

When system-generated shortfalls were treated as evidence, who tested the system?

Post Office Limited - Horizon | United Kingdom | Court of Appeal 2021 | Legislation 2024

APPEALS CONSIDERED 42 S01	CONVICTIONS QUASHED 39 appellants S01	LEGISLATIVE RESPONSE UK and Scottish Acts S02 S03	FIXED REDRESS OPTION £600,000 S04
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DOCUMENTED EVENT

On 23 April 2021, the Court of Appeal considered 42 cases referred by the Criminal Cases Review Commission. It accepted that, throughout the relevant period, significant problems with Horizon created a material risk that an apparent branch shortfall did not represent missing cash or stock but was caused by bugs, errors or defects. The court found that Post Office Limited knew there were serious reliability issues, yet did not adequately investigate reported problems or make relevant disclosure in the cases. The court allowed 39 appeals and quashed the appellants' convictions; three appeals were dismissed because Horizon reliability was not essential to those prosecution cases. The Post Office (Horizon System) Offences Act 2024 subsequently quashed qualifying convictions in England, Wales and Northern Ireland. Separate Scottish legislation received Royal Assent on 13 June 2024. The Horizon Convictions Redress Scheme offers eligible applicants a £600,000 optional fixed settlement or a detailed assessment. [S01 | S02 | S03]

CONNECTED RISK

Data & Control Integrity (primary)
Conduct & Governance Risk (consequence)

FRAMEWORK RELEVANCE

COSO ERM lens: Review & Revision
NFRisk maps the Court of Appeal's findings that reported system problems were not adequately investigated or disclosed to COSO's Review & Revision component. This is a retrospective analytical mapping, not a finding made by the court or COSO. [S05]

NFRISK SCENARIO ADAPTATION - NOT AN EXTERNAL FINDING

A system reports a shortfall against a local operator. The organisation treats the system output as the starting truth and asks the operator to explain the difference. Similar challenges have been raised elsewhere, but complaints are handled individually and do not trigger independent technical review. Disciplinary or legal action proceeds without corroborating evidence of an actual loss.

NFRISK PRACTITIONER INTERPRETATION

Where system output can trigger financial, disciplinary or legal consequences for a person, reliability must be tested before action is taken. Required evidence includes the relevant error paths, audit trail, independent corroboration, disclosure of known defects and a route for affected users to trigger technical review. Repeated challenges to system output are potential control signals, not merely complaints to be closed.

STRESS-TEST QUESTIONS

- 01When a system flags a discrepancy, what evidence tests the integrity of the system output before the organisation investigates the individual?
- 02Can an affected user trigger an independent technical review, and are similar challenges aggregated to identify a recurring defect?
- 03What corroboration is required before disciplinary, financial or legal action can rely on system-generated data?
- 04If a material defect were discovered, could the organisation identify every consequential decision that relied on the affected system output?

PRIMARY-SOURCE REGISTER

S01 Court of Appeal (Criminal Division), Judiciary of England and Wales (2021)
Hamilton and Others v Post Office Limited [2021] EWCA Cri...
S02 UK Parliament / legislation.gov.uk (2024)
Post Office (Horizon System) Offences Act 2024 and Explan...
S03 Scottish Parliament / legislation.gov.uk (2024)
Post Office (Horizon System) Offences (Scotland) Act 2024
S04 UK Department for Business and Trade (2024)
Horizon Convictions Redress Scheme: applying for financia...
S05 COSO (2017)
Enterprise Risk Management - Integrating with Strategy an...

EVIDENCE BOUNDARY Official findings are separated from the institutional scenario, framework interpretation and NFRisk practitioner view.