

Witness Name: Anthony Nicholas Stewart
MARSH

(Tony Marsh)

Statement No.: WITN06900200

Dated: 14th October 2024

POST OFFICE HORIZON ENQUIRY

SECOND WITNESS STATEMENT OF TONY MARSH

I, TONY MARSH will say as follows.

1. This witness statement is made to assist the Post Office Horizon IT Inquiry (the 'Inquiry') with the matters set out in the Rule 9 Request dated 29th August 2024 (the 'Second Request').
2. I am a former employee of The Post Office, Post Office Ltd and Royal Mail Group. Full details of my employment with The Post Office/Royal Mail Group are provided in my first witness statement dated 27th April 2023 (**WITN06900100**), at paragraphs 2 to 4. Of particular relevance to this statement however is the fact that I was employed from September 1999 (I believe 27th September) to 31st December 2006 as the Head of Security for Post Office Network and, following the restructuring of Post Office Network and Network Banking into Post Office Ltd, for the whole of Post Office Ltd.

However, from the beginning of July 2004 until April 2005 I was seconded from my role as Head of Security to lead the Service Team on the Sales & Service Improvement Programme. This was a very demanding task and during this ten-month time period I believe that the National Internal Crime & Investigation Team, under Tony Utting, and the Network Audit Team, under Martin Ferlinc, were both transferred into the reporting line of Rod Ismay, Head of Compliance, who sat within the Finance Directorate reporting line. The Audit Team did not return under my control after this. The National Internal Crime & Investigation Team did, but I believe that return occurred significantly after April 2005, and may actually have happened shortly before and in preparation for my departure in December 2006 and my handover to my successor, John Scott.

3. I have been asked to **set out my knowledge and understanding of the following matters when I was appointed as Head of Security in September 1999.**

a. the Horizon IT system, including its integrity and remote access. I can say that at the time that I was appointed as Head of Security, coming to Post Office Network from the Post Office Group Centre, an entirely different business unit, I knew nothing whatsoever about the Horizon IT system, its integrity or remote access.

b. complaints made by SPMs as to the integrity of the Horizon IT system. Again, I can say that I knew nothing whatsoever at that point about complaints made by SPMs regarding any facet of the Horizon IT system.

c. that Royal Mail Group, or companies within it, had investigated, prosecuted, and obtained convictions of SPMs for theft, fraud and false

accounting. I was wholly and entirely aware of this fact. As I note in my first statement at paragraphs 2 and 3, I joined the Post Office Investigation Department (POID) in September 1985. From then until my promotion to Regional Manager in 1994, with various gaps when I was only involved in Royal Mail inquiries, I personally investigated, interviewed and managed the prosecutions of a number of sub-postmasters or sub-post office staff. I think it also important to note that when I was in training as an Investigation Officer, between September 1985 and September 1986, on a number of occasions my training officers, who were Senior Investigators with many years' experience in the POID, would use as examples cases of sub-postmasters that they had themselves investigated who had then been prosecuted, some of which dated back as far as the late 1960s. Although I had no responsibility for Post Office Counters Ltd cases between 1996 and September 1999 I remained aware of the ongoing principles of investigation and prosecution of cases within that business, which I joined as Head of Security for Post Office Network in September 1999.

- 4. d. who within the Royal Mail Group or POL was responsible for (a) the investigation of those alleged offences (b) the decision on whether to prosecute those matters, and (c) the conduct of those prosecutions.** From 1999 onwards the investigation and prosecution of sub-postmasters would all have been dealt with within Post Office Network/Post Office Ltd. In terms of (a), the person directly responsible for the investigation of any alleged offence would be the PON/POL investigator to whom the case was allocated, after initial review by an independent casework manager within the relevant

Regional Security & Investigation team, and after the initial restructuring of the Security Team at some point in 2000/01, by an independent casework manager within the POL National Internal Crime & Investigation Team. Above the investigator there would be a line of responsible supervisors leading ultimately to myself as Head of Security (& Investigations) for PON/POL. The policy of investigating and, where appropriate, prosecuting those suspected of offending against Post Office Group/Royal Mail Group and its constituent companies was detailed in various iterations of the Royal Mail Group Ltd Criminal Investigation and Prosecution Policy, some of which I have referred to and addressed in my first witness statement at paragraphs 14 and 15. At a Royal Mail Group level these policy documents would have been owned by the RMG Group Security Director as a devolved power from the Board. I am unable to say, after 2006, how mirror policies would have been owned within POL. In terms of (b), once an investigator believed that sufficient evidence had been identified and gathered and that the threshold for prosecution for one or more offences had been passed, the case would be submitted with a suitable suspect offender report. The case would be reviewed by an independent casework manager and, provided that person concurred that there was sufficient evidence to warrant submitting the case for an opinion from Royal Mail Group's prosecuting lawyers, the case would be submitted to specialist prosecution lawyers who would have applied the Code for Crown Prosecutors Full Code Test. If the case was considered to have passed the Full Code Test then it would be sent, with appropriate advice, either directly by the lawyer or via the casework management team to the relevant PON/POL decision maker, who would usually be either in the suspect offender's management line or in the business

unit Human Resources team, where the actual decision to authorise prosecution would be made. The conduct of prosecutions (c) would be guided by the prosecuting lawyer with any necessary actions usually delivered by the investigator. No significant action would have been taken by the investigator without instruction and authority from the RMG prosecuting lawyer or, in crown court cases, the instructed barrister.

5. I have been asked **to describe if and when my knowledge of those matters materially changed or developed at the appropriate point in the witness statement, maintaining chronological order.** Although I will do so I will note at this point that my knowledge of the Horizon IT system, its integrity and remote access did not change or increase significantly during my time as Head of Security for POL. I learned how to use the system at a basic user level to enable me to provide counter support at Christmas, as all senior managers were expected to do, but I did not need to develop a deeper technical understanding of the system to perform my role and therefore did not do so.

6. I have been asked **to set out to what extent I was involved in responding to concerns or allegations made by SPMs that the Horizon IT system was defective.** I can say that I was not involved in responding to concerns or allegations made by SPMs that the Horizon System was defective. The issue of the reference to the Horizon System Helpdesk in various iterations of the Liability for Losses Policy, which I owned during the period of time that the Network Audit Team reported to me, and the findings by both the Court of Appeal and the Horizon IT Inquiry that Horizon was afflicted by bugs, was

raised during my oral evidence to the inquiry on 5th July 2023. Details can be seen of the questions that I was asked and answers that I gave on this matter at pages 129 to 150 of the transcript of my evidence **INQ00001068**. I have nothing further or new to add.

7. I have then been asked **to what extent, if at all, I was concerned by the nature or frequency of allegations made by SPMs that the Horizon IT System was defective, and who, if anyone, I shared my concerns with?** I can say that I had no awareness at any time whilst employed within Post Office Ltd of a concerning or high level of complaints or allegations of issues or defects made by anybody, including sub-postmasters, against the Horizon IT System. Consequently I had no such concerns to share.

8. I have been asked to **consider document POL00439186, which was sent to me by email on 02/02/2002. I have been asked to summarise my understanding of the meaning of the statement at point (iv) that “there were gaps in the approach to risk management during the implementation of the Horizon system, and to explain what risks I was aware of concerning the Horizon system and its implementation.** I can say that I have no recollection of this document and that it is not clear to me from the question whether I was sent this short extract from the Post Implementation Review or the whole review, which would have been a much larger document. Without the accompanying email I cannot see on what basis I may have been sent the document. I was not aware of any particular or specific risks in the implementation of Horizon, in the main because I had absolutely no

responsibility for any part of the implementation of Horizon. In terms of the statement that “there were gaps in the approach to risk management... etc.” as I was not at all involved in the Horizon Programme I really cannot provide any clarification of this statement without access to the Horizon Programme Risk Management process and the risk list, analysis and mitigations that would have been maintained under the process.

9. I have been asked to consider **POL00021483, minutes of a POL Board Meeting held on 20 August 2003, during which I reported to the Board on matters of security. I am asked a. how often I reported to the Board on issues of security, b. how often a member of my team reported to the Board on issues of security and, c. the nature of the relationship between the Security team and the Board.** I can say (a) that I reported extremely infrequently to the Board of POL in person on issues of security. I believe that both of my first two supervisors in PON/POL, Alan Barrie, Operations Director and David Miller, Chief Operating Officer, were members of the Board, and consequently I would tend to report to them formally on progress, which was generally positive, or occasionally on a specific issue, more often to do with security of people and cash or stock than investigations and prosecutions. I believe that they would then brief the Board as required. I'm not sure whether my subsequent supervisor, Byron Roberts, was a Board member, I believe he may have reported up via David Miller himself. I do not believe (b) that a member of my team ever reported to the Board in my place, on the rare occasions that a report to the Board was called for I am sure that I would have delivered it. The nature of the relationship (c) between the Security team and

the Board was, I believe, positive. I would have expected to have been called in far more frequently had it not been. It is worth noting that I believe that I attended on 20th August 2003 to present this paper because I was asking for significant up-front funding to enable two changes in physical security strategy, partly to change the nature and manner in which we installed and managed alarm systems to ensure more effective police call-outs to robberies and burglaries, and partly to support a radical change in security equipment, away from screens and towards open-plan environments with technical protection of staff, cash and assets. This was a very specialised proposition to which David Miller did not feel he could do justice, so I attended both to present the proposal and to deal with the inevitable questions.

10. I have been asked **to what extent, if at all, the Board discussed the prosecution of SPMs for theft or false accounting arising from alleged shortfalls in branch accounts at this or other meetings that I attended.** As I have said above, I attended very few Board meetings within POL, but I cannot ever recollect the issue of the prosecution of SPMs coming up at any meeting at which I was present. Consequently, at no point did I ever witness **the Board considering the reliability of Horizon IT data for the use in prosecutions, of SPMs** or anyone else.

11. I have been asked to consider the following documents:
 - (a) WITN09020115 “The Expert Report of Jason Coyne”.
 - (b) POL00142503 “Email from R Ismay to D Parker, M Talbot and others; ‘Legal case – Cleveleys PO 153 405 Mrs J Wolstenholme”.

(c) POL00142504 “Advice on Evidence and Quantum by S A Brochwicz-Lewinski in POCL v Julie Wolstenholme, Case No. CR101947”, and
(d) POL00118219 “Trial Bundle B: Witness Statement and Joint Expert’s Report Blackpool County Court POL v Julie Wolstenholme CR101947”.

12. I have been asked to **describe the nature and extent of my knowledge and involvement in the Cleveleys case (*POL v Wolstenholme*)**. I can say that I believe that I had absolutely no knowledge of nor involvement in this case whatsoever. The case appears to be a civil action that resulted from a dispute over losses and disciplinary matters relating to the manner of operating a sub-post office. None of these issues had any security relevance and the matter does not appear to have had any criminal investigator involvement, so I do not believe any member of my team would have been involved in the early stages of the case either.
13. I have been asked to **consider Mr Coyne’s report WITN09020115**. In particular I have been asked **when I first read the report, what my view is on the report, and to provide details of any discussions that I have had about the report with any other individuals at the Post Office**. I believe that this is the first time that I have seen or read this report, although I have seen references to it in earlier Inquiry evidence that I have seen. To the best of my knowledge I had no involvement in the Cleveleys case at the time that I worked in Post Office Ltd and I do not recollect seeing the report then or since. I have never discussed the report with any other individual at the Post Office and I hold no particular views on the report now, at 20 years remove from its drafting.

14. I have been asked to consider **POL00142503 “Email from R Ismay to D Parker, M Talbot and others; ‘Legal case – Cleveleys PO 153 405 Mrs J Wolstenholme”**. I have been asked to **provide a context for the email chain**. I’m afraid I can provide no further context for the email than the context evident from reading it from bottom to top, in particular the detailed context provided by Jim Cruise on 17/03/2004. I have been asked **to describe my knowledge of the IT risk register**. I have no particular knowledge of the IT risk register for POL for 2004, and I have difficulty understanding its relevance in the context of this email. I have been asked **what my understanding was of the reason(s) why Mrs Wolstenholme’s case was on the IT risk register**. I have no information that would enable me to answer that question. I have also been asked **who had access to the IT risk register**. Again, I do not know but would expect that it was predominantly senior members of the IT Directorate.
15. I have been asked to **consider the advice of Stefan Brochwicz-Lewinski, forwarded to me on 26 July 2004 POL00142504**. I have been asked **who instructed counsel to provide this advice**, I do not know and have no details to add. I have been asked to **comment on Mr Brochwicz-Lewinski’s statement that “[he was] asked to take into particular account that the Post Office is anxious for the negative computer expert’s report to be given as little publicity as possible”, and whether I shared that anxiety**. To the best of my knowledge I had not seen POL00142504 Advice of Mr Brochwicz-Lewinski until I received it with the Rule 9 request to which I am responding. I did not therefore share any anxiety regarding the potential impact

of publicity around the computer expert's report. I am asked **what my view was of the advice when I received it**. I do not believe that I opened, looked at or read the advice at the time that it was sent in 2004 and do not feel that there is any relevance to my views at 20 years remove. I have been asked whether I **discussed the advice with anyone**. To the best of my knowledge I did not at the time that it was sent nor have I since.

16. I have been asked **“Following receipt of the advice, please provide details of any discussions you had with David Miller regarding (a) the issues in the Wolstenholme case and (b) POL’s next steps in relation to the same. Please provide a detailed account of (a) what you told Mr Miller and (b) whether you showed him any documentation relevant to the Wolstenholme case.”** The email that appears to have prompted all the questions relating to the Cleveleys civil action is dated 26/07/2004. As I note in my introduction to this statement at paragraph 2, from the beginning of July 2004 I was seconded from my regular duties to lead the Service Team on the Sales and Service Improvement Programme. I believe that as part of “clearing the decks” for this commitment, line management of the Network Audit Team under Martin Ferlinc and line management of the Internal Crime and Investigations Team under Tony Utting were both transferred to Rod Ismay, Head of Compliance. If this did not occur right at the beginning of the Programme I firmly believe that it took place very soon after it started. I retained arms-length responsibility for security matters, having ensured that all critical issues were on target and that experienced staff were aware of requirements for the following six to nine months. The Programme involved a very

demanding round of interviews with senior and junior staff, analysis of data and development of structural options. Consequently, from the start of the Programme I paid no further attention to day-to-day issues, unless they were specifically raised with me by one of my remaining direct reports or a director. I cannot say exactly how I would have responded to this email, but I consider it highly unlikely that I would have read through it in detail. I believe that I would either have responded briefly to Rod Ismay, pointing out that my team were not likely to be involved, or I might have forwarded it to Tony Utting, whether he was reporting to me or to Rod Ismay at that point in time, asking him to deal with it. Clearly if any further documentation is available that might counter these assumptions I will not challenge it, but I asked in writing on 7th September 2024 if any additional documents exist and was informed in writing on 11th September by a member of the Inquiry legal team that “We believe we have provided you with sufficient documents to prepare your draft statement.”

17. I am aware, from watching both the YouTube recording and then reading the transcript **INQ00001130**, that on 16th April 2024 during his oral evidence to the Inquiry David Miller was asked about the Cleveleys civil proceedings. Pages 51 to 74 of the transcript refer. On pages 36, 37 and 38 of the transcript however, prior to discussions about the Cleveleys case, Mr Miller had acknowledged that there was some confusion in his mind between Tony Utting and myself, he noted that he recollected that Tony had a reporting line through the Finance function, which he did whilst reporting to Rod Ismay, but not whilst reporting to me. At page 52 of the transcript of Mr Miller’s evidence a portion of his

statement is read to him, together with a further question that provides details of the relevant document.

“My first formal involvement with the case was that I was asked to sign off the compensation payment to Ms Wolstenholme in 2004, in the absence of Peter Corbett, who was on holiday. Rod Ismay's note to Donna Parker (my PA at the time) secured a slot in my diary for Tony Marsh”? Rod Ismay's note, to which you refer here, is at POL00142503. Could we have that on screen, please. This is the email from Rod Ismay, dated 26 July 2004.

Subsequent to this exchange there is then considerable discussion between Mr Miller and Counsel to the Inquiry Ms Price regarding a meeting and discussions alleged to have taken place between Mr Miller and myself.

18. Since seeing the YouTube recording, reading the transcript and again since receipt of the Rule 9 request I have racked my brain for any recollection of this meeting, the details referred to by Mr Miller, or indeed the documents referred to, in particular the “Expert Report of Jason Coyne”. I have none. As I note, if I am presented with evidence that the meeting took place with me present then I would not challenge it, but I have absolutely no recollection of it, its subject matter or documentation. I believe it is much more likely, and logical given the date and circumstances, that the meeting actually took place between Mr Miller and Tony Utting, particularly given that I believe that Tony Utting was at that point of time in Mr Ismay's reporting line rather than my own.

19. Further to this, I have been asked to **please describe my recollection of the settlement offered to and accepted by Mrs Wolstenholme?** I have no recollection of, nor of any involvement with, the settlement offered to Mrs Wolstenholme.
20. I have been asked to **describe the impact of the Cleveleys case on future POL proceedings (including civil/contract claims and criminal prosecutions), including but not limited to the case of Lee Castleton?** I have no knowledge of any impact of this, or other cases relevant to the Horizon IT inquiry, on future POL proceedings, whether civil, contract or criminal.
21. Finally, I have been asked to **what extent, if at all, did you reflect on POL's conduct in pursuing shortfalls and/or prosecuting SPMs following the Cleveleys litigation at the time? With the benefit of hindsight, what are your reflections?** As I have explained above, I do not believe that I had the level of knowledge that the Inquiry considers that I did of the Cleveleys case, or indeed any knowledge of it at all at the time that it was taking place. In addition, at this time I do not believe that I held responsibility for investigations or prosecutions taking place within POL, due to the transfer of Tony Utting and the Investigation team to Rod Ismay, nor for policy on losses (shortfalls) due to the transfer of Martin Ferlinc and the audit team the same way. As I have also explained earlier in this statement, from July 2004 onward I was leading on a very stretching structural review within POL Operations, which also led to me subsequently taking on considerable additional responsibilities for branch equipment and special projects – the programme of conversion of Crown

Offices to Modified Sub-Post Offices. I do not believe therefore that I had any reflections on POL's approach to losses, investigations or prosecutions at that time. I do not feel it would assist the Inquiry for me to express views now with the use of hindsight.

22. There are no other matters that I wish to bring to the attention of the Chair of the Inquiry at this time.

Statement of Truth

I believe the content of this statement to be true

Signed



GRO

Dated 14th October 2024

Index to Second Witness Statement of Tony Marsh

No.	URN	Document Description	Control Number
1.	POL00439186	Post Implementation Review Board - Horizon Implementation - Extract - Note	POL-BSFF-096-0001113
2.	POL00021483	Post Office Limited Board Minutes of 20/08/03	POL0000016
3.	WITN09020115	Jason Coyne Expert Opinion 21.04.04 and associated documents	WITN09020115
4.	POL00142503	Email from R Ismay to D Parker, M Talbot and others; 'Legal case - Cleveleys PO 153 405 Mrs J Wolstenholm'	POL-BSFF-0001779
5.	POL00142504	Advice on Evidence and Quantum by S.A Brochwicz-Lewinski in POCL v Julie Wolstenholme, Case No. CR101947	POL-BSFF-0001780
6.	POL00118219	Trial Bundle B: Witness Statement and Joint Expert's Report Blackpool County Court POL v Julie Wolstenholme CR101947	POL-0120139
7.	INQ00001068	Transcript (05/07/2023): Post Office Horizon IT Inquiry - Tony Marsh [WITN0690]	INQ00001068

No.	URN	Document Description	Control Number
8.	INQ00001130	Transcript (16/04/2024): Post Office Horizon IT Inquiry - David Miller [WITN0347] and David Mills [WITN1095]	INQ00001130