

The Rt Hon Liam Byrne MP
Chair, Business and Trade Committee
House of Commons
London
SW1A 0AA

T: +44 (0) 020 4551 0011

E: Thomas.Correspondence@businessandtrade.gov.uk

W: www.gov.uk/dbt

30 September 2024

Dear Liam,

Report of the independent investigation into Capture accounting software

I am writing to update you on the publication of a report on the investigation into Post Office's Capture accounting software.

I have listened to the concerns raised by Parliamentarians and postmasters about the Post Office's Capture software, which was rolled out by the Post Office to some branches in the 1990s, and pre-dated Horizon. The concerns were that Capture software had bugs which may have caused shortfalls, leaving postmasters to pay the Post Office back, with some postmasters said to have been prosecuted as a consequence.

I am grateful for this insight and the experience of postmasters, and I am acting to address these concerns. I would also like to put on record my thanks to Lord Beamish, who has been an active champion of this group of postmasters as part of his work on the Advisory Board. Over the past few months, Kroll Associates have gathered and forensically examined and investigated the available evidence from former postmasters, postmaster's investigators and Post Office Limited relating to the operation of Capture. They have examined copies of the Capture software and its data, where available, to establish whether, and if so how, the software identified shortfalls, which resulted in financial losses. Investigative work conducted by Post Office Limited was also made available to Kroll.

They have now produced a review of findings on Capture, which is now published at <https://www.gov.uk/government/publications/report-of-the-independent-investigation-into-capture-accounting-software>. Kroll concluded there was a reasonable likelihood that Capture could have created shortfalls for sub-postmasters. Kroll has not identified any available evidence that Post Office Limited's audit, investigations or legal teams took into account known issues with Capture arising from bugs identified in various versions of the software. This was an independent investigation conducted by Kroll and the findings in the report are Kroll's. We have extended Kroll's contract to enable them to do supplementary work to assess further data that should help with next steps. We expect to publish these findings as soon as possible. The supplementary work will not change the conclusions in this report.

The Government did not share any detailed information on the substance of the investigation before the final report was published, to avoid undermining the independence of the investigation or prejudicing the findings. Neither Post Office nor Postmasters received a copy of the report before it was published today.

We wanted to get this report out as soon as possible. We recognise that this report will be of significant interest to postmasters and their families across the country. The conclusion of this investigation is supporting the Government in determining whether postmasters have faced detriment due to the Capture system, and what steps should be taken based on the conclusions of the investigation. My department will thoroughly examine Kroll's report into the Capture system and its impact on postmasters. We will work quickly and plan to set out next steps in December. I have also met today with postmasters impacted by the Capture system so that I can carefully consider the conclusions, and to ensure any subsequent actions reflect the evidence identified within the report and any other salient representations from postmasters.

While some branches used Capture, there is evidence to suggest that most branches were still using manual ledgers during the 1990s. Post Office do not hold a definitive list of the number of relevant users, or their identity. Kroll Associates were unable to provide firm conclusions on the number of relevant users or their identity, and as a result have been unable to reach out to all individuals known to have used Capture. Capture cases identified by Kroll Associates cover England, Scotland, and Wales. It is possible that Capture was used in Northern Ireland too.

Kroll make reference to several parties involved during the period of Capture's rollout and implementation. It did not identify any evidence to suggest that these suppliers were involved in developing the software. The suppliers, focused on the provision and maintenance of hardware or other software in use at the time, were Systemhouse International (Europe) Limited and Unisys.

The report does not make any conclusions on criminal convictions and Kroll cannot comment on this point. We will conduct a legal review of the findings in the report. It is important that we consider carefully what next steps should be and in doing so take on board the views of postmasters, of independent bodies such as the Criminal Cases Review Commission, and of the Devolved Administrations. However, the usual routes of appeal remain - through the Criminal Cases Review Commission and Court of Appeal, to overturn criminal convictions. I would therefore encourage anyone who does think that they, or someone they know of, was wrongly convicted on the basis of Capture evidence, to make themselves known to the Criminal Cases Review Commission, or the Scottish Criminal Cases Review Commission in Scotland, so they can consider their case. Currently we are only aware of a small number of postmasters that may have been convicted utilising Capture evidence. The CCRC is already looking into the Capture cases referred onto them and will continue to progress them as quickly as possible. If it is considered that convictions could be unsafe, the CCRC will refer them onto the Court of Appeal for full consideration of whether they should be overturned. I am not aware of any cases with the SCCRC, but we are working with the Scottish Government to look into this further.

The Horizon scandal had a devastating impact on the lives of many postmasters across the country. This Government is determined to investigate concerns relating to Post Office and right any wrongs. I assure you that we will work as quickly as possible to provide a further update and will set out next steps by the start of December.

I want to bring closure to postmasters as soon as I can. I will continue to prioritise this work and thank you for your support on this objective.

Yours sincerely,

A handwritten signature in black ink, reading "Gareth Thomas". The signature is written in a cursive style, with the first name "Gareth" and the surname "Thomas" clearly legible.

GARETH THOMAS MP

Minister for Services, Small Business and Exports
Department for Business and Trade