POL00460628

Legally Privileged and Confidential

Summary of Interim Report of the Inquiry – 17 July 2023

Sir Wyn's report focuses on all 3 schemes under the Inquiry's remit, and he makes 8 recommendations, which are summarised as follows:

1. In relation to the Advisory Board, Sir Wyn is supportive of its involvement and wants all parties to maximise on the opportunities that its involvement brings. He requires the Terms of Reference to be amended to allow the Board to monitor individual cases on any scheme to ensure that full and fair compensation is delivered, although it cannot determine such cases.
2. The Advisory Board should publish written reports of its meetings within 21 days of the meeting
3. It should hold quarterly updates with the Minister to advise on whether full and fair compensation is being delivered
4. If necessary, the number of members of the Board should be increased to allow it to deliver this wider remit;
5. DBT must utilise s.308 Insolvency Act 1986 to resolve the difference of opinion with Moores in terms of the treatment of compensation to bankrupt applicants as it is the only outlier;
6. DBT to publish its proposals for ensuring fair tax treatment across all 3 schemes. Sir Wyn expressed that he is not convinced that DBT understands the problems with income tax treatment on the GLO Scheme.
7. The current deadline for completion of the compensation on the GLO Scheme of August 2024 must be extended by DBT
8. A closure date for the HSS needs to be agreed between DBT, Post Office and the Advisory Board.

General Points

- Sir Wyn's recommendations of the GLO Scheme are welcomed. There was no criticism of POL, despite him reporting that Freeths and others had criticised POL in correspondence. He reiterates that he is aware of the challenges of the timescale and has always said so. He does not want applicants to feel pressurised by the timing either.
- On HSS Sir Wyn agrees that closure will not be before 31 March 2024 and he recommends we agree a date now, which we are already considering.
- The Advisory Board is seen as a very positive introduction whose remit should be expanded and we are all to work with them.
- The main themes are tax treatment, delays on compensation, and issues with the treatment of bankrupt claimants, with the main concern on all issues that all scheme claimants are treated equally and fairly. Treasury has recently confirmed that HSS claimants will be exempt from IHT and corporation tax and that a top up scheme will be provided. All these issues will be revisited in full in Phase 5.
- Sir Wyn acknowledges that POL has made commitments to full and fair compensation – and says he does not consider there is any valid legal reason why DBT and POL cannot give effect to the commitments made. He says this should apply with equal force to all three schemes.