

**Witness Name: Mr Alistair Murray**  
**Statement No.: WITN0197\_01**  
**Exhibits: None**  
**Dated: 7 January 2022**

**IN THE POST OFFICE HORIZON IT INQUIRY**

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**FIRST WITNESS STATEMENT OF MR ALISTAIR MURRAY**

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I, MR ALISTAIR Murray will say as follows:

**INTRODUCTION**

1. I am grateful to the Chair to be invited to provide a “human impact” statement, concerning the consequences to me and my family as a result of the Horizon IT system and Post Office Limited’s actions toward me and my family. The introductory paragraphs below provide a brief summary of my background, and to provide context to the detail of the human impact of the scandal on me and my family.

**BACKGROUND**

2. I was born in Scotland but my father was in the Colonial Service in Ghana, so I spent my first 7 years in Ghana in West African. We returned to London and the South East where I grew up.
3. After university I became a management trainee with Woolworths. I spent my whole life in retail and distribution. I also met my wife at university, and we had four daughters. My wife was a teacher and later a head teacher.
4. After a long career in retail and distribution, at the age of 45 I decided to set up on business for myself. I wanted to get out of the corporate rat race and to be my own

boss. I wanted to be the master of my own life. Thankfully my wife was a teacher and we could rely on her salary.

5. I played golf, and one of my golfing partners was a relief subpostmaster. He described to me what was involved. He said that there was a salary, and that one could top this up from a retail side of a post office. I discussed it further with him and did research, and I felt that being a subpostmaster might give my family a secure future with the prospect of building a good business.
6. I looked around for possible post offices that I might buy into. However, the thing that attracted me to the Post Office is that there was (more or less) a guaranteed income that could be supplemented by associated by retail income.
7. The deciding factor for me was that the Post Office had such a good reputation. As such I was certain that it was operated by decent and honourable people whom I could rely on.
8. I found a post office via an agency called EM & F. I bought the property and franchise for £165,000 for the post office at Crichton Avenue Post Office in York.

### **SHORTFALLS**

9. In this section, I set out, in very brief detail, my experiences of shortfalls arising from deficiencies in the Horizon system, and Post Office Limited's actions as a result. This is only a brief introduction to those matters, in order to provide necessary context for the explanation of the human impact which follows.
10. I took up a position as a subpostmaster Crichton Avenue Post Office at 1 Intake Avenue, York, YO30 6HB. I operated this post office from 28 June 2000 until March 2015.

11. I invested heavily in the property. Over time I developed the property and created flats at the property. This later gave me an income, separate from the post office. This turned out to be a God send, as it meant that I had a separate income that I was able to use to pay for the shortfalls that arose as a result of the Horizon System, and to assist with the loans to the bank.
12. I had three part time members of staff, who relied upon me for their salary. I developed very strong relationships with my staff and I tried to develop them as people and for future careers elsewhere. I developed huge trust in them and friendship with them.
13. However, as a result of the shortfalls, there were times when I felt suspicious of my staff, and this is a matter that greatly troubled me. I thought that if a few hundred pounds was being stolen by staff, then they might take thousands of pounds.
14. I did all that I could not to show my staff that I did not suspect that they were stealing. However, I had to take additional measure to try to deal with the losses, which placed a great strain on me.
15. Also, I had to shoulder these worries myself, as I did not wish to burden my wife with them.
16. It now appears certain that it was failures in the post office's Horizon System that was taking the money and not my trusted staff. As such, my relationships with my staff were greatly and unnecessarily strained.
17. I experienced multiple so called 'shortfalls' as a result of the Horizon system. The shortfalls amounted to approximately £12,000 from approximately 2002 – 2015. I had to use my savings and assets to make good these so-called shortfalls. I feel deeply let down and cheated by the Post Office. By way of examples, I experienced significant shortfalls on the following dates:

April 2001 £334  
April 2002 £206  
April 2003 £618  
April 2004 £165  
April 2005 £200  
April 2007 £422  
April 2008 £412  
April 2009 £85  
April 2010 £200  
April 2011 £1201  
April 2012 £816  
April 2013 £170  
April 2014 £495  
April 2015 £700

18. These are just some of the shortfalls I experienced, as there were many other regular smaller ones, which over time amounted to a further approximately £6,000 making a total of approximately £12,000.

#### **TRAINING ON THE HORIZON SYSTEM**

19. The Horizon system was the system we were required to use in post offices. I recall that I attended one day of training in Leeds which covered a brief introduction to the Horizon the system. This was completely inadequate, to obtain a working understanding of a highly complex system.
20. Subsequently a Post Office or Fujitsu trainer attended in my post office branch for one or two weeks and then came back two or three further days (on Wednesdays) to help with balancing.



21. I recall that during the first week the trainer carried out the weekly balance and I watched him. The second time I completed it with the trainer observing me and the third time I mostly completed it by myself and the trainer helped me to finish it off.
22. After the training I was not confident in using the Horizon system, as it was very complex but I had to manage with it. I was fortunate as I had used computers previously. Also, of the one of the full-time assistants who worked for the previous subpostmaster stayed on in the branch after I took over, and she was very helpful in trying to show me how to use the Horizon system.
23. My overall impression was that the training was inadequate and if it wasn't for retaining the member of staff who had more experience than I did it would have been extremely difficult.

#### **SHORTFALLS**

24. As I have said, I experience repeated shortfalls from 2002 – 2015, which I had to make good from my own savings.
25. When the shortfalls would arise, I would seek help from the Post Office. I cannot remember how often I contacted the Helpline. However, I do recall that during the first six to nine months I rang the trainer direct if I needed help and thereafter, I would call the Post Office Horizon Helpline when I needed to. For example, if I needed to issue a new pension card, I would have to call Helpline to obtain an authorisation number.
26. I would ring the helpline about once or twice a month, However, I often called another postmaster to ask for assistance as the Helpline rarely offered any help or assistance.

27. The Helpline staff would refer to the operating manual, but they didn't appear to understand what they were saying. It was almost as if they were simply reading out the manual to me rather than providing expert assistance.
28. I recall that on one occasion when I contacted the Helpline they gave me obviously incorrect information. I therefore would do anything to avoid contacting them, as they were simply useless.
29. Right from the start of my tenure at Crichton Avenue I noticed discrepancies when I completed the weekly balances. My Post Office trainer came back to try and assist, but he could find nothing to explain the loss.
30. In subsequent weeks, when I noted a discrepancy, I telephoned the Helpline for assistance. I was told, "*If the cash is short you must make it right to balance.*" There was no offer of any further assistance. I found this very stressful and I was worried that I might be faced with a very large discrepancy, which I would be required to make good.
31. I became so worried and paranoid that, in addition to carrying out weekly balances, we checked the cash every day to ensure that we could pick up any mistakes and try and find out what had happened, and sometimes we were able to resolve them ourselves.
32. Also, as I have mentioned, I became suspicious of my staff. As a result, we changed our working methods so that individual staff became responsible for their own individual stock unit. This was an additional security measure that was introduced as a result of the fear that had been created by continuing shortfalls.
33. One of my greatest frustrations with the Horizon system was that I couldn't interrogate or access the financial information that I wanted to in order to find out how any discrepancies or shortfalls might have arisen, and the Post Office showed no

interest in finding out the cause of shortfalls, they just insisted that I 'make them good'.

34. This was simply not right. I should have had access to the system data, so that I could perform my own independent checks if and when shortfalls arose. As a result of the inability to interrogate the system, I was at the mercy of the Post Office and its auditors.
35. For example, I was subjected to three audits and I believe the dates were 5 February 2001, 24 August 2008 and 16 May 2013. In the first audit a shortage of £24.38 was found and I was asked to make good this sum before the auditors left. However, despite my requests, the auditors showed no interest in understanding or investigating why shortfalls were arising. I was just told to refer to the operation manual.
36. The second audit found a surplus of £138.39. Again, I asked for the auditors to investigate why discrepancies were arising, but no help was given.
37. The third audit found a shortfall of £94.60. Again, I was asked to make good, but offered no assistance in finding out how and why these shortfalls were arising.
38. I found it very strange that within the Post Office organisation there was no ethos of helping or trying to get to the bottom of any problems that arose. Instead, it was just a case of stating that the money was owed and had to be repaid by the subpostmaster and then that was it.
39. I heard rumours on an early 'on line' chat group where other subpostmasters were reporting having problems. However, I did not know at the time that there was such a widespread problem with Horizon because the Post Office did not tell me or other subpostmasters.

40. Because of the ongoing worries about shortfalls, I decided to cease being a subpostmaster. A member of my staff, Wendy Martin, approach me about taking over the franchise. I supported her application to Post Office Ltd, and she became the subpostmaster.
41. If I had known then of the terrible problems that Wendy Martin later faced from the Post Office, I never would have encouraged her to take over the post office. I know that Wendy was an honest and decent person. She was my right-hand woman, she was my go-to; if I ever had a problem, she was the person I went to. There is no doubt in my mind that Wendy was and is an honest and upright person.
42. I was therefore devastated when I later learned of the problems that Wendy had with the Post Office as a result of the Horizon system.
43. In fact, Kath Smith, a former Post Office auditor, spoke to me about Wendy Martin's case. She also knew Wendy and had no doubt that Wendy was a completely honest person.
44. It still weighs very heavily upon me that Wendy Martin suffered so much after taking over my post office.

#### **HUMAN IMPACT**

45. The problems with the Horizon system, lack of help from the Helpline and complete lack of interest from the Post Office in why the shortfalls were arising made it impossible to predict nett remuneration each month. It was a constant worry of how much it might be, and a feeling that it was unfair that no assistance was given. I was simply required to "pay up" when shortfalls arose.
46. As I have described the shortfalls were a constant drain on income and in some cases I had to introduce money to subsidise the Post Office from other areas of income.

47. As I have said it strained my relationships with my staff.
48. I felt unable to share my worries with my wife, which was hard.
49. It was also deeply upsetting to me that I was prevented from accessing the system data to interrogate it independently, to find out why the shortfalls and discrepancies were occurring. It left me feeling powerless and at the mercy of Post Office Ltd.
50. I also, as I have said, have a deep and abiding regret regarding what befell Wendy Martin. I know that she is, even now, in the most desperate of circumstances.
51. Although I lost thousands of pounds (I estimate about £12,000) I feel somewhat fortunate, because the shortfalls I experienced were regular and were not so big that I could not make them up from savings or other sources. I did not experience massive one-off shortfalls that destroyed the lives of other subpostmasters.
52. However, I lived in fear for almost 15 years worrying that a massive shortfall would arise and Post Office would simply demand payment of it.
53. I did not share these worries with my family as I did not wish to worry them, but this put great strain on me.
54. The fear of shortfalls was a very large part in my decision to stop being a subpostmaster.
55. From 2012 I began actively trying to sell the business. However, the Post Office would not allow me to advertise my business on the open market, I was only allowed to advertise it within the Post Office's own website. This meant that I was unable to find a buyer. An employee, Wendy Martin, approached me with a view to taking it over under the new post office scheme. She rented the premises from me and took over the subpostmaster appointment from me on or around 9 February 2015.



56. I have described above the misfortune that befell Ms Martin.
57. In the end, I left under the Post Office's Network Transformation Scheme. I received compensation by way of an exit payment of £104,000 (which meant I had to pay tax on sums over £30,000) in respect of the value of the post office branch. But I did not receive anything for the retail side of my business, as a result of the transfer of the branch under the National Transformation scheme.

### **CONCLUSION**

58. Despite losing approximately £12,000 in shortfalls and receiving nothing like the market value of my post office branch and the value of my associated retail business, I consider that I was luckier than many other subpostmasters.
59. I have heard many horror stories from other subpostmasters about massive unexplained shortfalls on the Horizon system and of the prosecution of subpostmasters and civil action that Post Office Ltd took against subpostmasters.
60. Indeed, and as I have said, I saw at first hand the impact this had on Wendy Martin.
61. I lived in fear for over ten years that a large shortfall would arise, that I would be unable to pay from my own funds and that this would lead to an investigation, demands for repayment and possible prosecution.
62. I raised the problems with the Horizon system with the Post Office many, many times over the 15 years I was a subpostmaster. However, the Post Office showed no interest at any time in looking at the Horizon system to see what the problems were with it.



63. I am now sure, as a result of my involvement in the Group Litigation against Post Office Ltd, that the Post Office always knew that their IT system was flawed and that the shortfalls experienced by me and other subpostmasters were the fault of the Post Office's flawed and faulty IT system.
64. I would like this Inquiry to get to the bottom of when the Post Office knew its system was faulty and why it did nothing about this, and instead blamed innocent decent people for the shortfalls.
65. I would also like to see those in authority at the Post Office and elsewhere, for example in the Department of Business, to be held to account publicly and with the same vigour that this was done to subpostmasters, who were later shown to be blameless.
66. I would also like to see some form of personal financial recovery from those responsible within Post Office and elsewhere of monies that were taken from subpostmasters. Those in positions of authority within Post Office received bonus, effectively based upon false accounting. Those bonuses should be recovered.

**STATEMENT OF TRUTH**

I believe the contents of this statement to be true.

Signed.....**GRO**.....Dated.....7/1/22.....  
Alistair Murray