

Witness Name: Mr Malcolm Simpson
Statement No.: WITN0215_01
Exhibits: None
Dated: 15 January 2022

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR MALCOLM SIMPSON

I, MR MALCOLM SIMPSON WILL SAY as follows:

INTRODUCTION

1. I am grateful to the Chair to be invited to provide a “human impact” statement, concerning the physical, psychological, emotional, reputational and financial consequences to me and my family of being held responsible for shortfalls shown by the Horizon IT system and Post Office Limited’s actions toward me and my family. The initial paragraphs below provide a brief summary of my background, and provide context to the detail of the human impact of the Horizon scandal on me and my family. This statement does not reflect a full account of my experiences or those of my family and if necessary or required I will provide further witness statement evidence.

BACKGROUND PRIOR TO APPOINTMENT AS SUBPOSTMASTER

2. I am from Norwich but I have been living in the South of England since the mid-1980s. I am married to my wife, GRO We have been married for over 20 years. We currently live in Emsworth in an annex to our daughter’s house.
3. I have two sons from my first marriage and I have step children with my wife GRO

4. When I left university I worked for a company that bought and sold timber. I spent about 8 years working there.
5. I then joined B&Q, as a management trainee, and I worked here for 12 years. When I joined B&Q it was a fairly young company and like any fast growing company the culture started to change. I was a Store Manager in Shoreham, Brighton and Sutton in Surrey before working at the Head Office in the project management team when I decided it was time for a change.
6. I spent around a year looking for a business as I wanted to make sure it was the right business in a rural community and that was when we came across Boxgrove village store.
7. Lesley and I bought Boxgrove village store as a going concern in 2003. We took over the business and ran the retail side and the current subpostmaster ("SPM") stayed in the post office and continued running it.

DECISION TO BECOME A SUBPOSTMASTER

8. In 2007 the current SPM decided to leave for personal reasons. Given that I owned the store and the post office was in my building, I felt obliged to take over the post office and it seemed like the logical step.
9. The post office salary was very attractive and would have provided a steady income for us as well. So we decided to take on the post office and we paid the outgoing SPM £12,000.00 for the goodwill.
10. I was a subpostmaster of Boxgrove post office, The Street, Boxgrove PO18 0DX from 31 October 2007 to 17 October 2012. It was also my home.

TRAINING AND SUPPORT

11. I received two weeks of training which took place at Bournemouth Crown Office in or around August 2007.
12. This covered the day to day operation of the system and carrying out the most common transactions, such as pensions. I believe that we carried out two balances as part of a group exercise but we did not cover how to deal with shortfalls.
13. We were told that we were responsible for shortfalls and there was some unease about that amongst the group.
14. The training was very much front office based. It was more like a group exercise.
15. A trainer attended for one week not long after I started running the branch. I believe that it was during the first or second week of December. This is the busiest time of the year and because the next nearest post office had closed, it was especially busy with queues out of the door all day.
16. As a result, the trainer spent most of the time using the other terminal to serve customers, rather than providing any training. Following this, in or around January 2008, I recall that another trainer came out on a Wednesday to do a balance on a one-off basis. We were at the branch until about 8.00pm and there was a shortfall of £200 which I paid back at the time.
17. Overall the training was adequate at best, but at no stage did I feel confident with the Post Office system, not even 3-4 years in.
18. I was reasonably computer literate but the system was not user-friendly and was difficult to use when under pressure with queues of customers building up. Not enough training was provided prior to starting work and I felt that I was thrown in at the deep end and left to struggle.

19. In hindsight, because the Horizon system is so complicated and balancing is so vital, there should have been long term support readily available and this was not provided.

HELPLINE

20. I estimate that I contacted the Helpline 2-3 times per month. This generally related to problems relating to alleged shortfalls and/or balancing and equipment or hardware errors.
21. Over time my contact with the helpline reduced because nobody on the Helpline seemed to understand how much stress was involved, and they could not identify where the shortfalls were coming from so I did not think it was worth calling them.
22. Generally, the attitude on the Helpline was that any shortfall one month would right itself the following month. I was told on more than one occasion that "*it's just the way the system works*".
23. None of the advisors ever mentioned that other branches were having similar issues. It almost felt as if Post Office did not want people to talk to each other and I only found out about how wide-spread these issues were from the Justice for Subpostmasters Alliance after I was dismissed.
24. The staff were generally friendly enough but they seemed to assume that you knew what you were doing and could follow their instructions in relation to the use of the system. However, the system was complicated and it was sometimes difficult to follow their advice.
25. There did not seem to be understanding of the fact that I was not as experienced as others and needed more support. The calls often felt very rushed and I could hear

phones ringing in the background, so I assumed that they were under pressure too and could not invest the time I needed.

SHORTFALLS

26. In this section, I set out in very brief detail my experience of shortfalls arising from deficiencies in the Horizon IT System, and Post Office Limited's actions as a result. This is only a brief introduction to those matters, in order to provide necessary context for the explanation of the human impact which follows.
27. I would estimate that throughout my position in the branch, I paid (or the Post Office deducted) in excess of £12,000.
28. I experienced frequent shortfalls up to the value of £100. I would settle these as they occurred.
29. However, I also experienced frequent shortfalls, some of which were over £100. In my first month in the branch it was short by £150 and the losses fluctuated thereafter.
30. This occurred most months and I would estimate that I paid approximately £2,500 during my tenure to settle such shortfalls. I called the helpline regarding shortfalls, particularly at the start of my tenure, but the advice had been that shortfalls would right themselves so I had hoped that over time the system would balance out.
31. As the shortfalls mounted up over time, I would simply roll the system over and hope the position righted itself.
32. By the time of my suspension, I had an outstanding shortfall of not less than £2,510.40. This had been identified at an audit and I was paying it off through

deductions from my salary. I settled this, along with the shortfall identified by the audit prior to my suspension, on 5 October 2012.

33. I always sought help for any shortfalls but the Post Office were never interested, they just wanted to get rid of you and get their money back.

AUDIT AND INVESTIGATION

34. The first audit took place in or around October 2008. I was not given any notice of the audit. One auditor attended and left at about 8.00pm. The auditor and I counted everything together. We found the branch was £150 short and I was told not to worry but I needed to put the shortfall in, which I did.
35. I do not recall being provided with a copy of the auditor's report.
36. The second audit took place approximately two or three years into my tenure. I was not given any notice of the audit and I was not permitted to stay in the branch during the audit.
37. An alleged shortfall was found and I put a payment plan in place. I cannot recall the precise amount but at the time of my suspension Post Office noted that I was paying off an existing shortfall of £2,510.40 so I know that it was not less than this amount.
38. Again, I do not recall being provided with a copy of the auditor's report.
39. The third audit took place on 4 September 2012. I was not given any notice of the audit and I was not permitted to stay in the branch during the audit and was excluded from any involvement whatsoever. There were up to four auditors present at one point and they were at the branch for four days in total.

40. I remember the auditor who informed me of her findings was in tears on the phone and, I overheard her saying "it is not fair", she then told me that I would probably not be allowed to keep running the branch.
41. An alleged shortfall of £4,681.87 was found. This was made up of a cash surplus of £138.43 and a stock shortfall of £4,820.30. This was added to a shortfall of £2,510.40 which I was already paying off, making a total balance of £7,192.27.
42. I tendered a cheque for this amount, under duress, on 5 October 2012. I felt I had no choice.
43. I was suspended following this audit. I was not allowed back in to the office they tapped it up at night like a crime scene.
44. The whole experience of the audit was like being raided by the police, and it felt as though the auditors already knew what they were looking for before they started.
45. Elaine Ridge, Agent Contracts Manager, reviewed the papers relating to my case along with my written submissions. She wrote to me on 17 October 2012 and stated that, as a result of her review, she had decided to summarily terminate my contract.
46. I do not accept Ms Ridge's findings and have seen no evidence of any adequate investigation.
47. I put my objections in writing but do not feel that they were considered properly. I mentioned, for example, that I had been keeping approximately £12,000 worth of Euros in my safe. These had been sent to me by Post Office but I did not deal with currency.
48. I was not trained on it at all so I steered clear of it and directed customers who wanted such services to another branch. I do not think that I ever logged the Euros on the system properly. When the final audit found a total shortfall of £7,192.27, I

pointed out that the Euros might have been a source of the error but this did not seem to be considered.

49. After I was terminated my wife was asked to take over the post office but she refused after having seen the way they treated me.
50. A temporary SPM was then appointed to take over and run the office.
51. An issue came to light regarding special edition stamps. An email from Appkar Matharu, the temporary subpostmaster, mentions a series of stamps that cannot be transferred, removed out of the system or sold because they no longer exist on the system even though they are set out on the balance snapshot.
52. Mr Matharu noted that this could have added to my losses and that I was not happy that the audit had missed the stamps. Mr Matharu eventually just gave me the stamps, which had a face value of £6,518.11 and suggested I sold the stamps on eBay.
53. Separate to any audits conducted by the Post Office I would get fairly regular visits from Fujitsu engineers. They would often just turn up, check on the system although provide no real explanation as to what is it they were doing and then just leave without saying anything.

SUSPENSION AND TERMINATION

54. I was suspended following the audit that took place on 4 September 2012. This was confirmed by way of a letter bearing the same date.
55. The branch was closed during the audit and for a few days thereafter. Mr Matharu from Bedhampton post office took charge as a temporary SPM. Although I cannot recall the precise date on which he took charge, he was certainly in post by

17 September 2012, possibly before. We only agreed to be a temporary SPM so that our community had a working Post Office for the build up to Christmas.

56. From the minute the auditors arrived until my dismissal I had no access to the branch. My keys were taken away and the door was taped up like a crime scene.
57. Also, the NFSP representative was Mr Matharu's mother, Ms Kam Matharu, who told me she wouldn't be able to represent me at any tribunal because her son was working in the branch. I believe that her words were "*you are on your own*".
58. My contract was summarily terminated as of 17 October 2012. This was confirmed by way of a letter bearing the same date.
59. I believe that my contract was terminated because of that fact that I opted out of the Network Transformation Scheme and decided to remain as I was. The reason stated by Post Office for my termination was "*that there was a large loss at the time of the audit and [I] admitted failing to follow the correct rules and procedures in regard to acceptance, accounting and securing of stock*".
60. I noted on the morning of the final audit, the auditors called Nigel Allen, Contracts Advisor, and he spoke to me on the telephone. He said that the situation at the branch was an absolute mess and that "*[I] may as well resign now*". I immediately said that that felt like constructive dismissal and he ended the call. I was made to feel like a criminal and a failure by Nigel Allen and was given the impression that I was the only subpostmaster who had got into this sort of trouble.

CIVIL AND CRIMINAL PROCEEDINGS

61. The Post Office did not pursue civil proceedings or criminal proceedings against me for recovery of the alleged shortfalls. However, Nigel Allen threatened criminal proceedings if I did not settle the shortfalls.

62. I was not prepared to go for any interviews as I was refused any sort of representation.

HUMAN IMPACT

63. I suffered serious problems with the Horizon system including alleged shortfalls. I was accused of theft and suspended from my position because of an alleged shortfall, which I had to pay back from my own savings.

64. The mental stress of being accused of theft and poor management and being told repeatedly that I was *'the only person in the network who was having trouble with Horizon,'* while fighting to keep my freehold business going, to pay my mortgage ultimately resulted in me having two strokes whilst in my fifties.

65. I was not privy to mediation in 2013 but was party to the group litigation against Post Office Ltd, as a result I am excluded from the Historic Shortfall Scheme. The money I received following that action came nowhere near my losses and did not address the harm done to me.

66. The amount of money that was required for me to give the Post Office following the Auditors arriving was £13,000 and if I did not pay this immediately I was threatened with court action and the threat of prison.

67. I was also told by the "Area Manager" within two hours of the Auditors arriving that I *"may as well pay up and then resign"*. I knew I had done nothing wrong. My Post Office had to close immediately and was sealed up like a crime scene.

68. My shop remained open, but the humiliation and shame of telling our loyal customers why the post office was closed was unbearable.

69. I had to borrow money from my parents, which was very embarrassing.

70. I was told to go to a hearing on my own and the Union Representative refused to attend, and I was not allowed to take legal representation.
71. My mental state was such that I felt unable to attend on my own so I refused to attend and I was dismissed as a result.
72. The whole situation brought me to tears and I became so anxious I couldn't sleep.
73. I reached a very low point, and I felt like a failure. My mental health suffered hugely and I was offered pharmaceutical help but I didn't want to be put on medication. My family helped me get through it but I still get emotional talking about it today.
74. Through being held responsible for these shortfalls my mental health deteriorated and I was anxious and worried all the time. It felt as if no one was available to help or advise me.
75. No one at the Post Office seemed to care and I was always told that it was only me having problems and it "*should sort itself out next month*". During all my years in retail since leaving university I have never felt so useless and drowning in anxiety.
76. My Post Office was taken out of my Village Shop which meant that I lost my salary. This also meant that our three part time shop staff had to go as we could no longer afford to keep them on. They lost their jobs, and I felt very bad for them.
77. My wife ran the shop virtually alone for a period of time until I had recovered enough confidence to face our customers again.
78. As above, my mental health was suffering and to be accused of committing a criminal offence only made it worse.

79. It put a massive strain on my family, especially Lesley, my wife, who were tremendously supportive but nonetheless stretched to the limit.
80. Throughout my whole working life I have never had my honesty, ability or capability questioned.
81. The humiliation brought on by the Post Office was relentless, unforgivable and the constant stressing that you are the only person in the whole network who is having these issues was devastating.
82. Subsequently, I have survived two strokes and four TIA's.
83. I was not charged with a criminal offence, although the Auditors threatened to search our house and personal bank account.
84. I have suffered a great deal of stress as a result of Post Office's conduct and felt that it had significantly changed my character. I went to see my GP because of the stress I was feeling following my suspension. I took a computer-based stress test, which found that I was experiencing increased levels of stress.
85. I am very fortunate that the local community were tremendously supportive and did not believe that I had done anything wrong.
86. But inevitably rumours about my honesty circulated and this had an effect on my reputation.
87. One customer told me about Alan Bates and Justice for Sub postmasters Alliance and the great work that Private Eye were doing in highlighting the Post Office's behaviour. This came as a massive relief, because it helped me to realise that I was not alone.

88. My family, although extremely worried about me, were also very supportive. My wife, **GRO** carried the majority of the burden and was an absolute star - tremendously strong.
89. As I said above my wife carried the burden and kept our business going, supported and protected me, dealt with the Post Office management who had the nerve to ask her if she wanted to take over the running of our post office and dealt with the Union representative who did nothing to support us but undermined us at every turn.
90. Our children were all very supportive and helped out physically and emotionally whenever their jobs allowed.
91. I consider myself to be one of the lucky ones as I didn't go to prison, we kept our business going, I did not consider suicide and we are still happily married.
92. Unfortunately because this has been going on for us since 2012, the anxiety never goes away and I still really struggle emotionally to talk about the whole episode.
93. Since my strokes we have sold our business and now live in an annexe to our daughter's house.

CONCLUSION

94. It was a horrendous time for my wife and me.
95. We would have carried on running our shop for much longer if we could have afforded to employ staff to support us, we had plan do this up until retirement.
96. I now work part time for 'Cook', the frozen food retailer delivering frozen food.

97. I am still very angry and upset with the Post Office. The way I was treated is despicable and it is still going on in 2021.
98. It is completely unfair the way myself and all other SPM have been treated and I want those responsible to be held to account.
99. I want all SPM to get the justice and compensation they deserve and then some.

STATEMENT OF TRUTH

I believe the contents of this statement to be true.

Signed **GRO** Dated 15.1.2022

Malcolm Simpson