

Urgent Question about the Post Office and the Horizon system for Sub Postmasters

I should like to ask the Secretary of State for Business, Innovation and Skills if he will make a statement on the Post Office and the Horizon system for Sub Postmasters.

Background

When, several years ago, the Post Office brought in a new computer system (called Horizon) for Sub Postmasters, concerns began to be raised about alleged anomalies and mistakes in the balances shown on the system. Some Sub Postmasters allegedly found shortages, some excesses and some both. When the Post Office was asked about these concerns they responded that the Horizon system was robust and if there were mistakes, they were the mistakes of the Sub Postmasters.

Eventually the concerns rose to a number that attracted the attention of MPs. A meeting was held in February last year in the House of Commons between about eight MPs, the solicitors Shoosmiths and some twenty five or so Sub Postmasters. At that meeting it was agreed that I and another MP (Oliver Letwin) should go to see the Chairman of the Post Office to raise the concerns.

We did, and the Chairman, Alice Perkins, said that while all the information she had was that the Horizon system was robust, it was an important reputational issue for the Post Office. Commendably, she agreed to the suggestion from Oliver Letwin and me that there should be an independent review by forensic accountants which the Post Office should fund.

That review took far longer than was originally expected. This evening (6pm Monday 8th July) an interim report will be published to a group of MPs but will also be made available to the public. I attach a copy of that report and also a copy of the Statement I shall be making which summarises my own view of the matter. Essentially the Report finds that the Horizon software itself seems not to be at fault, but the combination of defects in the way the Post Office dealt with concerns, sometimes inadequate training, sometimes unreliable hardware, an exceptionally complex system and other concerns all led to Sub Postmasters not having the support they should have had.

Need for an Urgent Question

The Minister for the Post Office (Jo Swinson) feels it is not appropriate to make a Statement because (though I do not wish to speak for her) it is a matter within the commercial judgement of the Post Office to deal with, and there are a small number of Sub Postmasters who have been affected.

But I feel there needs to be Government reaction to this issue because:

- The Government owns the Post Office
- The proposals of the Post Office for dealing with the problems of the future need to have an element of independence from Post Office control guaranteed

- It is not clear what would happen if the Post Office no longer wished to pay for the continued solutions
- The Post Office's proposals do not – and possibly cannot – deal with those past cases where Sub Postmasters have been prosecuted in the past under procedures which, since then, have either changed or are about to change as a result of this interim report, and where the Sub Postmasters would now be treated much more sympathetically.

Therefore, while I do fully understand the Minister's wish to leave this matter in the hands of the Post Office, I believe it is in the long term interests both of the Sub Postmasters and of the Post Office itself for everybody to know that the Government is keeping an eye on the matter and will if necessary step in to enforce the issues of independence and the proper treatment of past cases.

James Arbuthnot