizon issues were more of a problem than I was being told. I also did not know at this time that as early as April 2014 (see POL00294186 and paragraph 37 above) POL with ShEx input had decided to push cases that were 'not thematic' through the Mediation Scheme first expressly for the purpose of showing me, i.e. those which did not raise wider concerns about Horizon. It strikes me now that this was important information to have withheld from me. Indeed to present simple examples as if they were representative to back up an argument that problems were not systemic, when they had in fact been handpicked for swift resolution for the purpose of making that case to me, is misleading at best.
54. I received a submission from ShEx on 25 November 2014 for a meeting with Paula Vennells (UKGI00042620 Department for Business, Innovation & Skills - Meeting with Paula Vennells, Chief Executive of Post Office Ltd ("POL")). We had regular meetings every few months to touch base on the various Post Office issues. This meeting was not specifically about Horizon, and, in common with so many of the Post Office briefing notes prepared for me by ShEx, the briefing from civil servants does not address it. Officials recommended key issues to discuss in these meetings, but this would not stop me raising other things. I do recall probing Paula Vennells on matters relating to Horizon on several occasions in person, though without access to my diary records or any meeting notes I cannot recall the specific dates. I think it is likely that I will have asked about the Horizon issues at this point given my earlier frustrations, though as the note demonstrates, there were a broad

range of difficult matters to cover in a short period of time. The Working Group was breaking down so that could have been a prompt for me to ask for more information, but with hindsight I was really only being given information by ShEx when something emerged into the open like a media leak or MP's press release.

55. In early December 2014 I recall being asked by the BIS press office about a request for me to speak on the BBC Radio 4 Today programme about MPs losing faith in POL's handling of the Horizon issue. I remember the advice being that I should decline the request. I accepted that advice and suggested that POL should do the interview. On 9 December 2014 Mark Davies from POL was interviewed on the programme.

56. I have been shown an email that was sent by Peter Batten of ShEx to my private office on 8 December 2014 (UKGI00002585 Email dated 8 December 2014 RE: Horizon Working Group update). It contains a general update and briefing on Horizon and the mediation scheme, ahead of one of the regular catchup meetings I had with the Post Office team at BIS. I note that it states:

*"This is an operational matter for the Post Office, the Government must not be involved, and hitherto Jo Swinson has been insulated. It is crucially important to maintain this independence as to involve Ministers in a quasi-legal, confidential scheme risks undermining the entire scheme and the progress made to date."*

57. I was keen to push to speed up progress in the scheme, as I was frustrated by reports of delays and obstruction. I asked questions about what was causing delays and whether these issues could be resolved; I did recognise that one delaying factor was the investigation capacity and the complexity of some cases, and that it would have been counterproductive if targets were put in that meant rush investigations or compromised the quality of the scrutiny. I did accept that it was neither practical nor desirable for me as a Minister to be involved in the details of individual cases, and that the independence of the mediation process should be respected.

58. Subsequent emails on 9 and 10 December 2014, between my private office and officials including Richard Callard, show that our meeting covered issues relating to Network Transformation and that I probed the reasons for POL refusing to

mediate cases in the Scheme (UKGI00002610 Email from Richard Callard to MPST Swinso , Tim McInnes, James Baugh and Peter Batten re Catch up this morning - Horizon mediation scheme). I note that it was confirmed in this email that POL would not mediate with a subpostmaster who had admitted theft.

59. I have been provided by the Inquiry with the debate pack of briefing materials for the Westminster Hall Debate on the Horizon Case Review and Mediation Scheme secured by James Arbuthnot MP, both in draft form from Peter Batten (UKGI00002633 Draft Note with annex to Jo Swinson from Peter Batten re: Westminster Hall Debate: Horizon Case Review and Mediation Scheme), as can be seen at §9 and §10, and also the final submission (dated 15 December 2014 and with authorship attributed to Richard Callard, not Peter Batten), and refer to that submission dated below (UKGI00000024 Agenda for Westminster Hall Debate: Horizon Case Review and Mediation Scheme dated 15 December 2014).
60. On 15 December 2014, my private office was sent an email by Richard Callard containing the briefing pack for the Westminster Hall debate (UKGI00002762 Email from Richard Callard to Swinson MPST cc Cable MPST, Hancock MPST and others RE: Westminster Hall Debate on Post Office & Horizon). This comprised, attached to the email, the following:
- a. Submissions from Richard Callard (to which the remainder of the items listed below were annexed) (UKGI00002763 Letter from Richard Callard to Jo Swinson re Westminster Hall Debate: Horizon Case Review and Mediation Scheme);
  - b. draft speaking notes for the debate (UKGI00002765 Westminster Hall Debate: Subpostmaster Mediation Scheme);
  - c. a document entitled "*Horizon Q&A*" (UKGI00002764 Horizon Questions for Parliamentary Debate 17th December 2014);
  - d. a press release from a group of MPs which accompanied James Arbuthnot's letter to Paula Vennells dated 8 December 2014 (UKGI00002767 Report on "MPs lost faith in Post Office Mediation Scheme");

- e. James Arbuthnot's letter to Paula Vennells dated 8 December 2014 (UKGI00002766 Letter from Lord Arbuthnot to Paula Vennells re Scope of the Mediation Scheme);
  - f. Paula Vennells' letter to James Arbuthnot dated 28 November 2014 (UKGI00002769 Letter from Paula Vennells to Lord Arbuthnot re Complaint and Mediation Scheme);
  - g. Sir Anthony Hooper's letter to me (UKGI00002768 Letter from Sir Anthony Hooper to Jo Swinson re Initial Compliant and Mediation Scheme);
  - h. an attachment from CEDR to the letter at (e) (UKGI00002771 Letter from John Munton to The Secretariat of Post Office Mediation Complaint Review Working Group);
  - i. a further annex on regulation and postal competition not relevant here.
61. This kind of multi-part debate pack was standard for a 90-minute Westminster Hall debate, and I would typically review it in advance to flag any questions ahead of an in-person briefing with officials in advance of the debate. I note that in the 'Horizon Q&A' document, the following is stated (emphases added):

*"investigations so far have not revealed any suggestion that a subpostmaster's conviction is unsafe. Many of the convictions were based on the admissions of the sub-postmaster in interview or his/her guilty plea"*

*Suggested line on past convictions is "Post Office is, however, under an absolute duty to immediately disclose any information which might undermine the Prosecution's case or support the case of the defendant and Post Office has done so where appropriate. There is no doubt in my mind that it is being particularly vigilant in this regard as it carries out its investigations... The fact remains, uncomfortable as it may be for some, that nothing has to date surfaced which suggests that any of the convictions are unsafe"*

62. I reviewed these submissions on the evening of 15 December 2014 and as usual this led me to flag several issues for exploration at the briefing meeting with officials, as set out in the email from my private office to Richard Callard dated 16 December 2014. I was pressing for details about the progress of cases, why POL were refusing to mediate some cases, the complaint POL referred to about attempts to widen the remit, and in particular I wanted to probe the line in the briefing that said "There is no doubt in my mind that [POL] is being particularly

*vigilant* [in complying with its disclosure duty]" (UKGI00000916 Email from Swinson MPST to Richard Callard cc MPST Cable, MPST Hancock and others re: Jo's comments on Westminster Hall Debate on Post Office & Horizon). These issues would all have been discussed in the briefing meeting, and while I cannot remember the precise wording of reassurances given on the disclosure duty, I know that these were given, probably with reference to the multiple reviews by external professional advisers that had taken place.

63. On 16 December 2014, I also spoke to James Arbuthnot who set out what he wanted from BIS and/or POL, and through my private office I followed up on these points. I can see I was asking questions about:

- Whether POL were destroying documents - I was categorically told they were not (see page 9 of the 'Q&A Document') (UKGI00002764 Horizon Questions for Parliamentary Debate 17th December 2014). I know now that it was not correct to give such a categoric answer, as the Clarke shredding advice which had been provided to POL in 2013 raised concerns about exactly this point, but I was not told anything about it.
- Whether POL would stop acting as prosecutor.
- Whether we could ask the CCRC to review Horizon cases. While I did think POL could be more responsive to the concerns that MPs were putting forward, one area where I consistently and strongly concurred with the advice was that criminal convictions could not be overturned by a mediation process, that it was not the place of Government to intervene in court processes, and therefore that the judicial route such as the CCRC would be the right way to resolve any of those types of cases, one way or another. This was also in the context of the repeated and firm assertions made to me about the disclosure duty being taken seriously, which I probed and was reassured on (UKGI00002837 Email from Richard Callard to MPST Swinson cc: Tim McInnes, James Bough and others Re: Jo's conversations with James Arbuthnot-actions coming out).

64. Richard Callard replied on the same day, the substantive points of which were most likely communicated to me verbally by private office or as notes added to my briefing pack for the debate (UKGI00002837). Looking now at his email, I note in particular his comment that Second Sight have “*gone native*”, his deferral to Belinda Crowe and Patrick Bourke of POL on whether it would be appropriate to write to the Criminal Cases Review Commissioner to set up an independent review of cases, and his advice that I should be more “*front footie*” to close down some of these issues, because “*being conciliatory got us to where we are currently*”. I do not remember hearing about these comments at the time (generally private office did not simply put emails into my box but would include what they considered to be key points in their cover notes to submissions or other documents), and I do not think my private office would have passed them on to me, as they knew me well and realised I would not like it.
65. The Westminster Hall debate took place for 90 minutes in the afternoon of 17 December 2014. In my winding up speech I had 12 minutes to respond to as many points raised in the debate as I could, including taking direct questions from MPs during my remarks. It was not a comfortable debate given the distressing situations of MPs’ constituents that prompted it, but I did my best to engage constructively both during and after the debate with the points MPs had raised, including on decisions to mediate and the pace of the mediation scheme, and as briefed I reiterated that POL understood its legal duty to disclose. I declined the suggestions from officials in my briefing pack to “*fire back at James Arbuthnot*”, suggest that JFSA took the view that some subpostmasters were “*trying it on*”, or criticise JFSA for engaging a legal firm. I felt these lines were too aggressive and inappropriate when MPs were doing their job genuinely representing their constituents. It also seemed strange to criticise JFSA for engaging lawyers when POL themselves were arguing that mediation was not possible in many cases where there were criminal convictions. Again, I did feel strongly that it was important for me as a Minister speaking in Parliament not to undermine judicial processes (POL00030457 Hansard, Post Office Mediation Scheme, Volume 589: debated on Wednesday 17 December 2014).

66. On 22 December 2014, I received a letter from Alan Bates offering to meet with me “you to discuss the issues involved with this matter from the perspective of those it has affected, rather than from those who seem to be so desperately trying to keep the truth from you.”(UKGI00002896 Letter from JFSA Alan Bates to Jo Swinson MP. Re: following adjournment debate at Westminster Hall / initial case review & mediation scheme) With hindsight, I absolutely wish I had met with Alan Bates and it was a mistake not to do so. At the time I was strongly advised not to on the grounds of the importance of the scheme’s independence from Government. I did not challenge this and I should have done so. My reply, sent in January 2015, is set out further below; the language in it that “the Government feels strongly that it is paramount that both the scheme and the individual cases remain both independent and confidential” reflects the clear advice I was given not to meet Mr Bates or get further involved.
67. Following the Westminster Hall debate I was determined to address MPs’ concerns. Immediately after the debate I had an oral debrief with officials, and I asked my private office to follow up with ShEx on next steps. In particular I proposed that MPs should be invited in to the discussions about their constituents’ cases, going through the details of the investigations, obviously subject to the consent of the affected subpostmaster constituent. I recognised that as Minister I could not possibly be the arbiter of cases, but sought a way to bridge the gap between the hugely contradictory accounts I was receiving from MPs on the one hand and POL on the other. I thought that if MPs could go through the details of the cases then either they would be convinced by POL’s evidence, or have a stronger foundation of information with which to challenge POL’s behaviour, and that either way this would help everyone to untangle where the truth lay. POL were initially resistant, but I felt empowered to press on this point as it related to Parliamentary accountability. An email was sent by my private office to Richard Callard chasing him about this on 7 January 2015 (UKGI00002920 Email dated 7 January 2015 RE: next steps on Horizon debate). He replied on 13 January 2015 which said that a letter would be written ‘this week’ to MPs. In relation to Alan Bates’ letter a draft response was provided by ShEx which took a “*robust position*” because Mr Callard was of the view that much of Mr Bates’ letter was a “*fishing expedition*”. Reviewing this email now, Mr Callard was clearly not very open-

mindful about whether the issues raised in the debate on behalf of SPMs were valid.

68. Around this time, I think it must have been after I was told about Richard Callard's email of 13 January 2015, I have a vivid memory of standing in the corridor close to my office, having a conversation with my private office expressing my exasperation and fury that the debate had still not properly been followed up, nearly a week after I chased for an update. My understanding had been that POL would promptly write to MPs who spoke in the debate to address the points they raised, and no one had come back to me with a reason why POL could not, as I had proposed, offer to meet with MPs directly to discuss their constituent's case details. I assumed this would have been done by the first working days of January at the very latest. When I realised that this still had not been actioned by 13 January, some four weeks after the debate, I was very angry. I recall the suggestion that the Christmas holidays had got in the way, to which I gave short shrift having myself worked during the break, and in the context of the previous tensions about very high pay packages for senior POL staff. I am not sure when the correspondence from POL to MPs was eventually sent.
69. On 15 January 2015, my private office received an email from Mark Davies of POL attaching the Post Office's response to the Westminster Hall Debate (UKGI00003007 Email from Mark Davis to Swinson MPST cc Richard Callard re: Post Office Response to Westminster Hall debate; UKGI00003008 Post Office Response to Westminster Hall Debate). I note that it provided various reassurances, including denying that there were any Horizon errors, re-stating POL's understanding of its disclosure duties and that no evidence of unsafe convictions had been found, and denying there was any remote access capability in Horizon. It did seem to be a comprehensive document and, in particular, the repeated and emphatic statements about complying with their disclosure duty did give me reassurance.
70. On 28 January 2015, my reply to Alan Bates' letter of 22 December 2014 was sent. The delay I think stemmed largely from the fact that I wanted to be able to report the actions taken following on from the debate, which as described above took much longer than I anticipated to happen (UKGI00003111 Letter from Jo



Swinson MP to Alan Bates re Response to letter dated 22 December about the mediation scheme). The letter reiterated various assurances provided by POL about its cooperation with the mediation Scheme, and made the following points:

- a. *"I said in the debate itself, in these situations 'what I would normally propose doing is to get a team of forensic accountants to go through every scenario and to have the report looked at by someone independent, such as a former Court of Appeal judge.' Given that that is what is happening, I think that the Scheme should therefore be allowed to run its course and I am glad that you say you will continue to participate in the scheme for the time being, and it would be inappropriate for me to intervene in what are essentially private disputes between each applicant and the Post Office."*

71. *"Following my encouragement, I understand that Post Office has written to each MP that spoke during the debate to offer them the opportunity, with the relevant applicant's permission, to run through the facts of each confidential case. Whilst this would not be a substitute for mediation, this approach would offer a way to ensure that your members' respective cases are fully understood by Members of Parliament."*

72. On 3 February 2015 the BIS Select Committee held an evidence session about Horizon and the Mediation Scheme. I was told about this in advance and provided a copy of a letter from Sir Anthony Hooper to the Committee. As Minister I would only attend a Select Committee session when giving evidence myself, but BIS or ShEx officials would typically be in the room to be able to report back. I did ask how it had gone and was given a short high-level verbal briefing which said there was nothing unexpected. I was not, for example, told that Ian Henderson from Second Sight had said that they thought some of the prosecutions by POL were unsafe (UKGI00013818 3 February 2015 - Post Office mediation - Oral evidence). In hindsight, I am very surprised that key points like this were not flagged to me.

73. On 19 February 2015, I received a submission from Tim McInnes briefing for me my upcoming meeting with George Thomson (UKGI00017945 Meeting Brief from Tim McInnes to Jo Swinson - Re: Meeting with NFSP - Horizon Mediation Scheme and Network Transformation). Relevantly to the inquiry, it stated: "Horizon Mediation Scheme: Further advice on this matter will follow shortly, but it is worth noting that George Thomson was very supportive of POL during the recent BIS Select Committee hearing and does not consider there to be faults with the Horizon system. He is however privately critical of POL for not having closed this issue down sooner. While the mediation scheme is independent of Government,

*you may wish to seek George's views on the issue.*" NFSP was a key stakeholder for the postal affairs part of my portfolio, and influential due to their large network of members right across the country. I met them regularly, and as they were the main representative voice for subpostmasters their position on this was an additional reassurance to me. I cannot recall if I did ask about Horizon at this particular meeting with Mr Thomson but I do recall discussing the issue briefly on at least one occasion, and not hearing any particular concern expressed about POL's approach.

74. I recall that at some point around this time, in late February or early March, Richard Callard briefed me verbally - in strict confidence and with an indication that he was telling me things he should not be - on POL's decision to close the Working Group and mediate all non-criminal cases, while referring the criminal cases to the CCRC. Without access to my diary records or meeting notes, I do not know the precise date of this briefing, but I believe it was shortly before I received the written submission of 4 March (see below). I recall he showed me a sheet of paper which had a table on it outlining options with various factors, but would not let me take it away to study or keep it, as he said it was a confidential POL Board paper (I accepted this at face value and did not question it at the time, as I was engaging more with the content than the reason for confidentiality). It is not one of the documents I have been shown by the Inquiry so far, nor by DBT when I visited in 2022 to look over relevant documents from my time in office. He was outlining to me POL's proposed next steps with the mediation process, to sense check whether it sounded reasonable, but not asking me to make any kind of decision. I recall feeling somewhat uncomfortable about the nature of the briefing and the steps POL were taking, because the Working Group had seemed a positive and constructive solution to find a way through the competing concerns. However I did recognise that the Working Group process seemed to have lost the faith of everyone involved by this stage. James Arbuthnot MP had called for all cases to be mediated, and so I believed that this would help expedite the process in a positive way. I realised there would be disappointment that the criminal cases were to be excluded, but I did think it was a reasonable argument that these needed to be dealt with by the CCRC rather than mediation. Ongoing support from POL for

Second Sight's involvement was emphasised so I did not anticipate that they would be removed from the process.

75. On 5 March 2015, I then received a submission from Laura Thompson of ShEx titled "*Post Office mediation scheme: revised approach*" (UKGI00000032 Email from Laura Thompson to Jo Swinson Re Post Office mediation scheme: revised approach). The submission sets out criticism of Second Sight, and states that "*From POL's point of view, the investigation scheme has demonstrated that there is no evidence of systemic flaws in Horizon and no evidence that any of the convictions are unsafe.*" On page 2 it then sets out the plan to accelerate mediation and therefore for the closure of the Working Group in the following terms:

*"5. POL's Board have agreed that, effective from next week, they will announce that POL will adopt a presumption of mediating all non-criminal cases remaining in the scheme (except in some very exceptional circumstances). This will render redundant the role of the Working Group so it will be closed. POL will terminate their engagement with Second Sight, but provide funding for any applicants who wish to have Second Sight or other forensic accountants produce a report on their case before mediation."*

76. The most important part of the submission, from my perspective, would have been the "*purpose*" and "*recommendation*" sections at the top of the first page. These set out what it is that is needed from me and the key context. These parts read as follows:

*"**Purpose:** Post Office intend to change their approach to the mediation scheme dealing with complaints about Horizon, on the basis that the scheme is not working in the way it was intended. This submission is to inform you of POL's planned changes, and seek your views on how we should engage stakeholders, particularly Parliament.*

***Recommendation:***

*That you note the changes POL intends to make to the scheme, the timing and handling of these, and likely stakeholder reaction*

*That you agree that on balance Government does not notify Parliament by Written Ministerial Statement on the day of the announcement, noting that this is a finely balanced decision and there is the risk of an Urgent Question being tabled (which we will take steps to mitigate)"*

77. Being asked to 'note' and to 'agree' things are common in submissions. Attention is drawn, and priority given, to things that need to be agreed, because they require

a specific decision to be taken. In this case, the description of the decision about tabling a written statement as “*finely balanced*” further directed my attention to this particular issue as the part that I needed to spend most time thinking about.

78. I have been shown a document dated 25 February 2015, which is a working draft of this submission. (UKGI00003390 Post Office Mediation Scheme Update ) It was, as far as I understand, sent by Laura Thompson to Richard Callard for comment. Richard Callard’s comments (and one comment from Laura Thompson) are included on the document. In this early draft, the purpose and recommendation sections are quite different, reading:

**“Purpose:** *To update you on the current state of the Post Office’s mediation scheme dealing with complaints about the Horizon system, and seek your agreement to POL’s proposed approach in light of likely next steps.*

**Recommendation:** *That you:*

- a) *Note the current state of the scheme and the cases within it;*
- b) *Note the possible events of the next month or so; and*
- c) *Agree to POL’s proposed approach, recognising that they will need to adapt it to react to specific circumstances. (and they are still working through specifics)”*

79. In the comments on the draft, Laura Thompson writes “*CHECK: are we seeking her [i.e. my] agreement?*” to which Richard Callard replies “*Probably not at this stage. Think this is more of a sighting submission, and if she objects she would no doubt say. And it’s not her scheme.*” The draft contains a detailed section titled “*POL’s proposed approach*” which contains, among other things, the following:

- a. *“The advantages of this approach are that it renders the role of the working group redundant (which is helpful as JFSA increasingly refuse to take part), and it reduces the scope for Second Sight or JFSA to continue to broaden the scope of the scheme. However, it will need careful handling with both participants and the media to avoid the implication that POL are seeking to “hide the truth” or “gag” Second Sight.”*
- b. *“We therefore recommend supporting POL’s proposed approach but it might get choppy.”*
- c. *“Whether leaked or not, the Second Sight final report will give POL a hook to determine that it is time to amend the terms of Second Sight’s engagement and limit their involvement to reviewing the specific individual*

*cases remaining in the scheme. POL are considering optimal timing (including a pre-emptive strike?).”*

80. This is substantially different from the submission I eventually received. It seems to me that it was appreciated when the draft submission was written that the likely impression from POL’s planned approach was that Second Sight would be seen to have been sacked or gagged, and this was something which needed Ministerial consideration. It was an issue that might, in Laura Thompson’s words, “*get choppy*”. In the final submission I was given on 5 March, there is no hint of this potential risk with the approach, and I was asked only to note it, not to approve it. The final submission does not draw attention to the possible risks of removing Second Sight, but paints it (at paragraph 5) as an apparently natural (and not notably controversial) consequence of POL’s approach to “*ensure that the remaining cases in the scheme can be heard as swiftly as practicable*”.
81. The earlier draft of the submission contained exactly the kind of advice that Ministers should be able to expect from civil service briefings, namely identifying and succinctly highlighting risks and consequences of proposed actions, so that the Minister can quickly be appraised of a situation and consider their response. The final version skated over the risks and did not suggest any opportunity to question POL’s approach.
82. I recall my surprise following PMQs the next week at hearing the suggestion that Second Sight had been sacked. I considered this at the time not to be true, given what I had been told. Looking back at it now, within the context of Project Sparrow discussions over the preceding months (some of which I am now aware of, but was not at the time) and the knowledge I have now that Second Sight were bound by confidentiality and told to destroy their documents by POL, it is clear that they were sacked and prevented from speaking out about their concerns. It raises serious questions about how Ministers can discharge their responsibilities, if civil service briefings cannot be relied upon to provide an objective assessment, as appears to have happened here.
83. I am also suspicious about the timing of this submission. Documents I have now seen for the purposes of the Inquiry show that discussions about reducing the role of Second Sight were taking place in the Project Sparrow Sub-committee as early

as April 2014. Yet in the months that followed Richard Callard, who was on that Sub-committee, did not brief me on what POL was planning. My support for Second Sight's role in the process was clear from the Westminster Hall debate in December 2014, and I think Mr Callard was well aware that the way that the 25 February 2015 version of the submission was framed would have raised alarm bells for me and I would have objected. I do not think it is a coincidence that POL made this move during the busy final few weeks of the Parliamentary session, when my time was even more limited than usual, because I still had two Bills to shepherd through their final stages in Parliament (the Consumer Rights Act and the Small Business, Enterprise and Employment Act), and because I would shortly be out of office and therefore had less power (this change was considered to be a certainty regardless of the election result, to the extent that I took my private office for a farewell lunch in the third week of March). It also meant there would be a period with no Parliamentary accountability during the General Election campaign, and then a new Minister getting to grips with the issues from scratch.

84. On review of the submission, as always I probed and sought clarification on a number of matters, as outlined in the email from my private office (UKGI00000923 Email from Richard Callard to Swinson MPST, Laura Thompson, Cable MPST and others re: Submission on Post Office Horizon mediation scheme). In particular, I asked about how many cases would not be mediated because they involved criminal convictions and whether POL would mediate any cases involving criminal convictions, and if so in what circumstances. The answer in reply was that criminal cases would only be mediated "*in exceptional circumstances e.g. when say a relative of the subpostmaster, and not the subpostmaster themselves, was convicted of fraud or theft, or where the matter for mediation relates does not relate [sic] to the conviction directly*" and that 37 cases involved a criminal conviction.

85. As I explained at the start of this statement, given the breadth of my portfolio and demands on my time, I relied upon my officials to draw my attention to the key points and matter for decision in any submission rather than leave me to second-guess what was important. As I considered this submission my attention focused on whether and in what form to give a Written Ministerial Statement, which was what I was asked to decide by the submission. Contrary to the advice from Richard

Callard, I wanted to make a Written Ministerial Statement that referred to a letter from Paula Vennells on behalf of POL explaining the situation and giving clear assurances about the various concerns that had been raised about Horizon and the safety of prosecutions. Ultimately No 10 refused permission to make a Written Ministerial Statement and instead I simply placed the letter in the House of Commons Library, a standard procedure to make the information available to MPs. This is dealt with in emails between ShEx and my private office (UKGI00000923; UKGI00019687; UKGI00019687 Email dated 9 March 2015 Re: submission on Post Office Horizon mediation scheme; UKGI00003543 Email dated 9 March 2015 POL Horizon WMS materials).

86. On 9 March 2015 letter I received the letter I had requested from Paula Vennells (POL00132580 Letter to Jo Swinson from Paula Vennells Chief executive of the Post Office). This was a key document for me at the time, and still stands out to me now, because at this important point in the unfolding events, even in the midst of clearly messy and unhappy circumstances of trust having broken down and the Working Group ending, it set out very clear assurances that POL had thoroughly investigated the subpostmasters' complaints and the possibility of unsafe convictions and found nothing of concern. This letter set out the decision to close the Working Group and end the contract with Second Sight, though in terms which stressed the continued role they would play and did not draw attention to the work they would no longer be completing. It also set out that *"as prosecutor Post Office has a continuing duty after a prosecution has concluded to disclose immediately any information that subsequently comes to light which might undermine its prosecution case or support the case of the defendant. Having now completed its reinvestigation of each of the cases, Post Office has found no reason to conclude that any original prosecution was unsafe"*.

87. My dealings with POL on this issue were starting to frustrate me, and the documents show I repeatedly asked questions and probed the various assurances I was given. The fact that the courts had considered the available evidence and repeatedly reached judgments in POL's favour or convicted subpostmasters also weighed significantly in my mind. There also appeared to be a strong commitment to the legal (and moral) duty to disclose anything that would undermine the

convictions, as emphasised by Paula Vennells both in the letter and face to face, in earnest, who spoke not only with the standing of a CEO of a major institution, but also with the moral authority of an ordained vicar. It followed a number of different investigations, reviews and professional advice which, I was told, had not led to any concerns about the safety of any prosecutions. Finally, the judicial route for review was being pursued through the CCRC. I was reassured by the combination of all these factors.

88. On 10 March 2015, Alan Bates sent an email to BIS for my attention (UKGI00003684 Email from trail from Swinson mpst to Laura Thompson and Alan Bates re FW: Post Office Press Release today). This was passed on to my private office, who in turn passed it to ShEx for reply. In this email, Alan Bates set out his understanding of what had happened with Second Sight, saying that they have been gagged and that POL has failed to provide them with documentation. He asked if I was aware of and approved POL's actions in this regard.
89. On 11 March 2015 I received a submission from Laura Thompson which was addressed jointly to me and to Vince Cable, the Secretary of State (UKGI00000053 Briefing from Laura Thompson to Secretary of State and Jo Swinson MP re. Post Office Mediation Scheme: Letters). Attached to the submission was Mr Bates' email and a draft response (UKGI00003891 Email from Alan Bates and draft response dated March 2015). I was not happy with the draft response and made some comments. In particular, I recall challenging the line about the Second Sight thematic report: "*The Government cannot compel its publication and nor would we do so*". I wanted to change the wording because I would have preferred to have the report published had we been in a position to compel its publication. In the end this wording remained, as I reluctantly accepted there was a confidentiality argument, which was reflected in the wording "given the confidential nature of details within it." The Secretary of State was also included because the Prime Minister had, in response to a question in Prime Minister's Questions from James Arbuthnot MP, said that he would write to Mr Arbuthnot. The question had stated that "*the Post Office has just sacked the independent investigators Second Sight and told them to destroy all their papers*".



The submission, in respect of this allegation, straightforwardly said “*This is untrue.*” It then set out what was, effectively, POL’s explanation of what happened.

90. I have been shown by the Inquiry an exchange between ShEx, the BIS Ministerial Advice Team and my private office dated 11 March 2015 regarding the possibility that James Arbuthnot would ask a question at PMQs and an attached draft response (UKGI00003721 Email chain from Ministerial Advice Team to Laura Thompson cc’ing Richard Callard and Ministerial Advice Team Re: No10 PMQ urgent Query - Post Office UKGI00003722 Possible Question: Post Office Computer System - complaints lead by James Arbuthnot over mediation scheme about Horizon).
91. I have also been shown an exchange between Laura Thompson and Vince Cable’s private office regarding his draft response to James Arbuthnot (UKGI00003733 Email thread from Cable MPST to Laura Thompson, Swinson MPST, cc Hannah Franklin-Wallis and others RE: PMQs today.) and a letter from James Arbuthnot to Vince Cable (UKGI00003781 Letter from James Arbuthnot to Vince Cable MP, re Post Office Mediation Scheme UKGI00003780 Email from Cable MPST (Claire) to Laura Thompson, Swinson MPST RE: Letter from Rt Hon James Arbuthnot MP - PMQs/Post Office), both dated 11 March 2015.
92. On 16 March 2015, Laura Thompson sent my private office an amended draft response to Alan Bates (UKGI00003913 Email dated 18 March 2015 RE: Post Office: reply to Alan Bates). In the same email, she attempted to clarify the relationship between Second Sight and POL in answer to a question I had asked stating:

*“A bit of additional comment on the point about whether Second Sight were “employed” by POL. Technically, Second Sight were not employed by POL, they were engaged under contract by POL. This contract was to provide a number of services to the Working Group - and now that the Working Group has closed, it makes sense that POL are bringing to an end that arrangement which is now outdated (given how the role of the WG has moved since the scheme began).*

*I appreciate that “engaged by” rather than “employed by” could sound a bit like semantics. As such, I haven’t proposed a rebuttal of Mr Bates’ point, but just set out the position instead (using similar language to that used by POL in their press responses and correspondence - although slightly more placatory than their line). It’s also important, I think, to note that a lot of the*

*arguments being waged around this issue rely a lot on wilful misinterpretation of language or statement - such as the accusation that Second Sight "have been sacked and forced to destroy documents", for example."*

93. On reviewing this second draft, I was concerned that it still did not fully address Alan Bates' point about the relationship between POL and Second Sight. My concerns were relayed to Laura Thompson by my private office in these terms (UKGI00003913):

*"Jo has seen this revised version of the letter but unfortunately she still has some concerns that we have not directly addressed JFSA's point around the nature of the relationship between Second Sight and POL.*

*JFSA assert that Jo's letter of 22<sup>nd</sup> September 2013 gave them assurance that Second Sight's independence should not be questioned because they were not employed by POL. The Minister acknowledges that it is a contractual, rather than an employment relationship but what the current letter does not address is why we believed that Second Sight's independence was not in question but that it is also right that the decision to end the current contractual relationship was a decision for POL and not the working group."*

94. On 19 March 2015, the reply was sent to Alan Bates (POL00102385 Letter to Alan Bates dated 19 March 2015).
95. On 20 March 2015, Alan Bates replied asking that I be thanked for my response but seeking clarification on whether I was aware of and approved the decision to close the Working Group (UKGI00004010 Email dated 25 March 2015: eCase MCB2015-06376- Alan Bates). As described below, Laura Thompson replied to this on 2 April 2015.
96. On 24 March 2015, my private office was given a draft of a letter to be sent to Adrian Bailey MP, chair of the Business, Innovation and Skills Select Committee by Vince Cable (UKGI00004006 Email dated 24 March 2015: FW: Post Office mediation: response to letter from BIS Select Committee; UKGI00003918 Post Office Mediation Scheme letter dated March 2015). This was sent to my private office because the letter, concerning issues around the Mediation Scheme, was within my Ministerial remit. I reviewed the letter, and was unhappy with the position taken by ShEx that the Government should not receive a copy of Second Sight's final report, which was contrary to the BIS Select Committee's recommendation.

97. The response from Laura Thompson was that their advice remained that Government should not have the report, because it was not necessary (as a copy was retained by POL and they would not destroy documents) and because the report dealt with “operational matters” and “It is Government policy that we do not intervene in operational matters for POL, and as such, we do not think it would be appropriate for HMG to request a copy”. She went on:

*“We strongly advise the Minister that Government should maintain its independence here. This is important because, if Government were to request (and receive) a copy of the report, it becomes implicit that Government could be called upon to respond to the report, and potentially to become more involved in the mediation scheme. Moreover, our wider policy on Post Office is that we set the parameters for POL to operate and we then allow POL the freedom to operate - blurring that line here could lead to pressure to do so again in the future”.*

98. I was not satisfied with this reasoning. Firstly, I took the view that we should follow the Select Committee recommendation unless there was a compelling reason not to do so. Secondly, while I had reluctantly accepted the confidentiality argument about not making the report publicly available as set out above at paragraph 82 (though with hindsight this concern could have been addressed in other ways such as through redaction of specific case details), I considered that this argument could not possibly apply to whether Government should be provided with a private copy. This was relayed to Laura Thompson, who accepted that the Government would receive a copy and as I understand it arranged with POL for this to be done. The letter to Adrian Bailey MP was sent on 26 March 2015 (POL00039281 Post Office Mediation Scheme letter dated 26 March 2015).

99. On 26 March 2015, the parliamentary session came to an end and Parliament was prorogued, then dissolved for the election on 30 March 2015 (WITN10190105 End of the 2014-15 Parliamentary session 27 March 2015). From this point, while I was still the Minister formally, in reality no significant decisions could be made due to pre-election purdah and I was required to seek re-election in my constituency.

100. On 31 March 2015, the Criminal Cases Review Commission sent a letter to me instructing BIS to retain documents in cases relating to Horizon/POL. This was dealt with by my private office (UKGI00004093 Letter from Criminal Cases Review

Commission (CCRC) to Ms J Swinson MP requesting evidence from BIS under Criminal Appeal Act 1995).

101. On 2 April 2015, my private office was copied into Laura Thompson's reply to Alan Bates' email dated 20 March 2015. She stated that on 9 March 2015, I had been informed by Paula Vennells of the details relating to the closure of the Working Group. In fact, as explained above, this was not the full picture. Richard Callard had an informal conversation with me in around late February/early March and I was then informed of POL's decision on 5 March 2015 in Laura Thompson's submission. I was not asked to approve the plan, nor did officials clearly present to me all the risks they had identified.

## **SECTION 2: ANSWERS TO THE INQUIRY'S QUESTIONS**

### ***Background***

102. I was first elected to the House of Commons in 2005 as a Liberal Democrat MP. At 25, I was the youngest MP at the time; the 'Baby of the House'. Before becoming an MP, I had worked in a variety of marketing roles including for a radio station, a media company and a public health association.
103. After the 2010 election, the Liberal Democrats formed the Coalition Government with the Conservatives. In November 2010, I was appointed as Parliamentary Private Secretary ("PPS") to Vince Cable (the Business Secretary at the time) and I served in that role until February 2012, when I became Parliamentary Private Secretary to Nick Clegg, then the leader of the Liberal Democrats and the Deputy Prime Minister. The Post Office did not feature at all in any of these roles with the exception of being PPS to Vince Cable. In that role I supported Vince in his relationships with MPs, including organising meetings in the House of Commons during evenings when there were late votes. On occasion these would involve an MP discussing their local post office, but to my knowledge Horizon did not come up.

104. Between 2015 and 2017 I worked as a self-employed consultant in the area of gender equality and wrote a book. In 2017, I ran for Parliament and was again elected. I served as deputy leader, then leader, of the Liberal Democrats and as an MP until 2019. I am currently the Director of Partners for a New Economy.

***Knowledge of the Horizon IT System***

105. I did not know about the Horizon system or the complaints which subpostmasters were making about it at the time I was first appointed as Minister in September 2012. As set out above, it was not mentioned in my early briefings for meetings relating to postal affairs and POL. There was reference to Horizon issues in the submission about a freedom of information request which was provided to me in October 2012, but this contained little detail. The first time I became aware of the Horizon situation to any significant extent (that is, the first time I was informed it was an issue that required my attention) was around June 2013, as the chronology above sets out.

106. Whilst I would have known by June 2013 (I cannot say exactly when, as I might have registered this from the Alan Bates correspondence) that some subpostmasters had been convicted and gone to prison, I did not know initially that they were prosecuted by POL. My assumption would have been that they were investigated and prosecuted in the normal way by the police and CPS. Because I was not aware that RMG/POL were responsible for prosecutions, I did not know or think about who in those organisations might be responsible for those prosecutions. By the time of making the statement to the House of Commons in July 2013 I had been briefed that POL were a prosecuting authority, though I do not believe I ever understood how unusual their investigations and prosecutions were, nor did I receive consistent advice on this when I later asked questions about their particular powers. I note, for example, that after the Westminster Hall debate in December 2014 the response document I received from POL said that their approach to prosecutions "*is the same as for any other individual or organisation and Post Office is not unique in bringing its own prosecutions*", which did not really reflect the reality on the ground (UKGI00003008 Post Office Response to Westminster Hall Debate, paragraph 49).

107. After the initial flurry of Parliamentary activity around the interim Second Sight report, the focus was the Working Group, the case investigations and mediation process. At first this all seemed to progress well. It was only in the autumn of 2014 when I had returned from maternity leave that I became aware, through submissions, media reports, correspondence and MP concerns that the issue seemed increasingly problematic. The Westminster Hall debate in December 2014 reinforced this, and it became increasingly clear that there was a breakdown in trust between the parties on the Working Group, culminating in Post Office's decision to close it.

### ***Oversight of POL***

108. I have set out my Ministerial portfolio and responsibilities above. I considered that I had a role in oversight of POL from a strategic and political perspective, on matters such as the future sustainability of the network or securing sufficient government support through subsidy and contracts for government services. I had the support of teams of civil servants both within BIS and DCMS; my private office and various officials with specialist knowledge of all the policy areas. In relation to postal affairs, the relevant officials were part of ShEx. At the time, I did not see them as being different from or separate to BIS generally and its civil servants, but they specialised in POL and were who I relied on for matters relating to it. I also had the support of my private office, as with all matters, who I rated highly, but in terms of expertise on POL they would defer to ShEx.

109. The issues relating to Horizon were among a number of important issues in the postal services part of my brief, alongside getting the health of the post office network onto a secure footing, increasing government services contracts and taking steps towards mutualisation. As outlined above, postal services themselves were only one part of a busy Ministerial portfolio which included taking 5 Bills through Parliament. Obviously for the 6 months or so before I had been briefed on the issues they were not a priority because I was unaware of them. In the early months of the working group there seemed to be constructive engagement and goodwill and therefore less need for Ministerial attention. In my final six months as

Minister it was definitely more of a priority, though as explained above, this was also a hectic time approaching the dissolution of Parliament.

110. I thought of POL more as a much-loved national institution than a company. I was well aware of how post offices were one of the few issues to unite MPs in support, no matter what political viewpoint they represented. Everyone appreciates the role post offices play in their community, and as such it felt very important to ensure that the network could thrive and grow instead of be diminished by closure programmes as had happened in previous years.

111. I am and was familiar with arms-length bodies, and there were others which fell under my ministerial remit such as the Equality and Human Rights Commission, the Competition and Markets Authority, the Financial Conduct Authority and ACAS. I thought of POL as one among these ALBs, an institution which the Department had an interest in and in relation to which I had a responsibility to deal with Parliamentary matters when they arose. I did not differentiate between BIS's role as a shareholder and as the relevant Government Department in this respect. It made sense to me that if there were substantial issues it was right for MPs to raise them with me as the Minister and, for something really significant, with the Secretary of State.

112. However, I do find the accountability placed on Ministers for POL was not matched with the levers available to Ministers to affect or influence what POL was doing. It was always made clear to me that it was not for me as Minister to interfere with operational matters, and it was only feasible to engage with the most serious and strategically important objective and aims of the Post Office. I did not ask many questions at the time about the precise nature and limits of the Government's role as Shareholder and the extent to which I could get involved in POL governance. I wish with hindsight that I had asked more questions or intervened more. Like many aspects of Ministerial life, it was unfamiliar to me and so I relied heavily on my officials to help me navigate the boundaries of Ministerial responsibility as opposed to decisions that were properly the responsibility of the POL executives or Board.

113. As with other similar bodies over which Government has oversight, the role of overseeing POL was in practice delegated to officials. I expected officials from ShEx to keep me briefed and draw my attention to any problems or issues that needed my input or decision. It would then be up to me as the Minister to decide what to do with that briefing, and how hard to push or challenge the advice I was being given.
114. I had regular meetings with and written submissions from ShEx officials and regular but not frequent meetings with POL itself, including with the CEO Paula Vennells approximately four times per year and, less frequently, with the Chair Alice Perkins. When I felt that I needed more information on specific issues, I could and did ask for additional information. For example, at one stage I think in 2013 I became concerned about progress on the network transformation programme so requested data from POL on completed conversions of branches to be provided on a regular basis, I think fortnightly, to create an accountability mechanism for this strategic government priority.
115. With POL I thought we had more visibility of what was happening had than for other organisations because we had a non-executive director (“NED”) from ShEx on the Board. I relied on them to pass on important information, and many of the briefings I received were from Richard Callard, the NED during part of my time as the Minister, or others under his supervision. It never occurred to me at the time that information from ShEx might be anything other than fully accurate. Indeed, my experience of the civil service was one of extreme caution in terms of establishing facts. To illustrate, even when making a political speech as a Minister that the Department had no role in drafting, for example at party conference, I would have to submit the text in advance to allow the departmental officials to check it for accuracy. In hindsight, I now question whether the ShEx officials were acting as the Government’s representative on the POL Board or the POL Board’s representative in Government. It seems it may have been they who had ‘gone native’, not Second Sight.
116. The permanent secretary, Director General and Deputy Directors would all have engaged in some form of oversight. My understanding was that Richard



Callard was a senior official who would have reported to Mark Russell, and more junior people in ShEx working on POL would have reported to Richard Callard. But the whole point of ShEx was that they were the experts on managing the Government's interest in companies it owned, so I do not know exactly how, or at what levels, the more generalist civil servants at BIS monitored ShEx's oversight of POL. I personally was never informed that it was my responsibility to monitor or oversee ShEx, nor understood that to be any part of my role. I now understand that ShEx had its own CEO and a separate line of institutional accountability.

117. The distinction between operational and strategic matters was always asserted in my written and oral briefings by ShEx and BIS officials and understood to be how things worked. I think I presumed that the basis lay in the legislative underpinning of POL and typical practice, but I knew little about how Government worked before becoming a minister and this was my first Ministerial role. It felt reasonable, as I did not have the expertise or capacity to involve myself in the day-to-day operational aspects of running a major company like POL.

118. I had regular meetings with POL officials, and separate monthly catchups with a team of civil servants from ShEx/BIS on post office matters. Additional meetings would be scheduled as necessary as and when matters arose. Very occasionally I would meet with Mark Russell, but typically my meetings with ShEx officials would be with Richard Callard and at more junior levels. I would have regular catch ups with Secretary of State, though post office issues would typically be one in a long list of issues to cover, so there would be limited time to discuss each. From time to time I would also engage with Ministers in other departments about POL, particularly on the issue of POL being a 'front office for government' with services such as the Post Office Card Account, DVLA and passport applications.

### ***The Second Sight Investigation and Interim Report***

119. I was not briefed on the Second Sight investigation when I was first appointed as Minister. As explained above, I was not briefed on Horizon or any of the issues associated with it either. The first time I recall learning about the Second Sight investigation was at a meeting with Paula Vennells and Alice Perkins shortly before the publication of the interim report, as described above.

120. As set out above, I cannot be sure whether I actually read the full interim report at the time or relied upon the summary with which I was provided and gave the report a quick scan. To the best of my recollection, my overall impression of it was that it was a bit impenetrable and technical, but there was no 'smoking gun' about Horizon.

***The launch of the Mediation Scheme***

121. I was not consulted about the Mediation Scheme at all as far as I can remember. The briefings for the 9 July Statement set out a proposed process that seems to have evolved into the Mediation Scheme so it wasn't a surprise, but it made sense that the details would be worked out. Paula Vennells did tell me about it once it was up and running, and I think I also had a call with James Arbuthnot at some point where he described what it entailed.

122. On financial compensation, I was told about this later (POL00116720 Letter to Jo Swinson from Chris Aujard and Paula Vennells Re: Initial Complaint Review and Mediation Scheme), but in the context of it being about training errors and lack of support in using Horizon, not a massive miscarriage of justice. Indeed, I was repeatedly reassured that there was no evidence of any miscarriage of justice and if anything came to light it would be disclosed. Because I understood the compensation to be for poor training and the like, I did not expect the scale of financial compensation to be large.

***The Helen Rose report and Simon Clarke advice:***

123. The Inquiry has drawn my attention to POL00022598, POL00006357 and POL00129453. I had never seen any of these documents until they were shown to me in the course of preparing for the Inquiry. I first became aware of the existence of the Clarke advice via reporting of the court case in 2021. I note that Simon Clarke's 15 July 2013 advice was prepared only a few days after I made the Statement to the House of Commons on Horizon issues. In hindsight it is truly astonishing to me that I was given the information by POL for the purposes of that Statement that there was no evidence of any conviction being unsafe, and that very shortly afterwards POL was in receipt of advice that their key witness in

several Horizon prosecutions was in breach of his duties as an expert, yet I was never informed of this and the POL line never changed over the following 20 months when I was subsequently briefed or updated on Horizon issues.

### ***Concerns about risk of unsafe convictions***

124. I did start to become concerned and uncomfortable about the briefings I was receiving on the issue through late 2014 and early 2015, particularly after the Westminster Hall debate where so many MPs strongly expressed concerns about POL's behaviour and approach, which is why I sought further detail, information and assurances. I would not go so far as to say I was believed there was a significant risk that convictions were unsafe, as I found it hard to imagine that multiple investigations and courts had examined the facts and separately all reached erroneous convictions. Yet it was strange that it seemed so hard to prove it either way whether POL's position was right or wrong. I found it extremely difficult to determine where the truth lay. I accept that I may perhaps have put too much weight on the fact that there had been multiple convictions in the criminal courts; that this was not one decision but many decisions on different facts.

125. Whilst I did think 'is there something here?', I was ultimately reassured towards the end of my time as Minister by the letter from Paula Vennells on 9 March 2015 (POL00132580 Letter to Jo Swinson from Paula Vennells Chief executive of the post office) which stated explicitly and clearly that POL was aware it had an ongoing duty of disclosure, that each case was re-investigated, and that there was no evidence that convictions were unsafe. I now know this was not accurate, but then it seemed I had no basis to conclude that what the CEO of POL had told me straightforwardly in writing was false.

### ***Oversight of Mediation Scheme***

126. I understood from ShEx that Government was to remain 'hands-off' about the Mediation Scheme, as it was a confidential process conducted according to specific mediation principles. Until the leak of the Second Sight thematic issues report I therefore had no involvement beyond receiving brief updates from the team such as one sentence in a briefing on my return from maternity leave

(UKGI00002333 Agenda for Post Office shareholder team update). When that media interest happened I asked for a briefing. I tried to push harder and I thought that Sir Anthony Hooper's view would be a useful objective perspective to seek, since despite having apparently been critical of some of Second Sight's work he did not criticise this report. However the ShEx response to my questions told me it was inappropriate to contact Sir Anthony Hooper to ask him for more detail. I think that I was getting a bit frustrated at this point, because I was obviously aware of the earlier complaints and criticisms from Alan Bates and others, and felt I was trying to ask but getting push back.

127. To try to resolve the contradictory accounts I was receiving from POL and the MPs / JFSA, I again sought input from Sir Anthony Hooper in advance of the Westminster Hall debate, but he declined to meet with me. His decision on grounds of propriety also had the impact of reinforcing the message I was receiving about the importance of Government staying separate from the scheme.

128. I do wish I had asked to meet with Second Sight, though I am pretty certain if I had that ShEx would have told me this was not possible due to operational independence. I feel let down by a failure of briefing from ShEx. Richard Callard was on the Board and knew what was going on for months with steps towards sacking Second Sight and the closure of the Working Group, but he did not tell me. I was repeatedly advised in briefings that it was an operational matter, so not one for me to be involved in, but looking back it was not clear that the POL Board or anyone else was conducting an adequate oversight function.

129. As explained above at paragraph 74 Richard Callard briefed me in person shortly before the submission was provided about the closure of the Working Group. He gave the impression of being particularly helpful, in sharing some information on a piece of paper that he should apparently not have shown to me, as it was supposed to be confidential to the POL Board. That led me to believe that I was being given a full picture, though in reality it was a very partial one, which misrepresented the future role for Second Sight and the motivation for making the change.

130. While I did see the merits of expediting most cases to mediation, and referring criminal cases into the CCRC process that would actually have the powers to resolve them, if I had been told Second Sight were to be sacked and bound by confidentiality, and documents were to be destroyed, I would have certainly expressed a strong objection. Indeed, I remember challenging the point about Second Sight having to destroy documents when learning about this in later correspondence.

131. I feel that instead of being provided with the important information on POL's motivations and plans in a timely way, I was kept at arms' length and was being 'managed', especially given the timing around the election. When asked to 'note' something, a Minister is receiving information about things that have been done or decided by others, as opposed to being asked to make a decision themselves. Inevitably matters for decision demand greater consideration.

***34. Knowledge of Deloitte's Project Zebra work***

132. As set out above at paragraphs 41-42 I cannot recall specific reference to Deloitte's work. The Inquiry has drawn my attention to the document at POL00130618. I do not recall having any knowledge of the existence, content or gist of this report.

***Concerns about Paula Vennells or Chris Day***

133. I have dealt with this extensively above. I was never shown UKGI00002440 and do not recall being made aware of the concerns expressed within it. In July 2014, when I returned from maternity leave, I was aware that there was a general issue that POL wanted a new CFO who wanted a high salary. This could not happen, due to measures put in place as part of the Government's austerity programme, without special approval. For this to happen, BIS would have needed to approach HM Treasury. I do recall seeing a submission about this and speaking to Jenny Willott about it to check whether it had been discussed with her as it was soon after my return from maternity leave. I cannot remember our precise conversation but the impression I got was that she had certainly not given the green light for hiring an expensive new CFO.

134. As noted above in the chronology section, I do not recall Alice Perkins ever mentioning that she was considering removing Paula Vennells. I also never got an impression from Richard Callard, who I understand wrote UKGI00002440, that he or the Board were concerned about Paula Vennells. As the CEO of POL is an appointment made by the Secretary of State for BIS this was clearly strategic, not operational, and I am surprised that I was not made aware of these concerns.

***APPG meeting on 24 February 2015***

135. The Inquiry has drawn my attention to a note of a meeting of the All-Party Parliamentary Group for Post Offices on 24 February 2015 (NFSP00001177). I do not specifically recall this APPG meeting but have no reason to doubt that Paula Vennells' comment is accurately recorded as: "*Regarding the Horizon enquiry, Ms Vennells said that POL had now completed investigating all applicants to the mediation scheme. The investigation had demonstrated that the Horizon system works, and has been proved to be robust and reliable.*" This was POL's consistent line on Horizon issues in all my briefings, and at the time it would have seemed uncontroversial and unsurprising to me.

***NFSP***

136. I do not recall that Horizon issues came up substantially in my dealings with the NFSP, beyond a brief conversation which left the impression that they were not concerned. I do remember discussing many other issues with the NFSP, who were considered a key stakeholder in POL matters. They represented thousands of subpostmasters and if they were to run a campaign against POL or the Government, it would be a mass campaign which would get significant traction and put unwelcome pressure on Government MPs, so this was to be avoided if at all possible. But on Horizon, I understood they were on side with POL, which was reassuring, as they seemed more than willing to criticise POL on other matters.

***Fujitsu***

137. The Inquiry has drawn my attention to email chains in November and December 2013 regarding a meeting with Fujitsu (UKGI00002168 and UKGI00002181). This would not have been something I saw, and I do not recall seeing it. I would only

have been aware of the outcome, which in this case was the advice that I should not meet with the representative from Fujitsu. My diary was always under pressure and I could not accommodate all of the meeting requests and events that I was advised to accept, therefore I would almost always accept advice that said a meeting was unnecessary. I did have some dealings with Fujitsu but this was only in the context of work on corporate transparency and women on boards. I do not know what the BIS view of Fujitsu was.

### ***General***

138. This affair has clearly been a horrendous miscarriage of justice, compounded by obstruction and delay. As the full details have emerged through the court judgments and this Inquiry, naturally I have been reflecting on my role and what more I might have done. I do believe I did challenge POL and ShEx officials, asking many of the right questions, but I am deeply sorry that my efforts were ultimately not enough to expedite justice. Looking back now there are various moments where I wish I had done something differently.

139. At one point I was told that the Post Office was going to stop prosecutions of subpostmasters except in a small category of cases. I am not sure exactly when this was, though it would likely have been in late 2013 or when I returned from maternity leave in summer 2014, and I don't think this change of policy was the subject of a written briefing note to me. I recall it being mentioned verbally and me saying something like 'About bloody time!'. It seemed to me from MPs' descriptions of their constituents' experiences that the previous approach had been rather heavy-handed rather than focused on support, and that prosecution ought to be more of a last resort in extreme cases only. At this point I wish I had not just accepted it as a positive step, but had explored the reasoning for this in detail. Perhaps if I had asked for a briefing outlining the analysis and case for changing policy it would have uncovered something. Though I doubt they would have disclosed that they had received legal advice that indicated their key prosecution witness could no longer be used.

140. I regret not meeting Alan Bates and JFSA. His correspondence has proved prescient on so many of the issues, and it is clear to me now that his judgement

of what was happening was spot on. Jenny Willott had recently met him and a JFSA group while covering my maternity leave so from the Department's perspective that meeting had been 'done', but of course that meant I personally had not had the benefit of hearing directly from Mr Bates and his colleagues.

141. Another group I ought to have met is Second Sight, rather than just asking them to meet MPs and asking my officials to be in touch with them on my behalf. If I had been made aware of their evidence to the BIS Select Committee, I think it is likely I would have asked to see them.

142. I tried to get input from Sir Anthony Hooper both in September and December 2014 to help me form a more rounded view of the mediation process to check what I was being told. It may be that this was always going to be impossible in terms of his role in the working group, but having seen in the course of the Inquiry that he did meet informally with POL, I do wonder what would have happened had we been able to have a conversation.

143. In February and March of 2015, I wish I had spotted the underlying agenda. I did ask questions and give scrutiny, but while I was getting frustrated with POL I was not second guessing my own officials, including those in ShEx. I trusted that they were giving me accurate briefing and with the benefit of a place on the POL Board I believed that they would be upfront and flag to me if there was something important POL were not telling me. If I had been looking with the scepticism of someone who thought they were being lied to, I may have pushed back and asked many more questions when I received the 4 March submission.

144. Technically I was still the Minister in March-April 2015, though Parliament had dissolved and we were in the pre-election 'purdah' period. This means that most Ministerial work effectively ceases and boxes are not sent. I had a couple of conversations with my private office, such as about the CCRC request on data retention outlined earlier. The Second Sight report was leaked in April, and I asked my private office to read it and tell me if there was anything significant in it that I should know. In the heat of a general election campaign, I did not read it myself. I regret this. If I had, I think it would have raised alarm bells for me, in particular the section outlining concerns that some decisions to prosecute may have been



contrary to the Code for Crown Prosecutors. I think it likely, however, that had I asked I would have received a reply citing confidence in all convictions given the extensive investigations undertaken by POL, and legal assurance they had to back it up. I do not know why the final Second Sight report did not raise red flags within BIS, whether in April 2015 when it was leaked, or when a formal copy was sent to BIS, or in subsequent years.

145. I did probe and push, but I have asked myself why did I not push harder? For me, the separation between the Government and judicial processes weighed significantly on my mind. I was conscious in my actions and my public remarks of not undermining the courts or suggesting that decisions they had reached were wrong. I did not believe it was my place as a Minister to do that. The ongoing disclosure duty also seemed unambiguous, serious and a strong protection against unsafe convictions continuing to stand. It did not cross my mind that the cast iron assurances I received about POL's compliance with such a serious legal responsibility would turn out to be false.

146. Thinking about recommendations for future oversight and governance of POL, and indeed other entities where Government is the shareholder, I think there is a real risk of capture where the same team of civil servants are discharging both shareholder and policy advice / oversight functions. Separating out into two teams would provide more opportunity for challenge.

147. Additionally, the distinction between operational and strategic matters should be made clear. That could include criteria for which areas or for what reasons or at what level of concern Government would intervene in decision-making, both through Ministerial oversight and to guide the behaviour of the relevant civil servant discharging their role as a Non-Executive Director.

148. The contrast between what I was briefed as Minister and what Richard Callard knew raises questions for me about civil service advice to Ministers. The answer cannot be for Ministers not to trust the advice they are getting, as Government would grind to a halt. So there do need to be better mechanisms for oversight within the civil service to ensure that full and frank advice is provided. The solution to this may be partly procedural, but I also suggest it is cultural. I know that ShEx

did seem to be set apart from the rest of BIS, with a different, more commercial-leaning culture. I do not know if this continues to be the case for UKGI, but it could be worth exploring whether this was a contributing factor and how it could be addressed.

**Statement of truth**

I believe the content of this statement to be true.

Signed: **GRO**  
Dated: 19 June 2024

**Index to First Witness Statement of Joanne Swinson**

<b>No.</b>	<b>URN</b>	<b>Document Description</b>	<b>Control Number</b>
1	WITN10190101	Written Statements, Cabinet Office, Handling Member's Correspondence dated 13 May 2014	WITN10190101
2	UKGI00041975	Meeting with the Chair and CEO of Post Office LTD (Tuesday 18 <sup>th</sup> September 2012, 10:20-11:00)	UKGI050870-001
3	UKGI00018248	Draft Email from Mike Whitehead to Jo Swinson re Freedom of information request 12/1362: proposed Section 36 exemption regarding Ministerial briefing	VIS00011647
4	UKGI00013747	Letter from Yasmin Qureshi MP dated November 2012	UKGI024540-001
5	POL00144511	Letter from Alan Bates to Jo Swinson MP RE: Second Sight presentation at Portcullis House	POL-BSFF-0003646
6	UKGI00013902	Letter to Alan Bates dated April 2013	UKGI024695-001
7	UKGI00001693	Email from Peter Batten to Swinson MPST cc Will Gibson, Mike Whitehead and others RE Draft Second sight report into POL Horizons system	UKGI012507-001
8	UKGI00001695	Narrative and summary of the Second Sight report	UKGI012509-001
9	UKGI00001712	Email chain from Will Gibson to Swinson MPST, cc'ing Mike Whitehead and Peter Batten re: James Arbuthnot - POL/JFSA Statement for Media Appearance	UKGI012526-001
10	UKGI00001748	Email from Mike Whitehead to MPST Swinson, cc Will Gibson, Peter Batten and others re: FW: Horizon: James Arbuthnot MP	UKGI012562-001
11	UKGI00001749	Memo re: Update to 4 July 2013 Note on the independent review of Post Office Limited's (POL's) computer system	UKGI012563-001
12	UKGI00041996	Email from Emily Cloke (Secretary to Jo Swinson MP) to Parly Unit - Others cc Will Gibson, Mike Whitehead and others RE: Post Office - Oral Statement	UKGI050891-001
13	POL00206822	Hansard, Post Office - Horizon System, Volume 566: debated on Tuesday 9 July 2013	POL-BSFF-0044885

14	INQ00001127	10 April Hearing pages 10-12	INQ00001127
15	POL00145667	Letter from Jo Swinson MP to Alan Bates - Re: 2nd sight interim report on the post office horizon computer system	POL-BSFF-0004794
16	UKGI00001867	Letter from Jo Swinson MP to Alan Bates re: Second Sight Interim Report	UKGI012681-001
17	UKGI00001835	Meeting Agenda with Post Office Ltd from Tim McInnes to Vince Cable and Jo Swinson re: POL's Strategic Plan	UKGI012649-001
18	POL00196410	Letter from Stephen Mosley MP to Jo Swinson MP Re: Correspondence received from Mr Alan Bates from JFSA regarding his concerns relating to the suicide attempt of Mr Martin Griffiths	POL-BSFF-0034473
19	INQ00001157	Hearing dated 6 June 2024, pages 153-167	INQ00001157
20	UKGI00002168	Email chain from Paul Hadley to Jonathan Preece, Darrell Midgley, cc'd Richard Callard, David Francis, Maureen Wathen and others, re: "Ria - meeting request - Fujitsu	UKGI012982-001
21	UKGI00002181	Email from MPST Swinson to David Francis, Jonathan Preece, Midgley Darrell and others re: Meeting request for Jo Swinson - Fujitsu	UKGI012995-001
22	WITN10190102	Briefing of meeting with Alice Perkins and Paula Vennells dated 11 December 2013	WITN10190102
23	POL00294186	Minutes of a meeting of the Project Sparrow Sub- Committee of the Board held on Wednesday 9 April 2014. Present: Alice Perkins, Alasdair Marnoch, Richard Gallard and others	POL-BSFF-0132249
24	POL00304194	Letter from Alan Bates for the JFSA to Jo Swinson MP re Initial Case Review and Mediation	POL-BSFF-0142244
25	POL00100583	Letters from Jenny Willott MP (on behalf of BIS) to Alan Bates, Sir Anthony Hooper and Paula Vennells re Initial Case Review and Mediation Scheme	POL-0100166
26	POL00021524	Meeting Minutes: minutes for Board meeting held on 30th April 2014	POL0000057

27	POL00148201	Post Office Ltd, Project Sparrow Sub-Committee Minutes of 30/04/2014	POL-BSFF-0007324
28	UKGI00002333	Agenda for Post Office Shareholder team update	UKGI013147-001
29	POL00029733	Email from Alwen Lyons to Rodric Williams Re: FWD - Deloitte Briefing - Message from Chris Aujard and Lesley Sewell - Strictly Private & Confidential - Subject to Legal Privilege	POL-0026215
30	POL00130618	Deloitte Draft Board Briefing document further to report on Horizon desktop review of assurance sources and key control features	POL-0120670
31	POL00006571	Project Sparrow Sub-Committee Minutes 6 June 2014	POL-0017847
32	POL00021526	Post Office Limited: Minutes of a Board meeting held on June 2014	POL0000059
33	POL00116649	Letter to David Cameron PM from Mrs Jennifer O Dell Re: Mrs O'Dell's Second Sight case	POL-0117522
34	UKGI00002440	Preparation document for the press prepared by Richard Callard	UKGI013254-001
35	UKGI00002439	Email from Richard Callard to Swinson MPST RE Confidential Prep for Friday	UKGI013253-001
36	WITN10190103	Agenda for Meeting dated 10 July 2014: Post Office Limited - Appointment and Remuneration of New Chief Finance Officer (CFO)	WITN10190103
37	UKGI00042677	Post Office Ltd Senior Management Risk and Assurance Committee February 2014	UKGI051572-001
38	WITN10190104	Agenda for Post Office Limited-Director's Remuneration Post Office Limited- Director's Remuneration dated 12 November 2013	WITN10190104
39	UKGI00013791	Letter from Alan Bates to Jo Swinson dated 29 August 2015 re Justice for Subpostmasters Alliance	UKGI024584-001
40	UKGI00002472	Briefing for Jo Swinson regarding recent reports on Horizon System - 10th September 2014.	UKGI013286-001

41	UKGI00007352	Email chain from Peter Batten to Jo Swinson, Richard Callard cc Alexander Hamilton and others Re: POL and reports on IT	UKGI018166-001
42	UKGI00002521	Email from Swinson MPST to Tim McInnes, CC Richard Callard and Peter Batten re Second Sight Report	UKGI013335-001
43	POL00116720	Letter to Jo Swinson from Chris Aujard and Paula Vennells Re: Initial Complaint Review and Mediation Scheme	POL-0117590
44	UKGI00042620	Department for Business, Innovation & Skills - Meeting with Paula Vennells, Chief Executive of Post Office Ltd ("POL")	UKGI051515-001
45	UKGI00002585	Email dated 8 December 2014 RE: Horizon Working Group update	UKGI013399-001
46	UKGI00002610	Email from Richard Callard to MPST Swinson, Tim McInnes, James Baugh and Peter Batten re Catch up this morning - Horizon mediation scheme	UKGI013424-001
47	UKGI00002633	Draft Note with annex to Jo Swinson from Peter Batten re: Westminster Hall Debate: Horizon Case Review and Mediation Scheme	UKGI013447-001
48	UKGI00000024	Agenda for Westminster Hall Debate: Horizon Case Review and Mediation Scheme dated 15 December 2014	VIS00000985
49	UKGI00002762	Email from Richard Callard to Swinson MPST cc Cable MPST, Hancock MPST and others RE: Westminster Hall Debate on Post Office & Horizon	UKGI013576-001
50	UKGI00002763	Letter from Richard Callard to Jo Swinson re Westminster Hall Debate: Horizon Case Review and Mediation Scheme	UKGI013577-001
51	UKGI00002765	Westminster Hall Debate: Subpostmaster Mediation Scheme	UKGI013579-001
52	UKGI00002764	Horizon Questions for Parliamentary Debate 17th December 2014.	UKGI013578-001
53	UKGI00002767	Report on "MPs lost faith in Post Office Mediation Scheme"	UKGI013581-001
54	UKGI00002766	Letter from Lord Arbuthnot to Paula Vennells re Scope of the Mediation Scheme	UKGI013580-001

55	UKGI00002769	Letter from Paula Vennells to Lord Arbuthnot re Complaint and Mediation Scheme	UKGI013583-001
56	UKGI00002768	Letter from Sir Anthony Hooper to Jo Swinson re Initial Complaint and Mediation Scheme	UKGI013582-001
57	UKGI00002771	Letter from John Munton to The Secretariat of Post Office Mediation Complaint Review Working Group	UKGI013585-001
58	UKGI00000916	Email from Swinson MPST to Richard Callard cc MPST Cable, MPST Hancock and others re: Jo's comments on Westminster Hall Debate on Post Office & Horizon	VIS00009054
59	UKGI00002764	Horizon Questions for Parliamentary Debate 17th December 2014.	UKGI013578-001
60	UKGI00002837	Email from Richard Callard to MPST Swinson cc: Tim McInnes, James Bough and others Re: Jo's conversations with James Arbuthnot-actions coming out	UKGI013651-001
61	POL00030457	Hansard, Post Office Mediation Scheme, Volume 589: debated on Wednesday 17 December 2014	POL-0026939
62	UKGI00002896	Letter from JFSA Alan Bates to Jo Swinson MP. Re: following adjournment debate at Westminster Hall / initial case review & mediation scheme	UKGI013710-001
63	UKGI00002920	Email dated 7 January 2015 RE: next steps on Horizon debate	UKGI013734-001
64	UKGI00003007	Email from Mark Davis to Swinson MPST cc Richard Callard re: Post Office Response to Westminster Hall debate	UKGI013821-001
65	UKGI00003008	Post Office Response to Westminster Hall Debate	UKGI013822-001
66	UKGI00003111	Letter from Jo Swinson MP to Alan Bates re Response to letter dated 22 December about the mediation scheme	UKGI013925-001
67	UKGI00013818	3 February 2015 - Post Office mediation - Oral evidence	UKGI024611-001
68	UKGI00017945	Meeting Brief from Tim McInnes to Jo Swinson - Re: Meeting with NFSP - Horizon Mediation Scheme and Network Transformation	UKGI027952-001

69	UKGI00000032	Email from Laura Thompson to Jo Swinson Re Post Office mediation scheme: revised approach	VIS00000993
70	UKGI00003390	Post Office Mediation Scheme Update	UKGI014204-001
71	UKGI00000923	Email from Richard Callard to Swinson MPST, Laura Thompson, Cable MPST and others re: Submission on Post Office Horizon mediation scheme.	VIS00009061
72	UKGI00019687	Email dated 9 March 2015 Re: submission on Post Office Horizon mediation scheme	UKGI1028582-001
73	UKGI00003543	Email dated 9 March 2015 POL Horizon WMS materials	UKGI014357-001
74	POL00132580	Letter to Jo Swinson from Paula Vennells Chief executive of the Post Office	POL-0121750
75	UKGI00003684	Email from trail from Swinson mpst to Laura Thompson and Alan Bates re FW: Post Office Press Release today	UKGI014498-001
76	UKGI00000053	Briefing from Laura Thompson to Secretary of State and Jo Swinson MP re. Post Office Mediation Scheme: Letters	VIS00001014
77	UKGI00003891	Email from Alan Bates and draft response dated March 2015	UKGI04705-001
78	UKGI00003721	Email chain from Ministerial Advice Team to Laura Thompson cc'ing Richard Callard and Ministerial Advice Team Re: No10 PMQ urgent Query - Post Office	UKGI014535-001
79	UKGI00003722	Possible Question: Post Office Computer System - complaints lead by James Arbuthnot over mediation scheme about Horizon	UKGI014536-001
80	UKGI00003733	Email thread from Cable MPST to Laura Thompson, Swinson MPST, cc Hannah Franklin-Wallis and others RE: PMQs today	UKGI014547-001
81	UKGI00003781	Letter from James Arbuthnot to Vince Cable MP, re Post Office Mediation Scheme	UKGI014595-001
82	UKGI00003780	Email from Cable MPST (Claire) to Laura Thompson, Swinson MPST RE: Letter from Rt Hon James Arbuthnot MP - PMQs/Post Office	UKGI014594-001



83	UKGI00003913	Email dated 18 March 2015 RE: Post Office: reply to Alan Bates	UKGI014727-001
84	POL00102385	Letter to Alan Bates dated 19 March 2015	POL-0101968
85	UKGI00004010	Email dated 25 March 2015: eCase MCB2015-06376- Alan Bates	UKGI014824-001
86	UKGI00004006	Email dated 24 March 2015: FW: Post Office mediation: response to letter from BIS Select Committee	UKGI014820-001
87	UKGI00003918	Post Office Mediation Scheme letter dated March 2015	UKGI014732-001
88	POL00039281	Post Office Mediation Scheme letter dated 26 March 2015	POL-0035763
89	WITN10190105	End of the 2014-15 Parliamentary session 27 March 2015	WITN10190105
90	UKGI00004093	Letter from Criminal Cases Review Commission (CCRC) to Ms J Swinson MP requesting evidence from BIS under Criminal Appeal Act 1995	UKGI014907-001
91	UKGI00003008	Post Office Response to Westminster Hall Debate	UKGI013822-001
92	POL00116720	Letter to Jo Swinson from Chris Aujard and Paula Vennells Re: Initial Complaint Review and Mediation Scheme	POL-0117590
93	POL00132580	Letter to Jo Swinson from Paula Vennells Chief executive of the post office	POL-0121750
94	UKGI00002333	Agenda for Post Office shareholder team update	UKGI013147-001
95	POL00297497	Email from Martin Edwards To Paula Vennells RE: Update on final draft of Second Sight interim report	POL-BSFF-0135547
96	POL00022598	Horizon Data Lepton SPSO 191320 by Helen Rose (v.1 draft)	POL-0019077
97	POL00006357	Advice on the use of expert evidence relating to the integrity of the Fujitsu Services Ltd Horizon System	POL-0017625
98	POL00129453	Simon Clarke's Advice re: Disclosure - The Duty to record and retain material - Post Office LTD	POL-0134937
99	NFSP00001177	All Party Parliamentary Group for Post Offices Meeting	NFSP00001177