



**POSTMASTER LITIGATION SUBCOMMITTEE
BOARD**

Minutes of a meeting of the Postmaster Litigation Subcommittee held on 12 June 2019

Present:

Tim Parker (Chairman) (by telephone)
Ken McCall (by telephone)
Tom Cooper
Alisdair Cameron

In attendance:

[REDACTED] (Herbert Smith Freehills)
Ben Foat (General Counsel)
[REDACTED]
[REDACTED] (Deloitte) (Item 5.)
[REDACTED] (Deloitte) (Item 5.)

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Previous discussions at ARC around disclosure of figures in the Annual Report and Accounts (ARA) for 2017/18 and in prior years were raised and it was **AGREED** that WBD should be asked to explain the position to the Subcommittee.

The disclosures on the litigation and inclusion of a provision in the ARA for 2018/19 were discussed, including whether we should include a provision figure if we were planning to go into settlement negotiations.

It was noted that the ARA was likely to be signed towards the end of July 2019.

4. Operational Work stream Update

Ben Foat reported that in parallel with the litigation work operational transformation work was taking place. We were reviewing whether all of our processes were fair and reasonable, including those for losses and suspension. Processes were being mapped end to end and policies were being reviewed.

A table was being produced for the July Board meeting which set out the processes that had been in place, the processes that would be implemented (where changed), how changes had addressed the trial points and the communications surrounding this. Changes proposed may not have been implemented by July 2018 as a programme of training, implementation and monitoring would be required.

A number of points were raised, including:

- whether the table would include a commentary on losses, processes for dealing with losses and which elements Postmasters were responsible for and which elements PO Limited? It was reported that this information would be included
- a quarterly update for ARC and/ or Board was requested on how the transformation work was being implemented and how it was working in practice.

Executive

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5. Horizon Contingency Update & Plan

AC described the context for the Horizon Contingency planning work and the focus on providing reassurance to Postmasters. From late July 2019, a two to three month programme of work would be taking place to address the chief concerns of Postmasters, including remuneration. We would be reversing reductions in remuneration that were associated with the simplification programme and would be implementing improvements to Horizon, including enabling the same till to be used for Horizon transactions and retail transactions, and rolling out Branch Hub.

Committee Members raised the importance of real connections and conversations with people. It was agreed that this was vital and would be supported by the new field network and the Communications Team would be making sure that everyone had the 10 or so central messages we wished to communicate to assist those one-to-one conversations.

[REDACTED] and [REDACTED] from Deloitte joined the meeting and provided an update on the Horizon contingency planning work. The Deloitte team was supporting POL's operational readiness to respond to the impact of an adverse Horizon trial. This included looking at what our response needed to be in the coming weeks; the impact of the worst case scenario and the strategic response to this; the "new normal" position and the day one readiness response. Potential business impacts and what could be done to mitigate these ahead of time was a particular focus. The range of impacts from a reputational, political, regulatory and business perspective were all being considered.

It was noted that how we handled complaints and the processes we had in place was critical.

6. **Date of next meeting**

A date would be sought for the next Subcommittee meeting.

Chairman..... Date.....