

Witness Name: John Bartlett

Statement No.: WITN11190200

Dated: 22 August 2024

POST OFFICE HORIZON IT INQUIRY

SECOND WITNESS STATEMENT OF JOHN BARTLETT

I, John Bartlett, will say as follows:

- 1 I am John Bartlett, Director of Assurance and Complex Investigations (**A&CI**), Post Office Limited ("**Post Office**").
- 2 This witness statement is made to assist the Post Office Horizon IT Inquiry (the "**Inquiry**") with certain matters set out in Rule 9 request number 57 received on 12 June 2024 addressed to Post Office ("**R9(57)**") and certain matters set out in Rule 9 request number 58 received on 2 July 2024 ("**R9(58)**"). This is my second witness statement to the Inquiry.
- 3 The facts in this witness statement are true, complete and accurate to the best of my knowledge and belief. I have sought to include within this witness

statement evidence relating to matters or issues detailed in the R9(57) and R9(58) requests insofar as the relevant facts are within my own knowledge. The R9(57) and R9(58) requests also seek evidence relating to some matters and issues that are not within my knowledge. As a result, where my knowledge has been informed by another person or by documents that I have reviewed for the purposes of preparing this witness statement, I will specifically acknowledge the identity of the individual concerned or the nature of the documents. As I started my role at Post Office in February 2022, in order to provide detail on relevant events before that date, I have relied on documents and/or discussions with Post Office staff who were present before that date. Where I refer to specific documents in this witness statement, copies of those documents have (where possible) been produced to the Inquiry.

- 4 I have been assisted in preparing this witness statement by Burges Salmon LLP and Fieldfisher LLP (together “**BSFf**”), who act on behalf of Post Office in the Inquiry (other external advisors also act for Post Office) and external counsel.
- 5 This witness statement is set out in the following sections:
 - (a) Section A “Investigations Structure” (paragraphs 6 to 46) responds to question 6 of R9(57) and provides further contextual information;
 - (b) Section B “Investigations Policies and Guidelines” (paragraphs 47 to 77) responds to questions 7-8 of R9(57) (and, insofar as it concerns guidance, question 9 of R9(57));
 - (c) Section C “Training and Professional Background of Investigators” (paragraphs 78 to 81) responds to questions 9-10 of R9(57);

(d) Section D “Investigations Data” (paragraphs 82 to 97) responds to questions 1-3 of R9(57);

(e) Section E “Review of Historic Investigations” (paragraphs 98 to 113) provides information on the process and progress of Post Office’s review of the allegations against Post Office staff which emerged during the Human Impact hearings in respect of its historic investigations; and,

(f) Section F “Speak Up and Complaints” (paragraphs 114 to 148) responds to question 46 of R9(58) and provides further contextual information in relation to Post Office’s Speak Up policy.

SECTION A: INVESTIGATIONS STRUCTURE

6 I am asked to provide organisational charts showing the current structure, personnel and supervisory roles/responsibilities within POL’s Criminal Law team and POL’s Security team (to cover any Financial Investigators who cover Proceeds of Crime Act (**POCA**) investigations). I understand from that request that the Inquiry wishes to understand the position in relation to those currently employed within Post Office who are involved in criminal and/or POCA investigations.

7 Post Office does not have a Criminal Law team and the Security team¹ no longer conduct investigations. Whilst I have provided information below in respect of the ‘Criminal Law team’ (such as it previously existed), the Financial Crime team and the Security team, the focus of my statement is on the development,

¹ On 5 August 2024, the Security team was renamed the 'Network Crime and Risk Support' team, to better reflect its role.

structure, work and performance of the Assurance & Complex Investigations (A&CI) team. A&CI, which was initially called the Central Investigations Unit (CIU), was established in February 2022 as Post Office's central investigation function. A&CI, among other matters, conduct any preliminary investigations into suspected and alleged theft, fraud and/or false accounting. As Post Office no longer conducts private prosecutions, where appropriate, A&CI refers those cases to police or other law enforcement agencies (LEAs) to consider for further investigation and possible later prosecution. In that way, the investigative landscape within Post Office does not replicate the activities and structures of the past.

Criminal Law team / Financial Crime team

- 8 Post Office has not formally had a Criminal Law team since its separation from Royal Mail Group. Rather, Post Office used this label to describe responsibility and function of Jarnail Singh. He was the only in-house criminal lawyer at Post Office from 1 April 2012 until March 2015, during which period he instructed Cartwright King to prosecute and manage cases, as well as advise on post-conviction issues following the cessation of prosecutions based wholly or partly on data derived from Horizon.
- 9 Post Office currently employs a criminal lawyer, Mr Stuart Lil, full time to advise on criminal law matters and receive external legal advice on specific matters. He predominantly works on Remediation Unit matters and, among other duties, advises on the application of the Post Office Cooperation with Law Enforcement Agencies and Addressing Suspected Misconduct Policy, which is described in more detail from paragraph [46] below.

- 10 Post Office has a Financial Crime Team which reports to the Group Compliance Director [POL00448521]. I understand the Financial Crime Team is responsible for ensuring Post Office meets its regulatory and legal responsibilities relating to Anti-Money Laundering, Counter Terrorist Financing and Anti-Bribery and Corruption, and ensuring Post Office supply chain operations meet industry regulations. The Financial Crime Team has previously supported law enforcement by supplying information (via request or court order) in relation to money laundering cases.

Security team

- 11 Up until 2019, the Security and Investigations Team were responsible for all criminal investigations within the Post Office. However, in late 2019, following the criticisms of Post Office's investigations in the Common Issues Judgment and Horizon Issues Judgments (the **GLO Judgments**), Post Office took responsibility for the conduct of investigations away from the Security team and disbanded the fraud team which sat within it. From that time, the Retail team has supported Postmasters to investigate discrepancies. The remit of the Security team was refocused on supporting Postmasters to prevent retail crime.²
- 12 The current Security Team reports to the Retail arm of the business under the Head of Security [POL00447931].³

² CIJ 10_ POL Security Storyboard [POL00447956].

³ Slide 9, Service & Support Overview of Teams and Responsibilities [POL00447931].

- 13 I have been asked to provide detail about where the former Security team investigators sit within the new structure. The Inquiry has linked that request with recent media reports which suggest those former investigators all continue to be employed by Post Office to conduct investigations. It is right that some individuals who previously worked in the Security team within Post Office remain in the business whilst others have left. However, none of those remaining are members of the A&CI team, which now has conduct of all criminal investigations within Post Office.

Assurance & Complex Investigations (formerly Central Investigations Unit until 1 August 2023)

Development of A&CI

- 14 The GLO Judgments and the decision of the Court of Appeal in *Hamilton & Ors v Post Office Ltd* [2021] EWCA Crim 577 (Hamilton), were critical of the Post Office's approach to investigations, specifically in relation to apparent shortfalls and discrepancies shown by Horizon. In particular and in summary, those criticisms included:

- (a) That Post Office operated with the presumption of culpability;
- (b) That Post Office provided insufficient information to Postmasters who had shortfalls during the investigation and before and during proceedings;

- (c) That there was poor communication with Postmasters throughout an investigation with the outcome that Postmasters were unable to examine the issues themselves;
- (d) That there were failures to follow all reasonable lines of enquiry, including potential alternative explanations provided by Postmasters;
- (e) Suspicions of knowingly making false assertions relating to the reliability of Horizon data; and
- (f) That Post Office failed to discharge properly the duties of a prosecutor, especially in respect of disclosure.

15 There was a clear need for Post Office to build an investigative function which worked differently. In May 2021, a paper seeking approval to appoint an external firm to review how Post Office conducts its investigations was put to the Group Executive for consideration [**POL00448006**].⁴ The paper stated the Court of Appeal's judgment that "*POL's failures of investigation and disclosure were so egregious as to make the prosecution of any Horizon cases an affront to the conscience of the court*". The paper further stated that while steps had been taken to ensure proper investigations, including the development and implementation of a Group Investigations Policy and Cooperation with Law Enforcement Policy (discussed below), there was "*a need to improve co-ordination of investigations and assurance of the investigative processes*" to ensure that "*when investigations are undertaken today, they do not pre-judge*

⁴ Post Office Investigations Review_POL_GE_20210505.
[POL00448006].

an outcome, are fair and objective, properly planned, resourced and executed, with recommendations and outcomes actioned and lessons learned".⁵ Post Office also identified that while it would no longer conduct private prosecutions, it still had a need to perform investigations including into whistleblowing, suspected criminal conduct and personnel issues, and in doing so, it must "ensure its investigations are conducted to the appropriate standard by appropriately qualified individuals and adhere to best practice".⁶

- 16 Following approval from the Group Executive on 5 May 2021 [POL00448010],⁷ Post Office engaged KPMG on 30 June 2021 to undertake a review of its current investigation processes. KPMG did not review historical investigations but undertook a review to establish whether the decentralised model of Post Office investigations of all kinds was effective and to consider the best model for investigations going forward. The review was not limited to criminal or potential criminal investigations, and, in the report, KPMG noted that Post Office used the term 'investigation' to cover investigative activities to, for example, *"identify areas where Postmasters require more assistance, help Postmasters deal with errors or discrepancies or undertake information gathering activities".⁸*

⁵ Post Office Investigations Review_POL_GE_20210505. [POL00448006].

⁶ Post Office Investigations Review_POL_GE_20210505. [POL00448006].

⁷ GE Tactical Meeting Minutes dated 5 May 2021, [POL00448010].

⁸ KPMG Project Birch report, page 7, [POL00423697].

17 KPMG provided its report on 26 August 2021 (**KPMG Review**).⁹ Below I set out KPMG's findings across all investigative activities, though I note that not all findings will be applicable to criminal investigations, which, at the time, were not being conducted by Post Office.

- (a) The term 'investigation' was not clearly defined within Post Office and covered a range of activities.
- (b) 24 separate teams conducted investigatory activities including across Service and Support Optimisation, Franchising Partnership, Compliance, HR, Cyber and Legal, and that while the decentralised model provided individual teams with independence to develop and deliver their own framework, there was limited central oversight of the frameworks. This meant that Post Office did not have overarching consistency over:
 - (i) how investigations were undertaken;
 - (ii) the experience and qualifications of the investigators;
 - (iii) the application of investigation minimum standards especially in relation to high-risk cases; and
 - (iv) the recording and reporting of investigation data.
- (c) In addition, there was no overall central monitoring of the investigations process and no comprehensive analysis was available over the number

⁹ KPMG Project Birch report, [POL00423697].

or type of investigations Post Office undertakes, including those that are high risk.

- (d) Post Office could not demonstrate that there was consideration at the beginning of an investigation as to whether it could potentially result in criminal, civil or disciplinary proceedings, and there was not always early engagement with Legal.
- (e) Post Office investigations process fell short of market practice in a number of areas, including:
 - (i) Lack of consistency of investigations conducted across Post Office, which resulted in different levels of oversight and inconsistencies in the level of Board sign off for policies and processes, and a lack of consistency in terms of use of Legal and other Subject Matter Experts, with a risk that Legal were not consulted on cases that could result in litigation.
 - (ii) Lack of overarching governance and oversight over high-risk investigations, with the majority of business teams not differentiating between high-risk and other cases. There was a risk that high-risk investigations were not being conducted with the appropriate level of rigour to withstand public scrutiny and that outcomes may not be in line with Post Office's risk appetite.
 - (iii) There was no clear consistent triage process in place across Post Office, with some teams triaging based on product type and case age rather than risk profile.

- (iv) Lack of consistent monitoring and reporting over all investigations with variable availability and reporting of “Management Information” (“MI”), which resulted in inconsistencies in the reporting of MI to senior leadership. Where investigations touch multiple business teams, there was no formal handover or process to monitor which business team held the investigation, with a resulting risk that cases may get delayed or lost.
- (v) There was no consistent approach to quality assurance across the business teams, with no independent quality assurance reviews undertaken across Post Office to ensure that business teams were adhering to standards set in the Group Investigations Policy.
- (vi) There was limited evidence of 'lessons learnt' and continuous improvement arising from investigations across Post Office, with no formal processes in place.
- (vii) Business teams (including earlier iterations of the Speak Up team) often used Area Managers and Line Managers to conduct investigations which created a lack of clarity over roles and responsibilities and who was accountable for outcomes. It was also noted that Area Managers and Line Managers would have limited investigation experience and were not appropriately qualified to undertake high-risk investigations. Most importantly, this also had the potential to create a conflict and lack of independence when a Postmaster sought to make a complaint and may have been a deterrent to the making of complaints.¹³

(viii) Lack of training in respect of investigations across Post Office.

(ix) No consistent use of an investigations case management tool across Post Office.

18 One of the key recommendations arising from the KPMG review was to introduce a Central Investigations Unit (**CIU**) with a Head of Investigations and a dedicated investigations team to assist or perform high risk investigations, and to incorporate the whistleblowing function into this team.

19 On the basis of the KPMG Review, Post Office subsequently decided to form a CIU and on 15 September 2021 approved the appointment of a Head of CIU, who was to be identified from external candidates.¹⁰ I was appointed as the Head of CIU on 21 February 2022. Over the course of 2022, CIU was progressively staffed. The team became properly operational in January 2023, though, in reality, it has managed a case load since the first day I started at Post Office.

20 Throughout 2022 and 2023, Post Office discussed and determined the scope, structure and priorities of the CIU.

21 A Group Executive (**GE**)¹¹ Paper dated 20 April 2022 [**POL00447975**] stated: “[i]t is proposed that there are two levels of investigative capability within Post Office. This approach was also suggested by KPMG.” It was proposed the first level was CIU, a small group of professional investigators who conduct

¹⁰ See GE Minutes from 15 September 2021 [POL00448011].

¹¹ The Group Executive is now referred to as the Strategic Executive Group (**SEG**) and throughout this statement I use the name in place at the time of the relevant paper, minute or event.

investigations into high-risk areas, and the second level was those based in the business who would continue to conduct lower-risk high volume and routine investigations, but escalating matters to the CIU as needed.¹² The same paper sought approval for the recruitment of the rest of the CIU *"in line with KPMG's recommendations"*.¹³

22 Further, in a GE paper dated 6 July 2022, 'Post Office Investigations: Next Steps,' [POL00448354] it was clarified that the work of CIU was to include investigations into suspected criminality and for findings to be reported to law enforcement. While it was noted that *"Post Office has no appetite to pursue private prosecutions"* the paper stated that the rationale of conducting investigations into suspected criminality and reporting as appropriate to law enforcement was *"to act as a deterrent and to seek financial restitution through the independent and external criminal justice system."* Further, the paper outlined: *"Conceptually, the police and the prosecutors will decide on the strength of the evidence what they will (or will not) progress through the criminal justice system, not POL"*¹⁴ with the evidence to be gathered by professional investigators. The paper outlined the concern that if Post Office did not make pro-active reports to law enforcement, Post Office was *"at risk of not discharging our duty as an organisation in receipt of public funds to investigate and then refer suspected criminal conduct."*¹⁵

¹² POL_GE_Post Office Investigations Review_20220420 [POL00447975].

¹³ POL_GE_Post Office Investigations Review_20220420 [POL00447975].

¹⁴ 29052022 GE and Board Paper Remit and Criminal Investigations [POL00447979].

¹⁵ 29052022 GE and Board Paper Remit and Criminal Investigations, [POL00447979].

23 During a GE meeting held on 3 August 2022 [POL00448321], the GE resolved to approve for onward forwarding to the Board for noting:

(a) "*POL, POL Staff, Postmasters and Postmasters' staff all being within the remit of the Post Office Investigation Branch*", being the two levels of investigative capability within Post Office as outlined in the GE paper dated 20 April 2022 [POL00447975];¹⁶

(b) CIU to investigate and refer to LEAs suspected criminal conduct in all four nations of the United Kingdom to act as a deterrent and to seek financial restitution through the independent and external criminal justice system;¹⁷ and

(c) "*The mobilising of a new partnership model with the relevant bodies across the UK to facilitate the investigation and referral of suspected criminal misconduct.*"¹⁸

24 On 27 September 2022, the Post Office Board tabled and noted a paper '*Post Office Investigations: Next steps*' [POL00448320]¹⁹ which set out the decision of the GE made on 3 August 2022.

¹⁶ POL_GE_Post Office Investigations Review_20220420, [POL00447975].

¹⁷ GE Tactical Meeting Notes/Actions 3 August 2022 [POL00448321].

¹⁸ GE Tactical Meeting minutes 3 August 2022 [POL00448321].

¹⁹ Board paper '*Post Office Investigations: Next Steps*' [POL00448320].

25 On 28 June 2023, the GE agreed that A&CI priorities for the financial years 2023/24 and 2024/25 would be, in order of priority **[POL00447948]** **[POL00448327]**.²⁰

- (a) Investigating Public Interest Disclosure Act 1998-qualifying Speak Up reports;
- (b) Supporting the investigative needs of the Inquiry team;
- (c) Assurance of investigations conducted by Dispute Resolution, Network Monitoring & Reconciliation, and Contracts teams as part of the execution and development of CIU's target operating model;
- (d) Preparing for transition of the network to New Branch IT System (**NBIT**);
- (e) The investigation of all substantiated losses in branches over £100k, police liaison, and seeking compensation from the courts;
- (f) Providing evidence packages for civil court hearings;
- (g) Systems and process integrity investigations only at an enterprise risk level; and
- (h) Behavioural/conduct/integrity investigations only relating to GE and Board.

26 Since this meeting, the above identified priorities have been the basis of A&CI's operations. For completeness, I note that the work envisaged in sub-paragraphs (d) and (f) above have yet to be substantively undertaken as the NBIT landscape is not sufficiently developed to require this work and Post Office is not presently taking civil enforcement action relating to shortfalls.

²⁰ GE Minutes 28 June 2023 [POL00447948] and GE Report '*Prioritisation & Resourcing of CIU Investigations*' dated 28 June 2023 [POL00448327].

27 The CIU was renamed the A&CI in August 2023 to better reflect the remit and priorities that were determined in June 2023.

28 As demonstrated by the above, A&CI is a relatively new team, which continues to grow and evolve. For example, in approximately June 2024, I hired an extra staff member on a fixed-term basis to take over the management of any police liaison matter for which police require assistance from Post Office. Previously, a subset of liaison matters had remained with the Security team. They were predominantly allegations of robbery, burglary or theft directly reported to the police by Postmasters or their staff. However, since Spring 2024, A&CI has taken over responsibility for those matters having rightly become the repository for all outward provision of evidence.

Current purpose, remit and structure of A&CI

29 A&CI currently undertakes four different but connected areas of work: Speak Up (discussed further in paragraphs [113 to 147]), Investigations, Investigative Assurance and the Historic Investigations Review (discussed further in paragraphs [97 to 112]). The Investigations sub-teams conduct three types of investigations: fact-finding, accountability and criminal. A&CI, therefore, has a wider remit than the previous Security team.

30 In respect of its criminal investigations, the Law Enforcement Engagement Team investigation sub-team conducts investigations into suspected criminal matters where Post Office is believed to be the victim. It is the only team within Post Office authorised to conduct such investigations to an evidential standard and format (that is, such that the evidence can be relied upon in court).

However, it does not conduct full (or end-to-end) criminal investigations as used to be the case when Post Office carried out its own prosecutions. It is for LEAs to conduct such investigations, as they consider appropriate, after Post Office has reported a suspected offence. After Post Office's decision on 22 September 2020 to formally cease private prosecutions (discussed in further detail below at paragraphs [82-85]), Post Office now uses the term 'criminal investigation' to mean the assessment of a potential criminal offence against Post Office, the reporting of suspected criminal incidents to LEAs and proactively providing LEAs with information and evidence and responding to their requests for information and evidence to support their investigations.²¹ Post Office does not carry the same disclosure obligations as an LEA, and it does not have decision-making authority in respect of whether to formally undertake a criminal investigation, evidential sufficiency, charging decisions or prosecutions.

- 31 In that way, A&CI is a corporate in-house investigative function with a portion of cases that involve suspected criminal matters on which A&CI support LEAs. The scale of investigative activity connected to potential criminal activity is significantly smaller than in the past and very different in nature. Criminal-related matters amount to approximately 25% of A&CI work, but that proportion depends on caseload at any given time. A&CI non-criminal work is supported by nominal full-time equivalent staff in external firms assisting Post Office.
- 32 A&CI conducts investigations which are considered 'high risk'. Non-criminal investigations which do not meet a 'high risk' threshold continue to be conducted

²¹ Combined GIP CLEP Draft 2.2 for SEG Board [POL00448353].

by the relevant business teams. However, they must adhere to minimum standards agreed with A&CI and are subject to periodic quality assurance by A&CI.²² 'High-risk' is intended to be a dynamic term so that A&CI can flex to cover more cases where resourcing allows. Currently, 'high-risk' captures the following:

- (a) Alleged fraud, theft or other activity amounting to over £200,000 in potential loss;
- (b) Public interest disclosures;
- (c) Modern slavery allegations;
- (d) Public Inquiry matters;
- (e) Significant regulatory impact;
- (f) Significant process failures across Post Office; or
- (g) Cases which are complex in nature relating to concerns as to the conduct of the most senior Post Office staff.

33 A sub-set of the A&CI team also assures the investigative activity conducted by other teams within Post Office which is designated as low-risk and high-volume. That includes the Contracts Team, the Dispute Resolution Team, the Network Support and Resolution Team and the Branch Reconciliation Team (Stock Team). The purpose of conducting assurance is to ensure that those within Post Office, who are tasked with conducting investigations of any kind, work to

²² GE Central Investigations Resourcing Paper 25 January 2023 [POL00448007].

established standards and requirements and comply with any relevant legislation. The specific requirements are set out in the Investigator's Manual [POL00448014],²³ which is discussed in further detail below in from paragraph [68]. The Group Assurance team may also conduct their own reviews of the business-based teams, and it also performs assurance over the work of A&CI by dip sampling our investigations. If, during an A&CI assurance review of another team, we identify areas requiring improvement, an action plan will be agreed to address the concerns identified and if appropriate, additional training and guidance will be arranged. To date, we have made over 90 recommendations which have been implemented by the teams we assure.

Oversight and governance of A&CI

34 A&CI is a part of Legal at Post Office, as indicated by the organogram [POL00447971]. I am line managed by the Group Legal Director and currently report to the Interim General Counsel. Both of these positions are currently held by Sarah Gray. As outlined in my First Witness Statement [WITN11190100], A&CI provides monthly MI reporting to the Strategic Executive Group and provides regular reporting to Audit and Risk Committee of Post Office (**ARC**). We, like any other team within Post Office, are subject to policies and procedures. A&CI are also subject to review by Group Assurance and by Internal Audit.

Group Assurance and Internal Audit reviews

²³ Investigator's Manual [POL00448014].

35 At my request, Group Assurance conducted a review of A&CI (then CIU) and issued a report in June 2023.²⁴ This was a few months after A&CI (then CIU) formally went live as a team in January 2023. I wanted to have a non-A&CI view of how the team was operating. The team was also struggling with sufficient resource to match the then current and future anticipated demand for investigation services and I felt that a review of the team may independently demonstrate this. I also requested it as a sense check of the policies and procedures I had developed and we had begun to embed so that they could be externally reviewed and to proactively seek feedback about how best to develop our processes. A&CI was rated as needing significant improvement which was an expected outcome. As a result of its stage of development, A&CI wasn't yet able to demonstrate complete adherence to its own processes and procedures during the assessment period of April 2023-June 2023.

36 Group Assurance identified key areas for A&CI to improve upon and risks for it to address.

37 After Group Assurance identifies a risk, I (or a relevant member of my team) am asked to provide a response or solution, to confirm whether the proposed control sufficiently manages the risk and to provide evidence of our risk management. Group Assurance will then provide a final comment, which may include agreed action items or a confirmation that the action has been closed. For example, Group Assurance identified that there was a risk that recommendations made by A&CI may not be followed through, as A&CI did not have a mechanism to

²⁴ Group Assurance Final Review of A&CI, June 2023, [POL00447965].

enforce and track the recommendations made at the conclusion of an A&CI investigation. As a result, we established a process with Group Assurance so that recommendations arising from an investigation are shared with Group Assurance and together, we would engage with the relevant business teams to discuss how this is progressed. Group Assurance tracks and pursues implementation. If the business area is unwilling or unable to adopt the recommendations, then ultimately Group Assurance can escalate the issue to ARC for resolution. This process has been incorporated into the Investigator's Manual so it is known across the relevant business areas.

38 A&CI has subsequently (throughout the course of 2024) completed the assurance actions identified in the June 2023 review. Since the actions were identified, Group Assurance and A&CI have met on a quarterly basis to review our ongoing management of the identified risks.

39 Internal Audit²⁵ has begun to plan an audit of A&CI to be conducted by the end of September 2024. This will be their first audit of A&CI. Internal Audit will be assisted by a professional services firm with specialism in independent audit. This will be a full audit of the investigative function within A&CI, including a review of policies and procedures and dip-sampling to ensure compliance with those policies and procedures.

NED Investigation's Champion

²⁵ Internal Audit is a Post Office business unit which aims to provide objective and independent assurance on the effectiveness of risk management, internal controls and governance throughout the business.

40 On 26 September 2022, the Board resolved to appoint non-executive director Ben Tidswell as the NED Investigations Champion. Mr Tidswell was the Senior Independent Director of the Post Office Limited Board from July 2021 before he stepped down from the Board on 9 July 2024 at the completion of his three-year term. Mr Tidswell is a lawyer and formerly worked at Ashurst as a Partner in the London Disputes team from 2000 and was the Global Chairman from 2013 to 2021.

41 Mr Darfoor, who joined the Board in June 2023, has been appointed as the NED Investigations Champion in Mr Tidswell's place. He is now the Senior Independent Director, Chair of the Investment Committee and a member of the ARC. Mr Darfoor is the previous Group CEO of Alexander Forbes, CEO of Sun Life Financial International and CEO of Old Mutual Bermuda. He has previously held senior management roles at UBS AG, Credit Suisse AG and EY LLP. Mr Darfoor has experience of working within highly regulated industries, which require transparency and good governance.

42 I held quarterly meetings with Mr Tidswell and will hold quarterly meetings with Mr Darfoor. In his role as the Senior Independent Director, I am able to have direct access to him to discuss any matters of concern.

43 The Investigations Champion Terms of Reference, agreed between myself and Mr Darfoor in July 2024, state that: "*The NED's primary purpose as Champion is to be a point of assurance for the integrity, objectivity, independence, effectiveness, and evolution of the investigation function in adherence with relevant Group Policies and associated procedures*" [POL00448013]. Further, the Terms of Reference state that through me, the NED "*will influence, where*

*appropriate the high-level policies, processes and approaches of the various teams within POL that conduct investigative activity so that the interests of fairness, transparency, and public interest are protected and advanced."*²⁶

Having direct access to the most senior NED is a visible acknowledgement that A&CI can escalate any blocks encountered in our investigations or flag any concerns as to the operation of Post Office. It also allows the Board to directly question our activity and to provide feedback on the conduct of significant cases. It also adds significant value to both the Champion and to me in facilitating discussions around strategic issues that otherwise we may not have.

Resource of A&CI

44 At times during the development of the A&CI team there has been a disconnect between the appetite of the business for investigations to be completed and the amount of resource available. For example, in May 2023, during a presentation to Post Office's Improvement Delivery Group ("**IDG**"),²⁷ the then Group Legal Director and I identified that the current case load of A&CI (then CIU) was unsustainable with the current team size and that, as I was carrying a case load, our target operating model development had slowed.²⁸ At the time I identified that approximately £1 million in identified losses were not being investigated despite good evidence due to a lack of resource.²⁹ This is a figure which fluctuates regularly depending on the cases A&CI are working on. Currently, all

²⁶ Investigations NED Terms of Reference [POL00448013].

²⁷ The IDG was comprised of senior staff members within Post Office.

²⁸ [POL00448016].

²⁹ [POL00448016].

cases are allocated to and actively worked on by A&CI team members or have been reported to police. However, we are not sufficiently staffed to investigate any new cases which may be brought to our attention. We regularly request more resource within the A&CI team to ensure that we have sufficient resource capacity.

Case Management System

45 A designed-for-purpose case management system has been something I have sought to source and implement from very early on in joining Post Office in line with KPMG's recommendation. This system will assist us in overseeing cases, compiling material for disclosure (for criminal and non-criminal cases alike), providing management information, facilitating trend analysis, and issuing directions. In early August, A&CI began to embed a new case management system, Insight, supplied by Altia. Altia is a global provider of intelligence and investigations software and Insight is a comprehensive investigation and case management system, considered to be one of the market leading systems and used by many UK law enforcement agencies, particularly for financial investigations. Insight will allow A&CI to monitor and oversee our active cases more effectively.

Culture of A&CI

46 The A&CI team is predominantly made up of professionals who specialise in the conduct of investigations and who bring significant real-world investigative expertise and experience from a variety of sectors including the police and other LEAs, regulated industries and the private sector. The qualifications, expertise

and experience of A&CI staff involved in criminal investigations are outlined in detail in paragraph [77] of this statement. We consider ourselves to be focused on discovering the truth, doing the right thing, and not primarily existing to protect Post Office. We investigate an event or set of circumstances, not an individual, and are well set to provide law enforcement with objective, properly collected evidence. Assisting the police with their disclosure obligations is at the forefront of our minds.

SECTION B: Investigations Policies and Guidelines

47 I am asked to address the key policies and guidelines applicable (in any of the four nations of the United Kingdom) to those within Post Office carrying out investigations into alleged fraud, theft and false accounting based on Horizon data which are currently in force, and to explain which departments hold responsibility for those policies and guidelines and who holds responsibility for the management and oversight of those departments. As explained above, Post Office no longer prosecutes suspected criminal conduct against it. However, in order to safeguard public funds and in the interests of justice, Post Office will seek to identify possible criminal conduct and report it appropriately to LEAs for them to consider further investigation. To ensure that the reports made to LEAs are proportionate and considered, Post Office (now through A&CI) will investigate to the degree necessary in the first instance to assure itself that it has reasonable grounds to suspect that a criminal act may have occurred, and that harm to Post Office may have resulted. This activity is known in shorthand as a Post Office "*criminal investigation*" but this is not an end-to-end

investigation which is the role of the police once Post Office has reported a matter to them. The key “*criminal investigation*” policies and guidance have been developed against that background.

48 As set out in the Post Office Investigations Branch Assurance Control Framework [POL00447941],³⁰ the two key “*criminal investigation*” policies which are technically still in force are: (i) the Group Investigations Policy (“**GIP**”) dated 15 March 2021 [POL00448352],³¹ and (ii) the Cooperation with Law Enforcement Agencies and Addressing Suspected Criminal Misconduct Policy (“**CLEP**”) dated 28 September 2021 [POL00447936].³² These are both owned by the Group Legal Director and sponsored by the Group General Counsel. As is evident from the dates of the policies, they were introduced before I joined Post Office in February 2022 so I cannot speak directly to their development. I, therefore, rely on information I have ascertained from the relevant documents and from discussions with staff who have been at Post Office for some time before I joined. I am aware that the policies were intended to address the criticisms made about POL’s investigations in the GLO Judgments and to give structure and consistency as to how investigations across Post Office were conducted and as to how information would be shared with LEAs.³³

49 However, these policies were developed (or largely developed) prior to the decision in *Hamilton* in April 2021, KPMG’s subsequent review of POL’s

³⁰ IB Control Framework [POL00447941].

³¹ _POL_ARC_InvestigationsPolicy_v1.2_DRAFT [POL00448352].

³² Law enforcement policy v1.0 Sept 21 [POL00447936].

³³ POL ARC Minutes 26 January 2021 [POL00447929]; IDG Pillar Strategy WB and Investigations [POL00448326].

investigation process dated 26 August 2021 and the subsequent establishment of A&CI in February 2022. They have since been subject to ongoing reconsideration to reflect Post Office's changed approach to investigations, particularly in respect of the introduction and evolution of A&CI (then CIU). I have been closely involved with that process as Head and then Director of A&CI.³⁴ As a consequence, A&CI have drafted and consulted upon a new combined Group Investigation and Cooperation with Law Enforcement Policy ("**GICLEP**") for which I will be the owner. Subject to review by an external NGO with expertise in ethical investigations³⁵ and consideration by the Risk and Compliance Committee of Post Office ("**RCC**") and ARC and the Board, the aim is that the GICLEP come into force later in 2024. Accordingly, I address this draft policy below in addition to the two polices which are technically in force.

50 Alongside the development of the draft GICLEP, A&CI developed the Investigator's Manual which it introduced in June 2023. It is the key guidance document on the conduct of investigations for all those conducting investigations throughout the business to ensure consistency and that a balanced and fair approach is undertaken. I summarise its contents below from paragraph [68].

Key Policies

Group Investigations Policy

³⁴ POL_GE_Post Office Investigations Review_20220420- [POL00448006] and GE Investigations – Next Steps paper 6 July 2022 [POL00448354].

³⁵ Post Office intends that the NGO ETICA will review the GICLEP.

51 As stated, the GIP is owned by the Group Legal Director, Sarah Gray, and sponsored by Group General Counsel, Ben Foat. Accordingly, responsibility for it sits within Legal. RCC and ARC are responsible for its oversight and approval. Following the GLO Judgments, the GIP, which had not been reviewed since September 2016, was substantially overhauled. On 12 January 2021, RCC approved a revised version of the GIP dated 22 November 2020. On 26 January 2021, the revised GIP was presented to ARC [POL00448352].³⁶ The accompanying paper for ARC noted that “major amendments” had been made to the previous GIP which had been “out of use for some time” [POL00447925].³⁷ It stated: “*this is a master Investigations Policy that brings back the principles of investigations for all other Group Policies that relate to it.*”

52 The minutes of ARC meeting on 26 January 2021 recorded the following discussion points in respect of the revised GIP [POL00447929].³⁸

“2.1...

- *The Chair noted that an issue that was made clear from the Group Litigation Order (GLO) was the attitude of the investigator. Whilst issues like the duty of good faith would only apply in the Post Office/Postmaster relationship (not commercial relationships), it was agreed that the attitude of the investigator should be addressed in the policy.*
- *It was also noted that matters such as the independence of the investigator and the level of expertise needed should also be clear in the policy...*

³⁶ ARC Investigations Policy v 1.2 Clean – 21 January 2021 [POL00448352].

³⁷ [POL00447925].

³⁸ POL ARC Minutes 26 January 2021 [POL00447929].

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- *Tom Cooper requested that the policy also be externally reviewed..*

53 Subject to those matters being resolved, ARC approved the policy.

54 Further, as stated at paragraph 71 of my previous statement, in January 2021, General Counsel, Ben Foat, in his capacity as Whistleblowing Officer, established a Whistleblowing Working Group in order to review the whistleblowing policies and procedures and make any necessary changes. One of the key actions of the Working Group was to ensure that there was alignment between the Whistleblowing Policy, Postmaster Complaints Policy and GIP **[POL00423689]**.³⁹

55 Accordingly, a further version of the GIP dated 15 March 2021 was produced to address the matters raised by ARC and to ensure alignment with the Whistleblowing and Postmaster Complaints Policies. While I am not aware that that policy itself was subsequently subject to external review as had been requested by ARC on 26 January 2021, as stated above, following the judgment in *Hamilton*, Post Office commissioned KPMG in June 2021 to conduct a review of Post Office's investigation function.⁴⁰ The work on the GIP, including embedding it, was paused while KPMG conducted the review.⁴¹ The findings and recommendations from that review meant that there was a need to

³⁹ [POL00423689].

⁴⁰ Minutes of GE Tactical Meeting of 5 May 2021 [POL00448010].

⁴¹ POL00039936 – Project Birch, p.10; Investigations Current State and TOM v0.3 [POL00447976].

significantly update the GIP.⁴² That has led to development of the draft combined GICLEP, which I discuss below.⁴³

56 However, until the combined draft GICLEP is formally approved, the GIP dated 15 March 2021 technically remains in force, though it has not been subject to further formal consideration by ARC. I therefore, note the key content of that policy as follows:

- (a) It sets the minimum operating standards for the management of internal investigations throughout the Group to ensure that internal investigations, regardless of the scope, are prompt, effective and professionally managed, and findings are responsibly addressed (paras 1.2-1.3 and 3.4). This applies to the full range of investigations, not just those that are criminal in nature.
- (b) It states that Post Office does not conduct private prosecutions and that any reference to criminal proceedings is to those brought by LEAs (paras 1.3 and 2.10).
- (c) It states, in essence, that it applies to all cases, except those in the employee relations space. However, it says that even those investigations should always have regard to the overarching principles of the GIP (para 1.5 and 1.2). In that way, it is designed to ensure consistency of investigation across POL.
- (d) It details the process for managing an investigation, including reporting or capturing issues, triaging reported issues, determining whether formal

⁴² POL00039936 – Project Birch, pp.14-17; GE Minutes 15 September 2021 [POL00447934].

⁴³ POL00039936 – Project Birch, pp.14-17; GE Minutes 15 September 2021 [POL00447934].

investigation is required, nominating a Commissioning Manager with responsibility for an investigation, nominating an independent investigator within the business or externally, preserving and collecting documentation and conducting witness interviews (section 2). It specifically provides that:

“Investigation should be proportionate and fair. Investigators should seek to gather facts and evidence around the issues, as necessary. This will often include witness evidence. Proportionality should also be considered. The more serious the issue or its consequences and impact, the more extensive and complete the investigation should be.”

- (e) It also provides that Group Policy Owners are responsible for establishing systems to record and report MI about the number and nature of issues that are triaged and/or investigated in their specific areas on a ‘need to know’ basis to the Group Legal Director on a *“[monthly basis]”*. The Group Legal Director is responsible for reporting MI to ARC also on a ‘need to know’ basis on a *“[quarterly basis]”*. That provision is aimed at ensuring that reporting of investigations and trends occurs to ensure transparency, consistency and opportunity for improvement (para 3.4). It also states that, in terms of remediation, consideration should be given to how to address *“lessons learnt”* raised in investigation reports (para 2.14).

- (f) In the ‘minimum control standards’ section, it identifies a risk as those *“Conducting investigation without regard to the correct internal policy, applicable laws or regulation, resulting in unlawful, unreasonable, incomplete or ineffective investigation. Specific concern should be given to investigations into postmaster theft...”* One of the controls is to ensure *“Employees involved in teams associated with investigating suspected agent*

theft/false accounting... should receive training on the approach to be taken in, and Policies applicable to, those specific cases.” This control has effectively now been met by the introduction of the A&CI team, who are experienced and professional investigators, who conduct any internal investigations into suspected theft, fraud and/or false accounting before referring to the police (or other LEA) when appropriate.

(g) It also includes an appendix entitled “*Whistleblowing Considerations*” which contains high level guidance on factors which need to be considered in whistleblowing investigations.

Cooperation with Law Enforcement Policy

57 From March 2020, Post Office developed the CLEP and an accompanying ‘Legal Playbook’, with advice and input from Peters & Peters LLP. That occurred following the Horizon Issues Judgment to address the issues it raised about the accuracy and reliability of Horizon data and in recognition of the fact that Post Office had by then stopped conducting its own private prosecutions.

58 Like the GIP, the owner of the CLEP is the Group Legal Director, Sarah Gray, and the sponsor is the Group General Counsel, Ben Foat, so responsibility for it sits within Legal. The GE, RCC, ARC and Board hold responsibility for oversight and approval of the policy. The RCC, ARC and GE considered earlier drafts of the CLEP on 6 May 2020,⁴⁴ 19 May 2020⁴⁵ and 15 July 2020

⁴⁴ RCC minutes 6 May 2020 [POL00423512].

⁴⁵ ARC minutes 19 May 2020 [POL00448008].

respectively.⁴⁶ On 12 August 2020, the GE considered and approved the draft CLEP for submission to the Board. On 22 September 2020, the draft CLEP was presented to the Board [POL00447923].⁴⁷ The accompanying paper stated:

“Post Office needs to cooperate with Law Enforcement Agencies in order to prevent and deter criminal activity within its business, and to promote the proper administration of justice. The Draft Policy sets the operating standards for that cooperation.

POL receives a large number of requests to assist Law Enforcement Agencies prevent, detect, investigate and potentially prosecute alleged offences. POL may be legally obliged to respond to these requests (e.g. through suspicious activity reports). POL may also wish voluntarily to notify Law Enforcement Agencies of suspected crime in its operations.

The Draft Policy establishes the minimum operating standards relating to cooperation with Law Enforcement Agencies so as to ensure that any information provided to a Law Enforcement Agency is properly considered and managed. The Draft Policy also prohibits POL from conducting private prosecutions unless POL’s shareholder has been consulted and approval obtained from the Board.”

⁴⁶ 15 July 2020 GE Minutes [POL00448009].

⁴⁷ 10.3b_Law enforcement policy (Tracked changes)_POL_Board_20200922 – [POL00447923].

59 On 22 September 2020, the Board approved the CLEP [POL00447924].⁴⁸ This is therefore the date when Post Office formally stopped conducting private prosecutions.

60 On 24 February 2021, there was a company-wide communication which introduced the CLEP and provided a link to it on the intranet ('The Hub').⁴⁹

61 Between 8 March 2021 and 7 May 2021, Peters & Peters delivered four training sessions on the CLEP to Security, Legal, IT, Compliance, Data Protection and Postmaster Experience.⁵⁰ These sessions, which were recorded to facilitate continued awareness and training, included a high-level overview of the CLEP (i.e. its purpose, content and application) and modules on:

- (a) Providing data as intelligence or evidence;
- (b) Monitoring of criminal cases;
- (c) Flagging potential reliability issues with data;
- (d) Disclosure;
- (e) Making a victim crime report; and,
- (f) Retention of records.

⁴⁸ POL Board Minutes 22 September 2020– [POL00447924].

⁴⁹ See ARC Committee Report "Cooperation with Law Enforcement Agencies and Addressing Suspected Criminal Misconduct—Annual Review/Implementation Update" dated 28 September 2021 [POL00447932].

⁵⁰ See ARC Committee Report "Cooperation with Law Enforcement Agencies and Addressing Suspected Criminal Misconduct—Annual Review/Implementation Update" dated 28 September 2021 [POL00447932].

62 On 28 September 2021, following its annual review, ARC approved a revised version of the CLEP [POL00447933] [POL00447 935].⁵¹ While the revised version post-dated KPMG's review into POL's investigation process, it did not incorporate its findings which were reported only the month before. Accordingly, as with the GIP, there was a need to update the CLEP.⁵² That has led to development of the draft combined GICLEP, which I discuss below.

63 Until the combined draft GICLEP is formally ratified, the CLEP dated 28 September 2021 [POL00447936] technically remains in force. I note, therefore, the key contents of the CLEP as follows:

(a) It states that it has been established to set the minimum operating standards relating to cooperation with LEAs and the manner in which Post Office will address suspected misconduct (para 1.2).

(b) It states that POL's approach to cooperating with LEAs is based upon the following core principles (para 1.3):

" - Post Office is committed to supporting Law Enforcement Agencies in the prevention, detection, investigation and potential prosecution of alleged offences;

- Post Office will as far as possible cooperate with Law Enforcement Agencies and voluntarily provide information and evidence in response to a

⁵¹ Agenda for ARC meeting 28 September 2021 [POL00447933] and written resolution dated 28 September 2021 [POL00447935].

⁵² See, for example, POL_GE_Post Office Investigations Review_20220420_FINAL- [POL00448006].
and POL_GE_Post Office Investigations - Next Steps_20220706 paper [POL00448354].

request or proactively in order to assist an investigation following a report by Post Office;

- Post Office is committed to ensuring that prosecutions are fair and that Prosecution Teams are made aware of, and provided with, Disclosable Material in Post Office's possession;

- Post Office will manage the risks associated with providing such cooperation, by ensuring that appropriate controls are in place in relation to the provision of information.”

(c) It provides that, in accordance with those principles, and subject to specified controls, Post Office (para 1.3):

“- will make a Victim Crime Report to the police where suspected criminal misconduct is identified in its business operations and will provide such further information and assistance as appropriate;

- will not conduct private prosecutions (Post Office's shareholder must be consulted and approval obtained from the Post Office Board if any deviation from this is contemplated);

- will provide information to Law Enforcement Agencies to assist the prevention, detection, investigation and potential prosecution of crime:

- voluntarily for intelligence purposes, accompanied by an Advisory Notice if required to describe any known issue/s which might affect the reliability of the information;

- *voluntarily for use as evidence, where it is classified by Legal and Compliance as 'low risk data' for the purpose of this Policy (see Appendix 1);*
- *voluntarily for use as evidence, if approved by Post Office Legal or any Nominated Criminal Law Advisors acting for Post Office; or*
- *as required by a Mandatory Order or otherwise approved by the Post Office Board."*

(d) It states that compliance with the policy will ensure that (i) suspect criminal misconduct is subject to proper review before it is reported to a LEA, (ii) proper consideration is given to the information to be provided to assist LEAs and Prosecution Teams to comply with their disclosure duties, (iii) issues with reliability of information provided are identified and dealt with appropriately, and (iv) Post Office can identify and verify any information it has provided to LEAs at a later date (para 1.5).

(e) In the minimum control standards, among other matters:

- i. It identifies the risk of Post Office not dealing appropriately with issues concerning the reliability of information it has provided to LEAs which could result in improper reliance on that information and/or unsafe convictions. It requires Post Office employees to refer requests for information from LEAs to Legal, Compliance or Security. Where the requests relate to the provision of information for intelligence purposes, Legal, Compliance or Security must follow the 'Provision of Data to Law Enforcement Agencies Flowchart for Intelligence

Purposes' (Tool 1) to determine their response. Where Post Office or its employees are asked or compelled to provide witness statements for relating to any information that is not classified as low risk, the request must be escalated to Legal, who will assess the risk in providing the information and determine whether the evidence can be provided on a voluntary basis, whether a Mandatory Order or Board approval is required, whether any information so provided should be accompanied by an Advisory Notice (see below), and/or whether any other risk mitigation action is appropriate. It requires Post Office employees to notify Legal if they become aware of any issues which may undermine the reliability of the information being provided.

- ii. It identifies the risk of Post Office not monitoring investigations and prosecutions by LEAs, not being aware of issues arising in such cases and/or failing to identify material in its possession which satisfies the Disclosure Test. It requires Post Office to maintain a list of known ongoing criminal investigations involving it and to be updated with developments, in part by making regular contact with the prosecutors to identify any further disclosable material.
- (f) It explains that the Flowchart, Tool 1, has been designed to determine the level of risk exposure and escalation required when providing data to external LEAs for intelligence purposes (para 3.1). The Flowchart provides that the low-risk data, as listed in Appendix 1, can straightforwardly be provided. However, it provides that the data listed in Appendix 2, which is "*data deriving from Legacy Horizon or HNG-X*", while it can also be provided,

must be accompanied by an Advisory Notice. The Advisory Notice, in essence, warns that the accuracy and reliability of the data deriving from these versions of Horizon was the subject of the HIJ and that 39 convictions based upon evidence derived from historical versions of Horizon were quashed by the Court of Appeal in *Hamilton*.

64 The latest version of the 'Legal Playbook', which was not required to go through the same approval process as the CLEP as it is a guide rather than policy, is dated 24 June 2020 [POL00448313].⁵³ It provides five tools which have been designed to assist Legal when advising the business on issues relating to cooperation with LEAs and should address suspected criminal misconduct. The first is the flowchart on the provision of data to LEAs for intelligence purposes as appended to the CLEP and described above. The other four are:

(a) Tool 2: Flowchart: Provision of Evidence to Law Enforcement Agencies. This flowchart is designed to assist Legal with assessing the risk associated with providing data. The flowchart categorises data derived from Legacy Horizon or HNG-X as "Special Category Data". It explains that "Post Office **must advise the [LEA] of the risks associated with relying upon the data before providing it, by providing the Advisory Notice**" including in the CLEP.

(b) Tool 3: Monitoring of Ongoing Criminal Cases Checklist. This tool provides a list of information which Post Office should liaise with the Prosecution Team⁵⁴ to obtain once it has become aware that a suspect is under

⁵³ [POL00448313].

⁵⁴ Prosecution Team is not defined in the Legal Playbook but I understand this to mean the relevant prosecution authority Post Office is assisting or providing with information.

investigation for a criminal offence relating to the Post Office. Where Post Office become aware of any challenge to any data it has provided, it requires Legal to consider steps to mitigate the risks arising from such challenge.

(c) Tool 4: Disclosure Checklist. This tool provides guidance on how Post Office should proactively assist the Prosecution Team and draw disclosable material to its attention. It requires the person conducting the disclosure review in Post Office to contact the Officer in Charge of the investigation, and to request a summary of the prosecution and defence so that they can determine whether Post Office has any material which meets the disclosure test. It provides specific detailed guidance on the category of materials the person conducting the disclosure review should consider in “*cases in which evidence is used to prove a loss*” and “*cases in which evidence is not used to prove a loss*”. In the former, it requires that if Post Office become aware of any issues raised by the Defendant in respect of the accuracy or reliability of data which has been provided, the person conducting the disclosure review should investigate to either satisfy themselves that the data is reliable/accurate or that the issue raised does not impact the evidence provided or consider whether they need to disclose anything relating to the reliability / accuracy of the data.

(d) Tool 5: Factors to Consider When Determining Whether to Report Suspected Criminal Misconduct to the Police. This tool is a non-exhaustive list of factors which Post Office must have regard to when determining whether it shall report suspected criminal misconduct to the police or other LEA.

Draft Combined Group Investigation and Cooperation with Law Enforcement Policy
(“GICLEP”)

65 As stated above, as A&CI has evolved and its purpose has settled, A&CI have drafted and consulted upon a new combined GICLEP to reflect the current investigative function of A&CI and changed governance approach to investigations. It is intended that it will replace and simplify the current GIP, CLEP and Legal Playbook. It will also require the Investigator’s Manual to be updated, which A&CI are in the process of doing. I am responsible for the draft GICLEP, as the Director of A&CI. The Group General Counsel, Ben Foat, will sponsor it and has overall accountability to the Board in relation to internal investigations and sharing information with LEAs.

66 When I first joined Post Office in February 2022, I recognised the need to revise the investigation and cooperation with law enforcement policy framework for the reasons set out above. As recorded in the draft GICLEP, I produced a first draft on 7 March 2022 and a further draft on 29 November 2022. It has since not yet come into force. On 26 June 2024, SEG discussed a revised version, which reflected the *“enhanced capabilities of A&CI and the improved governance approach to investigations generally”*. In particular, the revised version proposed a change in the governance of passing material to law enforcement in that it would be subject to agreement by me and Post Office’s in-house criminal lawyer rather than the Board [POL00448313].⁵⁵ SEG, however, noted

⁵⁵ 20240626 SEG Paper Info Sharing Inv Policy [POL00448345].

further work was required in relation to data assurance [POL00448310].⁵⁶

Subject to that work, and a review of the policy by an external NGO and consideration by RCC, ARC and the Board, it is intended that draft GICLEP will in due course come into force.

67 Plainly, it has taken, and is taking, too long for the draft GICLEP to come into force. That has been the result of a number of key factors. First, as a new investigative function, the perceived purpose of A&CI has inevitably evolved and changed since its establishment in February 2022. The draft GICLEP has, therefore, had to be continuously reconsidered to reflect that evolution and change, as illustrated by the recent discussion at SEG. It has, therefore, taken time for A&CI's purpose to settle such that a draft GICLEP could be presented to RCC, ARC and the Board for consideration. Second, A&CI was not fully resourced until around November 2022, and it has had to deal with significant investigative demand. That has diverted attention from taking the necessary steps to ensure that an up-to-date and approved policy framework which reflects the current operational requirements is in place. The effect of caseload was noted by Group Assurance in their review of June 2023.

68 As it stands, therefore, the provisions and requirements of the existing GIP, CLEP and Legal Playbook continue to be adopted in practice. However, where the current GIP does not offer necessary prescription or direction, the provisions of the draft GICLEP are followed in so far as they relate to investigations (as opposed to the provisions which relate to cooperation with law enforcement).

⁵⁶ 20240626_POL_SEG_MIN_FINAL [POL00448310].

69 The latest draft of the GICLEP is dated 25 June 2024 [POL00448353].⁵⁷ The key aspects are as follows:

(a) It states that it has been established to formalise POL's approach to: (i) the conduct of internal investigations throughout the Group, (ii) reporting suspected criminal incidents to LEAs and proactively providing them with evidence, and (iii) responding to requests for information and evidence from LEA (section 1.2).

(b) It sets out core principles, including (section 1.3):

- i. Post Office does not conduct private prosecutions, and Post Office's shareholder must be consulted and approval obtained from the Board if any deviation is contemplated. Any reference in the GICLEP to criminal proceedings is, therefore, to those brought by LEAs and public prosecutors.
- ii. Post Office is committed to undertake *“ethically executed, evidence-led, transparent investigations which can withstand internal and external scrutiny by applying best practice from peer organisations, industry best practice, applicable laws, and guidance produced by government agencies.”*
- iii. Part of that commitment is that experienced and trained professional investigators conduct investigations into matters presenting the most risk to Post Office (such as suspected

⁵⁷ Combined GIP CLEP - Draft v2.2 for SEG Board [POL00448353].

criminality or serious policy or process failings) and for investigative standards to be set and assured by A&CI.

- (c) It defines an investigation as (section 1.4): *“The structured, transparent, objective, fair, and evidence-based collection and assessment of information with the intent to understand a chain of events or causation of a chain of events, that has or could affect Postmasters, Postmasters’ staff, customers, POL colleagues, POL’s business partners, or members of the public.”*
- (d) It states that it applies to all situations and teams within Post Office when engagement with LEAs is contemplated or entered into which involves the passing of material in Post Office’s possession as evidence to those LEAs, and to any fact-finding into staff conduct or evaluation of a process that does not fall within any other policy, guidance or law but does fall within the definition of an investigation. The only exception is the conduct of investigation activities of the People team which is governed by existing People policies (though they must nevertheless have regard to the overarching principles of the GICLEP) (section 2).
- (e) It defines the roles and responsibilities under the GICLEP, including for the Board, General Counsel, NED Investigations Champions, Director of A&CI, the Triage team and Investigators (section 3).
- (f) It states that if staff encounter a situation which falls into the non-exhaustive list of broad categories provided (which include suspected criminal offences such as fraud, suspected miscarriages of justice and suspected covering up of wrongdoing), then they should inform their managers, make a Speak Up

report, and/or refer the matter to the Triage team for discussion. It further states that the Post Office encourages reporting of issues where staff have concerns as doing the right thing, even if those concerns turn out to be unfounded (section 4).

- (g) It adopts a Commissioning Manager model for the initiation and management of investigations for accountability, consistency and oversight purposes. The Commissioning Manager should never be connected evidentially to the matter being investigation (section 4.3).
- (h) It requires that the investigator must not be evidentially connected with the matter being investigated. It states that the *“independence of the investigation team is key in all investigations. It may be preferable in some circumstances to appoint an investigator from a different area of the business or from A&CI or from an external service provider.”* (section 4.4).
- (i) It states that *“All investigative activity must be transparent, objective, and fair. It is policy that staff conducting investigative activity must record, retain, and be prepared to reveal any material relating to the investigative activity or generated during its course. This does not only apply to criminal investigations – it is an issue of professionalism, transparency, and fairness to all parties involved and so disclosure may be required to a Postmaster as part of a contract discussion or to an internal or external team conducting assurance or auditing functions.”* (section 5).
- (j) It provides, among other matters, that *“All potentially relevant material identified in following reasonable lines of enquiry must be collected,*

reviewed and assessed, especially if it may be counter to the working case theory – this is a matter of fairness, professionalism, and best practice as well as, in some circumstances, law. An investigation is an objective seeking of fact, whatever the outcome may be, and will not be steered towards a preferred outcome.” (section 5.1).

- (k) In respect of criminal investigations, it states that, while Post Office no longer prosecutes suspected criminal acts carried out against Post Office, in order to safeguard public funds and in the interests of justice, Post Office will seek to identify and understand suspected harm caused by possible criminal acts and report them appropriately to LEAs for them to consider further investigation and potential prosecutions. Further, it states that, to ensure that the reports made to LEAs are proportionate and considered, Post Office will carry out investigative activity to assure itself that it has reasonable grounds to suspect that a criminal act may have occurred, and that harm to Post Office may have resulted. It explains that that activity is known in shorthand as a “*POL criminal investigation*” but this is not an end-to-end investigation. It is for LEAs to conduct these following Post Office’s report of a suspected offence. A full investigation and “*proof*” need not be achieved before reporting a matter. It provides that only A&CI staff will lead criminal investigations within Post Office, though staff in other parts of Post Office may assist or conduct investigative activity with the agreement and oversight of A&CI (section 6).
- (l) It further provides that where the Triage team, in consultation with Group Legal and/or me where appropriate, decide that a criminal investigation by

Post Office is not appropriate, the Triage team may arrange for the matter to be reported to local police or other competent authorities based on the suspected nature of the incident without any assistance provided by A&CI investigators at that point. This decision may factor in elements such as value of loss, the availability of A&CI resource, or prioritisation of other investigative demands (section 6). To give an idea, as at June 2023, as a yardstick to account for available resource and the need to prioritise, A&CI would typically investigate all suspected theft and fraud and proactively manage the interaction with the police and the submission of evidence for cases with a value over £100,000. For cases below £100,000, A&CI would manage the reporting process to the police but would encourage the police to deal with the relevant business-based team directly to secure evidence and witness statements as there is insufficient resource in A&CI to gather, analyse and present evidence in these lower-value cases. It, however, is subject to the specific circumstances of any particular case and available resource at any given time which may merit a departure from that approach.

(m) It prohibits Post Office staff from taking part as interviewer in interviews under caution either conducted solely by Post Office staff or in conjunction with LEAs where Post Office is the believed victim of the suspected crime under investigation (section 5.2).

(n) It provides that only A&CI will report suspected criminal offences to LEAs where Post Office considers itself to be the victim, except for burglaries and robberies when time is critical to get a response from the police. In those

circumstances, Post Office or Postmasters should report to the police in accordance with the Security Team's policies and procedures (section 8.1).

- (o) It specifies how Post Office should pass material to LEAs both proactively and reactively in response to requests (section 8.4). In respect of the provision of Horizon data, it states (section 9):

“Proactively and reactively supplied information will have differing profiles due to historic technology issues. The version of Horizon that was considered at fault in the Horizon IT Scandal was replaced in October 2019. In 2020, known errors and bugs identified in the Horizon Issues Judgement [sic] formed part of a review by KPMG of the system and found to not to be prevalent in the system. From 2021, a new and collaborative approach was taken to resolving reported Horizon issues in a dispute resolution process. Due to the effect of these developments, the following approach to data sharing with LEAs is:

It is policy that:

Any information originating from Horizon after 1st January 2022 may be passed as either intelligence or evidence to LEAs only after DA&CI (or their nominated deputy) and an in-house criminal lawyer both give approval. A record of both DA&CI's (or their nominated deputy's) and the in-house criminal lawyer's rationale and decision must be recorded on the relevant case management file.

Where information is requested by LEAs that is Horizon data originating from pre-1st January 2022, the same process must be followed. In addition, the

wording included in the relevant section of the Investigator's Manual covering the passing of information to LEAs must be included in any witness statement for evidence or in an accompanying email or letter to the LEA requesting the information in a non-evidential format.

Where information is intended to be passed to LEAs which is not Horizon data, the same process of DA&CI (or designated deputy) and in-house criminal legal counsel must be followed, irrespective of the date the information was created.

Best-evidence originating from Horizon sits with Fujitsu and so LEAs should be encouraged to request this material direct from Fujitsu.”

- (p) In terms of investigation governance, it provides that Group Assurance will also include the review of A&CI's investigative practices at least twice a year. Internal Audit will also consider A&CI in their annual audit plans.

Key Guidance

The Investigator's Manual

- 70 In addition to recognising the need to revise the investigation policy framework when I joined Post Office, we also recognised the need for, and instigated the development of, the Investigator's Manual in mid-2022 [POL00448014].⁵⁸ The Manual is designed to shape and control the conduct of investigations both in A&CI and in the other business-based teams, act as the foundation stone for A&CI's assurance work across the Investigation Branch and provide guidance

⁵⁸ Investigator's Manual [POL00448014].

on how data should be treated and shared with LEAs. Its development and production has been led by one of the Senior Investigation Managers in A&CI in consultation with the other members of A&CI and the other business-based teams who carry out investigative activity which it impacts on. I, as the Director of A&CI, have overall responsibility for it. It was introduced in June 2023.

71 I note the key content as follows:

- (a) It includes at the outset the Chief Executive (Nick Read), Investigations Champion (at the time, Ben Tidswell) and Group General Counsel's (Ben Foat) endorsements of the manual and the aim of ensuring fairness, integrity, consistency and professionalism in all investigations (section 1).
- (b) It states that it is intended to support the Group's Policies. In particular, it says that it should be read in conjunction with the GICLEP (though currently the GIP and CLEP until the draft GICLEP comes into force), the Investigation Branch Control Framework and the Speak Up Policy (section 2).
- (c) It further states that it is intended to provide guidance on the considerations that must be made when conducting investigations, but it is not intended to be a training manual. It prescribes the professional standards which the Group expects of all those that undertake investigations on its behalf (section 2).

(d) It sets out the roles and responsibilities of the Triage teams, Commissioning Manager and Investigation Officer. The latter is required, among other matters, to:

- (i) Produce an investigation strategy/plan;
- (ii) Follow all reasonable lines of enquiry which points towards and/or away from the working case hypothesis;
- (iii) Record and retain all material relating to the investigations;
- (iv) Produce and maintain an Action and Decision Log;
- (v) Immediately bring to the attention of any relevant decision maker, their Line Manager and the Commissioning Manager any material which tends to undermine the case for Post Office or supports a contrary view;
- (vi) Produce reports and management information.

(e) It sets out the triage process for investigations teams, the purpose of which is to capture information for the organisation and then consider the relevant priority, necessity and proportionality of conducting an investigation. Each team's triage process is set out in the appendices.

(f) It sets out common guidance for conducting investigations regardless of type, including in relation to evidence collection, lines of enquiry, analysis of evidence, document heavy evidence reviews, conduct of interviews,

taking witness statements, external enquiries and disclosure (section 7-10).

- (g) It sets out the investigation assurance framework, which includes monthly and quarterly reviews of investigations by relevant line managers, dip sampling of other team's investigation files by Senior Investigation Managers in A&CI, and dip sampling of A&CI's investigations by Group Assurance (section 11). A&CI, however, currently conduct assurance reviews of other teams every two months due to caseload demands.
- (h) It refers to the detailed instructions contained in the GICLEP (currently the CLEP) on how and when it is permissible to share information with law enforcement (section 12).
- (i) It includes numerous appendices which contain specific processes and guidance on the triage and conduct of investigations for individual teams, including A&CI, the Contracts Team, the Disputes Resolution Team, Network Support and Resolution and Branch Reconciliation (Appendices A-E).
- (j) It has an appendix on disclosure, which provides guidance on disclosure considerations in non-criminal case, criminal cases and civil cases (Appendix F). In respect of criminal cases, while A&CI does not carry the disclosure obligations of an LEA, it requires that material relevant to an investigation is provided to police/LEAs using disclosure schedules which the police use. However, we have never used these forms as

police/LEAs will re-run the disclosure relevancy test themselves on all material held by Post Office. Instead, the Post Office provides witness statements and exhibits to police/LEAs but then simply provide all other material gathered or created by Post Office and pass it to the police/LEA for them to assess. The update of the Manual which started in July 2024 will reflect this simpler approach.

- 72 The Manual has been added to the Post Office Intranet. On 7 June 2023, two of A&CI Senior Managers gave a full day of investigator training to the Retail teams, which included a session to introduce the Investigator Manual.⁵⁹ This was recorded to be used in future by new starters. In addition, A&CI assures the investigative activity of the Retail teams against the standards set in the Manual and the sections of the Manual that specifically relate to their individual teams as well as the bespoke assurance framework agreed with each assured team. Through this regular assurance work, we ensure that practice is embedded and checked. If the dip-sampling during any given assurance round shows non-conformity with the approach described in their section of the Manual, then this is raised in the resulting investigative assurance report and at the debrief meeting with the heads of department of the assured teams. Feedback on the dip-sampled cases is provided by the A&CI person conducting the assurance review to the assured team's managers and they should cascade this back to the individual team member.

⁵⁹ Disclosure Training (1).pptx [POL00448019].

; 20230306-CIU Investigation Strategy - Presentation.pptx [POL00448016].

Associated policies

73 There are a number of other associated policies which, in part, cover investigations which might include alleged, or at least might reveal suspicions of, fraud, theft and/or false accounting. Save for the Speak Up Policy, which covers investigations by the A&CI Speak Up team and for which I am the owner, these policies relate to investigative activity conducted by other teams within the business and are accordingly owned by the directors of those respective teams. While they are not the key policies for investigations into alleged or suspected criminal matters, they are nevertheless an important part of the investigation policy framework. For completeness, I list and briefly address those associated policies below.

Speak Up Policy v9 May 2024⁶⁰

74 I discuss this policy further below in relation to the effectiveness of the current Speak Up function. I own the policy and, together with the Group Legal Director Sarah Gray, I am accountable under it to the Board to ensure that a Speak Up culture is proactively encouraged throughout Post Office. The policy is sponsored by Group General Counsel, Ben Foat, so responsibility for it sits within Legal. It is subject to oversight by RCC and ARC. It sets the minimum operating standards relating to the management of Speak Up. In so far as investigations into Speak Up reports are concerned, it explains that procedures for the Speak Up / A&CI team who investigate Speak Up reports are set out in the Investigator's Manual and that the policy does not govern how Speak Up

⁶⁰ Group Policy Speak Up_May24 [POL00447997].

matters are investigated, which falls under the GIP (though in practice the draft GICLEP) in the same way as any other investigation conducted by A&CI.

*Financial Crime Policy v8.0 dated July 2023*⁶¹

75 The Financial Crime Policy has been established to set the minimum operating standards relating to the design and implementation of controls to prevent or deter financial crime throughout the Group.⁶² The policy is authored by the Head of Financial Crime, owned by the Group Compliance Director, Jonathan Hill, and sponsored by the Group General Counsel, Ben Foat. It is subject to oversight by RCC and ARC. In so far as investigations into suspected financial crime are concerned, it lists the GIP as an associated policy which should be considered and read in conjunction where relevant.⁶³ It further states that as a minimum control to guard against the risk of internal financial crime/fraud, *“All reports received of or instances identified of internal fraud will be fully investigated and where appropriate, Post Office will prosecute individuals”*.⁶⁴ That is plainly an error which should not have been included in any revised version of the policy after Post Office's decision to cease private prosecutions on 22 September 2020. As set out above, the current position is that any internal report of suspected financial crime will be passed to A&CI for initial investigation and, if there are reasonable grounds to suspect a financial crime has been committed, the matter will be referred to police or other LEA for further

⁶¹ Financial Crime Policy v8.0 July 2023 [POL00447947].

⁶² Para 1.2

⁶³ Para 2.2

⁶⁴ p.14

investigation and potential prosecution and Post Office will cooperate with the LEA's investigation/prosecution in line with the CLEP.

Postmaster Support Policies

76 While A&CI should ultimately conduct any internal investigations which concern suspicions or allegations of theft, fraud and/or false accounting based on Horizon data, the Retail Team are the first line of teams involved in the initial investigation and is where the suspicion of theft, fraud and/or false accounting is formed before the matter is referred to A&CI. The Retail Team have developed a suite of twelve Postmaster Support Policies which are designed to reset Post Office's relationship with Postmasters and provide guidelines on how it should provide support to them. They are all owned by the Retail Engagement Director, Tracey Marshall, and sponsored by the Group Chief Retail Officer.⁶⁵ They are subject to oversight and approval by RCC and ARC. I have been told that Postmasters receive a 'Postmaster Guide to Policies' which explains the policies. A number of those policies are directly relevant to how the Retail Team initially investigate matters where suspicions of theft, fraud and/or false accounting may be formed as follows:

- (a) Postmaster Accounting Dispute Resolution Policy v3.2 dated 26 September 2022.⁶⁶ The policy is designed to clarify the nature of the accounting dispute(s), set out the standards expected in resolving the

⁶⁵ This was previously Martin Roberts, who has since left Post Office. Neil Brocklehurst, the Interim Chief Operating Officer currently holds the responsibilities of the Group Chief Retail Officer.

⁶⁶ Postmaster Accounting Dispute Resolution Policy V3.2 [POL00447999].

dispute and the procedures that need to be followed in bringing any dispute to a conclusion (para 2.2). As a core principle, it states that Post Office has an obligation to investigate any discrepancy *"properly, fully and fairly"*, which includes producing all relevant records to Postmasters, communicating known problems in or generated by Horizon, *"making reasonable enquires, undertaking reasonable analysis and even-handed investigation"*, and *"given fair consideration to the facts and information available to the possible cause of the appearance of alleged or apparent shortfalls"* (para 2.3). It sets out a three-tier investigation procedure: Tier 1 investigations are intended to provide a quick resolution to Postmasters on straightforward balancing and transaction correction enquiries; Tier 2 investigations are fuller and have passed through a triage process and include those cases which have not been resolved at Tier 1; Tier 3 investigations are for those cases which have not been resolved at Tier 2 (section 4) and in practice are in-depth transaction and other data analysis reports. No interviews are conducted and the reports produced are designed to be shared with the Postmaster. The policy provides that A&CI perform an independent sample check of cases on a monthly basis and share my findings with the Head of Network Support and Resolution, which is part of the assurance work that A&CI carry out.

Related to the Postmaster Account Dispute Resolution Policy is the 'CIU (now A&CI) Referral Process', which sets out the process for referring a case to A&CI when Tier 2/3 Advisors conducting these investigations begin to form a suspicion that a financial crime may have taken been

committed. The process essentially involves Tier 2/3 Advisors referring any such case to their Team Manager, who will present the case for discussion at a weekly case review meeting, and, if there is agreement, refer the case to A&CI where it will be reviewed by our Triage team where a decision will be made about whether or not A&CI will investigate.

- (b) Postmaster Complaint Handling Policy v4.0⁶⁷ This policy sets the minimum operating standards for the management of Postmaster complaints (para 2.2). It sets as core principle that such complaints should be investigated as appropriate so that root causes can be surfaced and their recurrence prevented (para 2.5). It provides that a complaint can be escalated to the relevant policy owner for an investigation under the GIP if it meets a certain risk threshold and it refers to the GIP for further information regarding the referrals of complaints for investigations (para 4.2). It also provides that any complaints that are found during triage to be Speak Up reports are forwarded to the Speak Up Investigation team (para 4.3).
- (c) Postmaster Contract Performance Policy dated 27 November 2023:⁶⁸ This policy sets the minimum operating standards relating to the management of Postmaster contracts, identifies the review/investigation process where those standards are not being met and outlines the procedures to be followed to ensure contract performance (para 2.2). It

⁶⁷Postmaster Complaint Handling Policy v4.0 [POL00447972].

⁶⁸ Postmaster Contract Performance Policy v5.0 [POL00447950].

provides that Post Office will review/investigate any potential contractual performance issue before taking any contractual action and that any investigation will be "*a fair and unbiased method of investigating issues*" so that Post Office can establish the facts. The Investigator's Manual requires the Contracts team to seek early advice from the A&CI if during the course of their investigation into a contract performance issue the investigator becomes concerned or uncovers evidence which indicates that a criminal offence has been committed (Appendix B.1.3). As a minimum control standard, A&CI sample contract reviews/investigations on a monthly basis as part of the Branch Control Assurance Framework (section 3.5). As part of our investigative assurance work, A&CI has recommended that the Contracts team do not conduct any form of investigation. We have suggested a model where the Contracts team are at the end of the process and receive completed investigation reports so that they are separate to the investigative activity and so cannot be said to be conflicted in then determining the contractual impact of the investigation. This has been accepted by Post Office and a re-designing of workflow and responsibilities is being designed. I believe that a Case Manager role will be required in Retail to pull together the various strands of data, including the Tier 3 transaction analysis reports, and to conduct fact-finding enquiries including speaking with the Postmaster or other witnesses in order to complete an investigation report for the Contract Manager to consider. This embeds the principle that those making recommendations as to suspension and termination of Postmaster contracts are not involved in the collection and presentation of evidence.

- (d) Postmaster Contract Suspension Policy dated 27 November 2023.⁶⁹ This policy identifies the circumstances in which suspension should be considered and the criteria which must be met before a decision to suspend is made (para 2.2). It is complemented by the Investigator's Manual which prescribes the investigation process when considering termination (Appendix B.4). As part of the procedure for determining whether to suspend, and to ensure that Post Office does not suspend any Postmaster without reasonable and proper cause, the Postmaster Suspensions Decisions Governance Committee, on which I sat until June 2024, reviews all new, and ongoing, suspensions on a monthly basis (para 4.8). Further, as a minimum control standard, A&CI also sample suspension investigations and decisions on a monthly basis as part of the Branch Control Assurance Framework (section 3.5). I withdrew from the Suspensions Decisions Governance Committee as I felt A&CI had begun to have involvement in cases that were considered by the Committee and that I was therefore theoretically conflicted.
- (e) Postmaster Contract Termination Policy dated 15 December 2023.⁷⁰ The policy is to identify the circumstances in which termination should be considered and the criteria which must be met before a decision to terminate is made (para 2.2) It requires that termination only occur where Post Office has reasonable and proper cause (para 2.3). It also provides that Post Office will carry out a thorough review/investigation before

⁶⁹ Postmaster Contract Suspension Policy v5.0 [POL00447952].

⁷⁰ Postmaster Contract Termination Policy v5.0 [POL00447951].

exercising any termination rights and that any review/investigation will be "a fair and unbiased method of considering issues" so that Post Office can establish the facts. The policy is complemented by the Investigator's Manual which prescribes the investigation process when considering termination, and which states that, depending on the circumstances of the termination, the matter, but not the decision, may be escalated to A&CI for investigation of any suspected criminal activity (Appendix B.3). Again, as a minimum control standard, A&CI sample termination investigations and decisions on a monthly basis as part of the Branch Control Assurance Framework (section 3.5).

SECTION C: TRAINING / PROFESSIONAL BACKGROUND OF INVESTIGATORS

77 I am asked to provide details of the experience, expertise and qualifications of those currently responsible for conducting investigations into alleged fraud, theft and/or false accounting based on Horizon data (or, any minimum level that is required, if any) and any key guidance, training or instruction (applicable in any of the four countries of the United Kingdom) given to those responsible carrying out such investigations. So far as key formal guidance is concerned, I have already addressed that issue in Section B above.

A&CI Team: Expertise, Experience and Qualifications

78 The KPMG Review found that the inconsistent experience and qualifications of those conducting investigations within Post Office and inconsistent application of minimum investigation standards especially in high-risk cases contributed to

investigations falling short of market practice. As a result, A&CI was introduced to ensure that there was a central investigation team of experienced and qualified professional investigators within Post Office who were competent to effectively and consistently conduct in adherence with market practice the highest risk, most sensitive and most complex investigations within the business and to quality assure investigations conducted by those elsewhere in the business. A&CI has been staffed with that purpose in mind. I have set out below for each member of the A&CI team who conduct or manage investigations (i) the competence requirements for their role as set in their respective job descriptions, and (ii) their expertise, experience and qualifications to meet or exceed those competencies.

(a) Director A&CI: Focusing on fraud, theft or false accounting only, due to issues with the volume of work, I have conducted a number of crime-related investigations for Post Office or engaged with the police on Post Office's behalf during my time at Post Office. I believe the Inquiry seeks information on my credentials to carry out this work, as well as that of the rest of my team. Mine are as follows:

- i. I have 13 years police investigation experience, primarily in countering serious organised transnational crime and in counter terrorism.
- ii. I was a qualified Detective (qualified to a level now comparable to PIP2),⁷¹ Intelligence Officer, and Intelligence Manager.

⁷¹ PIP means the Professionalising Investigations Programme which was introduced to the Police Service in 2003 and is currently in use. It is intended to deliver a professional, ethical and effective investigation capacity for policing by providing

- iii. I have worked operationally and representationally with national police forces and prosecutorial agencies in a variety of countries.
- iv. I have around 17 years' experience in the regulatory and private sectors. In the private sector as a Global Head of Investigations I led a global investigation function focused on counter fraud, intellectual property protection, and anti-bribery and corruption covering in excess of 120 countries and ten business lines including life sciences, automotive, extractive industries, government contracts and consumer testing. As an Investigations Director, I led corporate investigation teams for a high street bank in cases that were largely *Financial Services and Markets Act 2000* related and involved UK and overseas regulators. I have worked in senior roles in intelligence and investigation functions at two UK financial regulators.
- v. I represented the UK as a financial crime "expert" at Europol for the Financial Services Authority (now the Financial Conduct Authority) and established a function and led intelligence investigations into predominately fraud, money laundering or other "white collar crimes" with mass victim bases.
- vi. I established the Enforcement Investigation function at the UK Pension Regulator and introduced the Victim's Code, recognising that support needed to be given to victims of mass frauds.

robust national benchmarked standards maintained and overseen by the College of Policing. PIP2 refers to the second of four levels of the programme, and is intended to cover serious and complex investigations.

- vii. I have a Graduate Diploma in Law and have attended refresher courses or inputs in investigation and disclosure, most recently in 2023.
- viii. Until moving to POL, I was a National Crime Agency-accredited Senior Appropriate Officer for POCA.
- ix. I am the Secretary of the Government National Investigators' Group, a peer group of heads of profession from non-police investigative government bodies sharing best practice and knowledge.
- x. I am also part of an advisory Trailblazer Group advising the Cabinet Office on the structure, level, content, and application of a new Fraud Control Officer apprenticeship.

(b) Senior Investigation Manager: There are two staff at this grade within A&CI who are or have been involved in crime-related investigations at Post Office. The role entails conducting or leading the highest risk, most complex, or sensitive investigations within POL. The role requires, among other things, "*15+ years investigation experience in one or more of in-house corporate conduct investigation teams, regulatory bodies, law enforcement, or other public service body performing similar functions*" and specific "*experience of investigating serious misconduct allegations, dishonesty offences, and process failings to identify root causes and lessons learned.*"⁷²

⁷² JD Snr Investigator [POL00447937].

The Senior Investigation Manager leading the Law Enforcement Engagement Team (**LEET**) has over 25 years criminal investigative experience with local government and NHS counter fraud teams and led the South-West of England team for the latter. He later led complex fraud investigations at the Pension Regulator. He is an accredited (University of Portsmouth) Counter Fraud Specialist and Manager. He is a former National Police Improvement Agency-accredited Financial Investigator and is currently a NCA-accredited Financial Intelligence Officer.

The Senior Investigation Manager leading the Review of Historic Investigations has over 30 years' experience in the Royal Military Police, primarily in the Special Investigations Branch where he was Deputy Head of Serious and Complex Investigations when he left and previously Director of Investigation Operations and, as a secondee, Head of Training at United States Military Police School. He currently holds a role as a reserve officer in the Royal Military Police. He is a qualified PIP3 Investigator⁷³ and a Case Review Officer. He holds a MSc in Leadership and Strategic Studies.

(c) Speak Up & Intelligence Team Manager: The role entails managing the triage process, managing the Speak Up function including all investigations deriving from Speak Up reporting, and oversight of the production of investigative MI and strategic risk assessments to inform the business, SEG and the Board. It is essential that the manager has,

⁷³ As outlined above, PIP is the Professionalising Investigations Programme overseen by the College of Policing. PIP3 is intended to cover major crime and serious and organised crime investigations.

among other things, “*significant experience (10+ years in either or a combination of the two) in intelligence analysis or whistleblowing management*”.⁷⁴ The current holder of this role has over 20 years of criminal investigation experience in the Royal Military Police Special Investigations Branch (SIB), where she investigated fraud and deaths of service personnel on behalf of the UK Coroner. She was Deputy Head of Crime and Projects in the SIB and acted as Senior Investigations Advisor in Afghanistan. She worked as a privacy investigator at Meta (social media company) before joining A&CI. She has a BA(Hons) in Applied Investigations and has qualified as a Case Review Officer.⁷⁵

(d) Investigation Manager: The role entails conducting the highest risk, most complex, or sensitive fact-finding, conduct and criminal investigations within Post Office with oversight from a Senior Investigations Manager. The role requires, among other things, “*5+ years investigation experience in one or more of in-house corporate conduct investigation teams, regulatory bodies, law enforcement, or other public service body performing similar functions*” and “*Experience of investigating misconduct allegations, dishonesty offences, and process failings to identify root causes and lessons learned*”.⁷⁶ The investigation manager working as part of the LEET team has 18 years’ police investigation experience specialising in road death investigations and has some

⁷⁴ JD Speak Up etc Mgr .docx – [POL00448355].

⁷⁵ This is a College of Policing qualification. A Case Review Officer is a highly experienced investigator who, because of their expertise and due to their passing a specific Reviewer course, is able to review a pre-existing case and determine the adequacy and appropriateness of the investigation that has taken place.

⁷⁶ JD Speak Up etc Mgr [POL00448355].

experience in the care provision sector as an investigator. He is a qualified PIP3⁷⁷ Senior Investigations Officer.

(e) Transaction Analysts: The role involves conducting analysis of transaction data from branches as part of investigations, as tasked by the Investigation Managers or Senior Investigation Managers. The job requires, *“experience in conducting analysis of multiple streams of transaction or similar data in settings such as law enforcement, military, intelligence, regulatory, or corporate environments.”*⁷⁸ There are currently two Transaction Analysts. One, who joined the team in early 2024, has around ten years’ experience at Post Office as a Postmaster trainer and working in the Dispute Resolution team at Post Office, working with Postmasters and Strategic Partners to understand and explain shortfalls. The other came to Post Office in early 2024 from the Risk Intelligence Service in HMRC where she was a criminal intelligence analyst. She has a LLB Law with Management qualification and is an accredited Counter Fraud Intelligence Specialist. Both these team members are engaged upon an 18-month Fraud Investigation Apprenticeship.

(f) Investigative Intelligence and Triage Analyst: The role entails reviewing all in-coming intelligence and information, triaging potential cases, recommending the allocation of potential cases, producing monthly MI and conducting on-demand intelligence assessments. It is essential that

⁷⁷ As described above.

⁷⁸ JD Speak Up etc Mgr [POL00448355].

the candidate has, inter alia, “*significant conduct and criminal investigation experience, including production of evidential files.*”⁷⁹ The current analyst had over 10 years’ experience with the police as an intelligence researcher and analyst and experience with a national retailer in loss prevention analysis.

A&CI Team: Guidance, Training and Instruction

79 As a relatively new team and due to the investigative workload pressures A&CI has been placed under, which has prevented myself and the Senior Investigation Managers from focusing as much time as we would have hoped on the strategic development of the team, A&CI has not yet produced a formal training needs assessments and training programme for the A&CI team. This would set out the one-off and continuous training the team will be required to undertake to ensure its ongoing competence to conduct effective investigations, including into suspected criminal matters. However, we have been engaged in lengthy dialogue with the College of Policing (CoP), starting with a meeting on 14 February 2024, to identify what training they could provide in respect of criminal investigations (which in the context of our team will be to assist in supporting police / LEA investigations). In May 2024 a draft contract for a training and continuous professional development needs assessment was drawn up and subsequent meetings have been held with CoP to discuss the qualifications, expertise and experience of the assessor. We expect them to produce their training needs analysis later this month. In parallel, we have been

⁷⁹ JD Inv Intel Analyst [POL00447938].

engaging with the City of London Police Crime Academy to determine what training they might be able to provide to meet any training needs identified by the CoP.

80 That said, while there is not yet a formal training programme for the team, since A&CI became operational in January 2023, the A&CI team members who conduct investigations into suspected criminal matters have received guidance on the conduct of investigations by virtue of the introduction of Investigator's Manual in June 2023 and they have undertaken training / CPD on the conduct of investigations. For example, as referred to above, our two transaction analysts who conduct criminal investigative work are progressing through 18-month Fraud Investigation Apprenticeships which are provided by Intelligencia.⁸⁰

81 One of our Senior Investigation Managers completed a National Investigator Examination for PIP2⁸¹ as part of his Royal Military Police Reserve training in March 2024 and the other gained accreditation as a Financial Intelligence Officer following the completion of a course with the National Crime Agency in May 2024. Team members then cascade legal or best practice developments to the team from training they attend. From my involvement in the Government National Investigators' Group, I have access to emerging themes and changes in legislation and practice. The team separately receive informal guidance and instruction on the conduct of investigations through weekly case reviews

⁸⁰ L4 Counter Fraud Investigator Employer & Learner Handbook [POL00448015]; Intelligencia Training June update email[POL00448004].

⁸¹ As described above.

between direct reports and their managers where each case is reviewed, and weekly team meanings.

SECTION D: Investigations Data

82 I am asked to provide (i) the number of criminal or POCA investigations conducted by Post Office's investigation team into alleged fraud, theft and/or false accounting based on Horizon data (that is, based wholly or partly on data derived from Horizon) since Post Office ceased carrying out prosecutions due to concerns with the Horizon system (the "**Rule 9 start date**"), (ii) the number of cases based on Horizon data referred by Post Office to the police and/or CPS (or equivalent prosecuting body) from the Rule 9 start date to date, and (iii) a detailed breakdown of those cases referred by Post Office to the police and/or CPS (or equivalent prosecuting body) from the Rule 9 start date to date.

The Rule 9 Start Date

83 As far as I can determine, Post Office did not formally make a policy decision, as stated above, to cease private prosecutions until 22 September 2020 in response to the GLO Judgments when the CLEP was approved by the Board [POL00447924].⁸² However, in practical terms, and subject to the qualifications below, Post Office, to my knowledge, has not pursued a prosecution for alleged fraud, theft and/or false accounting in respect of a Postmaster or Directly Managed Branch employee based on Horizon data through to trial since the publication of Second Sight's Interim Report on 8 July 2013. I am aware that the

⁸² 20200922_POL_Board_MIN_Signed.pdf – [POL00447924].

only exceptions to this are two connected prosecutions in 2015 in which guilty pleas were entered to two joint charges of theft following full admissions at audit and in interview and which were supported by other substantial documentary evidence such that the reliability of Horizon was not in issue although the offences had been discovered through an audit of Horizon data.

84 On 8 July 2013, Simon Clarke advised that Post Office should instruct an alternative 'expert' with appropriate knowledge of Horizon to provide evidence in respect of Horizon-related criminal cases [POL00006365].⁸³ He set out the reasons for his concerns about relying on Gareth Jenkins' evidence in his advice of 15 July 2013 [POL00040000].⁸⁴ He further advised Post Office on 17 September 2013 that prosecuting cases which involved Horizon data in the absence of an expert to attest to Horizon's reliability would not be possible so Post Office needed to instruct a new independent expert.⁸⁵ The effect of Simon Clarke's advice was that after 8 July 2013 Post Office (and/or its external legal advisors) reviewed all cases on a case-by-case basis and it either discontinued or put in the "stack" (i.e. suspended / put on hold) all those cases which were based on Horizon data and it initiated no new prosecutions pending the instruction of a new independent expert who might attest to the reliability of Horizon for the purpose of pursuing criminal prosecutions.⁸⁶ Post Office did not subsequently instruct such an expert so it did not ultimately pursue the "stacked"

⁸³ [POL00006365].

⁸⁴ POL00040000

⁸⁵ POL00040040, para 5

⁸⁶ See, for example, Chris Aujard's paper of February 2014 on Post Office's Prosecution Policy which stated that "a number of cases now date back to summer last year, when a decision was made to suspend all prosecutorial activity"[POL00138130]

cases. As above, it formally made the decision on 22 September 2020 to cease private prosecutions.

85 For all those reasons - and notwithstanding that there were prosecutions already underway as at 8 July 2013, which were proceeded with on the basis that they were not based on Horizon data or which were based on Horizon data but were not discontinued immediately on that date as explained above - Post Office has taken 8 July 2013 to be the Rule 9 start date for the purposes of responding to questions 1-5 of the Rule 9 request (of which this statement responds to questions 1-3).

Number of investigations conducted by Post Office since 8 July 2013 to date

86 Prior to the establishment of A&CI in February 2022, information about cases involving investigations into alleged fraud, theft and/or false accounting was held by the Security Team. Accordingly, for the purpose of answering the request as to how many investigations into fraud, theft and/or false accounting based on Horizon data were conducted by Post Office between 8 July 2013 to date, the Security Team has provided me with data and analysis for the period from 8 July 2013 to 21 February 2022 when A&CI took over the conduct of investigations. For the period from 21 February 2022 onwards, I have relied on data and analysis provided by A&CI.

87 To try to ascertain an accurate figure, I am aware that the Security team have relied principally on analysis of their casework spreadsheets which record various details about investigations into individual cases, including but not limited to the date of the incident in question, the date the case was raised with

Security for investigation, the branch name, summary details of the case, the date the case was closed and the case outcome.

88 I understand that the data recorded in these spreadsheets was manually entered and maintained by members of the Security team rather than exported from a separate digital case management system. For each case referred to in the spreadsheets, I understand that Post Office hold a corresponding digital file on SharePoint which contains the available documentation which underlies the summary information contained within the spreadsheet. I understand that many versions of these spreadsheets have been generated by the Security team between July 2013 and February 2022, as they were adapted over time to meet the Security team's needs, so there are multiple different spreadsheets, which to some extent overlap. I understand that the Security team have cross-checked between spreadsheets to try to ensure that they provide as comprehensive and reliable a calculation as possible of the cases over that period for the Inquiry. However, I further understand that in the course of collating and analysing this data, the Security team have identified instances where the data in the spreadsheets is incomplete and/or inconsistent with other sources.⁸⁷ Further, as the spreadsheets rely on manual data entry, there is an inherent risk that the data entered might be incomplete or inaccurate. While I am informed that the Security team have endeavoured so far as reasonably practicable to verify and reconcile the data contained in the spreadsheets from the underlying case files held on SharePoint, It is important to state that the data in the spreadsheets

⁸⁷ For example, I am told that the total number of cases within the spreadsheets do not reconcile exactly with the total number of individual case files held on Sharepoint.

may, as a result, not be completely reliable and, thus, the figures and information derived from them should be approached with a degree of caution.

89 From their analysis, the Security team has calculated that the number of investigations it carried out into suspected or alleged fraud, theft and/or false accounting based on Horizon data from 8 July 2013 to 21 February 2022 was 301.

90 From 21 February 2022 to date, A&CI has held the information about cases involving investigations into alleged fraud and theft based on Horizon data which it has conducted. A&CI do not record reports of suspected false accounting as we judge that to be an ancillary offence to fraud and/or theft and in any event, teams reporting suspected criminal acts to us do not categorise what they are reporting as false accounting, rather they use “theft”, “fraud” or “money laundering”. Pending the recent introduction of the new digital case management on 2 August 2024, the A&CI team also manually input case information into a casework spreadsheet, which records various details about investigations into individual circumstances, including but not limited to a brief description of the suspected offence and whether it is corroborated by Horizon data.

91 From the analysis of its casework spreadsheet, A&CI calculate that the number of investigations it has carried out or is carrying out (including those for which

Post Office is not the complainant) into suspected or alleged fraud and/or theft based on Horizon data from 21 February 2022 to date is 27.

- 92 Accordingly, the total number of investigations calculated to have been carried out by Post Office into alleged fraud, theft and/or false accounting based on Horizon data from 8 July 2013 to date is 328.

Number and breakdown of cases referred to police or prosecuting bodies from 8 July 2013 to date

- 93 To determine the number of cases based on Horizon data that Post Office has referred to police and/or CPS (or equivalent prosecuting body) from 8 July 2013 to date, I again rely on data and analysis provided by the Security Team for the period from 8 July 2013 to 21 February 2022 and A&CI for the period from 21 February 2022 to 12 August 2024.
- 94 I understand that the Security team relied on their casework spreadsheets (which for the reasons set out above should be approached with a degree of caution) to initially determine which cases based on Horizon data involved the police and/or CPS (or equivalent prosecuting body). However, I understand that their casework spreadsheets do not distinguish between those cases referred by Post Office and those referred by any other person, such as a member of the public or a Postmaster. As a result, I am informed that the Security team has checked the underlying casefiles to determine so far as reasonably practicable which of those cases were referred by Post Office.

- 95 From that exercise, the Security team has calculated that the number of cases based on Horizon data that Post Office referred to police and/or CPS (or equivalent prosecuting body) from 8 July 2013 to 21 February 2022 was 10.
- 96 For the period from 21 February 2022 to 12 August 2024, according to its casework spreadsheet, A&CI has referred 15 cases into alleged or suspected fraud and/or theft based on Horizon data to the police.
- 97 Accordingly, the total number of cases referred by Post Office to the police and/or CPS (or equivalent prosecuting body) into alleged fraud, theft and/or false accounting based on Horizon data from 8 July 2013 to 12 August 2024 is 25. As an annexure to this statement, from page 105, I provide a detailed breakdown of those cases as requested.

SECTION E: Review of Historic Investigations

- 98 The Inquiry has asked for information in respect of any key reviews resulting from evidence arising in the Inquiry which address the quality of investigations. It has also sought an explanation as to how Post Office is building and maintaining trust with Postmasters and changing its culture. In Post Office's Opening Statement to the Inquiry dated 4 October 2022, it explained that, for the commencement of the Human Impact hearings, it had created an Inquiry-focused team who were responsible for identifying and recording points arising from the individual testimony that merited further consideration. That team assigned each action point to the relevant business area with the knowledge and experts to address those points,

99 One of the matters which emerged during the Human Impact hearings and which required further investigation related to the conduct of Post Office's investigations. Some 31 Postmasters gave evidence which either alleged misconduct by Post Office staff or otherwise raised complaints as to the quality of investigations, such as:

- (a) Failure to disclosure relevant material;
- (b) Failure to follow all reasonable lines of enquiry;
- (c) Conduct of interviews; and/or,
- (d) Placing inappropriate pressure on Postmasters.

100 As a consequence, in June 2022, Post Office wrote to the legal representatives of those Postmasters who made allegations proposing that its Speak Up team (which, as described above and in my previous statement, is responsible for dealing with whistleblowing reports and processes) speak to the Postmasters directly or that they provide a written outline of all information relevant to their allegations so that Post Office could investigate them.

101 It was obviously a matter for individual Postmasters whether they engaged with the Speak Up team so that their allegations could be investigated, and Post Office recognised that some may have felt it was too little too late or would not want to engage with Post Office because of their experiences. However, Post Office genuinely wanted to, and wants, to investigate the allegations.

102 Post Office initiated a review of the historic investigations mentioned in the Human Impact session evidence which were treated as complaints (“the **Review**”). The aim of the Review is to:

- (a) Look into the specific complaints made by each Human Impact session witness;
- (b) Review the quality, standard and effectiveness of the investigations against national standards, professional practice, and legislative requirements at the relevant time;
- (c) Assess the conduct of the Post Office investigator(s) against law, legislation, policies, procedures, and nationally recognised best practice in place at the relevant time; and,
- (d) Produce a report from each review including recommendations relating to each case review to a Merits Assessment Panel.

103 The Review is tasked with reviewing all discoverable material relating to the cases that is held by Post Office, Peters & Peters LLP, or other third parties supporting Post Office's Inquiry Team, to determine if the investigation for each of the cases was thorough and followed all reasonable lines of enquiry, paying particular attention to, among other matters:

- (a) Qualification and/or experience of the investigators conducting the investigations or making decisions in relation to them;
- (b) Recovery and consideration of all relevant material to accurately establish the facts of the case;

- (c) Compliance with disclosure obligations;
- (d) Conduct of interviews under caution and compliance with the Police and Criminal Evidence Act 1984 and the associated Codes of Practice (including the treatment of Postmasters and manner of questioning);
- (e) Investigation strategy;
- (f) Approach taken with Postmasters and witnesses;
- (g) Oversight and supervision of cases;
- (h) Consideration of alternative outcomes and lines of enquiry, including seeking advice from senior investigators, managers and legal practitioners; and
- (i) Whether the conduct of the investigation was fair, balance, justified, proportionate, legal, accountable, necessary, ethical and in accordance with the value and standards expected of a professional investigator.

104 The Review is not, however, considering material produced after charge or issue of a summons nor looking at the role of prosecutor post-charge/summons. It is focused on the investigations themselves.

105 In January 2023, the Post Office Inquiry team tasked A&CI with conducting the Review and instructed it to recruit and form a team of experienced and credible criminal investigators to do so. As a result, Post Office hired four Reviewers who started between May and June 2023 to carry out the Review. It was essential that those conducting the Review were experienced in reviewing

criminal cases in an independent and objective manner. Their qualifications, experience and expertise are as follows:

- (a) Reviewer 1: PIP 3 in Major Crime & Serious Organised Crime; PIP 4 Strategic Investigator;⁸⁸ Major Crime Review Officer; MSc (Cambridge University) in Criminology & Evidenced-based Policing; Former Head of Major Crime and Serious & Organised Crime; Former Detective Superintendent.
- (b) Reviewer 2: PIP 4⁸⁹ Senior Investigating Officer; Former Head of Professional Standards; Former Head of Major Crime and Serious & Organised Crime; Former Chief Superintendent; Member of the Criminal Investigation Research Network at University of South Wales.
- (c) Reviewer 3: BSc in Policing; Graduate of the FBI Academy and Executive Leadership Programme; Former Authorising Officer for covert tactics; Former Superintendent; Former Director of police reform projects in Afghanistan and Libya; Former senior financial crime investigator at a global bank.
- (d) Reviewer 4: PIP 3⁹⁰ Senior Investigating Officer (SIO); Formerly accredited for SIO roles in respect of kidnap & extortion and counter corruption; Former Deputy Head of Counter Corruption Unit; Former Head of Serious & Organised Crime Unit; former case reviewer of

⁸⁸ I have described above that PIP is the Professionalising Investigations Programme PIP4 is the fourth and final level of PIP and focuses on strategic management of highly complex investigations.

⁸⁹ As outlined above.

⁹⁰ As outlined above.

collusive sectarian homicides in Northern Ireland; Former Head of CID and Intelligence in a Crown Dependency; former case reviewer of sectarian terrorist murders in Northern Ireland; holder of an LLB; MSc in Countering Fraud & Corruption; Former Detective Chief Inspector.

106 As at July 2023, the Review was considering 32 historic investigations. The number has since risen and currently stands at 47 with potential for more. The number of reviews has increased as cases were cited, discussed, or referenced during the Inquiry's public hearings and it was felt that they should also be reviewed. In order to support the Review with that increased caseload, we have recruited three further investigators, the last of whom started in May 2024. These additional investigators have extensive investigatory and disclosure expertise including professional standards and war crimes and genocide investigation experience.

107 In addition to the above members of the Review team, one of A&CI's Senior Investigation Managers, on a fulltime basis, and I, at a higher level, oversee the Review.

108 The Review team produces a Merits Assessment of each historic investigation that was conducted (to be clear, they are not re-investigating the allegations against the Postmaster) which outlines the following:

- (a) The allegation, if applicable, made at the Human Impact hearings and the factual findings of the team in relation to that allegation;
- (b) A description of the investigation that was carried out originally and an assessment on its effectiveness; and

(c) The conduct of the investigator observed by the team during the course of the review and the team's observations and recommendations.

109 The Merits Assessments are then provided to a specially convened Merits Assessments Panel (“the Panel”) to consider and make a decision on the recommendations and further action. The Panel is formed of three voting members – Chris Brocklesby, the Chief Transformation Officer, Nicola Marriott, a People Team Director and until recently, the Group Chief Retail Officer, Martin Robert (who recently left Post Office). Chris Brocklesby is also due to leave Post Office in September. Post Office will therefore seek to appoint two replacement members to the Panel. The Panel is advised by the Head of Human Resources/Industrial Relations Legal, and a Senior Legal Counsel from the Post Office Inquiry Team. I present the Merits Assessment to the Panel and answer questions. Inquiry Team. I present the Merits Assessment to the Panel and answer questions.

110 As at the date of this statement, thirteen former Postmasters, Postmaster’s staff or staff of Directly-Managed (or Crown) Branches – including some who gave evidence during the Human Impact hearings - have voluntarily met with the Review team. It will, therefore, be clear to the Inquiry that not all the 31 witnesses who raised allegations and complaints during the Human Impact hearings have wished to engage in the process to allow the Post Office to fully enquire into each of the allegations which are subject of the Review. The team will, however, conduct a review of the available material in respect of those investigations.

- 111 The Review team have considered in excess of 100,000 documents. It is important to state that this has not been a straightforward file review project. Post Office's data landscape has proven to be incredibly difficult to navigate. There has been a total absence of case files which should have been available to simply collect, either as hard copies or as digital versions. The entire data repositories have had to be searched for individual documents, the name and description of which can only be determined through iterative searches. The team has also conducted a series of physical searches of the Post Office off-site storage facility in order to satisfy themselves as to the thoroughness and effectiveness of the data recovery. This process yielded helpful material such as audio recordings of interviews after caution, many of which were not in the digital record.
- 112 As a consequence of the challenging data landscape in particular, the increased caseload and also some of the Review team being diverted by other urgent, high priority historic issues such as Project May, an investigation into the historic use of racial codification, the Review has taken longer than we initially anticipated and would have hoped. That has delayed the formal, final and full reporting of the lessons identified from the Review as to the historic conduct of investigations and the experience of Postmasters within them. These learnings will be reflected upon to ensure they are appropriately considered in the current A&CI function, and that any necessary action is taken promptly in respect of any current Post Office staff who are the subject of adverse allegations as may be appropriate.

113 It is not expected that the review of all 47 cases will conclude until December 2024. However, an interim thematic report is expected to be completed by the end of August 2024 which outlines emerging and consistent themes from the reviews conducted up until the start of August 2024. Currently, these themes include the recruitment of inexperienced staff as investigators into the former Security team, lack of training, lack of apparent oversight of the investigators, disclosure failure issues, ineffectiveness of investigations, lack of investigative mind set, and insufficient separation of functions. A&CI continue to reflect lessons identified from these emerging themes in their current investigative work. Once all 47 reviews are completed, a final thematic report will be produced.

SECTION F: SPEAK UP AND COMPLAINTS

114 The Inquiry has asked Post Office to provide the number of complaints received pursuant to the Postmaster Complaints Handling Policy, common themes arising from complaints, and POL's assessment of the policy's effectiveness. However, the request is headed 'Whistleblowing' and refers to paragraph [71](a) of my First Witness Statement [**WITN11190100**] which described the Speak Up (whistleblowing) arrangements of Post Office until approximately mid-2021.

115 As a result, I have assumed that the Inquiry seeks information relating both to the Postmaster Complaints Handling Policy and the engagement of Postmasters with the Speak Up policies and practices of Post Office.

116 The Postmaster Complaints Handling Policy is owned by the Retail Engagement Director, Tracy Marshall. As I am not the policy owner and am not involved in its application, I am not in a position to assess its effectiveness and do not have direct knowledge of the number of complaints received pursuant to the policy, nor the common themes arising. Accordingly, that information will be provided in the statement of Melanie Park, Central Operations Director.

117 Instead, I outline the mechanisms put in place by Post Office to capture a Speak Up report made pursuant to the Postmaster Complaints Handling Policy, the number of Speak Up reports made generally, common themes arising from those reports, and Post Office's assessment of the Speak Up policy's effectiveness.

Capturing Speak Up reports made as complaints

118 The first version of the Postmaster Complaints Handling Policy came into force on 22 January 2021. The current version (version 4.0) has been effective since 21 May 2024.⁹¹ In relation to Speak Up:

- (a) It identifies the distinction between a complaint and a Speak Up report. It defines a complaint as being "*about something that affects the Postmaster (whether a limited company, a partnership, a limited liability partnership or an individual) or the branch*" whereas "*if reporting the wrongdoing is in the public interest then it could fall under the definition of Whistleblowing (or Speak Up)*".⁹² It clarifies that a Speak Up disclosure

⁹¹ [POL00447972].

⁹² [POL00447972].

has protections that complaints do not and states that it is important to understand which type of report is being made from the outset. The policy provides examples of both Speak Up reports and complaints to enable those referring to the policy to understand the distinction.⁹³

- (b) It includes the following process for when a Postmaster complaint qualifies as a Speak Up report: "*Any Complaints received that are triaged and found to be Speak Up reports will be forwarded to the Speak Up Investigation Team immediately in accordance with the Speak Up Policy and Procedures, and with confidentiality protected subject to any exceptions set out in the Speak Up Policy.*"⁹⁴

119 Post Office also implemented a process from August 2022, '*Whistleblowing review of complaint cases*' [POL00447939],⁹⁵ to ensure that all Postmaster complaints received pursuant to the Postmaster Complaints Handling Policy are reviewed for Whistleblowing issues by way of monthly review of the Postmaster Complaints Dashboard and by Coaching Log Performance Monitoring.

120 In May 2023, the Regional and Area Managers received online (via Teams) and in-person training on the Postmaster Complaint Handling Policy. The training noted that the minimum control standards include: "*Making sure complaint handlers complete the Speak Up training and are aware of the Whistleblowing Policy and procedures. We will carry out regular case reviews to check*

⁹³ [POL00447972].

⁹⁴ [POL00447972].

⁹⁵ IRT-WBR-001 Whistleblowing review of complaint cases [POL00447939].

whistleblowing has been identified, where appropriate, and the correct action taken” [POL00447955]. Further, it described the responsibility of the Postmaster complaints handling team to: “*Identify Speak Up concerns and pass to the Speak Up team, in line with Whistleblowing Policy and procedure*”.⁹⁶ I am aware that further training of a similar nature was delivered in January 2024.

121 Since February 2024, monthly and ad-hoc meetings are held between the Speak Up Manager and the Issues Resolution Team Manager to ensure that Speak Up reports are being adequately captured.

The number of Speak Up reports received

122 The below table indicates the total number of Speak Up cases opened as a result of any person reporting to the Speak Up service from 2022:

Year	No. of reports
2022	137
2023	41
2024 ⁹⁷	41

123 Data is provided from 2022 as this is when the Speak Up function moved into A&CI (then CIU). The start date for 2022 is 1 April 2022.

124 The number of reports made in 2022 is significantly higher than subsequent years as the Speak Up triage function was not yet implemented. The 2022 figure includes a number of matters which, if received now, would be closed by the

⁹⁶ PCH Policy Refresher Training 2023 V0.2 [POL00447955].

⁹⁷ To 1 July 2024.

Speak Up team and/or referred to an appropriate business area, such as Employee Relations, or indeed passed to Royal Mail Group.

- 125 The below table indicates the total number of Speak Up reports known to be made to the Speak Up service from within a branch (so by a Postmaster or their assistants) since April 2022, as well the percentage of reports made within that year identified as originating from a branch:

Year	No. of reports	Percentage
2022	27	29%
2023	23	56%
2024 ⁹⁸	14	34%

- 126 The above figures are based on the information known to Post Office as to who has made the report. Post Office will not always know who has made the report, or the role that the person holds as anonymous reports may be submitted. In the above figures, I have included only those reports which were clearly made from within a branch due to the context of what was reported but there is nothing to indicate their position. It is likely that the number of reports made by Postmasters or from within a branch is higher.

Key themes emerging from the Speak Up reports

- 127 As outlined in paragraph [97] of my first witness statement to the Inquiry [WITN11190100], A&CI prepare monthly MI reports which are a standing

⁹⁸ To 1 July 2024.

agenda item at the SEG meetings for noting each month. These reports contain information relating to Speak Up reports as well as the other work of A&CI.

128 In addition, since mid-July 2023, regular Speak Up reports have been made to ARC which are intended to provide an overview of Speak Up activity, identify current risks and the actions taken to mitigate the risks.

129 As at July 2023, theft was identified as the most common type of allegation the Speak Up function receives and fraud and theft remain the highest categories of reporting.⁹⁹ There were also increased reports involving allegations of non-compliance with codes of conducts and regulations.

130 During Quarter 3 and Quarter 4 of 2023/2024 (October-December 2023), there were increased reports relating to the conduct of Post Office senior management and in Quarter 4, 75% of all reports were made by Post Office staff. Commonly arising themes included ingrained culture and behaviour of senior leaders, the use of contractors (in relation to necessity and cost of the hiring process) and mentions of the Inquiry in Quarter 4, following the ITV drama 'Mr Bates v The Post Office', which ranged from resurfacing of historic experiences to alleged fraudulent compensation claims.

Postmaster specific themes emerging from Speak Up reports

131 As outlined above, it is not always possible to identify whether a report has been made by a Postmaster or from within a branch. Of the identifiable reports, I note that the following themes arise:

⁹⁹Speak Up Strategy, page 4 [POL00447996].

- (a) Allegations against members of staff for theft, SmartID misuse (sharing of what is meant to be a personally allocated log in code which conceals the identity of the person conducting the transaction), or use of Post Office funds to support a retail business (the unauthorised use by the Postmaster of Post Office-owned cash present in the branch in their other businesses e.g. to pay for stock to sell in their co-located shops);
- (b) Allegations around Post Office processes;
- (c) Awarding of Banking Hub contracts; and
- (d) Cash pouches being booked out on Horizon.

Assessment of the Speak Up policy's effectiveness

132 On 10 February 2023, Post Office engaged EY to review its Speak Up policies and processes (**EY Review**) [**POL00448531**] [**POL00448530**] [**POL00448531**]. At the time, the policy in force was version 7.0 which was approved by ARC in April 2022. The EY work covered three streams:

- (a) Assessment of relevant policy documents against best practice, using the Financial Conduct Authority SYSC 18 (Whistleblowing) as an indicative model;
- (b) Assessment of a sample of five investigation case files to establish whether the Post Office policies were operating as designed; and

(c) Interviews with stakeholders of the Speak Up process to establish their views on possible areas of future development.¹⁰⁰

133 The EY Review was completed on 26 April 2023 and found:

(a) Post Office's Speak Up function had "*undergone significant change and investment in recent years, including significant hiring activity, creating a bespoke Speak Up Team, and writing and refreshing policies and procedures*".¹⁰¹

(b) "*POL appears to be taking steps to build a culture of speaking up. The SUT [Speak Up Team] have and continue to hold training roadshows with different POL stakeholder groups to create further awareness of the SUF*" [Speak Up Function].¹⁰²

(c) There is "*a perception that case volumes are lower than expected for an entity of this size*", but that it was difficult to establish an accurate expectation for case volume, and if only reports from direct employees were considered, Post Office was in line with median report levels for European organisations, being an overage of 0.5 reports per 100 employees.¹⁰³

(d) Post Office had "*a mature SU Policy which assures support for those who report concerns, and states that victimisation of anyone who raises a*

¹⁰⁰ [POL00447944].

¹⁰¹ Page 4, Speak Up Function Review Report, [POL00447944].

¹⁰² Page 11, Speak Up Function Review Report, [POL00447944].

¹⁰³ Page 11, Speak Up Function Review Report, [POL00447944].

concern will be subject to disciplinary action. It also presents options for raising concerns outside of line management".¹⁰⁴

134 The EY Report contained recommendations including:

- (a) Wider engagement, which has formed part of the subsequent engagement and outreach strategy, the sessions of which are detailed in paragraph 148 below;
- (b) Updating internal and external communications, including updating the Post Office intranet so that Speak Up information can be accessed more easily, and ensuring accessibility on external web browsers, both of which were actioned; and
- (c) Seeking written feedback from Speak Up reporters at the conclusion of an investigation, which has been addressed by way of an emailed feedback assessment form.

135 Post Office has tracked its response to and compliance with the recommendations made by EY [**POL00448021**].¹⁰⁵

136 Group Assurance also conducted a review of the Speak Up function during April and June 2023, with a report finalised in July 2023 [**POL00447964**].¹⁰⁶ The review comprised an objective assessment of the Speak Up policies and procedures, as well as levels of compliance. Group Assurance identified six

¹⁰⁴ Page 12, Speak Up Function Review Report, [POL00447944].

¹⁰⁵ EY Recommendations [POL00448021].

¹⁰⁶ Group Assurance Speak Up Report [POL00447964].

improvement opportunities within Speak Up processes and procedures. Overall, Group Assurance rated the Speak Up function as 'Satisfactory' as "The framework of governance, risk management and control [was] adequate and effective".

- 137 The Group Assurance review identified that the Speak Up team "*demonstrated a very high level of compliance with the current Speak Up procedures and processes*" including:

"a) Anonymity and communication between the reporter and the investigator were maintained throughout the investigations, where applicable.

b) For cases that were passed to other areas of the business, there was a clear handover process between the Speak Up team and the relevant business area.

c) All Speak Up data is managed, stored and accessed via Convercent and the Speak Up Sharepoint site, and access is managed by the Central Investigations Unit (CIU). Access is approved and authorised through the Head of Central Investigations Unit and restricted to purposes such as assurance and audits.

d) The cases which have been closed were documented consistently and where there were cases of a high severity nature these had a planned investigation approach in place, maintained with high anonymity and closed with recommendations.

e) *All employees including Postmasters are provided with several channels to raise Speak Up concerns this includes:*

- *The POL Speak Up mailbox (reviewed only by the Speak Up team)*
- *Reporting via the Speak Up web portal operated by Convercent (a third-party)*
- *The Convercent hotline*
- *Internal reporting (e.g., a line manager)*

f) *The triage process flow map for Speak Up is documented in the investigations manual and this provides a structured approach to assessing what type of investigation is required and who should the case be investigated [sic].*

g) *The Speak Up team have now implemented after the external assurance work done by EY a process where they send a feedback form asking the reporter for feedback on how their case was handled, this is done via the route the report was originally made from."¹⁰⁷*

138 Areas for improvement were identified as:

¹⁰⁷ Final Assurance Report – Speak Up, page 3 [POL00447964].

(a) Regular monitoring of who has access to Convercent and Sharepoint site/data. This was closed at issuance of the Group Assurance review and the Triage Analyst conducts regular checks for access.

(b) A separate Speak Up process flow map to be created and included into the Investigator's Manual. The process flow map was to document the hand over process for cases referred to other parts of the business and to clarify when and how the Head of CIU intervenes and the sign off process. This process flow was developed and was included in the Investigator's Manual by the end of 2023.¹⁰⁸

139 On 3 May 2023, the then Group Legal Director, Sarah Gray, and I presented a PowerPoint to the IDG [POL00447917] which, among other things, outlined what 'success' would look like for Speak Up within Post Office. We identified that markers of success would include:

(a) Feedback from reporters showing trust in the service;

(b) PIDA-qualifying reports increasing as a proportion of reports received year on year; and

(c) Number of reports increased by a particular percentage each year.¹⁰⁹

140 The Speak Up team continues to seek feedback from reporters and to track the number of PIDA-qualifying reports as well as overall number of reports. The nature of reports received through the Speak Up function is also a sign of its

¹⁰⁸ Final Assurance Report – Speak Up, page 3 [POL00447964].

¹⁰⁹ IDG Presentation on Whistleblowing and Investigations [POL00447917].

improvement. For example, reports have alleged wrongdoing or poor behaviours in relation to the most senior staff. This suggests that the reporters have confidence that their reports will be taken seriously and they will be protected in making them.

- 141 Investigations which are initiated due to information originating from Speak Up reporting are also now conducted conceptually outside of the Speak Up team. This is to ensure consistency in approach and to provide enhanced protection to the reporter. In practice, due to staffing restrictions, the Speak Up Manager is required to oversee these investigations but the investigator is not aware of the identity of the reporter unless the reporter is content for this to happen.

Speak Up Policy and Strategy

- 142 Version 8.0 of the Speak Up policy was approved in April 2023 and captured updates following the external review by EY, including ensuring consistency of language throughout the policy, the use of 'Speak Up' instead of whistleblowing and adapting suggested wording to the effect that concerns will be kept confidential and disclosed on a need to know basis.
- 143 The most recent version of the Speak Up Policy was approved by ARC on 21 May 2024 [**POL00448017**]. The changes to this policy were minor, such as updating references to 'CIU' so that they instead refer to 'A&CI'.
- 144 In July 2024, Post Office finalised a Speak Up Strategy for 2023-2025 (**SU Strategy**) [**POL00447996**]. The purpose of the SU Strategy "*is to deliver increased awareness, listening up and use of the Speak Up function as part of POL's [Post Office's] determination to restore trust in POL amongst our staff and*

post office network". The SU Strategy outlines three focus areas: awareness; confidence in Speaking Up including that concerns are heard and promptly and thoroughly investigated with feedback and outcomes provided; and training and support.

145 The Speak Up Strategy is dated 2023-2025 but was only approved in July 2024 due to delays in receiving formal approval. The Speak Up Strategy will shortly be updated to incorporate a mechanism to review the strategy in December 2024 to evaluate progress and provide revised or new priorities for 2025. The planned updated otherwise will not affect the relevant consumers of the policy, being staff and Postmasters.

Speak Up Training and Outreach

146 Compulsory Speak Up training for all employees and Postmasters is delivered at induction and thereafter on an annual basis.¹¹⁰

147 In addition, the Speak Up function has been promoted by the team internally and externally, and specific training has been provided to key managers across the business to ensure they can identify Speak Up reports when made.

148 They key outreach activities conducted by the Team since late 2022 are set out below:

Date	Audience	Location
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¹¹⁰ Page 5,- Final Assurance Report, Speak Up [POL00447964].

October 2022	Retail Network Business Team Meeting	Online
November 2022	NFSP	Online
	Historic Matters Legal Team (now Remediation Unit)	Finsbury Dials
	Financial Team Study Day	Chesterfield
December 2022	Branch Assurance Audit Team	Chesterfield
January 2023	NFSP	Online
February 2023	BEIS	Finsbury Dials
April 2023	Contracts Advisor Team	Finsbury Dials
May 2023	NFSP Conference	Stratford on Avon
June 2023	Network Monitoring and Network Reconciliation Teams	Chesterfield and online
July 2023	Customer Complaints Team	Chesterfield
January 2024	Banking Hubs Manager	Online

February 2024	Swinson Stock Centre Manager	Swindon
May 2024	Postmaster Conference	Warwick
	Branch Assurance Audit Team	Chesterfield

Statement of Truth

I believe the content of this statement to be true.

GRO

Date: 22 August 2024

Index to the Second Witness Statement of John Bartlett

No.	URN	Document Description	Control Number
1.	POL00447956	POL Security Storyboard v1.0	POL-BSFF-107-000040
2.	POL00447931	Service and Support Overview of Teams and Responsibilities	POL-BSFF-107-000015
3.	POL00448521	Financial Crime organogram	POL-BSFF-124-000001
4.	POL00448006	Post Office Investigations Review POL GE 20210505	POL-BSFF-107-000090
5.	POL00448010	GE Tactical Meeting Minutes 5 May 2021	POL-BSFF-107-000094
6.	POL00423697	KPMG Project Birch Report	POL-BSFF-0238515
7.	POL00448011	GE Meeting Minutes 15 September 2021	POL-BSFF-107-000095
8.	POL00447975	POL GE Post Office Investigations Review 20220420	POL-BSFF-107-000059
9.	POL00448354	Post Office Investigations Next Steps 20220706	POL-BSFF-117-000005
10.	POL00447979	29052022 GE and Board Paper Remit and Criminal Investigations	POL-BSFF-107-000063
11.	POL00448321	GE Meeting Minutes 3 August 2022	POL-BSFF-117-000002
12.	POL00448320	POL Board Post Office Investigations - Next Steps 20220927	POL-BSFF-117-000001
13.	POL00447948	GE Meeting Minutes 28 June 2023	POL-BSFF-107-000032

14.	POL00448327	POL GE CIU Resourcing 20230628	POL-BSFF-117-0000004
15.	POL00448353	Combined CIP CLEP – Draft v2.2	POL-BSFF-115-0000007
16.	POL00448007	POL GE Central Investigations Unit – Resourcing 20230125	POL-BSFF-107-0000091
17.	POL00448014	Investigator's Manual	POL-BSFF-107-0000098
18.	POL00447971	Legal Team organogram	POL-BSFF-107-0000055
19.	POL00447965	Group Assurance Review of CIU	POL-BSFF-107-0000049
20.	POL00448013	Investigations NED Terms of Reference	POL-BSFF-107-0000097
21.	POL00447917	IDG Speak Up and Investigations presentation	POL-BSFF-107-0000001
22.	POL00447941	IB Control Framework	POL-BSFF-107-0000025
23.	POL00448352	POL ARC Investigations Policy v1.2 20210126	POL-BSFF-115-0000006
24.	POL00447936	Law Enforcement Policy v1.0 September 2021	POL-BSFF-107-0000020
25.	POL00447929	POL ARC Minute 26 January 2021	POL-BSFF-107-0000013
26.	POL00448326	IDG Pillar Strategy WB and Investigations	POL-BSFF-117-0000003
27.	POL00447925	POL ARC PDF Agenda and Papers – 20210126	POL-BSFF-107-0000009
28.	POL00423689	Whistleblowing Working Group Actions and Updates	POL-BSFF-0238507

29.	POL00447976	Investigations Current State and TOM 0.3 210813	POL-BSFF-107-0000060
30.	POL00447934	GE Minute Final 15 September 2021	POL-BSFF-107-0000018
31.	POL00423512	RCC Minutes 6 May 2020	POL-BSFF-0238327
32.	POL00448008	ARC Minutes 19 May 2020	POL-BSFF-107-0000092
33.	POL00448009	GE Minutes 15 July 2020	POL-BSFF-107-0000093
34.	POL00447923	Law Enforcement Policy POL Board 20200922	POL-BSFF-107-0000007
35.	POL00447924	POL Board Minutes 22 September 2020	POL-BSFF-107-0000008
36.	POL00447932	ARC Paper Cooperation with Law Enforcement Agencies and Addressing Suspected Criminal Misconduct – Annual Review/Implementation Update	POL-BSFF-107-0000016
37.	POL00447933	ARC Minutes 28 September 2021	POL-BSFF-107-0000017
38.	POL00447-935	ARC Written Resolution 28 September 2021	POL-BSFF-107-0000019
39.	POL00448313	Legal Playbook	POL-BSFF-115-0000004
40.	POL00448345	20240626 SEG Paper Info Sharing Inv Policy	POL-BSFF-115-0000005
41.	POL00448310	20240626_POL_SEG_MIN_FINAL	POL-BSFF-115-0000001
42.	POL00448019	Disclosure Training	POL-BSFF-107-0000103

43.	POL00448016	CIU Investigation Strategy Presentation 6 March 2023	POL-BSFF-107-0000100
44.	POL00447997	Group Speak Up Policy May 2024	POL-BSFF-107-0000081
45.	POL00447947	Financial Crime Policy v8.0 July 2023	POL-BSFF-107-0000031
46.	POL00447999	Postmaster Accounting Dispute Resolution Policy v3.2	POL-BSFF-107-0000083
47.	POL00447972	Postmaster Complaint Handling Policy v4.0	POL-BSFF-107-0000056
48.	POL00447950	Postmaster Contract Performance Policy v5.0	POL-BSFF-107-0000034
49.	POL00447952	Postmaster Contract Suspension Policy v5.0	POL-BSFF-107-0000036
50.	POL00447951	Postmaster Contract Termination Policy v 5.0	POL-BSFF-107-0000035
51.	POL00447937	JD Senior Investigator	POL-BSFF-107-0000021
52.	POL00448355	JD Speak Up Manager	POL-BSFF-115-0000008
53.	POL00447938	JD Investigation Intelligence Analyst	POL-BSFF-107-0000022
54.	POL00448015	L4 Counter Fraud Investigator Employer & Learner Handbook	POL-BSFF-107-0000099
55.	POL00448004	Intelligencia Training June update	POL-BSFF-107-0000088
56.	POL00006365	CK Advice on FJ expert and criminal case review	POL-0017633
57.	POL00040000	Simon Clarke advice regarding use of the expert evidence relating to the integrity of the FJ Services Ltd Horizon System	POL-0036482

58.	POL00138130	Post Office ARC Prosecutions Policy, Chris Aujard	POL-BSFF-0000362
59.	POL00447939	IRT-WBR-001 Whistleblowing review of complaint cases	POL-BSFF-107-0000023
60.	POL00447955	PCH Policy Refresher Training 2023 v0.2	POL-BSFF-107-0000039
61.	POL00447996	POL Speak Up Strategy 2023-2025	POL-BSFF-107-0000080
62.	POL00448522	Email from John Spencer to Claire Hamilton and John Bartlett regarding EY Review	POL-BSFF-124-0000002
63.	POL00448531	EY Proposal to conduct Review of Whistleblowing	POL-BSFF-124-0000004
64.	POL00448530	EY Proposal – Appendices CV and Credentials	POL-BSFF-124-0000003
65.	POL00447944	Speak Up Function Review Report – EY	POL-BSFF-107-0000028
66.	POL00448021	EY Recommendations	POL-BSFF-107-0000105
67.	POL00447964	Group Assurance Final Assurance Report – Speak Up	POL-BSFF-107-0000048
68.	POL00448017	ARC Minutes 21 May 2024	POL-BSFF-107-0000101

Response to Question 3 of R9(57)

Relevant body	Date of referral	Likely relevant potential charge or offence assessed by POL	Actual charge or offence	Brief summary factual	Quantum of alleged loss	Outcome	Closure date or current status
GMP	14 August 2013	Theft	Theft	This investigation relates to a cash shortage of £4000 at Oldham Crown Post Office Branch. This investigation was initiated by the Branch Manager of the branch and raised to the Security Team due to the loss in one of the Horizon Stock Units. The CCTV footage showed the counter clerk leaned over the open plan counter, placed her own banking card in the chip and pin machine, and performed the deposit transaction	£4,000	Sentenced at Oldham Magistrates Court on 27 September 2013 to 18 months custodial suspended for 12 months and 100 hours unpaid work.	16 October 2013

				on Horizon. Horizon Data was used to show the value of the banking deposit transaction was for £4000 and detailed the PAN number of the card used. The Post Office Security Team reviewed the Horizon transaction data (including banking deposit) and CCTV footage and reported this to the Greater Manchester Police.			
PSNI	15 October 2013	Theft	N/A	This investigation relates to a cash shortage at Derrylin Post Office Branch. The cheque team in the Financial Service Centre Chesterfield identified £21,837.20 in cheques that had been remitted from the branch to the processing centre	N/A	PSNI informed POL that the Prosecution Service has returned the investigation file as they deem there is not enough evidence to proceed.	20 April 2017

				<p>but did not arrive. This was escalated to the Post Office Security Team who undertook an investigation. Analysis of Horizon Transactional data was used to identify whether the Cheques were from genuine transactions and identified it was the Postmaster who had made the remittance. This was reported by the Security Team to the Police Service Northern Ireland as a theft.</p>			
PSNI	4 August 2014	Theft	Theft	<p>This investigation relates to duplicate withdrawals being made from three customers' Post Office Card Account (POCA) while using Bessbrook Post Office. This was</p>	£2,700	<p>This case was heard at Newry Magistrates Court (first appearance) on the 26th January 2015 when the</p>	5 March 2015

				<p>initially raised as a complaint by a customer who reported to the bank (JP Morgan Chase) that money had been taken from her account. JP Morgan Chase raised this with the Post Office Security Team to investigate. Along with the customers bank statements, Horizon Transactional Data was used to identify the duplicate POCA withdrawals. Horizon Transaction data was used to identify a DANSK bank account which was used to deposit money after each duplicate withdrawal. The Transactional data identified it was the Postmaster who processed these</p>		<p>Postmaster pleaded guilty to 8 counts of theft and was sentenced to 4 months imprisonment, suspended for one and a half years, for each count. There was no compensation order sought as offenders financial circumstances would not have warranted same.</p>	
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				transactions. This was referred by the Security Team to Police Service Northern Ireland as a theft.			
PF	10 September 2014	Embezzlement (Theft)	Embezzlement (Theft)	This investigation relates to a cash shortage at Lerwick Crown Post Office Branch. Following concerns raised by the branch manager relating to an excessive number of reversals being processed by a counter clerk an audit was arranged. During this Audit the physical cash and stock on hand were verified against the Horizon System and a cash shortage of £13,746.16 was identified. The bulk of this cash shortage was found in the Stock Unit of the	£13,525.80	The clerk appeared at court on 29 April 2015. The clerk was sentenced to 160 hours Community Payback and given a 12 month supervision order to be carried out in the area in which the clerk resided.	15 May 2015

				<p>clerk who was processing reversals. This was escalated to the Security Team who undertook an investigation. Following the investigation by the Security Team, using Horizon Transaction data and the Audit report (the loss from the Audit report is derived from The Horizon System), the case was reported to the PF by the Security Team.</p>			
PF	4 December 2014	Embezzlement (Theft) and Money Laundering	N/A	<p>This investigation relates to a cash shortage at Troyglen Post Office Branch. An audit was carried out at the branch during which the physical cash and stock were verified against the figures on the Horizon</p>	£179,116.00	Crown Counsel instructed no further proceedings in relation to the case.	24 February 2017

				System. This Audit identified a loss of £179,116.00. This loss was escalated to the Security Team who undertook an investigation. The Audit report (the loss amount on the Audit report was derived from the horizon System) and transaction data was used during the investigation. The Postmaster was suspected of Embezzlement and the case was referred by the Security Team to the PF.			
PF	16 July 2015	Embezzlement (Theft)	N/A	This investigation relates to a cash shortage at Winchburgh Post Office Branch. An audit was carried out at the branch during which the physical	£44,300.54	Following a full review by the PF, they have marked the case NFA due to the case being timed barred.	24 April 2017

				<p>cash and stock were verified against the figures on the Horizon System. This Audit identified a loss of £45,000.00. This loss was escalated to the Security Team who undertook an investigation. The Audit report (the loss amount was derived from the horizon System) and Horizon transaction data was used during the investigation. The Postmaster admitted removing the money from the Post Office and lending it to the previous Postmaster. The Postmaster was suspected of Embezzlement and the case was referred to the PF.</p>			
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GMP	25 February 2016	Theft	Handling Counterfeit Notes	<p>This investigation relates to £23,800.00 of counterfeit notes being found in the safe at Salford City Crown Post Office Branch by the Branch Manager. Following the finding of the counterfeit notes the Counter Clerk who oversaw the Main Safe that day went home sick. It was identified that there was a further loss of £28,300.00 hidden in transfers between unused Stock Units. Later that evening the Clerk brought into the branch a further £26,000 of counterfeit notes claiming she had taken them home to take them to the Police station. This was escalated to the</p>	£52,100.00	<p>On 18 August 2017 the counter clerk was given a 12 month Conditional Discharge for handling £3k in counterfeit currency.</p>	3 January 2021
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				Security Team for investigation. It is alleged that the counter clerk stole genuine notes from the branch and replace them with counterfeit notes. Horizon Transaction Data was used to identify transfers between different Stock units where the loss was hidden and identify the counter clerk who was doing this. The Security Team reported this to Greater Manchester Police as a theft.			
PF	31 May 2017	Embezzlement (Theft)	Embezzlement (Theft)	This investigation relates to unauthorised withdrawals being made from five elderly customers Post Office Card Account (POCA) while using Craigton	£6,967.28	Pled guilty at Glasgow Sheriff Court on 22 November 2018 and on 20 December 2018, received	24 December 2018

				<p>Post Office. This was initially raised as a complaint by a customer who reported to the bank (JP Morgan Chase) that money had been taken from her account. JP Morgan Chase raised this with the Post Office Security Team to investigate. By using Horizon Transaction Data (along with customer bank statements) it was identified that the Postmaster of the branch was the person who served the customers when unauthorised withdrawals were made. The investigation case was referred by the Security Team to the PF.</p>		<p>sentence of 3 year supervision order, 250 hours community pay back order to be completed in 6 months. Electronic monitoring for 10 months.</p>	
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Dorset	27 September 2017	Fraud	<p>Postmaster – fraud by abuse of position</p> <p>Customer – unknown</p>	<p>This investigation relates to Banking Deposits processed at Newtown Post Office Branch. The Post Office Banking Team identified that a customer was making high value cheque deposits at the branch where the cheques were being returned by the bank unpaid (bounced). The branch was processing these cheque deposits incorrectly as cash deposits on the Horizon System meaning the money was credited to the customer's account immediately. The Banking Team raised this issue with the Post Office Security Team. Following the Security Team investigation and</p>	<p>Postmaster pleaded guilty to fraud by abuse of position.</p> <p>Customer was found guilty and sentenced to 52 weeks suspended for 2 years.</p>	30 June 2021
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				<p>review of Horizon transaction data (including deposit transactions and Cheque Adjustments made by the branch) the Postmaster and Customer (who were known to each other) were both reported by the Security Team to Dorset police.</p>			
West Mercia	31 February 2019	Theft	N/A	<p>This investigation relates to a cash shortage at Wellington Post Office Branch. An audit was carried out at the branch during which the physical cash and stock were verified against the figures on the Horizon System. The Audit identified that 13 cash remittance pouches each containing £26,000</p>	£338,000	<p>West Mercia Police advised that the Police investigation has been reviewed and will now be filed as NFA due to lack of evidence to pursue further.</p>	3 January 2021

				had been remitted out but not received at the cash centre. This resulted in a cash shortage of £338,000.00. This was escalated to the Post Office Security Team who undertook an investigation using Horizon Transaction data, the Audit Report and Horizon Remittance data. Following this investigation a Counter Clerk was suspected of theft and the case was reported to West Mercia Police for them to investigate.			
Lancashire Police	14 September 2022	Money Laundering and Theft	Advice file to CPS re charge	The branch which was run by a an Officer In Charge, not the Postmaster, was initially flagged by the cash centre due to an increase in	£398,000	Police requested statement regarding robustness of Horizon - POL producing a	Still live

				<p>cash remittance return amounts to the cash centre. It was also highlighted by the MoneyGram compliance team that they wanted to complete a compliance call with the branch to a large number of high value transactions being completed to the same destination. At this point the Financial Crime team was involved and highlighted circa £3,300,000.00 worth of MoneyGram Mobile send transactions processed at the branch. The Financial Crime team contacted the branch on requesting more information regarding these transactions. On the</p>		<p>statement and also referred police to Fujitsu</p>	
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				<p>same day, the Financial Crime team was contacted by the Area Manager who advised that the Postmaster was in touch with them and advised of a possible shortfall of £400,000.00 which was related to the MoneyGram transactions. The CIU was advised of the situation and tasked with completing an investigation into this matter. Police have interviewed the OIC and restrained c£500k. Enquiries indicated by Horizon was a shortage of c£398k which if proved would be a loss to POL. Police working on basis that the OIC "creamed off" this amount from the cash transferred</p>			
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				through MoneyGram. Customer is considered money laundering suspect and OIC suspected for potential conspiracy re money laundering and theft of c£398k from POL.			
CoLP	27 October 2022	Theft		Branch failed to correctly account and register stock (Postage stamps) from the Swindon Distribution Centre on the Horizon system over an extended period of time. As a result, the Branch was highlighted by Retail on the Summary Markers report due to registering on Horizon that stock was being returned to the Swindon Stock Centre and subsequently not	Reduced due to narrowing of relevant period to £493,952.57	Police requested statement regarding robustness of Horizon – POL producing a statement and also referred police to Fujitsu	Still live

				<p>being received. A subsequent branch visit revealed a significant discrepancy was indicated. Enquiries commenced by Contracts team and the Postmaster suggested that an illegal entrant working illegally whom he employed, and who has subsequently left the country, was responsible. Despite this claim further loss was identified subsequent to the worker's departure. The Postmaster was suspended with matter being referred to the Metropolitan Police for investigation. The City of London Police are now running this investigation and</p>			
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				<p>have engaged with Fujitsu to obtain evidence.</p> <p>Transaction analysis indicates links to the Postmaster to this sort of activity prior to becoming the Postmaster, that the suspected activity occurred whilst Postmaster and when the reported worker was present, and then continued after this worker was reported to have left. The relevant period has been narrowed to seek to rely on the most recent data but this is flexible depending on CoLP's views.</p>			
Scotland	16 February 2023	Theft		<p>Multiple transactions 'reversed' on Horizon without introducing corresponding cash value, by</p>	£247,539	<p>A&CI provided transaction report as intel and continue to gather information.</p>	Still live

				<p>postmaster. Additionally, a cash pouch containing 29,000 Euros was despatched to branch but not booked into Horizon, causing overall discrepancy shortfall of over £97k. Identified by Retail matter referred to A&CI and was reported to the police. Horizon data is required to show what is remmed in/out and what transactions took place. If a criminal offence, then suspects include individuals with access to the Horizon system in branch, including the Postmaster. Police enquiries will need to identify any principal suspect.</p>			
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Met Police	26 March 2023	Theft		Branch staff state they sent 7 cash pouches which were booked out on Horizon to CViT. Paperwork & CViT driver say 4 were sent. Reported by A&CI to police. Matter referred to A&CI and was reported to the police. Horizon data is required to show what is remmed in/out and what transactions took place. If a criminal offence, then suspects include individuals with access to the Horizon system in branch, including the Postmaster. Police enquiries will need to identify any principal suspect.	£350,000	Awaiting evidence request from police	Still live
Gloucestershire	26 May 2023	Theft		Suspected staged robbery during cash	£309,000	Police requested	Still live

				collection from branch. This was referred to A&CI by Security team. Suspicious banking deposits also identified. Police conducted extensive enquiries and are looking to put advice file to CPS following interview of suspects, including the Postmaster.		statement regarding robustness of Horizon - POL producing a statement and also referred police to Fujitsu	
West Yorkshire	10 October 2023	Theft		This initially was raised to A&CI as the branch was processing bank deposits and settling to cheque, with no cheques being submitted. When training and branch visit staff attended the branch unannounced, the officer in charge of the branch ran from branch mid-customer. Significant	£820,000	Police requested statement regarding robustness of Horizon - POL producing a statement and also referred police to Fujitsu	Still live

				volume of suspicious cash transactions identified with c£800k in shortfalls identified as accruing in around a week. Horizon transaction data required. Reported by A&CI to police.			
West Midlands	8 August 2024	Theft/money laundering		Linked to another branch where a staged robbery was believed to have taken place - suspicious banking deposits performed using same cards used at the other branch. Admission made to the police by the Postmaster. Horizon data required to demonstrate transactions.		Police requested statement regarding robustness of Horizon - POL producing a statement and also referred police to Fujitsu	Still live
Sussex	3 January 2024	Theft		Absentee Postmaster's branch run by their son who	£205,797	Police to conduct interviews	Still live

				<p>stated to POL staff (not A&CI) that he had inflated cash holdings to cover a discrepancy from November 2022. Branch had previously been contacted to return excess cash which was not forthcoming. Horizon data required to show transactions. Referred to police by A&CI. Police progressing.</p>			
Norfolk	3 January 2024	Theft		<p>Postmaster reported that ex-husband was abusive and controlling towards her and was taking money from Post Office to fund retail business. Horizon data would be required to test this. Postmaster has not been into the branch for over 5 years and</p>	£70,635	<p>Police investigating role of ex-husband among other suspected offences unrelated to Post Office</p>	Still live

				<p>husband has told staff members not to contact her. Referred as a fraud/theft with ex-husband as suspect to Police. A&CI ensured Postmaster was not held accountable for the potential loss. NFSP involved.</p>			
GMP	3 January 2024	Theft		<p>Stock pouches processed via Horizon to Stock centres where there is no evidence that they have been physically transferred from branch by CVIT (Cash and Valuables in Transit). This is known as "phantom REM out". The branch had pouches to be remmed out that were never handed to CVIT or received in stock</p>	£475,000	Police awaiting evidence from A&CI	Still live

				<p>centre. matter referred to A&CI and was reported to the police. Horizon data is required to show what is remmed in/out and what transactions took place. If a criminal offence, then suspects include individuals with access to the Horizon system in branch, including the Postmaster. Police enquiries will need to identify any principal suspect.</p>			
Lancashire	3 January 2024	Theft		<p>Stock received in branch from Swindon Stock Centre but not remmed in on Horizon. Believed that Phantom Rems - Stock pouches remmed out (stated on Horizon that it was sent back to</p>	£242,740	Awaiting police request for information	Still live

				Swindon stock centre) but no evidence that pouches were transferred from branch to CViT and not received at Swindon. matter referred to A&CI and was reported to the police. Horizon data is required to show what is remmed in/out and what transactions took place. If a criminal offence, then suspects include individuals with access to the Horizon system in branch, including the Postmaster. Police enquiries will need to identify any principal suspect.			
MET	3 January 2024	Theft		A Stock & Mails team review of remittances identified that ten	£247,539	A&CI provided transaction report as intel with police	Still live

				<p>pouches of stock had been processed in branch for despatch to Swindon Stock Centre but were never received resulting in a shortfall discrepancy of £247,759.04 matter referred to A&CI and was reported to the police. Horizon data is required to show what is remmed in/out and what transactions took place. If a criminal offence, then suspects include individuals with access to the Horizon system in branch, including the Postmaster. Police enquiries will need to identify any principal suspect.</p>		<p>and continue to gather information.</p>	
Derbyshire	26 March 2024	Theft		Husband of postmistress alleged	£105,543	Police requested	Still live

				to be using somebody else's SmartID to process deposits into bank account without introducing cash. SmartID and transaction data is accessed via Horizon. Reported by A&CI to police.		information which A&CI is gathering	
GMP	27 March 2024	Theft		Stock pouches were Remmed out of the branch but never collected by Cash & Valuables in Transit (CVIT). This is believed to have been done by not organising CVIT to collect the pouch, so they were not aware there was a stock pouch to collect. This would decrease the branch's stock levels allowing the removal of stock out of branch, adjustment of the stock up, or	£210,000	Police awaiting evidence from A&CI	Still live

				processing sales reversals, while still having their stock levels balance in branch. Identified by Retail. matter referred to A&CI and was reported to the police. Horizon data is required to show what is remmed in/out and what transactions took place. If a criminal offence, then suspects include individuals with access to the Horizon system in branch, including the Postmaster. Police enquiries will need to identify any principal suspect.			
Warks	27 March 2024	Theft		Stock was sent to the branch but remmed in by incorrect amounts which caused a cash discrepancy on	£87,665	Awaiting evidence request from police	Still live

				Horizon. Identified by Retail, passed to A&CI and reported to the police. If a criminal offence, then suspects include individuals with access to the Horizon system in branch, including the Postmaster. Police enquiries will need to identify any principal suspect.			
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