

Witness Name: Michael Young

Statement No.: WITN11130100

Dated: 8 August 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MICHAEL YOUNG

I, **MICHAEL YOUNG**, will say as follows:

INTRODUCTION

- 1 I am a former employee of Post Office Limited ("**POL**"). My career at POL began in August 2008 as Operations Director ("**OD**") and ended in April 2012 as Chief Operations Officer ("**COO**").
- 2 I make this witness statement to assist the Post Office Horizon IT Inquiry (the "**Inquiry**") with the matters set out in the Rule 9 Request dated 13 June 2024 (the "**Request**"). Throughout this witness statement, I will use the structure and headings of the Request.
- 3 I have not been asked by the Inquiry to give a full account of every aspect of my work, actions, and opinions whilst at POL. I have been asked a list of detailed and specific questions. Accordingly, this statement is not a chronological list of all my actions, but a series of answers to the questions I have been asked.

- 4 I prepared and submitted this witness statement within two months of receiving the Request on 13 June 2024, which was the first notification that I had been asked to submit a witness statement to the Inquiry. The accompanying disclosure to the Request amounted to over 2,000 pages. In addition, it has been necessary for me to consider evidence given to the Inquiry by other witnesses. Accordingly, I have tried to provide the Inquiry with the relevant information to answer the questions to the best of my ability. I have not had the time to comment on each document in the disclosure bundle, given the short deadline to submit my witness statement, nor have I explained some of the technical concepts and terms pertinent to the Inquiry on the basis that I believe many of these are well known and understood by the Inquiry through other witness evidence. Should the Inquiry wish for further information or for me to expand upon any matters raised in this witness statement, I will do my best to respond within a reasonable timeframe.
- 5 Within the Request, I am asked at various points to comment on my thoughts, beliefs, concerns, opinions, and observations using the benefit of hindsight. To do so, I have drawn on my recollection from the time to the best of my ability. However, given the amount of additional information I have learned from various sources about Horizon (as defined below) in the 12 years since I left POL, it is difficult for me to attribute precisely the source of the information I have gathered.
- 6 References to “**RMG**” are to Royal Mail Group. References to “**SPMs**” are to SubPostmasters, Subpostmistresses, Managers and Assistants. References to “**Separation**” are to POL becoming independent from RMG on 1 April 2012.

“**Horizon**” refers to both variations of the Horizon IT Systems: Legacy Horizon and Horizon Online. References to “**Legacy Horizon**” are to the first iteration of the Horizon. “**Horizon Online**” is the second iteration that was rolled out from March 2010. References to “**Crowns**” are to Post Office branches owned and directly managed by POL. References to “**BEDs**” are to bugs, errors, or defects with Horizon or any other IT system. References to “**Fujitsu**” are to Fujitsu Limited.

- 7 A significant passage of time has passed since my tenure at POL (August 2008-March 2012). In making this statement, I have sought to refresh my memory from the contemporaneous documents provided by the Inquiry insofar as possible. I make this witness statement to the best of my recollection, knowledge, and belief. My legal representatives assisted me in preparing this witness statement.

BACKGROUND

- 8 After completing my A-levels, I joined the British Army for 11 years. When I left the Army, I joined the Police Service for seven years, rising to Detective Sergeant.
- 9 Between March 1995 and February 1998, I worked for Orange Plc. I initially started as their investigations manager, responsible for fraud and security-related matters. I later became their Group Head of Security Management.
- 10 From February 1998 to June 2006, I served as the Chief Information Officer (“**CIO**”) and Vice President of International IT of Verizon Business Solutions

(“**Verizon**”). In this role, I was responsible for IT development in EMEA (Europe, the Middle East and Africa) and APAC (Asia-Pacific).

- 11 Between June 2006 and May 2007, I ran Mike Young Associates, my consultancy providing technology advisory services to clients.
- 12 In July 2007, I became Vice President of Global Services at BT Group Plc. I was responsible for establishing and overseeing the service delivery strategy and executing capability for winning new business and in-life programmes (e.g. managing service requirements for clients), including the National Health Service, the Department of Works & Pensions, Credit Suisse, Reuters, and the Ministry of Defence.
- 13 In August 2008, I joined POL as OD, reporting to Alan Cook (“**Cook**”), the Managing Director. On 1 August 2008, the Board of Directors (“**BoD**”) ratified my appointment to the BoD. I was also a member of the Executive Committee (“**ExCo**”). This can be seen from the Minutes of the Meeting of the Board held on 20 October 2008 (Meeting minutes: Board meeting minutes held on 20th October 2008 **POL00021497**). I regularly attended BoD, ExCo, and Risk Committee meetings.

RESPONSIBILITIES WITH POL

- 14 On joining POL, my responsibilities were to develop and manage, at an executive level, the partnerships and relationships with suppliers. My direct reports included Andy McClean (“**McCLean**”), Head of Operations Control, Neil Ennis (“**Ennis**”), Head of Operational Efficiency, David Smith (“**Smith**”)

(subsequently replaced by Lesley Sewell ("**Sewell**")), Head of Change and IS (Technology), Clive Bradley ("**Bradley**"), Head of Property Projects, John Scott ("**Scott**"), Head of Security, and Keith Rann ("**Rann**"), Head of Cash Vehicles in Transit ("**CVIT**"). A list of my direct reports is set out on page 16 of the Welcome Post Office Report (Welcome to Post Office Ltd Report V6 **POL00429291**). A few months after joining, I recruited Brian Deveney ("**Deveney**"), Head of Procurement/Sourcing. I cannot recall whether I recruited Deveney from RMG or externally. Deveney also reported to me.

- 15 During my tenure, I ensured that all my direct reports kept me copied on emails and that they briefed me on all matters that they thought appropriate to bring to my attention (e.g. major IT or software related issues).
- 16 I was not responsible for the branch network or any of other POL group support functions such as Finance, HR, and Legal.
- 17 My day-to-day responsibilities varied and often changed as set out below in paragraphs 18 - 30. I was mainly responsible for the efficiencies (such as cost control and optimising company processes) and budgets across POL. POL has always focused on cost control and revenue opportunities to reach the ultimate Government objective, which is to be self-sustaining. Program initiatives across POL usually echoed success factors around revenue improvement and cost efficiencies. One of the consequences of this endeavour was the centralisation of very large program governance controls, particularly, as it relates to these two fundamental aspects (revenue improvement and efficiencies) to ensure

success. Ennis was the lead in this endeavour and through me we endeavoured to report to the BoD, ExCo, program sponsors, and the Risk Committee.

Security responsibilities:

- 18 During my time, POL was the largest physical mover of cash in the UK. I regularly met with the Bank of England (“**BoE**”) in London, as I was responsible for numerous depots around the country and a fleet of 400 to 450 heavily secured lorries, which carried and transferred large amounts of cash from branches to the BoE. Security in the depots and the vehicles was a constant concern. I was also responsible for CVIT security analysis and input to employee awareness of security protocols. I was not responsible for the RMG/POL investigations into potential criminality within the POL network or involved in criminal prosecutions or civil litigation.

Third Party Relationships responsibilities:

- 19 I was managing third-party relationships (such as, the BoE, Driver and Vehicle Licensing Agency (“**DVLA**”)) and IT relationships between POL and RMG, Fujitsu, CSC, Ingenico (PayStation terminals), BT (the network), Logica (a data system), and Prism (SAP and other associated management information systems).
- 20 Regarding Horizon, Sewell managed the day-to-day relationship with Fujitsu (i.e. managed approximately 90% of the relationship). I liaised and managed the relationship with Fujitsu's top management, Duncan Tait (“**Tait**”), Group Chief Executive Officer at Fujitsu, and Gavin Bounds, COO at Fujitsu. I knew

Tait from when I worked at Verizon, as Tait was working at Hewlett-Packard at the same time. During my time at POL, when we had issues (such as hardware failures or connectivity issues) that were deemed necessary to be brought to my attention, I would call Tait and discuss these issues with him.

Property responsibilities:

- 21 I was also responsible for overseeing all Property-related projects, which Clive Bradley led. For example, our major projects included changes to the Crown Network of Post Offices as they were being refurbished. Other property-related projects included in-branch brand changes (to signage), work to SPM branches that POL paid for, evaluation of potential office properties, discussions relating to the potential relocation options with the ExCo, refurbishment of RMG's old offices, and office move for our headquarters.

Operational Efficiency and Operational Control responsibilities:

- 22 Other responsibilities included overseeing Operational Efficiency and Operational Control, which McClean and Ennis led. The responsibilities included ensuring all major programmes delivered their efficiencies and that any expected benefit in revenues was realised. I also had to manage relationships with ExCo sponsors (i.e. the relevant ExCo individual responsible for a specific program) and the Finance department, which was time-consuming. I was in regular contact with Mike Moores ("**Moores**"), the Chief Financial Officer ("**CFO**"), regarding potential financial risks. During my time at POL, I provided regular updates and progress reports at the ExCo or in BoD meetings so that programme sponsors were kept updated on the various

projects I was overseeing. Operational Control responsibilities included ensuring that the Post & Go terminals (i.e. an automated machine that allowed customers to weigh their letters and packets, pay for and print postage labels and stamps without the need to visit the counter), Bank of Ireland Cash Points (new and existing), Identity Booths (i.e. allowing branches to conduct verification checks), and PayStations ran effectively.

IT-related responsibilities:

- 23 Regarding Legacy Horizon, I was responsible for ensuring that any IT-related issues, such as network connectivity and blue screen issues (explained in more detail below), were resolved. Overseeing IT issues only occupied an average of 10% of my time. During the Horizon Online testing and rollout, my time spent on IT matters could increase to 30%.
- 24 After Cook exited POL, David J Smith (“**DJS**”) became the Managing Director (“**MD**”) in April 2010. Paula Vennell’s (“**Vennells**”) job title changed to COO, which had the potential to be conflated with my title (as OD) by vendors and suppliers outside of POL. Accordingly, my title changed to Chief Technology and Operations Services Director.
- 25 My roles and responsibilities remained the same, but I was unhappy about the new title, which gave the impression that my role was limited to IT operations. As discussed above, this was only a fraction of my responsibilities. In October 2010, DJS moved to RMG to become Chief Customer Officer, a role which involved continued oversight of POL. A few weeks later, Vennells was promoted to MD. Shortly after, I was promoted to COO. I recall Vennells continued to

report to DJS until he left the Group in June 2011. Vennells then started to report to Moya Greene, RMG Chief Executive and Alice Perkins ("**Perkins**"), POL Chair, until RMG and POL separated.

26 Shortly before Smith retired, I hired Sewell, who not only had the relevant IT specialism, but also had financial services experience. We enjoyed a close and good working relationship. After Smith left in late March early April 2010, Sewell was promoted to Head of IT & Change and became responsible for managing Horizon (in amongst other responsibilities).

27 As COO, my priorities shifted to negotiating and managing the Separation. From March 2011, I spent three days a week working on the Separation. I handled all the outsourced IT contracts and negotiations. The Separation was a complex process; I needed to not only separate numerous products and services (ranging from a book of stamps to differing weights, measures, and values around the delivery of parcels) but also put in place a framework to manage any ongoing mutual use of those products and services between POL and RMG, taking into account the emerging competition.

28 At the time of the Separation, Sewell was responsible for Horizon (amongst other responsibilities) but would keep me informed of all the IT-related issues that needed board-level input or oversight. I trusted Sewell to do her job and I did not want to step on her toes. She asked for help when she needed it.

29 One year later, in March 2012, Vennells informed me that, I would no longer sit on the BoD, once the Separation concluded, and my job title would not remain as COO. I did not want to accept returning to the title OD, as I felt it would be

seen as a demotion, so we came to a mutually agreed departure, and I left. Shortly after, I informed Sewell and Human Resources that I was leaving POL. Sewell was asked to step in as interim COO while a restructure was considered. After the Separation, Sewell became the CIO.

- 30 During my first three years, I spent a lot of my time visiting Post Office branches, getting a feel for everyone's morale, and trying to see whether there were strategies we could implement to help. Nothing in the branches was reported to me that indicated there was something fundamentally wrong with Legacy Horizon or Horizon Online. Still, to this day, I am unaware of an identified part of Horizon code that someone can point to show that Horizon is fundamentally flawed. I believe an effective IT system requires not only good technology, but that technology needs to be wrapped in good processes and training for all users. Like any IT system, they all have BEDs requiring fixes or updates. Horizon Online was a significant upgrade to Legacy Horizon. I understand Horizon Online is still used today.

ROLE AFTER POL

- 31 After leaving POL, I was appointed the Group CIO at Dentsu Aegis Network between June 2012 and October 2016. I was responsible for all technology and all data needs. I reported to the CEO, and I was a member of the Group Executive. In October 2016, I became the Group CIO at Centrica, coordinating all Information Services activities across the Centrica Group. From September 2021 to the present, I have been an advisor to VYN Intelligence and Digit Lab,

advising on technology, digital, cyber and data strategies. Additionally, I mentor C-suite executives in the technology sector.

KNOWLEDGE OF HORIZON

- 32 When I joined POL, Smith explained POL's entire IT landscape to me and took me to visit POL's Model Office, which sat in the POL's headquarters, to look at the Legacy Horizon. I recall asking whether I could be trained on Horizon, which covered the use of the improved touch screens. Subsequently, I received basic training (a one-hour session) on the system covering the basic transactions. These touch screens were complicated, and I would have required significant training to be fully conversant in how the system worked. I do recall that Postmasters and SPMs received training and a refresher training course every year. We would normally visit most of the Crowns in London to provide support where there were network problems and when there was significant footfall (such as Christmas and other holiday periods).
- 33 At the time I joined, POL was still using Legacy Horizon. However, POL's BOD had already negotiated and agreed to the contract for the upgrade to Horizon Online (i.e. the commercials and a draft plan were already in place). Fujitsu was in the process of developing the Horizon Online code. I was not a part of any initial discussion, decision-making, or the planning process of Horizon Online. I was responsible for Fujitsu delivering Horizon Online to ensure POL made cost efficiencies. Horizon Online was intended to provide added features to support new revenue (such as financial services). Horizon Online allowed for an easier way to deliver product and service changes. The contract with Fujitsu for

Horizon Online that I inherited was not due to expire until 2015, so during my entire time at POL, we were tied to Horizon Online and the contractual terms of that agreement.

34 I never saw the entire Horizon contract between POL and Fujitsu. In my first or second week at POL, I asked Smith for the full contract between POL and Fujitsu to understand our contractual position that could impact the operational matters that were my responsibility. He only sent me the simplified document with the appendices relating to IT and technology (or an amendment to the contract). Smith asked me to request the full contract from Legal. I spoke with Legal, but I never received it from them. Despite not seeing the entire contract, I was aware that POL did not own the Intellectual Property (“IP”) for Horizon and that there was no contractual clause allowing POL to insist on a full audit of Horizon, including the IT code. Despite the Inquiry disclosure process, I still have not been provided with or seen the full POL/RMG contractual documents with Fujitsu.

35 In early 2010, we started the rollout of Horizon Online in 20 Crown branches. First, we chose our large Crown branches and other branches that were considered and/or were most receptive to change. This pilot rollout was slow, and there were minor issues (as explained elsewhere in this statement), not untypical of a “pilot”. More problems arose after implementing Horizon Online in the next steps of the pilot within Crown branches and a few rural SPM branches. I was not unduly worried about the operational issues as you expect every system to develop IT issues and BEDs during the testing and pilot phase. As I have an IT background, I understand that you can fix these IT issues

relatively fast with software changes and upgrades. The need to fix BEDs is not unusual, nor is it an indication that there is fundamentally something wrong with an IT system. A good example of this is when you install an update on your iPhone. Such updates provide bug fixes and operational upgrades to your phone. At this time, I was more worried about the ongoing impact on our budgets because the rollout had slowed.

- 36 While I do not believe Horizon Online was the best system on the market at the time, I would rate it in the mid-range. However, I strongly believe it was a significant and promising upgrade to Legacy Horizon.

Legacy Horizon

- 37 Regarding my knowledge of BEDs in Horizon, I was only aware of two significant BEDs within Legacy Horizon: (i) Blue Screen errors; and (ii) Integrated Services Digital Network (“ISDN”) errors. I was not aware of any coding issues with Legacy Horizon.

- 38 A Blue Screen error is a critical error displayed on the operating system’s screen, indicating the system crashed and can no longer operate. At that point, the Postmaster or SPM must shut down the terminal as they cannot reboot it. They must call an engineer to visit the branch and replace the terminal. One of the advantages of Horizon Online is that you can try to fix issues remotely without having to call out an engineer.

- 39 The ISDN internet connection was fragile, and there was a lot of network instability. The issue was mainly with backing-up data. If the ISDN was down or

problematic, Postmasters and SPM could not back up their data centrally and, therefore, reconcile their figures with Product & Branch Accounting (“**P&BA**”).

40 If a Post Office only had one Horizon terminal and that terminal experienced a Blue Screen error or ISDN issue, that Post Office could not operate until an engineer fixed the issue.

41 So far as I understand, the two issues described above are not linked to the criminal prosecutions. However, I was aware of complaints about the integrity of Legacy Horizon by some of the SPMs. I recall speaking to Smith about the allegations when I joined POL. From memory, I believe he assured me verbally that there was nothing wrong with Legacy Horizon and nothing to worry about (or words to that effect).

Horizon Online

42 Regarding Horizon Online, from conversations with various stakeholders, I understood that the design of Horizon Online was a collaborative effort with input from Postmasters and SPMs. The architecture and design team considered each party’s requirements; everyone was consulted and had a voice. Horizon Online then underwent a three- to four-week testing phase in POL HQ’s Model Office.

43 I became aware of several Horizon Online BEDs during the rollout. As I explained in paragraph 35, I did not have an issue with the BEDs in themselves but rather with how we dealt with them.

- 44 The crucial difference between Horizon Online and Legacy Horizon was the internet connectivity and the database. Horizon Online improved the systems by automatically backing up data centrally instead of holding and storing the data at the branch that then had to be manually uploaded to the central database. Horizon Online delivered more operational stability than Legacy Horizon due to better internet connectivity.
- 45 BEDs during Horizon Online's testing phase caused the rollout to be paused for several months. The problem was that Fujitsu did not understand what the BEDs were. It took Fujitsu some time to find the cause of the problems. In June 2009, I briefly considered rolling back the pilot and returning to only using Legacy Horizon. In an operational meeting between my team and Fujitsu, I briefly commented on the possibility of having to roll back to the use of Legacy Horizon, which could inevitably lead to "stopping" the Horizon Online rollout in its entirety. I had seen an email from Andrew Hall dated 9 June 2009, which set out the contents of that meeting. Hall writes "*The meeting opened up with Mike Y reminding Fujitsu with considerable force that despite a re plan: (i) the Post Office remained unhappy with Fujitsu; and (ii) That this was the very last chance for Fujitsu*" (Email from Andrew Hall to Peter Rowley, Lester Young, Alan Alvarez, Mike Wood, Clive Bailey, Peter Jeram, Paul Goodge, Steve Goldsmith David Roberts re meeting with Post Office 9/6/09 **FUJ00126078**). Ultimately, my worry was meeting customer demand in branches and the potential for ongoing impact on revenue streams.
- 46 In March 2010, we learned that the faults causing the service interruptions and delays during Horizon Online's pilot were two different Oracle BEDs (i.e. faults

in the Oracle database software). The two Oracle BEDs caused a data mismatch; therefore, I still maintained that there was fundamentally nothing wrong with the system.

47 In the end, I trusted Fujitsu to do their job. Fujitsu and Oracle resolved the issues, and then we continued the roll-out. I recall Fujitsu resolved issues before Horizon Online's main roll-out and therefore should not have impacted any prosecutions.

48 As Head of IT, Sewell was responsible for liaising with the branch network, procurement, the Crowns, and SPMs. I cannot recall personally informing and updating Vennells of the issues. I am sure Vennells would have been informed via her other direct reports.

CONCERNS WITH THE INTEGRITY OF HORIZON

49 Beyond the operational issues mentioned above (i.e. change management failures, hardware failures, two Oracle bugs experienced in pilot, and the items for action in the audit findings), I could not see anything with Horizon that indicated any weakness in integrity of the platform/service. I was ever mindful that the Justice for SubPostmasters Alliance ("JFSA") frequently indicated in the media that they had been impacted by some part in the reconciliation process. I, however, could not see anything on the platform/service that evidenced this. Despite the lack of evidence, that the system had failed in some way, I did ask Fujitsu several times to review the Horizon code. It is only the last request in 2012, that they agreed to do so (which is discussed in more detail below).

- 50 To be clear, I never saw Horizon Online's IT code, as POL did not own the IP or the contractual right to review the code; however, I sensed that the code was good because it worked across a significant branch network and an extensive product and service portfolio, with few problems. I am still not aware of any integrity issue surrounding the Horizon Online code. I believe there are three key components of an effective IT programme: (i) IT system; (ii) process around the use of the IT system; and (iii) training.
- 51 Having followed the Inquiry, it is my view today that the end-to-end process was not comprehensive enough and that there was not enough in-depth training provided to SPMs, and their staff on a regular basis.
- 52 When I joined POL, I did not know that Fujitsu via Horizon could insert, edit, or delete transaction data or data in branch accounts without the knowledge or consent of SPMs, managers, and/or assistants, nor that such actions would not leave a robust audit trail.
- 53 I was unaware of any remote or privileged access being exercised without the consent of the Postmasters or SPMs. I understood that if an SPM phoned the help desk for assistance, Fujitsu could assist remotely, but only with the consent and approval of the SPM. I had no belief, understanding, or even inkling that Fujitsu could remotely access the system independently; I believed the SPMs needed to be part of that process. Only when I became aware of the Second Sight interim report ("**Second Sight Report**") after I left POL did I discover that Fujitsu gained access to the SPM's data without their consent. It should be

noted, I was not involved in the commissioning of Second Sight, a forensic accounting firm.

54 Further, the Second Sight Report made evident that the process with Horizon may not be entirely auditable. This was despite Fujitsu's previous assurances of end-to-end auditability of actions on the system. Knowing now of the possibility for the lack of auditability and keystroke recording once a Fujitsu employee gained remote access is a significant concern to me.

55 As Ernst & Young (“EY”) was on RMG’s consultancy panel, RMG had agreed one year in advance (in 2010) to conduct an audit of Horizon. EY’s audit report (“EY Report”) raised issues with privileged access to Horizon. This can be seen in EY’s management letter for the year dated 27 March 2011 (Ernst & Young Management letter to POL for year ended 2011 **POL00030217**).

56 Privileged access means the permission level of an individual at Fujitsu (e.g., an engineer) who has the ability and access to change, add, or delete data on Horizon. As I explain later in this statement, there were different levels of privileged access. One of EY’s concerns was the number of individuals at Fujitsu with privileged access. The EY report confirmed that this area needed review and some improvement. As an example, one of the employees with privileged access at Fujitsu had left the business, but their access remained. I had expected a more robust and automated process to be in place in a tech-company like Fujitsu. Usually, when an employee exits a business, the company has automatic controls to disable their IT access to account for the possibility of human error.

57 Fujitsu should also have limited the highest level of privileged access to one or two employees (e.g. engineers). The EY report confirmed that four or five employees at Fujitsu had the highest level of privileged access to Horizon. In my opinion, Fujitsu could have provided temporary permissions to the privileged access levels to cover users who were sick or on holiday or provided different levels / tiers of access (e.g. tiers 1 – 5 offer different access levels, tier 1 being the engineer). Fujitsu subsequently remediated the privileged access issue, which was undoubtedly reviewed in follow up audits.

58 Concerns During my time at POL, I received two phone calls from Computer Weekly, a Technology magazine. I cannot recall when I received the first phone call, but it was at a time when only a handful of SPMs had complained. I remember stating that (in line with what I had been told by my team and from Fujitsu) Horizon was a reliable IT system, as I believed, at the time, there were no issues (or words to that effect). I believe Computer Weekly quoted me in one of their articles. I immediately informed Cook and ExCo that I was quoted in the magazine.

59 The first phone call from Computer Weekly was the first time I became aware of concerns being raised regarding the potential integrity of Horizon. At the time, I thought Computer Weekly was only looking for a comment from me for their article. After I was quoted in Computer Weekly, I immediately informed the ExCo. In an ExCo meeting there was a discussion around the Computer Weekly article but it only lasted five to ten minutes. Prior to attending this ExCo meeting, I shared my concerns with Smith to see if he had any additional information that Fujitsu might have provided on the issue. He did not. I also

inquired whether McClean had any further information that could be cause for concern with Horizon; he was unaware of any. I do not recall any SPM complaints or issues from the branch network raised as a direct consequence of the Computer Weekly article.

60 On page 43, paragraph 141 in Vennells's first witness statement, (Paula Vennells Witness Statement **WITN01020100**), she stated, "*[Mike Young] said it was a trade magazine that did not know what it was talking about in relation to Horizon*". To clarify, I did not state it was a "trade magazine" or say the magazine did not know what it was talking about. I recall stating the article was one-sided, not a balanced story, and not an accurate reflection on how POL and Fujitsu were running Horizon. The magazine was sent to members in the technology industry, such as chief information officers and chief technology officers, and is sponsored by some of the largest technology houses, such as Microsoft. Vennells misinterpreted what I said.

61 I received the second phone call from Computer Weekly during the Separation negotiations with RMG (between October 2011 and February 2012). I believe it was the same individual who called the first time, and I responded similarly, "there are no issues with Horizon". I was now concerned when the number of SPMs who experienced issues became more than 80. Accordingly, I immediately informed Tait and Vennells and said, "*enough is enough*" let's undertake an independent review of Horizon. I told them we urgently needed to conduct a proper independent investigation into Horizon. It became apparent that the media focus on Horizon would not go away. I recall asking Tait for Fujitsu to pay for the investigation but for POL to lead it. I was expecting to sit

down with both Tait and Vennells to inform them that we needed to review the quality of the Horizon Online code; however, we never met before I left POL. I knew there had been some phone follow ups between Tait and Vennells - the outcome of which I do not recall.

62 Additionally, as mentioned above, I became aware of the Second Sight Report and its outcomes after leaving POL. To this day, I do not believe a full investigation into the Horizon code has taken place to determine whether there was an actual code issue with Horizon or just the processes followed and training around it being deficient. In my opinion, POL needed one of the big forensic consultancy firms to look at the entire Horizon operating framework, inclusive of process, training, and, most importantly, the Horizon code itself.

63 To conduct such an investigation would have taken much longer and incurred significant costs. Second Sight's investigation did not encompass an evaluation of the quality of the Horizon code, but they established that remote access had occurred without following the correct protocol of having the SPM's consent. This raised doubts that the actions of such remote access were fully auditable, as has been aired through the media and subsequently in the Inquiry.

64 I want to make clear that no one at POL told me what to say to any media requests that were directed to me. POL never told me to take a stance and defend Horizon. If I had felt Horizon, at the time, was flawed, or if I saw any evidence to suggest that there were issues, I would have confirmed this to ExCo (inclusive of Vennells), but I did not.

65 Further, Rod Ismay's ("**Ismay**"), Head of P&BA, report ("**Ismay Report**") confirmed there was nothing wrong with Horizon. I discuss the Ismay Report in detail below in paragraph 90.

66 Regarding discussions with POL's ExCo, I had no other discussions with any ExCo members further to what I described in paragraphs 32 to 65 above. I believe I was only copied on emails for good housekeeping. I was not expecting to be involved. I have not been able to review all emails from the time in preparing this statement.

67 In considering an email from Vennells to Davies dated 30 November 2018 where Vennells stated "*as we know, the consistent answers from FJ and CIOs (Lesley Sewell and Mike Young before her) was that it was not possible [to access the system]*" (Email from Mark R Davies to Paula Vennells re: Strictly confidential and legally privileged **POL00163407**). As I mentioned above in paragraph 53, I knew as with most IT systems, you could gain access remotely. However, I did not realise any remote or privileged access to branch data was gained without the consent of the Postmasters or SPMs.

68 In my familiarisation with Horizon, when doing the basic training and talking to branch managers and SPMs, I became aware of how remote access was administered through managing a problem (that may be system, process, or both). This was further underlined through the Ismay Report. Accordingly, I knew that the correct process was that SPMs needed to provide consent for any remote access to their branch data. I was unaware of any unauthorised access until I saw Second Sight's evidence relating to the Inquiry. I also

believed all actions taken on the system remotely were auditable by checking the event logs. I do not believe Vennells and I ever spoke about the issue of remote access or the ability to change data, although, undoubtedly, like me, Vennells would have received the EY Report and its findings. To be clear, most software in the world can be accessed remotely, as this is a necessary operation for any modern IT support function. For example, the National Security Agency, Central Intelligence Agency, etc., can all be accessed remotely. Remote access to IT systems is the standard used by IT support functions to try and resolve issues quickly and efficiently.

- 69 There were no assurances I needed to provide to Vennells or any other POL colleagues, as I did not see anything fundamentally wrong with Horizon (or its IT code) at the time, other than minor bugs and glitches that would normally be expected in a pilot.

EARLY ROLES AT POL

- 70 My role as OD was very extensive. As mentioned in paragraphs 13 to 28, my role was not an "IT guy" (as Vennells describes). As can be seen from **POL00021497** and (Meeting minutes: minutes for Board meeting held on 19th January 2009 **POL00021498**), I was responsible for very large programs across the entire POL business. These programs were complex by nature requiring significant investment and often culminated in lengthy and arduous negotiations with diverse clients such as the DVLA, Bank of Ireland, Fujitsu, etc. These negotiations, while challenging, were a crucial part of our efforts to improve revenues, create efficiencies, improve customer footfall in the post offices

themselves, as well as improve customer experience. At the time, nothing the Post Office sold in its branch network was unique to the business and competition on the high street was fierce.

71 Operationally, my role had to ensure end-to-end operations ran smoothly. This included CVIT and the related depots, as well as all the systems in branch (e.g. Post and Go Machines, cash points, identity booths, screens, etc). Other responsibilities were property changes & closures and all matters outside of investigations, as it may relate to security. Additionally, I hired a procurement director to formulate a best practice procurement framework in order to change behaviours around purchasing and manage third party suppliers. This brought another avenue in our efficiency drive across the POL business.

72 Most of my time was spent negotiating contracts with third parties. It was imperative that, in an increasingly online world, POL could offer products and services so that people had a reason to use the Post Office or Post Offices in their community. Otherwise, Post Offices could be subject to closures. Accordingly, POL had to make cost-saving efficiencies and/or obtain revenue-increasing opportunities to safeguard the Post Office network.

73 Further, in BoD meetings, I was asked to provide status updates regarding the Horizon Online rollout and whether delays would impact other programmes. As seen in POL Board Minutes dated 19 January 2009, Sue Whalley, Strategy Director, asked for "*clarification as to whether any delays would impact other programmes*" (**POL00021498**). While the delay of the rollout initially caused some concerns about potentially impacting other programmes, Fujitsu made up

for lost time by deploying additional resources to the project therefore limiting the impact of the initial delay.

- 74 Additionally, I recall being a member of the Investment Committee (“IC”). This was mainly due to my part in supporting Ennis regarding governance on large programs across the POL portfolio. I recall attending the POL IC meetings. I was responsible for several mandates, including costs and negotiations. At IC meetings, I would provide updates regarding the revenue or cost efficiencies of the projects (Minutes from the POL Investment Committee meeting POL00338301).

COMPUTER WEEKLY ARTICLE – 11 MAY 2009

- 75 As I mentioned in paragraph 58, I shared the Computer Weekly article with the ExCo (Bankruptcy, prosecution and disrupted livelihoods - Postmasters tell their story; reported by Rebecca Thomson - Article **POL00041564**). From memory, I discussed the article in a full ExCo meeting. I wanted everyone to know that I was approached and questioned on this issue.
- 76 No specific actions or follow-ups were discussed about the article after having had the dialogue at the ExCo / BoD meeting. Some participants (I cannot recall who) were already aware, while others were not. Before the discussion, I spoke to my team, as I later did with other media articles of a similar nature, to ensure they were unaware of any issues that may point to a known problem on Legacy Horizon. This did include my Operations team briefly discussing the issue with their counterparts in Fujitsu. Nothing was brought to my attention, and I believed the system was running well within normal parameters.

77 Beyond sharing the Computer Weekly article with ExCo, I did not have any updates to provide POL ExCo or the Board regarding Horizon. The ExCo meetings did from time to time discuss media stories (e.g. radio, Channel 4, etc) as they arose.

LEGACY HORIZON, ROLL OUT OF HORIZON ONLINE AND RELATIONSHIP WITH FUJITSU.

78 As discussed in paragraph 34, I was not involved in developing the requirements for Horizon Online. On joining POL, Fujitsu had the development of Horizon Online code underway, and the contractual elements had already been negotiated; in essence, it was an IT upgrade that I inherited. I was focused on developing the final roll-out plan. At that point, I did not believe there were any issues with Horizon beyond what I have already described. As mentioned above, we started by rolling out Horizon Online in 20 Crowns as part of the pilot stage.

79 I was apprehensive about the ability to achieve the cost efficiencies, as Fujitsu was already behind on the rollout. The delay caused a knock-on effect on other programs because they, too, had cost efficiencies associated with them (**POL00021498**). Fujitsu worked tirelessly to deliver on time; they did more than they needed to in terms of helping us with our efficiencies. I want to stress that my relationship with Fujitsu was professional and courteous. I did not shy away from confrontation when I felt the service in any shape of form had fallen below expectation. I knew we were tied to the contract that I inherited until 2015, so I wanted to ensure that we could deliver the IT programme as envisaged. This necessitated a good-working relationship, but I was not afraid to “call them out”

if necessary. I was not the easiest person to keep happy, but I was very conscious about celebrating successes jointly with Fujitsu when it was warranted.

80 Problems that were encountered with Horizon Online during my time at POL were the delays in the pilot and rollout that were caused by two different Oracle BEDs. The rollout started on time, but then issues began to arise. At first, I classed these issues as “teething issues” that could be easily overcome. It was Fujitsu’s code, and they formulated it (any bugs associated with it would have been resolved by them). Therefore, the competencies for that resolution were set by Fujitsu. Accordingly, I believed the Fujitsu team could fix them relatively swiftly; understandably, at that point, the rollout started to slow down.

81 Once Sewell had updated me that Fujitsu was struggling to diagnose the Horizon Online bugs during the pilot phase, I recall writing a strongly worded letter to Tait dated 10 May 2010 expressing my frustrations and dissatisfaction with Fujitsu. (Letter from Mike Young to Duncan Tait re Current standing on Fujitsu contract **FUJ00095658**). This formal letter was copied to the General Counsel and Group CIO of RMG as a courtesy because they provided an evaluation of the next steps. The letter was designed to communicate RMG/POL Group’s discontent around the early Horizon Online rollout issues. There was a worry about the quality of the Horizon code, hence the ask for a review, and a worry about staffing levels, hence my ask for Fujitsu to go “*open book*” and let us review their operations and performance on the contract. It also laid a potential foundation for a claim of contractual non-performance. I was even more frustrated with Tait’s late response on 30 June 2010 (Email from Gavin Bounds to Duncan Tait, Re: forwarding email of 30/06/2010 re: response to your letter, **FUJ00096312**).

82 I believed Fujitsu's resourcing on this project was too lean. I wanted them to resource the project more adequately. As mentioned in paragraph 81, I asked Tait to go "open book" as I wanted full transparency to see the level of resources Fujitsu were using, e.g. coders, support team, infrastructure team, etc. (FUJ00095658). However, the contractual terms did not allow me to make such demands of Fujitsu. After the letter exchange with Tait, I remember calling him to ask, "Why won't you let us look at your systems?". Tait said, "Because there is nothing wrong with the system" (or words to that effect).

83 Again, I want to stress that I was not worried about the BEDs; I believed Fujitsu could fix them. I did not realise how long it was going to take Fujitsu to identify the source of the bugs (i.e. the Oracle BEDs). At that point, we were weeks behind schedule, and I did start to get worried. I did not raise the issue directly with Tait at this time because I believed the best thing was to allow the operational teams time to resolve them. I recall either emailing or mentioning to Sewell my concerns, to which she replied, "Leave it with me" (or words to that effect). Sewell was competent in running these types of issues. I trusted Sewell to oversee the remediation of these issues by Fujitsu. I did not want to immediately call Tait and step on Sewell's toes as Head of IT.

84 At some point, Sewell informed me that Fujitsu did not know the cause of the problems, but knew they were bug related. Therefore, Fujitsu could not develop a fix. I was highly concerned because if we were not able to deliver Horizon Online, or if the delays became too prolonged, we would not meet our targeted efficiencies. However, we were too far into the project for it to just be stopped. If we did stop Horizon Online, we would still have had to find a way to work with

Legacy Horizon's issues (i.e. the blue screens and ISDN issues). A few weeks later, Fujitsu addressed the issues with Oracle and continued the rollout. I was unaware of any significant issues with Horizon Online after this point.

POL RESPONSE TO HORIZON CRITICISM IN 2010 AND THE ISMAY REPORT

85 I recall watching parts of the Channel 4 documentary, but I cannot remember when I watched it or the details.

86 Regarding the Channel 4 programme, I saw nothing in the programme that allowed me to "unpick" anything in Horizon. When these matters were brought to my attention, I would generally speak to Sewell and ask her if we were aware of any technical issues arising from Horizon. Sewell would have spoken with her counterparts at Fujitsu before giving me her updates. From an IT standpoint, there was no evidence to be drawn from what we could see in the operations of Horizon or via the teams that were supporting it that gave any corroboration to complaints made by the JFSA (and its members) through various media outlets (including the Channel 4 programme). If there were IT problems with the system, it would be a problem that was also experienced in Crowns, as well as with SPMs.

87 At the time, I was focused on understanding from my direct reports whether it was a process rather than an IT system issue because I could not see anything relating to BEDs. I knew that one of the differences between Legacy Horizon and Horizon Online was that Legacy Horizon's data was stored in the branches and had to be manually uploaded, whereas Horizon Online's data was automatically centralised in a datacentre. The centralised process allowed the P&BA team to

review that data, request an investigation should anomalies be present, and request Fujitsu to provide their audit logs.

88 At the time, neither Ismay or Fujitsu could find any system network or data issues. I was satisfied that the centralised data allowed us to audit the event logs. Accordingly, I could only assume that the branches made user errors. I want to make it clear that there were genuine cases of theft in the network.

89 Equally, it was also clear that some SPMs would allow non-Horizon trained staff to use the system, which could cause errors. Under the SPMs contractual terms, only trained staff could operate the Horizon terminals.

90 After the Channel 4 documentary aired, POL received considerable media attention and scrutiny. Accordingly, DJS asked Ismay to conduct an internal investigation, which resulted in the Ismay Report titled "Horizon—Response to Challenges Regarding Systems Integrity," dated 2 August 2010 (Horizon – Response to Challenges Regarding Systems Integrity **POL00026572**).

91 On 29 July 2010, Ismay sent the draft report to me, DJS, and Moores (Email chain from Rod Ismay to Rod Mark Burley, Ian Trundell, Dave Pardoe and others Re: Horizon Challenges - Draft report with attachments **POL00120479**). At the time, P&BA was responsible for reviewing all the data and overseeing the financial/transaction activities. DJS chose Ismay to lead the internal investigation because he was bright, informed, unbiased, understood IT, process, training, and had a good relationship with the branches in the network.

92 The Ismay Report confirmed that the system was not flawed. The report analysed some of the more high-profile prosecutions that were highlighted in the media, and his report determined that the information and evidence used in these cases were reliable. At the time, the Ismay Report solidified my view that there was not a technical problem with Horizon.

93 I was not involved in preparing the Ismay Report. DJS informed me that Ismay was conducting an internal investigation, and I believed it was an appropriate decision. It was my understanding that DJS could have requested an independent investigation at this stage.

94 I believe Ismay requested and reviewed the data from my team and other information and data that he had access to. I saw the final Report and discussed it at an ExCo meeting, which at the time, provided us with comfort that there was not an IT issue with Horizon. I was not involved in the decision for there to be a report or in the preparation of the report.

95 I recall discussing the contents of the Ismay Report with Sewell, but I did not distribute widely based on some of the sensitivities associated with it (prosecution case analysis). I briefly discussed the contents of the Report with the CFO, Moores, and then had a short discussion with DJS. Both discussions merely covered the content of the Review and nothing additional.

96 The Ismay Report gave me comfort that there was no core Horizon system error. As mentioned above, Ismay explains that the problems could be either a process issue or simply that the SPMs took the money. I did not let Fujitsu know of the Ismay Report, as it was an internal document only. Additionally, I wanted to keep

pressure on Fujitsu to ensure Horizon was working optimally, especially considering the negative media and scrutiny around Horizon.

97 Through email correspondence that I was copied on, Board and ExCo meeting minutes, and seeing some of the visitors attending our HQ, I became aware that there was more political pressure being applied to POL regarding issues such as separation from RMG, formulation of a new Board (post separation), the future strategy POL, continuing funding debate of POL going forward, and invariably in some measure some of the media output that was playing out in regards to Horizon. For example, I was copied on an email chain from Smith to Granville, Sewell, and Martin Humphreys on 21 July 2010 discussing a previous email from Oliver Griffiths explaining that *“there is recent interest from MPs in purported cases where the Horizon system has left SPMS out of pocket [...] there will be significant political heat”* (Email Tracy Abberstein on behalf of David Y Smith to Mike Granville, Martin Humphreys, Lesley J Sewell cc Mike Young re FE Justice for SPMS **POL00417098**).

98 I forwarded an email to Mark Burley, POL’s Horizon Program Director, from Smith to me, Sue Huggins, and Mike Moores dated 21 July 2010, where Smith informed us that *“Channel 4 will run a new item on the same issue”*. By forwarding that email, I wanted to stress that POL was under pressure due to a service it took from Fujitsu (Email chain from Mark Burley to Mike Young, Sue Huggins cc Nick Beal and others re: RE: Urgent channel 4 horizon issue, **POL00120481**).

99 I was aware of some of the prosecutions, but I was not involved and did not know any factual details. I did not see any of prosecution case papers or audit logs that

I assumed must have been used to show evidentially that there had been dishonest use of the Horizon system (i.e. evidence false accounting or theft from the system).

100 Regarding POL's approach to the media criticism of Horizon, Legal and Public Relations ("**PR**") were normally involved in formulating how to address the media. I believe Legal threatened to sue Channel 4, which caused delays in airing the programme. In an email from Katie Brown, Producer Channel 4 News Film, to Paul Budd, External Relations Director, dated 26 July 2010, Brown stated "*We are postponing tonight's broadcast as we are still working on the investigation.*" (Email from Rod Ismay To: Michele Graves, Mandy Talbot, Rebekah Mantle and others re Press Office response to Channel 4 - July 2010 - C4 News item "postponed" **POL00338347**).

101 I recall during an RMG/POL BoD meeting, we were informed that Mary Fagan, PR Officer, contacted Cook or DJS to tell them about the Channel 4 programme. I understand the Channel 4 Programme aired a few weeks after this email.

102 Granville asked whether I was prepared to stand behind the system. As far as I was concerned, there was nothing I could see or was being told that was wrong with the IT system itself. I could not see any IT BEDs that would have caused any transaction or reconciliation errors. Whenever a significant media alert was announced attacking Horizon, I spoke to my team (e.g. Sewell, McClean, etc., who were engaging with Fujitsu) to ask whether I was missing anything and whether there were issues with the IT systems that could be causing the

problems complained of by the affected SPMs. These conversations were immediate, and no known issues were brought to my attention.

103 I received an email dated 22 July 2010 from Mark Burley to me and Sue Huggins copying Nick Beal, Philippa Wright, Michele Graves, and Mike Moores. In this email, it outlines that every time Horizon was challenged in court, POL achieved a successful outcome. And, therefore, I felt it was fair and right to back Horizon (Challenges as to the Integrity of Horizon, **POL00424359**). Ismay's report also elaborated on why some SPMs were wrong to blame Horizon. I had no evidence to undermine Ismay's report.

KNOWLEDGE AND INVOLVEMENT IN PROSECUTIONS AND SUSPENSIONS OF SPMS

104 I was not involved in any of the prosecutions of SPMs by POL or RMG. Additionally, I did not receive any training regarding the prosecutions, as I was not involved. It was not part of my area of responsibility.

105 When I joined POL, I knew that RMG/POL had a prosecuting arm. I was aware that POL used a criminal barrister to prepare prosecutions on their behalf, i.e. instead of the Crown Prosecution Service bringing case, POL would present their case file to the criminal barrister who advised RMG/POL, and then would present the case on their behalf in court.

106 When I joined POL, Cook informed me that RGM and Legal were responsible for conducting investigations and prosecutions, and that this would not be part of my operational roles and responsibilities.

- 107 Prior to my arrival, Tony Marsh (“**Marsh**”) was the head of security at POL. Subsequently, Marsh was promoted to be the head of security at RMG, and Scott was promoted to head of security at POL. Later, I spoke with Scott, who confirmed that investigations were conducted at RMG. A few weeks after Marsh moved to RMG, he requested a meeting with me. In that meeting, Marsh asked to combine the security departments at RMG and POL. However, as I knew the RMG and POL Separation was coming, it did not seem that it was the right time to merge the two functions, so I refused his proposal.
- 108 During my time at POL, I was unaware that Fujitsu was providing prosecution witness statements supporting prosecutions. I can understand that Fujitsu might have to provide information and evidence for the cases such as logs and audit trails, but that Fujitsu was providing expert evidence on the system itself would not in my opinion be considered truly independent.
- 109 I had no role in determining or investigating the issues relating to the experience of the SPMs that led to them being prosecuted.
- 110 Further, I was not involved in the prosecution of Seema Misra. I only became aware of this case after seeing the Channel 4 programme and reading the Ismay Report. I was not copied on the initial email dated 21 October 2010 regarding the conviction of Seema Misra (Email from Rod Ismay to Jarnail A Singh, Mandy Talbot, Hugh Flemington and others re Regina v Seema Misra - Trial result, **POL00169170**). I was not aware that as a result of a successful RMG/POL prosecution, a pregnant lady was imprisoned.

- 111 Occasionally, in BoD meetings, discussions regarding prosecutions would be had between the Chair, the MD (Cook or DJS), Vennells, and Susan Crichton (“**Crichton**”), General Counsel. I did not have anything to contribute and did not stray into these discussions, as I had no direct knowledge of responsibility for or involvement in the cases.
- 112 An email from Will Russell (“**Russell**”), POL’s Commercial Advisor, to Lesley Sewell dated 4 March 2011 confirmed that any discrepancies with those branches involved with the very early pilot would be dealt with expeditiously so that no branch lost money and any potential gains made were kept by branches. Specifically, Russell wrote “*we have agreed to write off the losses and repay the gains via Subpostmaster pay,*” (Email from Rod Ismay to Simon Baker and Susan Crichton re: Receipts and Payments issue, **POL00188382**). Accordingly, I do not believe prosecutions were based on the reconciliation discrepancies with SPMs accounts using Horizon Online, as it was still in very early pilot stage, mainly in Crowns.
- 113 Regarding POL’s security performance presentations, I do not recall receiving the security performance presentations (Email from Mark Dinsdale to Adrian Morris, Alan X Simpson, Ali Piper and others re Security Performance Pack ver3 **POL00338296**) and (Post Office Ltd Security Performance Pack Period 4 - 2010/11 **POL00338297**). The first time I saw these documents was during this Inquiry. This document clarifies that the Security department, which I oversaw, had many responsibilities, not just investigations. The biggest task for Security was to manage the CVIT-related risks. Again, I was not part of the prosecution process that was overseen by Legal.

114 Regarding my understanding of any MOU discussions with RMG, I saw an email from Alwen Lyons (“**Lyons**”), Company Secretary, to Crichton dated 14 March 2012, which stated, “*Mike would have stamped on this very quickly*” (Email from Susan Crichton to Alwen Lyons RE: Investigations MOU - talks with MDA at a standstill **POL00179491**). This email concerns the memorandum of understanding on investigations relating to Separation and each party’s ongoing roles and responsibilities. I was unaware of the MOU discussion that took place on 14 March 2012 (as I had left POL). As part of the Separation negotiation framework that I was leading on POL’s behalf, security and how both POL and RMG would continue to work post-separation had already been agreed upon, and I cannot recall how this was specifically framed. However, the good working relations and cooperation between RMG and POL security teams were undoubtedly set to continue. This email, dated 14 March 2012, seeks to change this somewhat in RMG’s favour, knowing that I as negotiation lead on behalf of POL, had now left.

115 POL was still reliant on RMG to assist in conducting investigations. So far as I know, POL and RMG continued to work together after the Separation. After I left, I suspect that RMG was planning on changing their security process. From the email, I suspect Lyons implied that I would not have allowed changes to POL’s security process.

**INFORMATION PROVIDED TO BIS IN 2010 FOLLOWING COMPLAINTS FROM
JFSA**

- 116 I was not involved in updating the then Department for Business, Innovation & Skills (“**BIS**”) regarding Horizon issues.
- 117 Vennells or Perkins were responsible for updating BIS and Government relations generally. I am aware that there was regular communication with the Government, which was to be expected given they were the main shareholder.
- 118 I am also aware that prior to the Separation one of the non-executive roles on the POL board was taken up by BIS. From that point on, they would take an active part in POL BoD meetings. Occasionally, Vennells and Perkins would update the Board on their contact with the Government. I was not involved and had no direct relationship with anyone in Government. I, nor anyone from my IT team, were asked to attend any Government meetings. I would be copied on emails as a part of the general circulation at the executive level.
- 119 My general approach to my significant level of email traffic would be that I did not respond to an email unless I had something to contribute. I received 300-400 emails per day. I was often copied on emails (for example, as seen in **POL00417098**). I read all my emails that I received but prioritised emails from the Board, management, RMG, senior stakeholders, or urgent emails. I responded quickly to those emails. It was always my practice to not put off dealing with matters that I considered important. I deal with issues there and then. Otherwise, I believed things could get overlooked, as my working days were so hectic. I was juggling many different responsibilities (“wearing many

hats”). Also, I was fortunate enough to have an experienced PA who was able to manage my inbox, so that irrelevant emails were deleted to help keep my inbox from being too overwhelming.

120 As I was leaving POL, I recall advising Sewell to also deal with problems immediately whilst she assumed the role of interim COO.

121 I do not recall being involved in any written or telephone responses to MPs regarding Horizon.

122 At the time, in December 2010, there was nothing that suggested to me that the integrity of Horizon was flawed other than the JFSA complaints. I was told by my team that there were not any known issues with the IT systems that correlated to the issues being raised by the JFSA. More importantly, the system was running well and according to expectations.

123 I recall an email dated 29 November 2010 from Mike Granville regarding correspondence regarding BIS (Email from Mike Granville to Mike Young re: Horizon query in confidence **POL00417094**). I do not recall this email in detail other than that it appears to be related to delays in the Horizon Online pilot and rollout. At this time, I did not see anything that suggested the system was not operating within normal parameters, as delays in rolling out new IT change programmes were not unusual.

124 I want to emphasize that at the time, I did not have any knowledge that gave me concerns about the safety of the convictions against SPMs. However, as I was

not involved in the prosecutions, I did not know specific details of the cases other than the summaries in the Ismay Report.

125 During my time at POL, I recall becoming aware of an email from Alan Bates to Vennells requesting a meeting. Bates explained that if Vennells did not meet him, he would leverage his media contacts to spread the message. The JFSA had numerous media contacts they could leverage. I do not know whether this email is within the Inquiry's documents. If so, it has not been disclosed to me.

HORIZON REVIEW IN 2011

126 I was aware an EY audit was conducted in March 2011. I was not involved in the discussion or the drafting of the terms of the EY audit, therefore, cannot comment on the background to this review. I have seen a document dated 12 January 2011 relating to the Draft Terms of References ((Draft) Terms of Reference from Stephen A Collins to Rod Ismay, Lesley Sewell cc Martin Knights and others RE: POL - Review of Horizon Electronic Point of Sale System **POL00294803**). I do not recall being part of the process that drafted these terms of reference.

127 As mentioned, EY was RMG and POL's regulator auditor. First, EY would conduct audits for RMG and then audits would filter down to POL level. I do not recall ever meeting with EY in respect to their audit work for POL. Sewell was responsible for liaising with EY on behalf of IT team to assist with any queries they might have relating to the IT system and architecture.

128 In 2011, I recall sitting in a Board meeting with EY where the new auditing standard, SAS 70, was discussed (Royal Mail Holdings Plc Audit and Risk

Committee Minutes of the meeting held at 100 Victoria Embankment London **RMG00000005**). I discuss SAS 70 in more detail in paragraph 160 below.

- 129 I saw a paper from RMG's Audit and Risk Committee that summarised the EY audit of POL Horizon controls and relationship with Fujitsu dated December 2011 (Royal Mail Holdings Plc Audit and Risk Committee update on Post Office Limited Horizon Controls and Relationship with Fujitsu **POL00295092**). However, I was not involved in the audit review or the outcomes of EY's report.
- 130 I asked Sewell to keep me updated throughout the audit process, which she did. During the audit, Sewell informed me that EY raised issues around the number of Fujitsu employees who had privileged access to Horizon.
- 131 I am aware that Deloitte subsequently reviewed EY's audit around January 2012. I ensured the recommended remedial work arising from these audits was concluded.

BBC REPORTING IN FEBRUARY 2011

- 132 I do not recall the BBC Radio Surrey broadcasts.
- 133 On 8 February 2011, when I became aware of the BBC Inside Out South programme, I emailed Tait a link to the programme suggesting that he watch it and read what the media was reporting about the SPMs and Horizon (Email thread from Duncan Tait to Gavin Bounds RE: Fw: Horizon Integrity - BBC iPlayer link to programme **FUJ00174417**). As far as I was aware, at this time, Horizon Online was working as expected. Tait wrongly interpreted my email to mean there was complete faith in the system; that is not what I meant. I emailed

Tait to make him aware of the programme (if he wasn't already aware) and to elicit a view from him as to whether my view of Horizon (being stable and performant) was accurate.

134 After a further three or four media reports were published, I met with a number of my direct reports to confirm we were not missing potential any Horizon faults. I was not involved in POL responding to any such reporting regarding the broadcast of SPMs or communications following the broadcasts, nor any suggestion of legal action.

135 Fujitsu also repeatedly confirmed the system's stability. Fujitsu's engineers assured us that all BEDs reported were within the normal expected tolerances, and the BEDs were resolved. I did not have reason in my mind to demand a more thorough investigation until I received the second direct phone call from Computer Weekly.

136 I was not approached by either Fagan or the PR team on responding to media alerts or broadcasts. Again, I did not see anything untoward with Horizon at the time, so, I could not comment to the contrary. In 2012, I did however become concerned when the number of SPMs with complaints increased significantly.

137 As mentioned in paragraph 133 above, in the email I sent to Tait, I shared the link to the Inside Out programme and stated, "*You need to take a look at this. Undoubtedly, Horizon integrity remains a core to our safe operation and date, nothing has surfaced that suggested there is any evidence that the system is flawed in anyway. Can we briefly talk through these latest developments*" (FUJ00174417). I was aware of the contents of the Inside Out programme.

Accordingly, I shared the link to Tait as I wanted to put pressure on Fujitsu to review their system in its entirety and assure both POL and them there was nothing to be concerned about. I wanted Tait to look at Horizon to see if anything was showing in the Horizon code that could support what was being said about Horizon in the media.

138 As I have said elsewhere in the statement, contractually, POL did not own the IP around Horizon nor have the explicit right to audit the Horizon code. However, I hoped that as an executive, Tait would take my concern seriously and conduct the thorough review of Horizon. Particularly, as the media concerns were increasing, which was damaging POL and Fujitsu's reputation. I felt the pressure as I managed the relationship with Fujitsu at a time when potential issues around Horizon were appearing in the general media. I wanted to ensure continuous MD/CEO-to-CEO engagement, so I suggested that Vennells meet Tait, which could also bring additional pressure to bear on Fujitsu.

139 Regarding the views held by those on POL's BoD as to the reportage, so far as I can recall, Vennells was worried about the possibility of more media reports and the potential to harm POL's brand. At the time, POL stood by its messaging that they were not aware of any issues with the Horizon IT system.

140 My experience of the relationship between National Federation of SubPostmaster ("NSFP") and POL was professional and courteous throughout my tenure.

141 I recently saw an email I received from Mike Granville also sent to Kevin Gilliland, Angela Van-Den-Bogerd, Paula Vennells, Susan Crichton, Rod Ismay, Alana Renner, and myself dated 26 January 2011, regarding the relationship between the NSFP and POL (Email from Mike Granville to Kevin Gilliland, Angela Van-Den-Bogerd, Paula Vennells and others re: NFSP line on Horizon **POL00294748**). I do not recall having a conversation with Paul Hook, Head of Regulation Strategy, NFSP. I was only familiar with George Thomson (“**Thomson**”), former general secretary of the NFSP. I saw no evidence to suggest that Thomson was anything but respectful and professional and POL, likewise in return.

142 I was not heavily involved in liaising with the NFSP. I do recall visiting one or two NFSP conferences when POL wanted to add new products to their branch network. For example, we showcased Horizon at the NFSP conference to demonstrate new innovative features and capabilities. Vennells was responsible for maintaining the relationship with the NFSP as she had overall responsibility for the branch network.

PROPOSED LITIGATION AND FURTHER MEDIA COVERAGE IN 2011

143 Regarding proposed litigation, I was not aware of the proposed Shoosmiths litigation until it was mentioned via the second Computer Weekly call, where they indicated that the JFSA instructed lawyers. Computer Weekly did not refer the litigation as the Shoosmiths litigation.

144 During my tenure, I was unaware that POL took any particular approach to legal privilege, how to manage confidential communication, and retention of

documents generally and as it related to the issues raised by the JFSA about Horizon or potential litigation about Horizon. I personally did not take legal advice on such issues.

145 In late 2011 and early 2012, I was not involved in the potential litigation against POL from SPMs. I did not have any involvement or knowledge of the issues of the litigation until the second Computer Weekly call (as mentioned in paragraph 143 above). During that time, I was focused on the Separation that was completed by the end of the first quarter of 2012. I missed certain BoD meetings during this time where such issues may have been discussed. Also, I do not recall being involved in or called to any executive or board meetings to discuss the litigation.

146 As I mentioned above, I received the second Computer Weekly phone call during this time (late 2011, early 2012). It was only after this phone call that I started to question Horizon's integrity, as I felt the increasing numbers of SPMs complaints warranted an independent review by Fujitsu. As I have mentioned, I called Tait and made this demand and asked that Fujitsu pay for the independent investigation. Tait agreed. I immediately called Vennells and told her that Fujitsu had agreed to pay for an independent review of Horizon, and that we should sit down with Tait to discuss it. I expected to sit down with Tait and Vennells to discuss the nature of scope of this review, but I left POL before any such meeting took place.

147 Regarding the media coverage, I recall reading the Private Eye article (Newspaper Article re: Computer Says No - Publication on How the Horizon

Scandal has Affected Postmasters **POL00338401**). Additionally, I was quoted in another Private Eye article (Letters - Pirate Eye - Lost Horizon **POL00294974**). That article was published during the time I was focusing on the Separation. I do not remember signing off on a quote to be published; however, at the time I was content for my name to be used in the defence of Horizon. The quote reflected my knowledge and views at the time. I do not recall taking any steps in relation to this article.

148 I do not recall whether the BoD took any steps in relation to the Private Eye article. Once I became aware of a new negative media article relating to Horizon, I would generally arrange a round table meeting with my IT team to discuss any developments that may have required my attention.

RECEIPTS AND PAYMENTS MISMATCH BUG

149 I first became aware of the Receipts and Payments mismatch bug when Sewell gave me an early indication that an issue had been found. In or around February 2011, Sewell called me to tell me that there were issues with receipts and payments. Additionally, I recall receiving an email from Ismay that seemed to downplay the issue. This was still early in the pilot and seemingly addressable quite quickly (Fujitsu Post Office Receipts/Payments Mismatch Issue **FUJ00081945**).

150 The Receipts and Payments mismatch bug echoed the complaints from the JFSA about reconciliation issues. I was confident Sewell would handle appropriately and manage the issue. If she needed my help she would ask. Upon reviewing an email from Russell to Lesley Swell and Andy Mclean dated

4 March 2011 regarding the receipts and payments issue, I was reassured by Sewell's resolution process. The email confirmed that the bug affected 62 branches (**POL00188382**). Although I do not recall this email, I was confident in Sewell's approach to the issue, which included liaising with Finance to write off the losses and repay the gains.

151 Again, I had no involvement in the prosecutions, so if this particular bug could have had an impact on these matters, I would expect that Ismay who was involved in gathering investigation information would bring this information to the attention of Crichton.

152 I now know that this bug was actually the Oracle bug identified in 2010 as part of the Horizon Online pilot.

153 As mentioned above in paragraph 149, I first learned of this bug in February 2011. When I learned about the Receipts and Payments mismatch bug, we stopped the pilot rollout of Horizon Online until Fujitsu addressed this issue. As previously stated, we took steps to ask Fujitsu to resolve the issue and provide an action plan and timeline. At the time, I was worried about efficiencies and the cost of the delay. After Fujitsu discovered the issues were two Oracle bugs rather than a Horizon one, the issue was resolved quickly. Fujitsu made up for the delay by increasing the number of resources on the project. Consequently, we delivered the roll out on time and to plan, whilst also achieving our cost efficiencies.

154 I informed the ExCo and/or the BoD that we found the Receipts and Payments mismatch bug, and consequently, the Horizon Online roll-out was halted until

such time the issue had been rectified. The conversation I had with the ExCo about these issues was very much framed in terms of the impact it would have on the Horizon Online rollout program that might in turn impact our cost saving efficiencies.

155 I am not aware of any prosecutions relating to the Receipt and Payments mismatch bug. At this time the bug was identified during the pilot and roll out program and as far as I was aware this stage of the pilot only involved Crowns and a small number of trusted SPM branches (so that the internet stability in rural areas could be tested). Accordingly, I had no such concerns.

156 On only two or three occasions, such as the Private Eye and the Computer Weekly articles, I provided a corporate response or advice relating to the Horizon criticism. I was never part of a full corporate plan around responding to the JFSA or any media enquiries.

ERNST AND YOUNG REPORT 2011 AND STEPS TAKEN THEREAFTER

157 As mentioned above, I never met with EY during the Horizon audit. Sewell was responsible for meeting and liaising with EY on IT issues. I understand that RMG instigated the EY audit of Horizon. I was pleased that EY, one of the Big 4 auditors, were conducting the audit. The audit meant it would either solidify our understanding of the system or find something we were unaware of (which we could then raise with Fujitsu to be resolved).

158 I do not recall contacting Fujitsu directly myself to let them know that EY would be conducting an audit, but this was done as Fujitsu were aware and provided

input to the audit process. Other than what I said above, I have no knowledge and had no involvement in the instruction, nor the preparation of the EY report or taking steps after I received it.

159 I understood the importance of audit controls around a system like Horizon, which was being used as the Electronic Point of Sale system for all products and services within the post office network, including several significant financial services. These controls tended to be more stringent and robust than the norm. Therefore, security controls, in particular, would need to be substantial and auditable.

160 From my understanding, SAS 70 was a US audit framework developed for companies selling financial services. EY was the leader in the field and was ahead of the competition in terms of using this new audit standard. Accordingly, EY adopted SAS 70, and their auditors were SAS 70 qualified. I believe RMG was in the process of conducting its first SAS 70 audit. However, POL could not change their audit framework within the financial year that the EY audit was due to take place, as it would mean losing cost efficiencies that were budgeted. As such, POL had to educate the EY auditors on Horizon, so they could approach the task similar to a SAS 70-like audit, but without it being formally subject to SAS 70 standards. During a POL/RMG Board meeting, I stated that we could conduct a SAS 70 audit the following year (POL IT Audit Update (SAS70) **WITN00740120**) and (Post Office LTF Board: Viability of introducing a SAS70 or equivalent audit report **POL00362957**), as we would have the time to prepare for an audit under this new framework.

- 161 My biggest concern arising out of the EY audit was the privileged access issue. As I previously mentioned, I was not surprised Fujitsu had remote access. However, such remote access should always leave a fully auditable event log down to the specific key stroke. Prior to the Inquiry, I was unaware there were occasions where remote access could not leave an audit trail. We were informed there were no un-auditable access remote access points in Horizon by Fujitsu and that the privileged and remote access was defined and secure, allowing certain users (depending on their level of privilege) to access the system. The EY report revealed that in respect of remote access to the system numerous users had privileged access at the highest level.
- 162 The EY report confirmed that the levels of privileged access should have been controlled better with fewer users having the highest level of access. Most IT support functions operate a tier access system that limit the number of those granted the highest unfettered levels of access.
- 163 Following the EY report, I called Sewell and told her we urgently needed to investigate this issue. We immediately informed Fujitsu that we wanted them to review the issue that had been raised by EY.
- 164 As I mentioned above, I was also concerned that Fujitsu did not have an automated process that automatically revoked access to employees who had left the company. This showed a lack of maturity in some of Fujitsu's system access process. EY found that an employee that had left the company some months ago was still registered as a user on the Fujitsu systems.

165 I entrusted Sewell with liaising with Fujitsu to resolve the issues, which she duly did.

ENGAGEMENT WITH MPS AND REVIEW

166 I did not often meet with MPs, Ministers, or Civil Servants regarding Horizon, and I was never invited to attend such meetings as it was not part of my operational remit.

167 I attended one meeting with Edward Davey, MP, and Vennells, where we discussed general matters concerning POL (but not Horizon). I was rarely copied on emails between POL and Government ministers. I was not responsible for liaising with MPs, Ministers, or Civil Servants.

HORIZON ISSUES IN EARLY 2012

168 As mentioned above, I expressed the necessity for a review of Horizon to Tait and Vennells after the second Computer Weekly phone call. My recollection of the second Computer Weekly call was that they rang me on my mobile whilst I was in a Separation negotiation meeting. I stepped outside to take the call. The journalist informed me that the number of SPMs who were complaining had increased to over 80 SPMs, and asked whether I should continue to defend Horizon. At this point, I continued to defend Horizon, but did take note of the significant increase in SPMs that joined the JFSA. The phone call lasted approximately three minutes. Due to the seriousness of the issue, I immediately rang Tait and let him know the nature of the phone call with Computer Weekly and my response. I said, *"it is causing us more media issues than it is causing*

you. Our brand is now actively being impacted. We must conduct an independent review the system, and I would ask that you pay for it" (or to that effect). I told him that I was going to inform Vennells of this matter as it needed to be resolved as a matter of priority.

169 Immediately after my call with Tait, I called Vennells and informed her of the Computer Weekly phone call and my call with Tait. Vennells agreed with me that an independent review of the Horizon system should take place. Afterwards, I informed Sewell of this as I knew she would become heavily involved.

170 Prior to me leaving POL in early March 2012, I do not recall attending a meeting with Tait and Vennells to progress the independent review and I did not have any further dealings with the matter. As an expectation, I thought POL and Fujitsu executives would have arranged a meeting to discuss the next steps in evaluating an independent review of Horizon Online, the process framework, and the training regime.

171 I presumed that after leaving POL, Vennells would have arranged a call or a meeting with Tait at Fujitsu to progress the independent review. Through following the Inquiry, I learned that Crichton advised Vennells that POL should pay for its own independent investigation of Horizon. Accordingly, POL hired Second Sight, who were previously known to Crichton

172 I cannot recall ever being asked by the POL Board or its executive team to contact Fujitsu to undertake a review of their system. I cannot speak for the whole Board as I left in March 2012, but certainly Vennells and I believed there

should be an investigation of Horizon in 2012 following the Computer Weekly call.

173 When Perkins joined as Chairman, I recall the executives were asked what the new Chairman should require as part of an onboarding plan. My specific requests were around security, familiarity around Horizon, and a review of the latest audit reports.

174 Further to reviewing the disclosure documents, in early 2012, I recall two change-related activities, which affected financial services, and two hardware failures in Fujitsu's datacentre, which caused problems in dealing with customers in the branch. All four incidents were encapsulated by the Major Incident framework, which involved circulating the nature of the incident to key individuals throughout POL, inclusive of POL BoD and ExCo. Furthermore, recognising the sensitivities of our newly launched financial services portfolio, I emailed Nicholas Kennett ("**Kennett**"), the Finance Director, on 1 February 2012, to inform him that we were doing our best to fix the financial products (**POL00140626**). Kennett responded confirming that he had already received an incident alert. Kennett was responsible for updates on financial services.

175 I prepared a board report dated March 2012 (Post Office Ltd - POL Board Noting Paper Horizon - By Mike Young **POL00142856**), for the BoD following the major incident alert that went out to ExCo after these events.

176 Additionally, in February 2012, there was an escalation from Vennells, regarding Pervez Kakvi's ("**Kakvi**") complaint, a SPM (who also sat as a magistrate). Vennells registered her disappointment regarding some of the

service issues. Sewell and I responded to this escalation with the SPM himself and Vennells (Email from Lesley J Sewell to Mike Young and Dave Hulbert. RE: FW: Horizon Breakdown 1st February **POL00142755**).

- 177 Any other issues would have been brought to my attention by my direct reports. I believe Sewell and Burley would have updated me on any other significant issues relating to Horizon (had they occurred), which they did not.
- 178 Despite the initial delays in the testing and rollout phase and at the time I left POL, I still considered that Horizon Online was a good investment and worked well across the entire branch network. I felt that all the architectural decisions relating to the broadband network and the centralised data framework were comprehensive and a welcome upgrade to all. Blue screens and ISDN connectivity problems were as a consequence consigned to history. However, with the increasing complaints regarding the reconciliation issues and the increasing number of complaints by SPMs, I felt that POL needed to “unpick” the Horizon system right down to the quality of the code used in Horizon Online (especially as we could not ascertain any issues that might evidence the JFSA’s complaints).
- 179 At this point, it was my opinion that the process framework that wraps around the system, and the training of the system, needed to be reviewed in a similar light. This would entail a full end-to-end evaluation on all aspects of Horizon.
- 180 I believe POL should have hired consultants/investigators who were capable of reviewing all aspects of the end-to-end process and who could evaluate the quality of the Horizon code. I envisaged a complete review of the system

(including the IT code), process, and training. From my understanding, Second Sight, although they appear to have done a good job, they did not conduct, nor did they have the capabilities to conduct a full review of the Horizon code. This is something that I am still not aware of having been undertaken.

181 It is my understanding that Horizon is still being used today. From what I have learned from the Inquiry, I believe POL has significantly improved the training of the SPMs on how to optimise the use of Horizon.

182 I have seen an email dated 1 February 2012 from me to Dave Hulbert, copying Lesley Sewell, relating to a Horizon-related incident (**POL00140626**). In the email approximately five weeks before I left POL, I expressed my frustration with overnight Horizon changes (IT updates). These types of IT changes were a regular and normal everyday occurrence. The changes and updates I was mentioning related to the new financial services that POL was offering via the Bank of Ireland, as Horizon Online allowed us to add services and products by way of online updates to the system. I recollect that these particular updates had failed and did not work, which was a frustration for me as I managed part of the relationship with Bank of Ireland at an executive level. Any change-related issues to the system would affect every branch not just SPM branches. This inevitably would impact customers in branch and cause queues in branches. Consequently, customers were frustrated. However, this specific Horizon issue was not of a nature that would have caused reconciliation issues leading to an investigation or prosecution of SPMs.

183 I have seen another email dated 5 February 2012 from Lesley Sewell to Dave Hulbert, copying me, relating to the same Horizon breakdown (**POL00142755**). In the email, Sewell asked Hulbert to *“look into this and see what happened with this particular branch”*. Kakvi’s branch experienced service disruptions caused by the change incident. I believe that Kakvi reached out to Vennells directly because of their personal relationship. However, Vennells would have already been aware of this issue having received the Major Incidents email, highlighting that a change request on the system had failed overnight. The Major Incidents email would have also informed Vennells that the issue was being remediated. The impact of this issue meant that some transactions in the branch network could not be completed.

184 I have seen a POL Board Noting Paper (“**Noting Paper**”) dated March 2012, signed by me. In the Noting Paper, I provided updates on the major incidents relating to Horizon and the system’s service failures. My updates include historical changes to the system architecture, that took some of the business continuity elements away in order to save money (c. GBP 50 million). We hoped the change and hardware-related issues would not cause significant problems. Further, in paragraph 6 of the Noting Paper, I proposed that Fujitsu and POL should conduct an independent review. I set out what the independent review must cover (e.g. the technical design of Horizon, all forms of testing, monitoring, and alerting, etc.) (**POL00142856**). This would have been my last communication to the Board, as I left POL in the second week in March 2012. As you can see, I was informing the Board that that Fujitsu and POL should conduct a full independent review.

CONCLUSION

- 185 As discussed in paragraph 29, I resigned by mutual consent, following the successful completion of RMG/POL Separation negotiations and changes to my role.
- 186 Knowing what I do now and now with the benefit of hindsight, I could have insisted on reviewing Fujitsu's Horizon code. As a member of the Board, I should have asked Cook or DJS to authorise a deep and thorough review earlier on and play their part in convincing Fujitsu that it was the appropriate course of action.
- 187 I was unaware of any injustices where SPMs felt they were being pressured into accepting losses, through threat of prosecution and/or contract termination. Had I been aware of such pressure tactics, I would have insisted on an immediate review of the investigation and litigation framework.
- 188 I would have insisted we stop using anything that supported prosecutions that could have been vulnerable to the possibility of un-auditable access into the system or gaps in the continuity chain in the event logs. I am unaware how many prosecutions were conducted once Second Sight's interim report was released.
- 189 I would have insisted on an evaluation of any specific differences between the use of Horizon Online Crown network and in the SPM network in tandem, I would also seek to understand any differences in the systems, process, and the training.
- 190 During my four years at POL, I worked with many good-willed, kind, and hardworking employees throughout the entire organisation including the SPMs.

Unfortunately, as the Horizon issues materialised over the years, POL's reputation has been tarnished. Accordingly, some employees who have worked for POL over 30-40 years (employees who would "bleed post office") are no longer proud to have worked at POL.

191 I regret that the Inquiry process may detract from the good work by so many employees that were genuinely trying to do their best every day in the post office network.

192 I also believe it has taken too long for SPMs to receive their compensation and restitution. The process should have been quicker.

193 Finally, I believe POL should have stopped prosecuting individuals once they received the Second Sight Report.

Statement of Truth

I believe the content of this statement to be true.

Signed: **GRO** _____

Dated: 8 August 2024

Index to First Witness Statement of MICHAEL YOUNG

<u>No.</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
1.	POL00021497	Meeting minutes: Board meeting minutes held on 20th October 2008	POL0000030
2.	POL00429291	Welcome to Post Office Ltd Report V6	POL-0204374
3.	FUJ00126078	Email from Andrew Hall to Peter Rowley, Lester Young, Alan Alvarez, Mike Wood, Clive Bailey, Peter Jeram, Paul Goodge, Steve Goldsmith David Roberts re meeting with Post Office 9/6/09	POINQ0127361F
4.	POL00030217	Ernst & Young Management letter to POL for year ended 2011	POL-0026699
5.	WITN01020100	Paula Vennells Witness Statement	WITN01020100
6.	POL00163407	Email from Mark R Davies to Paula Vennells re: Strictly	POL-0151659

		confidential and legally privileged	
7.	POL00021498	Meeting minutes: minutes for Board meeting held on 19th January 2009	POL0000031
8.	POL00338301	Minutes from the POL Investment Committee meeting	POL-BSFF-0164022
9.	POL00041564	Bankruptcy, prosecution and disrupted livelihoods - Postmasters tell their story; reported by Rebecca Thomson - Article	POL-0038046
10.	FUJ00095658	Letter from Mike Young to Duncan Tait re Current standing on Fujitsu contract	POINQ0101829F
11.	FUJ00096312	Email from Gavin Bounds to Duncan Tait, Re: forwarding email of 30/06/2010 re: response to your letter	POINQ0102483F
12.	POL00026572	Horizon –Response to Challenges Regarding Systems Integrity	POL-0023213
13.	POL00120479	Email chain from Rod Ismay to Rod Mark Burley, Ian Trundell, Dave Pardoe and others Re: Horizon Challenges - Draft report with attachments	POL-0126171
14.	POL00417098	Email Tracy Abberstein on behalf of David Y Smith to Mike Granville, Martin Humphreys, Lesley J Sewell cc Mike Young re FE Justice for SPMS	POL-BSFF-0237249

15.	POL00120481	Email chain from Mark Burley to Mike Young, Sue Huggins cc Nick Beal and others re: RE: Urgent channel 4 horizon issue	POL-0126172
16.	POL00338347	Email from Rod Ismay To: Michele Graves, Mandy Talbot, Rebekah Mantle and others re Press Office response to Channel 4 - July 2010 - C4 News item "postponed"	POL-BSFF-0164068
17.	POL00424359	Challenges as to the Integrity of Horizon	POL-BSFF-077-0000018
18.	POL00169170	Email from Rod Ismay to Jarnail A Singh, Mandy Talbot, Hugh Flemington and others re Regina v Seema Misra - Trial result	POL-0167423
19.	POL00188382	Email from Rod Ismay to Simon Baker and Susan Crichton re: Receipts and Payments issue	POL-BSFF-0026445
20.	POL00338296	Email from Mark Dinsdale to Adrian Morris, Alan X Simpson, Ali Piper and others re Security Performance Pack ver3	POL-BSFF-0164017
21.	POL00338297	Post Office Ltd Security Performance Pack Period 4 - 2010/11	POL-BSFF-0164018
22.	POL00179491	Email from Susan Crichton to Alwen Lyons RE: Investigations MOU - talks with MDA at a standstill	POL-BSFF-0017554
23.	POL00417094	Email from Mike Granville to Mike Young re: Horizon query in confidence	POL-BSFF-0237245

24.	POL00294803	(Draft) Terms of Reference from Stephen A Collins to Rod Ismay, Lesley Sewell cc Martin Knights and others RE: POL - Review of Horizon Electronic Point of Sale System	POL-BSFF-0132853
25.	RMG00000005	Royal Mail Holdings Plc Audit and Risk Committee Minutes of the meeting held at 100 Victoria Embankment London	VIS00007413
26.	POL00295092	Royal Mail Holdings Plc Audit and Risk Committee update on Post Office Limited Horizon Controls and Relationship with Fujitsu.	POL-BSFF-0133142
27.	FUJ00174417	Email thread from Duncan Tait to Gavin Bounds RE: Fw: Horizon Integrity - BBC iPlayer link to programme.	POINQ0180598F
28.	POL00294748	Email from Mike Granville to Kevin Gilliland, Angela Van-Den-Bogerd, Paula Vennels and others re: NFSP line on Horizon	POL-BSFF-0132798
29.	POL00338401	Newspaper Article re: Computer Says No - Publication on How the Horizon Scandal has Affected Postmasters	POL-BSFF-0164122
30.	POL00294974	Letters - Pirate Eye - Lost Horizon	POL-BSFF-0133024
31.	FUJ00081945	Fujitsu Post Office Receipts/Payments Mismatch Issue	POINQ0088116F
32.	WITN00740120	POL IT Audit Update (SAS70)	VIS00014002

33.	POL00362957	Post Office LTF Board: Viability of introducing a SAS70 or equivalent audit report.	POL-0185272
34.	POL00140626	Email from Nicholas Kennett to Mike Young RE: Incident - Banking Services via Horizon	POL-0142081
35.	POL00142856	Post Office Ltd - POL Board Noting Paper Horizon - By Mike Young	POL-BSFF-0002021
36.	POL00142755	Email from Lesley J Sewell to Mike Young and Dave Hulbert. RE: FW: Horizon Breakdown 1st February.	POL-BSFF-0001920