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A handwritten signature in dark ink that reads "Paul Scully".

Following our helpful conversation last Monday and following your appearance in Parliament, I wanted to write to set out what I consider is required to address the complaint by those who settled as part of the Group Litigation that they did not get a fair share of the settlement proceeds.

Although Post Office played no part in the apportionment of the settlement proceeds to individual claimants (which would have been the subject of an agreement between the claimants, their lawyers and their litigation funders), from a moral perspective, it is essential to offer the postmasters who brought the Group Litigation something more by way of compensation, to make up for the costs they incurred. I sympathise with Alan Bates' perspective that these individuals, who expended a great deal of time and effort on the litigation, did not deserve to lose some £43m of their settlement to the litigation funders. I have recently been contacted by one postmaster who continues to face great hardship. Had the proceeds of the settlement been shared more fairly, he may not have done so. I do not want our new Post Office to simply walk on by while any postmaster from the GLO continues to struggle. Simply, until the original GLO claimants receive some compensation commensurate with the costs they incurred in order for this miscarriage of justice to have come to light, justice is unlikely to be seen to be done and the reputational and in turn commercial damage to Post Office will continue. The present operations of Post Office will continue to be impacted by these historical issues.

Having given some thought as to how that might be achieved, one option may be to make an ex gratia payment towards the GLO settlers' funding costs which could be distributed by the Claimant Steering Committee. [That way, Post Office does not need to take responsibility for the difficult issue of apportioning the payment between individual claimants who suffered varying degrees of loss.] The alternative, if the Claimant Steering Committee is unable or unwilling to take on that task, would be simply to offer an equal sum to all the GLO participants. I am advised that any such arrangement would require a separate

agreement between all parties. Whether that is achievable is something we would need to explore further but my experience tells me that where there is the will there is a way. Naturally we would only proceed on the basis that no further allocation would be made to the litigation funders. Although the funding would need to come from Government, Post Office could manage this element which would mitigate the floodgate risk regarding previous government settlements. We could also consider, as part of the settlement, restricting any future claims against the Government.

In short, further compensation is required that would offer a final resolution to those claimants who brought these issues to light so that they are compensated without any reduction for the funding costs they incurred (without which the miscarriage of justice may not have come to light). In that regard, I firmly believe that we are well beyond a point where legal constructs, such as the finality of settlements or the legal niceties around responsibility for funding costs, should prevent us from doing the right thing.

I would welcome a further discussion with you as to how we might take this forward.

*Best wishes,*

**GRO**