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Our ref:
Your ref:

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Thank you for your letter of 24 June to the Secretary of State requesting a meeting to discuss the ongoing group litigation *Alan Bates and Others v Post Office Limited*. I have been asked to respond as this matter falls within my ministerial portfolio. I appreciate you drawing the issues discussed by the APPG to our attention and I will be happy to meet with you as soon as diaries permit after the summer recess.

You will appreciate that while this litigation rests with the courts my scope to comment on the specific issues that you raise is very limited, but I can nevertheless reassure you that I take this case extremely seriously and I am monitoring it closely. I continue to believe the courts are the right place to hear the issues being raised and I hope that the litigation will assist in the resolution of these long-standing issues between some postmasters and the Post Office so that postmasters with claims can obtain a remedy if the court finds there is validity to those claims.

I can, however, provide a factual update on developments since our last meeting on 26 March. Following the judgment on 15 March on the first "Common Issues" trial (concerning the terms and interpretation of the contract between postmasters and Post Office) Post Office submitted an application for permission to appeal, which is currently with the Court of Appeal. The second "Horizon Issues" trial, concerning the function and reliability of the Horizon Point of Sale system, concluded on 2 July with the judgment expected in September or October. A further trial has been scheduled for March 2020.

On the wider issue of the relationship between Post Office and its postmasters, I believe that postmasters are the backbone of the Post Office, and their branches are the backbone of communities across the country. This is why the Government committed to safeguarding the Post Office network backed up by over £2 billion of investment since 2010 and it is why Post Office is engaged in a programme to improve how it works with postmasters and to ensure they are fairly rewarded for the services they provide.

This programme includes a significant increase in banking transaction fees for postmasters from October 2019 - as a gesture of goodwill this is being applied three months before the new Banking Framework between Post Office and banks comes into force - and a comprehensive review of postmaster remuneration. Post Office Ltd aims to ensure that running a post office remains an attractive proposition while recognising that in today's market services must be combined with a successful wider retail offer to

be sustainable. Progress on this work and other issues of mutual interest will continue to be discussed at the new quarterly working group between the National Federation of Subpostmasters (NFSP), Post Office and Government under my chairmanship.

I look forward to meeting with you in due course.

KELLY TOLHURST MP

Minister for Small Business, Consumers & Corporate Responsibility