
From: Emanuel, Catherine [GRO]
Sent: Wed 05/02/2020 2:21:26 PM (UTC)
To: Cooper, Tom - UKGI [GRO]; Watts, Alan [GRO]
Subject: RE: Lords transcript

Thanks for this, Tom, and for your time earlier.

I will drop a line to the wider group summarising the output from today and otherwise continue working towards the "individual cases and themes" session we discussed.

Kind regards
Kate

From: Cooper, Tom - UKGI [GRO]
Sent: 05 February 2020 14:10
To: Watts, Alan [GRO]; Emanuel, Catherine [GRO]
Subject: FW: Lords transcript

8 mins in the Lords yesterday

Tom

Tom Cooper
Director

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From: Cooper, Tom - UKGI
Sent: 05 February 2020 14:10
To: Tim Parker [GRO]; Ken McCall1 [GRO]; Carla Stent1 [GRO];
Zarin Patel [GRO]; Nick Read [GRO]; Alisdair Cameron [GRO]; Ben Foat [GRO]
Cc: Aldred, Tom - UKGI [GRO]; Patrick Bourke [GRO]
Subject: Lords transcript

Following up on my email this morning

Tom

Lord Arbuthnot of Edrom

To ask Her Majesty's Government what recent assessment they have made of the Post Office's powers to conduct prosecutions

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy and Northern Ireland Office (Lord Duncan of Springbank) (Con)

My Lords, the Post Office's powers to bring a private prosecution, which fall under Section 6(1) of the Prosecution of Offences Act 1985, are not specific to that company. It has the same right as any other person, whether an individual or a company, to bring a private prosecution.

Lord Arbuthnot of Edrom (Con)

My Lords, I am grateful to my noble friend for that Answer. Last year, the Post Office had to settle litigation brought by 555 sub-postmasters at a cost to it of nearly £60 million. The Court of Appeal described the Post Office as treating sub-postmasters

"in capricious or arbitrary ways which would not be unfamiliar to a mid-Victorian factory-owner."

The judge at first instance held that a Post Office director had set out to mislead him. How can such an organisation possibly conduct its own prosecutions when it cannot command the trust of the courts or, indeed, of the country?

Lord Duncan of Springbank

My noble friend raises challenging points. I must stress that the leadership of the Post Office got it badly wrong and, as a consequence of those actions, people have experienced unfortunate situations. That has changed. There has been a change in culture, a new chief executive and a new recognition that the old ways of doing things cannot go on. That is why the Minister responsible in my department, Kelly Tolhurst, now has quarterly meetings with the National Federation of SubPostmasters as a way of ensuring a better relationship with those who are at the sharp end of the Post Office.

Baroness Burt of Solihull (LD)

My Lords, this is far more than "unfortunate"; it is a shocking story of obfuscation, cover-ups and downright abuse of sub-postmasters—the face of arguably the most trusted brand in this country—by the most senior people running it, yet they were able to do this because they had the power to conduct their own prosecutions with no independent assessment of the case for the defence or the prosecution. Can I therefore I join the sub-postmasters in asking the Government to review this and other issues that this sorry case has thrown up through a full, independent public inquiry?

Lord Duncan of Springbank

The individuals affected are indeed the face of the Post Office in towns and villages up and down the land. The situation which arose was unacceptable and the courts have shown that. There needs to be manifest change in the way the Post Office does business and a recognition that that way is not acceptable going forward. We will be doing things differently; we will bring in a new national framework to ensure that the past situation cannot be repeated. This is the time for us to bring about the real change which is required right now.

Lord Morris of Aberavon (Lab)

My Lords, when I was a law officer, we brought most governmental and quasi-governmental organisations which did prosecute under the supervision of the Attorney-General. Would that be appropriate in this case?

Lord Duncan of Springbank

I suspect that it will be quite some time before the Post Office embarks upon another adventure of this sort, for many obvious reasons. We need to recognise that a number of manifest failures led to this situation. These need to be understood, and they are being by the new culture inside the Post Office. The reality remains that the Post Office got it wrong. For that, there needs to be a serious change, and at the heart of it must be not just profits but recognising the role of the sub-postmasters themselves.

Baroness Neville-Rolfe (Con)

My Lords, as the Minister responsible at the time, I was uneasy because it involved claims of dishonesty by apparently honest citizens. I therefore advised the Post Office to take outside legal counsel to try and get at the truth. Now that we have reached the present stage, what arrangements for compensation have been, are still being or will be made for those affected?

Lord Duncan of Springbank

My noble friend is right to draw attention to this. As my noble friend Lord Arbuthnot said at the outset, there will be a settlement of nearly £60 million for those who brought the class action itself. There will also need to be individual criminal examination for those who have experienced the sharpest end of the law. I cannot comment on these matters, but I recognise how important they are to bring about the justice required.

Lord McNicol of West Kilbride (Lab)

My Lords, there are a number of points to pick up on, but I will focus on the £60 million. How much of that will the sub-postmasters themselves receive? My understanding is that, unlike in many other cases, the legal fees have to come out of that £60 million, which is one of the reasons for the settlement. Some clarification of how much the sub-postmasters themselves will receive would be welcomed by all.

Lord Duncan of Springbank

The simple answer to that question is: not enough. The reality is that perhaps only a fraction of the money which has been won in this court case—around £12 million of the £60 million—will end up in the pockets of the sub-postmasters. That is a shocking realisation but it is, unfortunately, the answer to the noble Lord's question.

Lord Berkeley (Lab)

My Lords, what action are the Government going to take against the people who were running the Post Office when all this was going on? Have they just been moved to another job and got promotion, or will some action be taken against them? As other noble Lords have said, people have died, committed suicide and lost their businesses.

Lord Duncan of Springbank

There is a new chief executive and a new regime is in place. I cannot comment on the individuals who were in positions of power during that time because I simply do not have the answer. I recognise the anger the noble Lord brings to his question, and that it is shared by the House today.

Lord Polak (Con)

My Lords, the department has a representative on the board of directors. What is his exact role?

Lord Duncan of Springbank

We have a non-executive director who is responsible for representing the department and the Government. His role has evolved from a perhaps more passive approach to a much more active one going forward. We have to have a much stronger view about how we manage this area, through the chief executive, the chairman and the non-executive director with responsibility for governance and clear adherence to the responsibilities of the board itself.

Lord Bichard (CB)

My Lords, a large corporate organisation such as the Post Office can always point to the fact that it has changed its ways and things will be better in future. Some of these people have lost their lives; £12 million compensation does not seem enough. In fact, no financial compensation would seem enough. Is the Minister satisfied that these people are getting due recompense?

Lord Duncan of Springbank

Those who have lost their lives could not possibly get due recompense throughout this process, no matter what the answer might have been. The situation is clear: during a significant period in the history of the Post Office, wrongdoing took place. It has admitted that it got it wrong and it is bringing about change now. I do not believe you can compensate adequately for those who have lost their lives.

Tom Cooper

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