

Witness Name: Peter Newsome

Statement No.: WITN04580100

Dated: 12 November 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF PETER NEWSOME

I, *MR PETER NEWSOME*, will say as follows:

INTRODUCTION

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 18 October 2024 (the “**Request**”), to the extent I have direct knowledge of the matters addressed in the Request. I was assisted in preparing this statement by Morrison Foerster, who represent Fujitsu Services Limited (“**Fujitsu**”) in the Inquiry.
2. I left Fujitsu to start my retirement in 2020, and have not had any dealings with Fujitsu, other than in relation to my participation in this Inquiry, or the matters outlined in the Request since that time. Accordingly, in preparing this statement, I have refreshed my memory by reviewing, (i) the documents provided to me by the Inquiry, and (ii) additional documents provided to me by Morrison Foerster. To the extent those documents have assisted my recollection, I refer to the documents using the URNs listed in the index accompanying this statement.

3. The Request largely relates to my involvement with Fujitsu's provision of services and information to Post Office Limited ("**POL**"), including in relation to remote access, investigations into the Horizon IT system ("**Horizon**") undertaken by Second Sight Service Limited ("**Second Sight**") and Deloitte, the Initial Complaint Review and Mediation Scheme (the "**Mediation Scheme**"), and POL's defence *in Bates & Others v. POL* (the "**GLO Proceedings**").

BACKGROUND

4. I retired from Fujitsu in December 2020 and have not taken up further employment. I do not therefore have a curriculum vitae and have had to recreate my background from memory. I am happy that the roles and responsibilities are accurate, but my recollection of specific dates of employment may be less reliable.
5. In 1983, I graduated university with a lower-second-class honours (2:2) degree in Chemistry. After university in 1984, I completed a PGCE qualification and subsequently taught 11-18 year olds Science, Chemistry and Maths for four years at a school in Leicester. In 1988, I decided to leave teaching and became a Technical Sales Demonstrator for a General Practice IT company selling, installing and providing support to doctors in primary care. Until 2000, I worked for various General Practice IT companies in sales, marketing and consulting.
6. From 2000 to 2002 I worked at Bull-Steria in a sales role before transferring to business consulting, specialising in process reengineering in Local Government. I then worked at Xansa in this role before I joined Fujitsu in the

summer of 2007 as a Business Consultant.

7. In my first twelve months at Fujitsu, I covered roles in supervising teams on two Fujitsu accounts, focusing on, (i) the BT separation of Open Reach, and (ii) a Fujitsu Home Office internal project aimed at reducing costs to meet the savings targets built into the relevant contract.
8. In the summer of 2008, I joined Fujitsu's Post Office Account (the "**POA**") and was immediately seconded to POL where I spent around twelve months as a data governance lead on the implementation of Credence (POL's Management Information ("**MI**") Solution). I understand that it was part of the Horizon Contract for Fujitsu to provide resources on a contractor basis to take on POL roles. In the summer of 2009, at the end of this project, I spent three months managing the POL MI Team to cover for an individual who was on long-term sick leave.
9. From autumn 2009 until spring 2011, I undertook my final contracting role at POL as a Business Solutions Manager for financial services products. This role involved me managing changes to the POL IT functionality in order to deliver new or updated financial services offerings such as insurance, banking and foreign currency. In this role, I managed project teams made up of both business and technical specialists required to deliver the functionality, including subcontractors such as Fujitsu where Horizon changes were required.
10. In around spring 2011, I was offered a similar role at Fujitsu as an Account Manager on the POA, where I initially reported to Stephen Long, the POA Delivery Executive. In my role, I would liaise with (i) POL business teams (including Product & Branch Accounting ("**P&BA**"), the Financial Service Centre ("**FSC**"), and Royal Mail), (ii) POL third-party clients who provided other services

to POL (for example, Bank of Ireland, who provided financial services, and Ingenico, who provided PIN pads), and (iii) other third parties, in relation to changes and improvements POL were considering or pursuing and which had the potential to require changes to Horizon. I continued in this role until 2018.

11. Over time, my role expanded to cover managing the POA Change Team. This role involved me producing a rough order of magnitude pricing for projects and working as a liaison between POL and Fujitsu on both large and small projects. I often sat on the project boards for large projects such as Travel Point of Sale (TPOS), introduction of Kiosks and PIN Pad replacement. Due to my relationships with many of the POL staff and knowledge of the teams at Fujitsu, I became a liaison for the Mediation Scheme, Second Sight engagement, Project Bramble and the GLO Proceedings. In 2018, I moved on to other roles inside Fujitsu. In particular, I worked in account management for the Police Uniforms System. During this time, I was retained on the POA to coordinate (i) Fujitsu's responses to POL and Womble Bond Dickinson ("**WBD**") in the GLO Proceedings, and (ii) the PIN Pad sale and roll out to post office branches.
12. The Inquiry has asked me to summarise my role as Document Manager, however, this is not a role that I held during my time at Fujitsu. Neither did I have any responsibility for document management. The Document Manager at the time was Matthew Lenton and I relied heavily on him to provide any documents required when I coordinated responses to information requests on Project Bramble and the GLO Proceedings in particular.
13. Notwithstanding my role, in this paragraph, I have tried to assist the Inquiry in relation to how the Fujitsu document universe was organised with regards to

bugs, errors and defects (“**BEDs**”) and remote access. My understanding in this regard was that the majority of documents, including information relating to the technical possibilities of ‘remote access’, would have been stored in the Fujitsu Dimensions system (“**Dimensions**”). Support issues would then have Known Error Logs (“**KELs**”) and supporting Peak (and its earlier iteration, PinICL), MSC, OCR, or OCP records, stored in their respective databases. Some of the earlier documentation of events may not be available due to changes in process, or upgrades to systems where aged data was archived or sometimes purged. By way of example, the core audit process that was designed to provide a definitive log of all retained records of transactions (the “**Core Audit Process**”) was only available from 2007, as data was only retained for seven years (and the data retention policy was halted in 2014, so that no data from the Core Audit Process was purged from that date onwards).

MY ROLE IN RESPECT OF CONCERNS REGARDING HORIZON

14. The Inquiry has asked me to summarise my understanding of the support and services Fujitsu provided to POL in relation to the following issues, and to describe the nature and extent of any involvement I had in providing such support or services:
 - a. POL’s response to concerns regarding the Horizon IT System raised by current and former postmasters, MPs and journalists;
 - b. Second Sight’s investigation in 2012 – 2013 leading to the Second Sight Interim Report (the “**Interim Report**”);
 - c. the Mediation Scheme and related investigations;

- d. the work conducted by Deloitte in 2014 under the project name Zebra (“**Project Zebra**”); and
 - e. POL’s search for an expert witness to opine on the integrity of Horizon.
15. Each of these matters are addressed in turn below with reference to a number of documents which have been put to me by the Inquiry. Where additional documents have been provided to me by the team at Morrison Foerster to assist with my recollection, these are also noted.
16. In describing my involvement below, I would like to make clear that my role in respect of the matters listed above was to coordinate responses, meetings, presentations (including those as part of the Fujitsu response), and the delivery of documents on behalf of Fujitsu. In my role, I also attended meetings and liaised with POL and their sub-contractors. I occasionally reviewed documents and contributed to them, but only where it was appropriate to my knowledge and skill set. At times, I was also copied in on other responses by Fujitsu.
17. I do not have a technical background and was not involved in the technical content of responses or the day-to-day activities or processes of resolving any support calls or issues. By way of example, the Inquiry has provided me with POL00091411, a chronology of statements made by POL in respect of remote access and asked me to set out my views in relation to the accuracy of the statements contained within it. When it came to responding to questions on technical matters, I was reliant on subject matter experts. Accordingly, the accuracy of the technical statements made in this document would need to be verified or discussed with a technical expert. That being said, some of the language used in the statements does look like extracts from responses to POL

from Fujitsu in other contexts, particularly around subjects such as allegations of access to live data in the basement of Fujitsu's offices in Bracknell.

18. In relation to the production of these statements by POL, I note that POL employed a number of architects who understood both Legacy Horizon and HNG-X, so some of these statements could and probably, in my opinion, would have been checked by that team before being released. In reviewing these statements, it does appear that POL forgot to consider Legacy Horizon when answering questions on remote access and just looked for answers in relation to the HNG-X version of the system, which they then used as blanket statements in relation to Horizon more widely.

(a) POL's response to concerns regarding the Horizon IT System raised by current and former postmasters, MPs and journalists

19. I do not recall ever being asked to directly provide comments or assertions regarding concerns about the Horizon IT system to be used in communications with postmasters, MPs or journalists. However, I have noticed from the documents provided to me by the Inquiry that I was copied in on or involved in email chains which related to the production and delivery of responses to questions from POL or their legal representatives in relation to certain of these communications.

Dalmellington Bug

20. One example of the above relates to a response provided by Fujitsu to POL in relation to the Dalmellington Bug in July 2016. In this regard, the Inquiry has provided an internal Fujitsu email from me dated 11 July 2016, which focuses

on providing an answer to POL on the Dalmellington Bug (FUJ00085967). This answer was provided to POL in response to concerns raised by Paula Vennells of POL further to a blog post authored by former postmaster, Tim McCormack. I coordinated, as opposed to produced, the response.

21. I also recall a presentation on the Dalmellington bug that I authored from information provided to me by the development and support teams at Fujitsu. I recall giving this presentation to POL's interim Head of IT, Chris Broe, and Angela Van Den Bogerd. On my request, the team at Morrison Foerster located a copy of the presentation, which I can see is dated 10 December 2015 (FUJ00085958). I also recall the document being put to Torstein Godeseth of Fujitsu during his evidence in the GLO Proceedings.
22. The analysis detailed in the presentation shows that, in the majority of cases which proved to be examples of the bug in operation, affected postmasters had either, (i) spotted the problem and self-corrected it by completing a transaction reversal, or (ii) contacted the FSC and a transaction correction was issued. This led me to believe that, if a single transaction had caused discrepancies of some of the magnitudes reported, that erroneous transaction was likely to be obvious to the postmaster, who then would have taken one of the two actions described above.

BBC Panorama in 2015

23. I did not initially recall providing responses to POL regarding the BBC Panorama programme in 2015. However, having reviewed the following documents, I can see that, in the run up to and after the Panorama programme, I was involved in coordinating answers to questions posed by POL where they

were pertinent to Fujitsu. None of the answers were given directly to journalists or to BBC Panorama. However, some of these answers will have informed POL's responses to Panorama. Fujitsu continued to maintain the corporate line that we did not comment on the specifics of customer contracts. The documents provided to me in preparing this statement were as follows:

- a. an email between the Fujitsu and POL press offices on 8 June 2015, which I am copied to, that is then forwarded internally within Fujitsu. The email chain discusses the outcome of a briefing between Panorama and POL and includes a number of questions for Fujitsu to respond to (FUJ00237385);
- b. an email from the POL press office to the Fujitsu press office and myself on 18 June 2015, which I then forwarded on internally. The email from POL contains a paragraph from BBC Panorama in relation to an interview they had with a former Fujitsu employee (FUJ00237455);
- c. an email between Fujitsu and POL dated 8 June 2015 which notes that I was Fujitsu's lead in supporting POL's responses to Panorama (POL00316805); and
- d. an email chain between myself and the POL press office dated 8 June 2015 in relation to areas of questioning by BBC (POL00316829).

(b) Second Sight's investigation in 2012 – 2013 leading to the Interim Report

24. In relation to Second Sight's investigation during the period 2012 – 2013, my involvement was as follows:

- a. I coordinated meetings between Second Sight and Fujitsu. This included the initial presentation by Gareth Jenkins to at least one representative from Second Sight on, (i) the Horizon Architecture, (ii) the Core Audit Process, and (iii) two known bugs that had affected accounts in the early days of HNG-X and how they were dealt with by Fujitsu and POL (this included information on how POL had agreed to write off the losses and allowed the branches that made gains for those branches). Mr Jenkins and I attended this meeting as the only representatives from Fujitsu. I recall Mr Jenkins later being asked why he did not cover Legacy Horizon in this initial meeting. He noted that it was not part of his brief.

- b. I then coordinated the production of data from the Core Audit Process through the Audit Record Query process, which involved extracting data within specified parameters from the Core Audit Process ("**ARQ Data**"), for a sample of branches chosen by Second Sight and/or POL. This included agreeing the commercial arrangement for Fujitsu to provide this data, as it was above the normal contractual service. In undertaking this role, I remember attending a call with Second Sight about the provision of ARQ Data. During this call, it became apparent to me that there had been a misunderstanding surrounding the speed at which ARQ Data would be provided. This was partly due to me not having explained the extraction process fully to Second Sight and the limited capacity for extracting the data. This was both a staff and functionality issue, which Fujitsu experienced whenever it needed to do large amounts of extraction. This included for the Mediation Scheme and in the GLO Proceedings, as discussed in more detail below.

- c. I also attended calls on behalf of Fujitsu with Second Sight and POL on the progress of the engagement. These were not regular calls but were instead organised by POL occasionally. My impression was that Second Sight did not always approach these calls with the degree of professionalism that might be expected.
 - d. I met with POL Legal and some of their business colleagues in relation to the Interim Report. Whilst I do not recall Fujitsu having any input into POL's response to this report, Fujitsu did produce its own comments, which I collated from colleagues, contributed to, where appropriate, and reviewed. This can be seen in the following documents, which were provided to me during my preparation of this statement, (i) an email from me to Simon Baker of POL on 7 May 2013 attaching a document entitled 'POL Interim Report v24 Fujitsu Comments' (FUJ00087094), and (ii) the relevant attachment (POINQ0093264F). I recall the overall conclusion to this report was confusing in that it suggested that there was nothing wrong with the Horizon software but contradicted this in some of the work on themes.
25. I believe this was my first direct involvement in matters relating to postmasters or any of the projects regarding concerns with Horizon. My understanding was that POL had expected Second Sight to support their view that everything with Horizon was fine.
26. The Inquiry has asked me to consider a number of documents relating to the provision of information to Second Sight during this period. In particular, these documents relate to a visit by a postmaster to Fujitsu's offices in Bracknell in

August 2008 and allegations surrounding the use of remote access during the postmaster's visit. These documents are as follows:

- a. POL00186387, an internal POL email chain dated 19 April 2013 regarding investigations into the Bracknell site for the purpose providing a summary to Second Sight;
 - b. FUJ00235322, an internal Fujitsu email chain dated 30 May 2013 regarding the identification of manual changes to the branch database;
 - c. FUJ00087014, an email chain dating from 24 May to 4 June 2013 regarding Second Sight's investigations into the Bracknell site visit;
 - d. POL00029603, note of a meeting on 12 June 2013 between POL, Fujitsu and Second Sight in relation to the Bracknell site visit, referred to as "**Spot Review 5**";
 - e. FUJ00235390, an email chain containing an email from POL to Second Sight dated 13 June 2013 regarding Spot Review 5 and an internal email from me on the same day;
 - f. FUJ00087065, an email chain between POL and Fujitsu dated 19 June 2013 regarding Spot Review 5 following an email from Sir Alan Bates to Second Sight on 14 June 2013; and
 - g. FUJ00236264, an internal Fujitsu email chain dated 15 April 2014 attaching documents relating to Spot Review 5.
27. These documents demonstrate my role in coordinating responses to questions put to Fujitsu by Second Sight and POL in the context of Spot Review 5. The

process of pulling together the answers seemed to take a long time, with the same questions being answered several times, which I think prompted my comment of “*at last some push back*” in FUJ00235390.

28. Otherwise, I think we cooperated with the needs of POL in supplying the information Second Sight asked for, as well as access to technical experts when required.

(c) the Mediation Scheme and related investigations

29. In relation to the Mediation Scheme undertaken by Second Sight in 2014, I coordinated the production of ARQ Data and support call data for the branches involved in the Mediation Scheme. I believe the data concerned a sample of branches chosen by Second Sight and/or POL. My role included agreeing the commercial arrangement for Fujitsu to provide this data, as it was above the normal contractual service. I did not recall having any further involvement in the Mediation Scheme; however, the Inquiry has referred me to a document entitled ‘Fujitsu’s comments on Second Sight Briefing Report – Part Two’ authored by Mr Jenkins, James Davidson, Mike Harvey and myself dated 15 September 2014 (FUJ00087174). Initially I had thought this document was Fujitsu’s comments on the Interim Report, as it is presented thematically rather than on a case-by-case basis. I have no recollection of this document, or the process undertaken to compile it.
30. The Mediation Scheme in particular seemed to be a delaying tactic by POL, unless POL were going to settle in favour of the postmaster. POL’s attitude seemed to be to rerun the court cases. I do not remember any requests to Fujitsu for any support in interpreting the ARQ Data or answering any new

questions related to the operation of the system in these cases.

31. Following the Mediation Scheme, if a BED was discovered that had the potential to affect branch accounts and was escalated to me, I would inform POL IT Management. In order to do this, I would pull together with the assistance of technical experts, a note outlining the issue, the branches involved, the impact on those branches, proposed fixes and the release timetable for the fixes. I can recall two instances where a BED was discovered which affected branch accounts, one was the Dalmellington bug discussed above in this statement and the other was identified during the GLO Proceedings. I attended daily calls on this second BED during the GLO Proceedings, which kept POL up to date on new occurrences that had been fixed by a manual work around until the issue was resolved by a release.
32. In addition to providing assistance in relation to the Mediation Scheme, I also played a coordinating role in the provision of information to Jonathan Swift QC's review of Horizon undertaken in 2015. My role in this regard is demonstrated in FUJ00087175, as described below in the context of Deloitte's work in Project Zebra in 2014, and FUJ00238269, an email from Rodric Williams of POL to me dated 17 December 2015 and the resulting Fujitsu internal discussion.
33. The Inquiry has also referred me to an email chain between Fujitsu and POL on 30 January 2015 regarding questions from Ms Vennells of POL in relation to remote access and her preparation for a Select Committee hearing. As is clear from the email chain, whilst I am copied, it is Mr Davidson who provides the relevant responses (FUJ00087142).
34. The Inquiry has asked me to consider POL00139589, a document recording a

meeting on 27 April 2016 titled 'Wednesday Call IT related issues'. This document is another example of my role as a coordinator. I knew Ian Humphries well from my time on secondment at POL. He must have reached out to me as a point of contact to retrieve a copy of a report. I do not recall the report itself or the relevant conversation with Mr Humphries.

(d) Project Zebra

35. In relation to the work undertaken by Deloitte in 2014 under the name Project Zebra, I ran a small team that coordinated the meetings and access required by the Deloitte auditors in order to complete their review of Horizon. My role involved me coordinating documents and finding the appropriate technical expert to respond to any subsequent follow up questions. This included agreeing and managing the commercial agreement for Fujitsu to provide access to technical experts as this was above the normal contractual service.
36. The Inquiry has referred me to an email chain between POL and Deloitte dated 13 May 2014. The email contains a number of questions regarding, (i) the ISAE3402 audit undertaken by Ernst and Young, (ii) the audit store and branch database, and (iii) testing undertaken in respect of HNG-X (POL00148311). As is demonstrated in that email chain, my role was again to pull together answers from relevant subject matter experts. In undertaking this role, I managed a small virtual team who supported Deloitte in accessing the required documentation, setting up meetings with subject matter experts and coordinating answers to questions.
37. The Inquiry has also provided me with a draft report from Deloitte entitled 'Horizon: Desktop Review of Assurance Sources and Key Control Features –

Draft for Discussion', which is dated 23 May 2014 (POL00028062). To the best of my recollection, I do not recall seeing this document prior to it being provided to me by the Inquiry. As far as I know, Fujitsu were not asked to review the document. If that is the case, the accuracy of the document's content would not have been ratified by Fujitsu.

38. That being said, in an email from Mark Underwood of POL to me on 18 December 2015, Mr Underwood mentions that Fujitsu did comment upon the 'Deloitte Board Briefing Paper' (FUJ00087175). The team at Morrison Foerster have provided to me, (i) a copy of the Deloitte Board Briefing Paper (POL00127278), (ii) notes of a meeting between Jonathan Swift QC, Christopher Knight, POL and Fujitsu on 14 December 2015, which records me noting that Fujitsu had not seen the Deloitte Board Briefing Paper and an action for POL to determine whether a copy of the document could be provided to Fujitsu (POL00103010), and (iii) an email from Mr Underwood to me on 22 December 2015 in which Mr Underwood states that he will review the comments provided by Fujitsu on the Deloitte Board Briefing Paper (POL00237754).
39. Having reviewed these documents, I remember attending the meeting on 14 December 2015, which I think focused on the questions coming out of the Mediation Scheme. My role was to coordinate answers for Fujitsu, which appear to have been documented by Mr Underwood. The email exchange with Mr Underwood at POL00237754 suggests that some answers were sent either in other emails from me or, in some cases, directly from the team at Fujitsu. I still do not recall seeing the Deloitte Board Briefing Paper before.

40. In relation to Deloitte's reports in Project Zebra, I recall that POL's legal advisers in the GLO Proceedings, WBD, verbally told me that they did not want to see this report become public knowledge and used as part of the Horizon issues section of the GLO Proceedings. My understanding was that this position related to Deloitte's work in both Project Zebra and Project Bramble, which I address in more detail below. I also remember being told by POL Legal at the time the report was produced that the report was internal to POL and was nothing to worry about. This position was then reiterated by comments in POA weekly management meetings but I cannot recall who within the POA management team raised this matter in our meetings.
41. I did not fully understand why POL decided not to release the Deloitte report, even if it did not conform to POL's previous public position. This was particularly so in respect of remote access; in my opinion, it would have given POL a chance to control a managed withdrawal from the incorrect position.

(e) POL's search for an expert witness to opine on the integrity of the Horizon IT System

42. I understand this question from the Inquiry to relate to POL's search for an expert in 2013 who could provide expert evidence in legal proceedings against postmasters. Whilst Fujitsu was not involved in selecting the experts, we supported POL in briefing the new experts. In this regard, Fujitsu ran two briefing days with experts from Imperial College London at Fujitsu's offices in Bracknell to assist them in understanding technically how Horizon worked. These briefing days would have been attended by either Mr Godeseth or Mr Jenkins. I believe the POL project manager running the project was Jeff Burke.

43. In relation to why POL were instructing new experts, I recall that POL no longer wished to use Fujitsu as an expert witness due to concerns that there may be a conflict of interest, but I cannot recall where this understanding came from. I believe that the work around the instruction of Imperial College London was eventually cancelled but I was not told why.

GENERAL OBSERVATIONS DURING THE 2012 – 2016 PERIOD

44. My impression from speaking with people within POL during this time was that POL wanted the complaints regarding Horizon to go away so they could concentrate on their other business priorities. I recall this sentiment being discussed by Ms Vennells at a townhall meeting with POL employees around the time POL instructed Second Sight. I cannot recall any further details about this meeting but I do recall that it was early on in Ms Vennells' tenure as CEO.
45. POL's other main business priorities at that time included, (i) the separation from Royal Mail, (ii) improving their balance sheet by introducing more products, and (iii) reducing costs by implementing programs such as the SIAM (Service Integrator) procurement. This procurement process involved retendering all aspects of the Horizon service, including a replacement for the Horizon software. Fujitsu withdrew from this process and a replacement was to be built by IBM. Fujitsu cooperated fully with POL and IBM on the design of the replacement during this period, which ran into difficulty and was eventually cancelled. The Fujitsu contract for the provision of Horizon was therefore extended. I believe this replacement system was seen as part of the POL strategy to make the problem go away.
46. I never encountered any reluctance from within Fujitsu during this time in

relation to supplying information to POL.

PROJECT BRAMBLE

47. The Inquiry has asked me to summarise my understanding of the support and services provided by Fujitsu to POL, and the nature and extent of my own involvement in the provision of such support and services, in relation to the work undertaken by Deloitte in relation to Project Bramble.
48. My understanding of Project Bramble was that it was an investigation into Horizon to show whether any of the allegations raised by postmasters against the system were correct or not. From conversations at the time, I presumed that the Deloitte work was feeding into the work of WBD, but I was not officially told this and I never saw any terms of reference in relation to Project Bramble.
49. Once Fujitsu senior management had agreed to participate in this activity, I was asked to run a virtual team to respond to questions put to Fujitsu by Deloitte. This involved many different technical experts, as well as the POA Document Manager, Mr Lenton, attending workshops with Deloitte on particular aspects of the software and providing technical documentation or further answers to follow-up queries as appropriate. I also attended most of these workshops in order to coordinate any further work required.
50. With regards to Fujitsu's assistance in respect of Project Bramble, the Inquiry has asked me to consider a number of documents. These documents are addressed in turn below:
 - a. FUJ00186941, an internal Fujitsu email from me to a colleague on 21 July 2016 regarding super users. I was updating a colleague on a

conversation I had with POL in relation to the topic.

- b. FUJ00179032, an internal Fujitsu email chain dating between 19 and 23 August 2016, containing a draft response to Deloitte in relation to the potential expansion of the scope of Deloitte's work to cover Legacy Horizon as well as HNG-X. The email shows me seeking comments from technical expert, Mr Godeseth on the content of the response. I also asked how POL wanted to proceed. We were not instructed to proceed with this activity.
- c. FUJ00087243, an email chain between Fujitsu, Deloitte and POL dating between 5 and 14 June 2017 regarding privileged user reports. In the email chain, I am coordinating responses between POL and Mr Godeseth who was away. I seem to remember that the questions were later answered by Mr Godeseth after a face-to-face meeting with POL when he was visiting their office on other matters. I do not believe I attended this meeting.
- d. FUJ00219605, an internal Fujitsu email chain dating between 9 and 11 January 2018 regarding an "*extremely serious*" Peak that was not "*being given the attention it deserves*". This concern was forwarded to me in the context of Project Bramble, which I believe was done in order to raise the profile of the Peak internally. I was then involved in making phone calls to emphasise the importance of the issue. In my role, issues were often brought to my attention because my colleagues knew I would progress matters further. I do not recall any further involvement in this matter or the outcome of the investigation.

51. The only protracted new issue Deloitte uncovered is explained in an email exchange between Deloitte and Fujitsu dated 5 to 14 June 2017, and relates to a programme that Deloitte had written that enabled log off data to be deleted from the audit archive. Mr Godeseth explains in his emails of 9 June 2017 and 13 June 2017 (which I sent on his behalf) why he did not consider the programme to be problematic (FUJ00087243). My understanding at the time was that the actions suggested by Deloitte required substantial access to the system at multiple levels and required more knowledge than any one person within Fujitsu would have held and, accordingly, it was decided that nothing needed to be done operationally to address the finding.
52. In my role, I had no first-hand knowledge of the process involved regarding remote access, but I have seen documentation and discussed the issue with technically qualified colleagues. At the time, my understanding of remote access auditability and the Core Audit Process was formed by a document authored by Mr Jenkins on 7 April 2017 titled 'Database Security in Horizon Online' (FUJ00087235). This document was where my belief of the following matters was derived from:
- a. the Core Audit Process should have been a record of all auditable messages sent from the counters at the branch to the Horizon data centre, including all transactions;
 - b. any Horizon errors (either created by the system or by human error) should have appeared in the Core Audit Process and extracted ARQ Data;
 - c. any transaction inserted remotely which impacted postmaster accounts

should have been visible to the postmaster in the branch; and

- d. the transaction should also have been visible in the Core Audit Process and extracted ARQ Data.

53. To the extent any erroneous transactions were identified in the ARQ Data they could then be checked by a Fujitsu expert and a full investigation undertaken if requested by POL.

54. However, in preparing my statement I have been provided with copies of the following documents: (i) Fujitsu's Phase 3 Closing Submissions (SUBS0000025), (ii) Fujitsu's Phase 4 Closing Submissions (SUBS0000026), and (iii) Fujitsu's Third Corporate Statement (WITN06650300). In reviewing these documents, I now understand the following:

- a. Whilst processes and controls surrounding the use of remote access should have ensured that any activity undertaken remotely was visible as such in the Core Audit Process, there is no guarantee that those processes were followed; and

- b. There have been issues throughout the life of Horizon with the Core Audit Process and the ARQ Data extracted from it.

55. I was not aware of either of these matters until the preparation of this statement. My understanding is, however, that a problem in the Core Audit Process would not affect the balance in a postmaster's live accounts. Instead, problems in the Core Audit Process could have the potential to affect the ARQ Data used to conduct investigations into any deficit. My belief at the time was that any issues with transactions at a branch would appear in that ARQ Data.

56. In relation to the topic of remote access in particular, at no point during my time on the POA did I see evidence to suggest that remote access powers were used by Fujitsu support teams for nefarious purposes. Nor from my experience of working with people in the relevant support teams do I believe those who had the necessary powers would have used them for any reason other than to help.

THE GLO PROCEEDINGS

57. The Inquiry has asked me to summarise my understanding of the support and services provided by Fujitsu to POL, and the nature and extent of my own involvement in the provision of such support and services, in relation to POL's defence of the GLO Proceedings. In this regard, Fujitsu agreed to provide POL with, (i) information and answers to any questions, to the extent it had the knowledge and resources to do so, and (ii) access to subject matter experts. This included the provision of technical documentation as and when requested by POL as part of the disclosure process. I oversaw the process, but the POA Document Manager, Mr Lenton, completed the process. As detailed further below, I also attended many of the court hearings during the Horizon issues trial as a Fujitsu representative.
58. Notwithstanding the above, Fujitsu did not have any involvement in planning the legal strategy with POL or their legal advisors, WBD.
59. With regards to the nature and extent of my involvement in the GLO Proceedings, I was asked as part of my role as POA Account Manager to oversee Fujitsu's responses to any questions asked by POL or WBD. Only when preparation for the Horizon issues trial started and Fujitsu became more involved did I come to understand that these responses related to POL's

disclosure in the GLO Proceedings. The extent of disclosure only became clear as the POL and Claimants experts and legal advisors made Fujitsu and my team in particular aware. I do not recall any discussions taking place with POL or WBD in relation to POL's disclosure obligations in the GLO Proceedings or the expectations of Fujitsu in assisting POL in its disclosure. With the benefit of hindsight, I would have liked to have been briefed better on the GLO Proceedings, especially around disclosure and what it entailed. If I had received such a briefing, I would hopefully then have been able to secure more resources from Fujitsu to improve our capacity.

60. I was also involved as Fujitsu's representative in the process of selecting POL's expert witness in the GLO Proceedings. My main role was to check whether, (i) Fujitsu had any experience with the candidates, and (ii) there was a preference in respect of any of the candidates. The Fujitsu preferred candidate was not available due to other commitments. Dr Robert Worden was Fujitsu's second preference, but the decision was ultimately made by POL and WBD.

61. In general, I did not encounter any reluctance from within Fujitsu in relation to supplying information to POL either in the form of technical documents or in relation to the provision of records from support systems. In an early meeting with Fujitsu Legal, they mirrored my position that we had nothing to hide and should give truthful answers to all questions. There was nevertheless some nervousness within Fujitsu around the risks of disclosing technical and support documents. The reasons for this nervousness are generally as laid out in my email to WBD on 30 January 2013 (FUJ00219761). Namely:

a. The disclosure of certain technical information which could be used by

hackers to better understand the system and disrupt the service.

- b. A very minor concern on the content of support system databases was that these were internal systems for recording and investigating issues, with free text fields to be filled in by support staff. I remember one example of an inappropriate comment being made about the abilities of a postmaster in one of the KELs shown during a demonstration to the experts in the GLO Proceedings, which I discuss in more detail below. This would be embarrassing for the individual who made the comment and Fujitsu but would not affect the legitimacy or accuracy of the support process itself.
- c. There were also the commercial considerations, particularly around Fujitsu's competitors being able to see its service processes and system design principles, which could disadvantage Fujitsu in future procurements.
- d. The POA was staffed to deliver the service as contracted. In particular, the burden of the extra man hours required to produce documents whilst ensuring (i) the live system was running, or (ii) developing new components or required changes to strict deadlines. Fujitsu was paid for its work regarding Deloitte and Second Sight, but it was not paid for its work in the GLO Proceedings, and so it needed to rely on existing resources.

- 62. As part of my role, I also attended many of the court hearings, to be on hand either to answer questions that came up during cross examination that might require input from Fujitsu, or to contact relevant subject matter expert to seek

their input. Due to the timescales imposed and the need to consult relevant subject matter experts, this was often challenging, and timescales were not always met. I was also concerned that having no access to the generator of the question meant that it was not always possible to provide qualifying statements as to the accuracy of responses.

63. In relation to my attendance at court for the GLO Proceedings, the Inquiry has referred me to an email exchange between myself and Jonathan Gribben of WBD dating from 2 to 4 April 2019 (FUJ00164802). In the email exchange, at 8:50PM the evening before the 3 April 2019 hearing, Mr Gribben asks that I do not attend the hearing the following day as POL wanted “*to keep attendance to a minimum*”. I did in fact attend the hearing on 3 April 2019 and noted in my response to Mr Gribben on 4 April 2019 that I had done so. I then offered to “*discuss reasons later if desired*”. The Inquiry has asked me to provide those reasons. My recollection of this was that POL senior management would be in attendance on that day, and so I would not be able to use the POL breakout room like I normally did. I was already at the court building when I picked up the email, so I sat in the back of the hearing room for the day and did not use the breakout room.
64. The Inquiry has asked how Fujitsu searched for and provided information and/or documentation to POL in relation to BEDs or remote access for the purpose of the GLO Proceedings. Relevant technical documents were supplied to POL as part of the disclosure of all documents from the Fujitsu Dimensions database early on in preparation for the GLO Proceedings. Records from our operational support systems were then provided as described in the following section of this

statement.

65. Documentation relating to monthly service reporting was also provided. By way of background in this regard, every month the POA service delivery team reported to the POL service delivery team on the current state of the services provided by Fujitsu to POL. From memory, these reports would include (i) metrics on Fujitsu's performance against contractual service levels, (ii) updates on software maintenance releases (these would include updates to proprietary software, for example, Microsoft or Oracle), and (iii) any current issues with the software such as BEDs and any scheduled fixes. I recall that WBD (following a verbal conversation with me) contacted Mr Lenton to request the reports. I believe these were then supplied to WBD, some of which were on the POA intranet site. I cannot recall how many of the reports we were able to supply or the date we were able to supply the reports from.

Disclosure of KELs

66. Following questions from POL's expert, Jason Coyne around Peak and KELs, I became aware of the need for the parties to see operational support documents. I arranged for demonstrations to be provided to both expert witnesses, including with a POL representative, in relation to how to complete the daily cash balance. Each expert had their own demonstration, based on search parameters provided to us by each expert, and were offered further demonstrations. We also, (i) offered the experts access to the live operational support systems and for them to choose the records they wanted from there, and (ii) provided printouts of all the KELs the experts had chosen to see. Instead of direct access to the live support system, Mr Coyne asked that the whole KEL

database be disclosed, so that the experts could interrogate it in their own time.

67. In addition to the demonstrations, the expert witnesses and legal representatives in the GLO Proceedings were taken through a presentation by myself and Mr Godeseth entitled 'Horizon Core Audit Process'. The Inquiry has provided me with a copy of this presentation dating from 8 March 2018 (FUJ00087658). As this was a technical presentation, Mr Godeseth did most of the drafting, but my name was also on the presentation as I did some of the presenting. This is an iteration of a presentation I saw for the first time in 2012 which was often called the 'sheep dip'. It was given this name as it was used to induct any Fujitsu or POL members of staff who became involved work relating to the Core Audit Process. I separately recall that, in around 2013 – the period when POL was selecting a new expert, Mr Davidson gave this presentation to Jarnail Singh and Patrick Bourke of POL. I was in attendance at this meeting.
68. In relation to the disclosure of the KEL database, the Inquiry has referred me to an email from myself to my Fujitsu colleague, Steve Bansal, on 17 January 2018 in response to a request from WBD as to any technical limitations there might be in extracting all KELs from the database for onward disclosure to the experts (FUJ00219629). In my email, I note to Mr Bansal that "*I really don't want to supply all the KELs information and we need to build an argument as to why not.*" The Inquiry has asked me to explain why I made this comment.
69. As described above in relation to FUJ00219761, there was initially some nervousness within Fujitsu surrounding the disclosure of the KEL database. The reasons for this nervousness included, (i) the proprietary nature of the KEL database and its use by accounts outside of the POA domain, (ii) the cyber

security of the system and whether it would be compromised if all KELs were released, and (iii) the operational cost and availability of bandwidth of key support staff required to complete the extraction whilst also fulfilling their day-to-day support function. This was the reason for the email from Stephen Parker on 10 January 2018 listing the current workload of the support team as an indicator of the pressure on his team and how it would be difficult to take on more work in the short term and only in the medium term with an increase in resources (FUJ00219600). Mr Bansal, the recipient of my email on 17 January 2018, managed Mr Parker and the SSC support team and I wanted his advice before responding to WBD (FUJ00219629).

70. As was shown in the meetings with the expert witnesses and the offer of further meetings, neither I nor Fujitsu had any issue with revealing the contents of the KELs. Once Fujitsu's concerns were mitigated through non-disclosure agreements ("**NDAs**") and agreements that URLs would be redacted from technical and support documents if referred to in court, documents from the live KEL database were provided to both experts. Records from the Peak, OCP/OCR and MSC databases were provided to the experts at their request.
71. At a later date, Fujitsu received a request for a KEL from early in the lifetime of Horizon. Although no longer stored within the live KEL database, a member of the Fujitsu support team ran a standard query language search (SQL search) across the whole data store available to the support teams, to see if an archived copy of the KEL was available. It was as a result of this search that a previously undocumented archive containing some retired KELs was identified. Once discovered, these KELs were supplied to all relevant parties with an explanation

of why they did not form part of the original disclosure of KELs.

72. In this regard, the Inquiry has referred me to a letter from WBD to the claimants' legal representatives in the GLO Proceedings, Freeths, dated 25 October 2019, which relates to the disclosure of KELs (the **WBD KEL Letter**) (FUJ00167332). The WBD KEL Letter refers to a call between WBD and Fujitsu on 30 November 2017. The Fujitsu attendees on this call are recorded to be me, Mr Lenton and Chris Jay, a member of Fujitsu's in-house legal team. Neither me, Mr Lenton or Mr Jay have a technical background, neither did we have a technical understanding of the KEL database or how it has been archived over time. The WBD KEL Letter notes that, *"[w]e believe that one of the Fujitsu attendees stated that previous entries or versions of KELs were no longer available"* This statement likely came from me, as I had only remembered about the live versions of the KELs. I did not recall that the previous versions of KELs were retired. Instead, I had assumed that this meant no longer available at all, not just no longer available to the live users of the KEL database. This error is regrettable as, on 3 November 2017, I had set out the correct position in respect of retired KELs in an email to WBD (FUJ00170670).
73. The WBD KEL Letter then notes that *"[o]n 6 December 2017, a draft of the Fujitsu section of the EDQ still containing the relevant statement was sent to the three Fujitsu employees who had attended the conference call of 30 November 2017, and they were asked to confirm its accuracy. In response, Matthew Lenton of Fujitsu made a number of comments on the draft later that day, but he did not comment on or query the relevant statement"* It is again regrettable that the error was not picked up at this point. With the benefit of hindsight, a subject matter

expert should have been in attendance on the 30 November 2017 call and, similarly, I should have checked the contents of the electronic disclosure questionnaire (“EDQ”) with a subject matter expert before comments were provided to WBD. As soon as the error was discovered, the relevant KELs were supplied to WBD.

74. Other than the call on 30 November 2017 and Mr Lenton’s review of the EDQ, I do not recall Fujitsu having any further involvement in the preparation of POL’s EDQ. The Inquiry has also asked me to explain the nature and extent of Fujitsu’s involvement in assisting POL with information relevant to completing its disclosure list. This is not a term that I recognise.

Fujitsu Witness Statements

75. The choice of witnesses for the Horizon element GLO Proceedings was decided by POL/WBD. Fujitsu suggested that Mr Jenkins should be a witness, but Andrew Parsons from WBD informed me they did not want to use Mr Jenkins. A reason was not given at the time, but I later discovered from Anthony de Garr Robinson KC in the breakout room of the court during the GLO Proceedings that Mr Jenkins was not called to give evidence as POL wanted to avoid questions about his involvement in historic prosecutions. I recall verbally raising this with Mr Jay. Mr Parker was not originally included as a witness, but WBD informed Fujitsu that they wanted a member of the support team to be involved. In phone calls with me, Mr Parker expressed his reluctance to be a witness, as he had seen the process before, including (i) the production of other Fujitsu witness statements in the GLO Proceedings, and (ii) the pressure that Fujitsu witnesses felt under. Mr Parsons from WBD informed me they would subpoena

Mr Parker if he did not agree to take part voluntarily. At this point, I took advice from Mr Jay from Fujitsu Legal, who informed me that POL did have the right to do this. On that basis, I reluctantly persuaded Mr Parker to agree to be a witness.

76. In relation to the preparation of the Fujitsu witness statements in the GLO Proceedings, the Inquiry has referred me to an email exchange between myself, David Barker of Pinsent Masons and Mr Jay dating from 26 March 2019 to 2 April 2019 (FUJ00203794). In the email chain, I set out my concerns in relation to how Fujitsu's witness statements in the GLO Proceedings had been prepared, noting in particular that "*[t]he main problem was with witness statements they were written by the lawyers and the witnesses had to be very strong to get them changed*". The Inquiry has asked me to explain what I meant by this.
77. Having not been involved in the production of witness statements before, I did not know that the normal process was for witnesses to produce statements in their own words, normally in response to questions. My memory is that the Fujitsu witness statements in the GLO Proceedings were prepared for the witnesses by WBD as part of their legal strategy, with the content based on documents or answers that had been given previously. This was particularly problematic in Mr Godeseth's witness statement, which included passages based on Mr Jenkins' Legacy Horizon background and not Mr Godeseth's own knowledge. Mr Godeseth did not know that area of the system as well or in as much detail as Mr Jenkins.
78. I reviewed the witness statements from a business and context perspective and

ensured that Fujitsu Legal also signed-off on the witness statements unless, (i) changes to a previously approved draft were minor, or (ii) no Legal representative was available in the time necessary to hit the deadline from WBD.

79. The Inquiry has asked me to set out my understanding as to why it was necessary to make corrections to the Fujitsu witness statements in the GLO Proceedings, and in particular to the witness statements of Mr Parker. As described above, the Fujitsu witness statements were drafted and provided to witnesses by WBD often within tight time constraints. WBD then applied pressure to those witnesses to meet those tight deadlines. In certain cases, the witness statements covered areas that were not part of the witness' core knowledge. In light of this approach, mistakes came to light after certain witness statements were submitted which then had to be rectified.
80. Whilst I have not examined all the corrections made to Fujitsu witness statements in the GLO Proceedings, as they were not provided to me by the Inquiry as part of the Request, I have been provided with the corrections to Mr Parker's witness statements by Morrison Foerster at my request. My memory on corrections to witness statements is that most were due to minor errors in either references or descriptions which were not succinct enough, (see, for example, the correction to paragraph 29 of Mr Parker's second witness statement (FUJ00083837)). The Inquiry has, however, asked me to explain my understanding as to why the position described in Mr Parker's second and third witness statements had not been set out by Fujitsu at an earlier stage. I believe this was likely to be due to, (i) the length of time that had passed since the

support teams at Fujitsu had supported Legacy Horizon, (ii) the benefit of additional discussions with Fujitsu colleagues as the GLO Proceedings progressed, and (iii) the benefit of additional research and KEL searches as the GLO Proceedings progressed.

Fujitsu's Approach to the GLO Proceedings

81. In each case, the team at Fujitsu sought to provide all documents relevant to the questions and requests received in the time available. Fujitsu offered access to subject matter experts to explain the contents of responses and documents when required. Fujitsu also assisted in applying appropriate redactions to any URLs or other sensitive information if documents that might pose cyber security risks to Horizon were being used in court. We also had NDAs in place with all expert witnesses and legal teams so that matters relating to Horizon could be discussed fully and so that those involved in the GLO Proceedings could access documentation in its native and unredacted form. Most of our issues were around the provision of live information from systems that remained in live use by Fujitsu. These issues are discussed in the context of the KEL database above.

82. From a senior management perspective in Fujitsu, I never had any reluctance to engage in the process except around managing the commercial cost of either the GLO Proceedings or Project Bramble. By way of background in this regard, from 2012 the relationship between Fujitsu and POL had up and down periods. This was mainly around Fujitsu's contract coming towards its end and a competitive bidding process for each component being let under a towers model overseen by a Service Integrator. For part of the period after Fujitsu pulled out

of the software tower bidding process, Fujitsu was an exiting supplier. This put particular focus on all non-contractual obligations to be funded by POL. When the IBM replacement for Horizon failed, and Fujitsu's contract with POL was extended, members of the POA sometimes found it difficult to adjust. I think this was the sentiment behind the "first 30 days" presentation dated 8 May 2016, which the Inquiry has referred me to (FUJ00175310). I vaguely remember this presentation, but I had no part in the preparation of the presentation and can only infer from the content what the purpose was. I seem to recall that the presentation was given by Pete Thompson, POA Operations Director, at a management meeting.

83. In my experience, subject matter experts are generally cautious in sharing information and answering questions in the context of legal proceedings, partly due to (i) the fear of providing an incorrect answer to a question, (ii) this type of activity is generally outside of their comfort zone, and (iii) they are quite often very technically orientated. Later in the process, the experiences of witnesses from Fujitsu in the GLO Proceedings made people very wary of getting involved.
84. The Inquiry has referred me to an email chain between WBD and Fujitsu (including me) and later WBD and POL dating between 29 August 2018 and 13 September 2018. The email summarises and discusses the "*current status of our various work streams*" and sets out "*some requested additional actions*" (POL00111126). The Inquiry has asked for my views in relation to the issues being discussed. Whilst I do not think I am qualified to answer questions on the technical detail of the user logs information provided, I am able to comment on the history of Horizon changes in relation to which I participate in the email

chain. In this regard, WBD had requested “a written narrative of how Horizon has evolved. What are the key milestones and events in that evolution? When were major changes made and why? Ideally, this will be cross referenced to the key releases. The experts need this background contextual information to set the foundation for their reports. What I have in mind is a 10-20 page written document setting out, as best as someone can remember, the story of Horizon”.

85. Whilst Fujitsu had available some high-level milestone diagrams, these were deemed not to be detailed enough. I then found it difficult to identify a resource who could put together document with the type of detail required, as the individual would, (i) need to know what business changes each release covered, and (ii) either have been involved from the start of Horizon or have completed a detailed review of all the change documents to understand the major changes to the system. It was my view that there were POL staff members who were in a far better position to complete the document in the delivery timescale. It appears from the email chain provided by the Inquiry that POL did in fact produce the document requested within a number of days.
86. The Inquiry has also referred me to an email from Mr Jay of Fujitsu Legal to me and a number of my Fujitsu technical colleagues who were involved in Fujitsu’s assistance in the GLO Proceedings dated 8 February 2018 (FUJ00219881). In his email, Mr Jay asks the recipients to use the “*Legally Privileged and Confidential Communication*” wording in the subject line of their emails on the GLO Proceedings and Project Bramble. The Inquiry has asked me in particular about the line in Mr Jay’s email that reads “[a]s a reminder, any area of self-criticism is best not put into written form (as it constitutes a legal “shooting

ourselves in the foot") should this go to litigation and be discovered by the Plaintiffs lawyers in the course of the litigation process".

87. I seem to remember that this email was sent after a meeting with the Support Team in this context. As is required for their role, the support team were lively and inquisitive and kept up with developments in Computer Weekly and other publications on the allegations surrounding Horizon. I recall that a number of questions were raised in the meeting and a debate of the issue took place with people's opinions being expressed. Based on my memory of my conversation with Mr Jay at the time, the reason for the statement was so that, when the team were producing emails to answer the questions put to them by POL, Mr Jay asked that the team did not to speculate as to why they were being asked or record their opinion as to the implications of the questions and answers for Fujitsu. During my time at Fujitsu, communications between colleagues were generally candid and at times reflected the teams' frustrations. During the GLO Proceedings, there was a sense that certain documents and information were being misinterpreted or misreported. Mr Jay's email was to warn colleagues about the risks of committing these frustrations to writing.
88. On the whole, my opinion is that the documentation and information supplied to POL during both the 2012 – 2016 period and the GLO Proceedings was adequate. The exception being the specific remote access available to Fujitsu in the Legacy Horizon system. I think my error in this case was not asking members of the support teams to provide their interpretation of the extent of remote access, as they had most of the staff who remembered how the support service was in operation at that time, but instead sticking to the available

documentation and the architects involved in the system. It may have been that I did not ask the correct questions allied with not understanding the high-level Legacy Horizon architecture as well as I understood the HNG-X version.

CCRC REFERRAL

89. The Inquiry has asked me to set out my understanding of POL's role in prosecuting postmasters for theft and false accounting and to describe my role in relation to, (i) the nature and extent of my involvement in criminal investigations and prosecutions conducted by POL, and (ii) liaising with the CCRC.
90. In relation to POL's role in the prosecution of postmasters, I understand the franchise model employed by POL to be unusual in that POL supplies all UK and foreign cash and value stock required to operate a post office. In order to show proper control of these government funds, I understand that POL would identify branches that appeared to have unusual behaviour, such as an increase in orders of cash without a change in turnover, to identify branches that may have a discrepancy between their physical cash or stock holdings in branch as compared to those stated in Horizon.
91. My understanding now is that POL had the ability to bring criminal prosecutions without reference to the Police or CPS on the basis of information from their own Audit and Fraud teams. I became aware of POL's ability to bring criminal prosecutions in its own name around the time of the Mediation Scheme. It was not something I was aware of whilst I was on secondment at POL; I had heard about prosecutions whilst I was there, but I did not know they were not using the police or CPS.

92. I was not involved in either the decisions to prosecute postmasters or in the prosecution process itself. My understanding of Fujitsu's involvement in the prosecution process, both before and during my time on the POA, was that Fujitsu provided ARQ Data and any support call logs during the period being investigated, with a witness statement to state that the data had been returned as per the agreed specification. In some cases, POL would ask for support interpreting this data, which sometimes resulted in a technical expert offering expert witness support on the data extract for the specific branch with reference to the wider Horizon software. I cannot recall whether this service ended during my time on the POA, but I was aware that the intention was for Imperial College London to replace that service.
93. In relation to the CCRC, Mark Wright of Fujitsu and I met with representatives from the CCRC and POL at Fujitsu's offices in Bracknell on 14 March 2018. This meeting is summarised in an email from Mr Underwood of POL to Mr Williams and Jane MacLeod of POL the same day (POL00110889) and involved a demonstration of Horizon, similar to the one we gave to the experts in the GLO Proceedings. This was the only meeting I had with the CCRC, and I do not recall having any further direct contact with them. That being said, I was also involved in coordinating answers from subject matter experts in relation to questions from the CCRC, which were provided to us via POL (generally Mr Underwood).

GENERAL

94. After listening and reading some of the stories of the hardship suffered by postmasters, I would like to say that I am sorry for the hardship caused by the

prosecutions. Operating a post office branch is complex, the operating manual alone is several inches thick, so I would have hoped that any issues in a branch would have been treated sympathetically when trying to establish the reason for any discrepancy. It seems from the testimony of then postmasters that this was all too often not the case.

95. In my opinion, Fujitsu could have been more help in directing POL in their public statements on Horizon, particularly on remote access. This is a confusing subject, as the answer is different for the two main iterations of Horizon. Fujitsu should have been clearer in its communications with POL on remote access as to which iteration of Horizon the information related to. The position surrounding remote access is complex, and an explanation regarding the process for inserting transactions from outside a branch by POL would have been much better and more accurate than a simple statement on remote access not being possible.
96. At the beginning, Fujitsu thought the postmaster complaints could be solved by supporting POL from a technical perspective. A joint virtual team of POL and Fujitsu technical experts should have been engaged to ensure that any materials or information used for any external communications to postmasters, MPs and journalists were not provided without the right context. To support this, it would have been useful if senior individuals from POL and Fujitsu were given responsibility to oversee the developing issue. I am sure this was difficult for most of the period concerned due to the commercial imperatives on both sides, particularly when tendering and responding to the POL Towers procurement.
97. To my knowledge, Fujitsu never claimed the system was infallible, but did assert

it was robust. Until the preparation of this statement, my opinion had always been that the Core Audit Process had been shown through numerous system audits and reviews by both appointed experts in the GLO Proceedings to be robust. The Core Audit Process was intended to be key in supporting POL's investigations into branch discrepancies and any court process, due to the nature of its collection and security of storage. On a day-to-day basis all of this Core Audit Process data and further contextual information was available to the support teams to assist them in investigating issues. In the process of preparing this statement, I have been shown documents that indicate some errors in the Core Audit Process but, in my opinion, they do not invalidate the usefulness of the data it stores.

98. My main thought now is how an issue like this can be avoided in the future, not just with Horizon but with any subsequent replacement solution. Unless the POL franchise model changes to one where postmasters provide the cash in branch, the need to ensure that money is used for the purpose it was intended still lies with POL.
99. I still think what actually caused the losses in individual branches needs more scrutiny as, from my experience, it seems unlikely that Horizon was the sole cause. My strong belief is that the Horizon software was only one of the possible reasons for the losses experienced by postmasters. In addition to BEDs in Horizon, losses could also have been generated from manual processes, issues in other POL systems and cash centre processes. These processes include, by way of example based on my own knowledge and experience, (i) cheques reconciliation process, (ii) cash transfers in and out of branch and the

associated equipment, (iii) the cash machines and ATM processes, (iv) foreign currency transfers, (v) Camelot and the National Lottery, (vi) POLSAP and (vii) the operation of the suspense account before the Impact Programme. I am sure there are others. Of particular note:

- a. The possibility of discrepancies arising out of the cheques reconciliation process was discussed between employees in the POL P&BA team whilst I was on secondment to POL's Chesterfield office.
- b. I was involved in upgrades to the SAP/POLSAP system, which generated the transaction corrections sent across to Horizon. These upgrades were aimed at reducing the number of discrepancies in branch accounts. This system in and of itself was another potential cause of discrepancies.

100. I believe that the topic of other potential causes of losses was discussed during the meeting described above between Mr Davidson, Mr Singh, Mr Bourke and me in around 2013. Other than in this meeting, I do not recall having any further discussions about this issue with my colleagues at Fujitsu, and I do not recall the matter being discussed during the GLO Proceedings. Knowing what we know now, I would have escalated this matter further.

101. The reported mode of action in the POL Investigation Team would lead me to suggest that there should have been more due diligence conducted by POL when investigating discrepancies. This should have included looking at all the in-branch electronic and manual processes to see if they could have contributed to the losses. In my view, only once all potential causes of losses have been investigated, can the full picture be understood.

102. My suspicion during the GLO Proceedings was that the reason POL were not focusing on the Core Audit Process was because they had historically not been using it properly, something I raised with POL's barristers in the GLO Proceedings. It appears that this suspicion has now proven to be true.

Statement of Truth

I believe the content of this statement to be true.

Signed:

GRO

Dated:

12th November 2024

**INDEX TO THE FIRST WITNESS STATEMENT OF
MR PETER NEWSOME**

Exhibit No.	URN	Document Description	Control No.
1.	POL00091411	Document titled 'Chronology of statements made by Post Office, in respect of "Remote Access" allegation'	POL-0090433
2.	FUJ00085967	Email chain dated 11 July 2016 with subject 'The Dalmellington Error in Horizon – Problemswithpol'	POINQ0092138F
3.	FUJ00085958	Presentation titled 'Branch Outreach Issue (Initial Findings)' dated 10 December 2015	POINQ0092129F
4.	FUJ00237385	Email chain dated 11 June 2015 with subject 'BBC Panorama – Notes from POL meeting'	POINQ0243490F
5.	FUJ00237455	Email chain last dated 18 June 2015 with subject 'BBC Panorama interview'	POINQ0243560F
6.	POL00316805	Email chain dated 8 June 2015 with subject 'Panorama'	POL-BSFF-0154855
7.	POL00316829	Email chain dated 8 June 2015 with subject 'Panorama'	POL-BSFF-0154879
8.	FUJ00087094	Email dated 5 July 2013 with subject 'Draft report'	POINQ0093265F
9.	FUJ00087093	Document titled 'V24 – Interim Report into alleged problems with the Horizon system'	POINQ0093264F
10.	POL00186387	Email chain dated 19 April 2013 with subject 'In Confidence – Second Sight Update – Bracknell'	POL-BSFF-0024450
11.	FUJ00235322	Email chain dated 30 May 2013 with subject 'Audit trail – Branch database'	POINQ0241427F
12.	FUJ00087014	Email chain dated 6 April 2013 with subject 'Urgent & In Confidence: Bracknell Enquiry Clarity From Second Sight'	POINQ0093185F
13.	POL00029603	Document titled 'Notes from Second Sight / Post Office meeting 12 June 2013 regarding SR005'	POL-0026085
14.	FUJ00235390	Email chain dated 13 June 2013 with subject 'In Confidence – Spot Review 5 Discussion'	POINQ0241495F
15.	FUJ00087065	Email chain dated 19 June 2013 with subject 'Re SR005'	POINQ0093236F
16.	FUJ00236264	Email chain dated 15 April 2014 with subject 'Docs related to SR005'	POINQ0242369F
17.	FUJ00087174	Document titled 'Fujitsu's comments on	POINQ0093345F

Exhibit No.	URN	Document Description	Control No.
		Second Sight Briefing Report – Part Two', dated 15 September 2014.	
18.	FUJ00087175	Email from dated 21 December 2015 with subject 'presentation – Strictly Private & Confidential – Subject to Legal Privilege'	POINQ0093346F
19.	FUJ00238269	Email chain dated 4 January 2016 with subject 'Strictly private & confidential – subject to legal privilege'	POINQ0244374F
20.	FUJ00087142	Email chain dated 30 January 2015 with subject 'URGENT ACTION: Accessing Horizon'	POINQ0093313F
21.	POL00139589	Document titled '27.04.2016 – Wednesday Call IT related issues'	POL-0136020
22.	POL00148311	Email chain dated 13 May 2014 with subject 'progress update'	POL-BSFF-0007434
23.	POL00028062	Deloitte report titled 'Horizon: Desktop Review of Assurance Sources and Key Control Features' dated 23 May 2014	POL-0023065
24.	POL00127278	Deloitte report titled 'Board Briefing – Document, further to our report "Horizon: Desktop review of assurance sources and key control features" dated 23/5/14, responding to five specific matters identified by POL as critical to POL's legal position', dated 4 June 2014	POL-0132417
25.	POL00103010	Document titled 'Jonathan Swift QC and Christopher Knight: Meetings on 14/12/2015 at Finsbury Dials'	POL-0102593
26.	POL00237754	Email chain dated 22 December 2015 with subject 'Presentation – strictly private & confidential – subject to legal privilege'	POL-BSFF-0075817
27.	FUJ00186941	Email dated 21 July 2016 with subject 'Super users'	POINQ0192658F
28.	FUJ00179032	Email dated 23 August 2016 with subject 'Words on Old Horizon'	POINQ0184743F
29.	FUJ00087243	Email chain dated 14 June 2017 with subject 'Privileged users report'	POINQ0093414F
30.	FUJ00219605	Email chain dated 11 January 2018 with subject 'BRAMBLE: LIVE PC0265947 Incorrect Balance B/Fwd in Balance Report'	POINQ0225328F
31.	FUJ00087235	Document titled 'Database Security in Horizon Online' dated 7 April 2017	POINQ0093406F

Exhibit No.	URN	Document Description	Control No.
32.	SUBS0000025	Phase 3 Closing Submissions on behalf of Fujitsu Services Limited dated 26 May 2023	SUBS0000025
33.	SUBS0000026	Phase 4 Written Closing Submissions on behalf of Fujitsu Services Limited dated 16 February 2024	SUBS0000026
34.	WITN06650300	Third Corporate Statement on behalf of Fujitsu Services Limited dated 14 September 2023	WITN06650300
35.	FUJ00219761	Email chain dated 31 January 2018 with subject 'legally privileged: Known error log'	POINQ0225486F
36.	FUJ00164802	Email chain dated 4 April 2019 with subject 'court tomorrow'	POINQ0170980F
37.	FUJ00087658	Presentation titled 'Horizon Core Audit Process' dated 8 March 2018	POINQ0093829F
38.	FUJ00219629	Email chain dated 17 January 2018 with subject 'Legally privileged: known error log'	POINQ0225354F
39.	FUJ00219600	Email dated 10 January 2018 with subject 'SSC Monthly POA Snapshot – Dec 2017'	POINQ0225323F
40.	FUJ00167332	Letter dated 25 October 2019 from Womble Bond Dickinson to Freeths regarding the disclosure of KELs	POINQ0173510F
41.	FUJ00170670	Email chain last dated 3 November 2017 with subject 'Questions on the KEL'	POINQ0176851F
42.	FUJ00203794	Email chain dated 2 April 2019 with subject 'thoughts on the trial so far'	POINQ0209514F
43.	FUJ00083837	Corrections to the Second Witness Statement of Stephen Paul Parker <i>in Alan Bates & Others -v- Post Office Limited</i>	POINQ0090008F
44.	FUJ00175310	Presentation titled 'Post Office Account: The first 30 days' dated 8 May 2016	POINQ0181491F
45.	POL00111126	Email chain dated 13 September 2018 with subject 'PO Group Litigation'	POL-0108732
46.	FUJ00219881	Email chain dated 8 February 2018 with subject 'Project Bramble: Bit corruption wrong format tag – Legally privileged and confidential communication'	POINQ0225606F
47.	POL00110889	Email chain dated 12 April 2018 with subject 'Note of Today's Meeting with the CCRC'	POL-0108516