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4 October 2024

POST OFFICE HORIZON IT INQUIRY: PHASE 7 – Comments by the Chair to the Inquiry in evidence of Henry Staunton on Tuesday, 1 October 2024

Dear Solicitor to the Inquiry

1. We write further to the evidence of Mr Henry Staunton on Tuesday, 1 October 2024, in particular, the evidence set out at pages 166 to 169 of the Inquiry Transcript for that day: [poh_1_october_2024.pdf](#)
2. We understand from the questions put by the Chair to the Inquiry to Mr Staunton on his knowledge of the three documents¹ issued by the Chair on compensation, that the Chair is interested in the knowledge at the Board level of Post Office of the Chair's recommendations in these documents including that compensation to postmasters should be "full and fair".
3. Given the questions the Chair put to Mr Staunton, Post Office wanted to ensure that the Chair has an accurate position before him. Several documents have been identified as being of direct relevance to the points raised. One document has already been produced to the Inquiry, and we understand that two documents have not been produced by Post Office thus far.
4. Documents already produced to the Inquiry
 - a) Board Pack dated 27 September 2022 (POL00448625)
 - i. Page 80 paragraph 61; *"Following the hearings on 6 and 13 July 2022 and Sir Wyn's Progress Update issued on 15 August, we are working at pace to address his observations. HRC were presented with a number of papers on our recommendations on 8 September, some of which are still being reviewed We met with our King's Counsel on 14 September to consider our next steps for updating the Inquiry, looking at a date in mid-October for our follow up submission."*

¹ Post Office understands these three documents to be: (1) The Chair's Progress Update on Issues relating to Compensation dated 15 August 2022; (2) The Chair's Statement on Issues Relating to Compensation dated 9 January 2023; and (3) First Interim Report: Compensation dated 17 July 2023 (together, the 'Chair's Reports').

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- ii. Page 162: *"Following the hearings on 6 and 13 July 2022, and Sir Wyn's Progress Update issued on 15 August, we are working at pace to address his key observations. HRC will be presented with a number of papers on our recommendation for their consideration on 8 September 2022."*

5. Documents not produced to the Inquiry

a) Board Pack dated 24 January 2023:

- iii. Page 39, paragraphs 55-56: *"55. POL attended the Inquiry Hearing on Compensation on 8th December and HM Legal have subsequently collated a summary of arising actions, and a paper was presented to HRC on 15th December outlining the range of issues raised at the Inquiry. The required actions will be tracked and actioned within HMU. Sir Wyn issued his response to the hearing, electing not to issue an interim report, but did challenge the delay generally and the Late Applications approach. He has scheduled a compensation hearing in April later this year.*

56. POL have constructively challenged statements made in the BEIS oral submission and on reflection BEIS agreed to write to the Inquiry to provide clarity of their submission."

- iv. Page 65, paragraph 24: *"Sir Wyn reached the 'clear conclusion' that a formal interim report was not necessary and said he intends to continue to monitor progress by holding another hearing on compensation in April. Sir Wyn recognised the balance that needs to be struck between the speed of decision making and ensuring that offers are full and fair but noted he is 'not persuaded as yet that the complex applications within HSS are being processed with sufficient vigour.' He noted that this is a topic he intends to return to in phase 5. He also recorded his view that given overall delays, fairness demands an 'unequivocal statement' that all late applications to HSS should be accepted subject only to the usual eligibility criteria – ie. that there should not be any requirement to provide a reason for the lateness of the application. HMU are discussing this with BEIS to agree a way forward."*

- b) Email from Rachel Scarabelotti to members of the Board (including Mr Staunton) dated 17 July 2023 summarising the Chair's interim report of 17 July 2023 and attaching a detailed note. In particular, the final bullet point to the attachment: *"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"*.

- 6. Post Office would also like to follow up on one point which arose in the context of Sir Wyn's third question to Mr Staunton, which was predicated on there being two distinct potential approaches to compensation: full and fair or having regard to the public purse. As the Inquiry may recall, under the HSS all proposed offers are produced following consideration and a recommendation by the Independent Advisory Panel rather than by Post Office (who has always accepted the recommendation or increased the offers). In this context Post Office would emphasise the IAP's obligation to be guided by broad considerations of fairness (further to §31 of the IAP's Terms of Reference).
- 7. To the extent that Post Office identifies any further information that will assist in relation to this, it will update the Inquiry as soon as possible.

Please let us know if you have any questions.

Yours faithfully

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