

Witness Name: Paul Holland
Statement No.: WITN04930100

Dated:

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF PAUL HOLLAND

I, Paul Holland, will say as follows...

Background

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 11 October 2022.
2. I was employed by Post Office Ltd between 1985 and 2018. I started my employment as a Counter Clerk in a Crown Post Office. After two years I became an Auditor and remained as such until the Auditor and Trainer roles were amalgamated in 2008 to become a Field Support Advisor.
3. The Field Support Advisor was a dual role which incorporated both auditing and training duties. I continued in this role until 2014 when I had a very brief secondment to the Horizon Mediation Investigation Team for a few months before becoming a temporary Crown Post Office Branch Manager.
4. At the start of 2015 I returned to my permanent Field Support Advisor role before becoming a Sales Capability Manager later in that year. I remained in that role until I took voluntary redundancy in 2018.
5. As an Auditor I gained experience in using the Horizon system from its inception particularly the back office and balancing processes. As a Field Support Advisor, through the training duties, I became more experienced in the front office, transactional side of the system.

Training to be a trainer

6. As far as I can recall, the training I received towards becoming a trainer in 2008 consisted of the equivalent of training a new Counter Clerk in the classroom to ensure that I was conversant with transactional and balancing processes. I believe this consisted of around five days using dummy, off-line Horizon Equipment.

7. This was followed up by shadowing an existing trainer, whilst training a new subpostmaster on-site in a Post Office branch for a week.
8. Training on presenting in the classroom consisted of shadowing an existing classroom trainer for a period of a week.

Training delivery

9. The training of new subpostmasters consisted of two elements, classroom training and on-site training.

Classroom

10. As far as I can recall, the basic classroom training lasted five days which was extended by a further three days, dependent on the type of branch the subpostmasters would be managing (i.e., if the branch transacted passport applications and/or car tax transactions).
11. It was designed to be an interactive course using off-line Horizon terminals with each trainee being responsible for an individual stock unit containing a limited amount of dummy cash and stock. This was delivered by the trainer using PowerPoint presentations prepared by the training team and supported by a schedule and a workbook to ensure conformity of delivery.
12. As far as I can recall the first two days of training were spent covering security, health and safety, data protection and business awareness (i.e., the background of Post Office and compliance).
13. The training then moved on to practical transactions using the dummy Horizon terminals. These transactions included processing basic barcoded automated transactions and swipe cards and the reversal of such transactions. Trainees were shown how to obtain transaction logs in order to identify transactions and their related reference numbers. They were given hand-outs detailing the processes that they could refer to when in situ at their branch.
14. A large proportion of the course was given over to instruction on how to process mail items including size, speed, insurance, mail segregation, inland and overseas mail. This training also included conversations regarding upselling of products to increase the subpostmaster's potential earnings.
15. At the end of each day where dummy transactions had taken place, trainees were guided through process of producing daily transaction reports and dispatch processes for paper-based transactions. They were instructed on how to count and declare the cash in their stock unit and how to identify any discrepancies between the physical cash counted and the derived cash total on the Horizon system. This was supported by 'End of Day' handouts which the trainees kept for use in their own branches.
16. As I recall, during the classroom training, two half days were dedicated to undertaking two full stock unit balances.
17. The trainees were guided through obtaining a balance snapshot in order to physically check the very limited dummy cash and stock within their stock unit and identify any discrepancies. If there were any discrepancies between what had been physically counted and the snapshot, the trainees were instructed on how to amend the Horizon system to reflect the actual amount of cash and stock on hand.
18. The final act of the balancing process was to produce the necessary weekly reports and to produce a trial balance which would report the total discrepancy in the stock unit. Provided no further changes were required, the trainees were then shown how to roll over into the next balancing period or trading period, where appropriate, and produce the final balance. Again, this was supported by 'Balancing and End of Week' handouts.
19. General feedback from the trainees completing feedback forms was that there

was an awful lot of information to take in and most would have preferred longer using the dummy Horizon equipment to carry out a broader range of transactions within the 'safe' environment of the classroom.

On-site training

20. Following the classroom training, new subpostmasters were supported by a trainer for the first week in their Post Office branch. The gap between this and the classroom training varied depending on the availability of trainers and was usually kept to a minimum, however, on occasions, depending on circumstances, such as complications in exchange of contracts for example, could amount to months.
21. On-site training was frequently challenging for new subpostmasters as often they would be moving into the premises at the same time if it was a residential branch. They would also often have to learn how to run the retail side of the business, along with visits to the cash and carry in order to replenish stock on the retail side of the business. It was a challenge to maintain their full attention during the early days of training.
22. The on-site training consisted of supporting the new subpostmaster while they served customers. It was very much a 'hands off' approach, allowing them to use the Horizon system by themselves and stepping in to guide them when needed.
23. At the end of the day the subpostmaster was encouraged to use the handouts they were given during the classroom training to produce the end of day reports and to physically count the cash on hand in order to make the cash declaration. Where a discrepancy was highlighted by the Horizon system once the cash had been declared the subpostmaster was guided through the process of identifying it.
24. A full re-check of the cash was firstly undertaken with addition checked on any manual cash sheets they had been using. Invariably this identified the discrepancy, but where this was not the case the subpostmaster was guided through obtaining a transaction log in order to assist with identifying any transactional errors, such as transposition of figures which could be identified by comparing with physical transactional documentation before it was despatched.
25. This became more difficult in later years as most transactions became automated either by swiping a card or scanning a barcode resulting in no physical documentation being retained in branch.
26. During the week's on-site training a full physical balance of cash and stock was undertaken by the subpostmaster, guided by the trainer. As with the end of day procedures, the subpostmaster was encouraged to follow the 'Balancing and End of Week' handouts given to them during the classroom training.
27. The subpostmaster was guided through producing a balance snapshot from the Horizon system and physically checking the cash and stock on hand to the system derived figures. Any discrepancies were verified by re-checking the relevant cash or stock. If stock figures were different, once the discrepancies had been verified, the subpostmaster was then guided through how to amend the relevant totals on the Horizon system to reflect the actual amounts on hand.
28. The last action of the balancing process was to declare the cash. Any discrepancies would be verified by the subpostmaster re-checking the cash on hand along with any manual documentation used to prepare the cash declaration. Once again, the subpostmaster would be guided through obtaining a transaction log to assist in identifying any discrepancy.
29. Once all totals had been verified, the handouts were used to guide the subpostmaster through the balancing process on the Horizon system,

culminating in the final balance being produced and rolling over into the next balancing or trading period where appropriate.

30. The balance following the week's on-site training was also attended by a trainer and involved the process as described above.
31. The length of time spent on training the balancing process varied depending on the size of the branch, whether it had individual stock units and the types of transactions processed. Typically, on average I would say that half a day would be spent on balancing.
32. The time spent on how to identify the cause of discrepancies also varied depending on whether any discrepancies occurred at the time of the balance, in which case as long as necessary was spent on identifying the discrepancy. This could amount to several hours in some cases.
33. Where no discrepancies were revealed during the balance, the subpostmaster was still guided through the checking process and instructed in producing a transaction log in order to identify transactions and assist with identifying discrepancies. I would say that this typically would have taken around an hour.
34. Once the on-site training had been completed, trainers were told by management not to leave their work's mobile telephone number with the subpostmaster as they should be encouraged to use the Post Office Helpline for any enquiries.

Conclusion

35. During my time training new subpostmasters I was not aware of any bugs, defects or errors in the Horizon IT system. Had I been aware of any I would not have been comfortable in continuing with the training role unless the bugs, defects or errors had been resolved.
36. With hindsight I do not consider the overall training to have been adequate. The classroom training was undertaken to a very tight timescale and often felt rushed particularly if there were one or two trainees who were struggling and needed extra attention. This often resulted in falling behind the timetable and resulting in having to 'catch up'.
37. I also feel that too much emphasis was placed on training new subpostmasters to have sales conversations with customers when more emphasis was needed in the mechanics of the transactions.
38. As previously mentioned, trainees often indicated on feedback forms that they felt that they had been bombarded with information during the classroom training and would've appreciated more time using the dummy Horizon terminals.
39. I also feel that given the distractions of a new subpostmaster taking up post (i.e., often moving in where it was a residential Post Office and having to learn how to run their retail business) that a week's training support was not really long enough to ensure that they were competently running the Post Office.

Statement of Truth

I believe the content of this statement to be true.

Signed:

GRO

06-12-2024