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Dear Nick,

RE: Compensation for Postmasters with quashed convictions and Post Office vision for 2025

Thank you for letter of 5 March and your time on 19 April at our catch up to discuss the matter of compensating postmasters whose convictions are quashed and your Post Office vision for 2025.

With the Court of Appeal set to be handed down tomorrow, I am grateful to you for raising such an important issue and the work of you and your team on what is a very complex matter. As you know, my Department and I are keen to continue to work with Post Office to help it address its past failings, ensure that lessons have been learned from the Group Litigation, and that true change has happened or is underway at Post Office. Part of this will be to ensure that all postmasters whose convictions are quashed are appropriately compensated for the impact the conviction has had on their lives and livelihoods.

With that in mind, I have considered your proposal carefully and I am sympathetic to your reasons, but I believe this process should be delivered by Post Office, in consultation with BEIS and UKGI officials. I believe it is more appropriate for Post Office to continue to have ownership over its past historical issues rather than Government. I note that you have separately written to the Secretary of State about funding for historical liabilities, and this will be responded to separately; however, I can confirm that BEIS will consider a business case for the funding at the appropriate time.

Your proposal also presents a number of practical issues. Neither BEIS nor UKGI currently have the capacity nor the capability to take on such a role in administering the process of settlements. Both teams have also expanded considerably in recent months to manage the additional work on Post Office, including the Historical Shortfalls Scheme (HSS) but also on other areas, and further expansion is unlikely. Successful delivery of compensation will require access to information currently held by Post Office; including a third party such as BEIS administering the compensation, and handling and assessing Post Office's confidential and legally privileged information risks complicating the process further.

However, I am pleased that, following receipt of your letter, my officials have been having constructive discussions with you and the Board about ways in which POL's oversight and management of the litigation can be strengthened. I have approved the recommendation to appoint a NED with legal expertise to the POL Board in order to oversee a sub-committee on legal settlements which will oversee the HSS and expected claims from convicted postmasters who have their convictions overturned. I understand that you have also decided to strengthen the legal capability in the management team of the Historic Matters Business Unit that manages the HSS scheme and postmaster litigation. We are hopeful this will also lead to improved management and control of POL's legal costs which remain a significant concern for me and my officials, as well as easing the direct pressure on you for oversight of POL's required actions to address the historical matters.

Finally, I welcomed the opportunity to discuss your vision for the Post Office in 2025 that you shared with me in our catch up. As the pandemic has shown, the Post Office and postmasters provide essential services to communities across the UK, and as we come out of lockdown I share your belief that post offices will be vital to the return of the high street. I invite you to continue to develop this vision with my officials and will want to continue to discuss it with you in the months ahead.



P. Scully

PAUL SCULLY MP

Minister for Small Business, Consumers & Labour Markets
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