

**Witness Name: Nicholas James Read**  
**Statement No.: 1**  
**Dated: 31 August 2021**

## **POST OFFICE HORIZON IT INQUIRY**

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### **First Witness Statement of Nicholas James Read**

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I, **Nicholas James Read**, will say as follows:-

1. I am the Chief Executive Officer of Post Office Limited ("**POL**"). I am authorised on behalf of POL to make this witness statement in response to the 17 August 2021 letter from the Solicitor to the Post Office Horizon IT Inquiry (the "**Inquiry**"), pursuant to rule 9 of the Inquiry Rules 2006, requesting a short witness statement from an appropriate person within POL with responsibility for administering (or with sufficient knowledge of) the Historical Shortfall Scheme (the "**Scheme**") (the "**Rule 9 Request**").
2. The Rule 9 Request contains five questions in relation to the Scheme. In order to assist the Inquiry, I identify where I deal with each question through the reference "Q[X]", where "X" is the question number as listed in the Rule 9 Request.
3. When I refer in this statement to "**POL**", "**we**" and/or "**our**", I intend this to mean POL.

4. I joined POL in September 2019 as Chief Executive Officer. Prior to that, I was Group CEO at Extra Energy and prior to that CEO at Nisa Retail Limited. I have over 25 years of consumer and commercial experience and have previously held senior roles at Tesco, Vodafone, HBOS, Lloyds Banking Group and Thomas Cook.
5. As Chief Executive of POL, I have ultimate responsibility for the Scheme and so am the appropriate person to make this statement. For the purposes of giving this witness statement, I have had information shown to me to assist with answering the questions of which I do not have direct knowledge. Where the facts and matters in this witness statement are not within my own knowledge, they are true to the best of my information and belief.
6. The figures regarding the Scheme given in this witness statement are current as at 13 August 2021, which ties in with our monthly reporting cycle. The figures have been extracted from the electronic Scheme management platform by the law firm operating the Scheme, Herbert Smith Freehills LLP ("HSF"), for the purposes of the monthly reporting.

**Q1 – The number of applications received under the Scheme**

7. The Scheme was launched on 1 May 2020 and has since received 2,514 applications (of which two have been subsequently withdrawn).
8. To provide some context for the answers below, the Scheme can be broken down into the following 7 main stages:

- (i) Eligibility Assessment
- (ii) Ineligible/withdrawn
- (iii) Document Collation and Shortfall Analysis
- (iv) Claim Assessment
- (v) Presentation to Panel
- (vi) Claim Offers Issued
- (vii) Settlement Paid.

9. I understand that applications do not always follow through these stages sequentially and, as a result, the overall position changes from day to day. For example, I understand that an application might have reached the "Claim Assessment" stage but then an issue arises which requires further information from the applicant. I understand that the application would then be referred back to the "Document Collation and Shortfall Analysis" stage until that further information is obtained and the issue resolved.

## **Q2 – The number of applications determined**

10. I understand that 154 of the 2,514 applications have been assessed as ineligible to join the Scheme. Applications are ineligible if they do not meet the Eligibility Criteria as published on the Scheme's website.<sup>1</sup> Of the remaining applications, POL has made a total of 474 offers of compensation.

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<sup>1</sup> Available here:

[https://www.onepostoffice.co.uk/media/47798/historicalshortfallscheme\\_eligibilitycriteria\\_october-2020.pdf](https://www.onepostoffice.co.uk/media/47798/historicalshortfallscheme_eligibilitycriteria_october-2020.pdf) (accessed on 31 August 2021).

**Q3 – Whether all the determinations have been accepted by the applicants and, if not, what is happening in respect of those determinations which have not been accepted**

11. I understand that 447 of the 474 offers of compensation have been accepted (i.e. roughly 94%).<sup>2</sup> Of the 447 accepted offers, the agreed settlement has been paid to 437.
12. In terms of the remaining applicants who have received offers, they have either failed to respond to our offer, raised queries for consideration by POL, or rejected the offer.
13. Where offers have been rejected, the application will progress through the stages of the dispute resolution procedure in accordance with the Scheme's Terms of Reference published on the Scheme's website<sup>3</sup>.
14. As explained at paragraph 8 of the Terms of Reference, there are broadly three stages of the dispute resolution procedure. The first stage is the "Good Faith Meeting" where *"at least one Post Office representative shall meet with the Applicant by telephone and endeavour to resolve all issues regarding any outstanding shortfalls in good faith and in a manner that takes into account the legitimate interests of Post Office and the Applicant"*. I understand that 8 of the applications have been the subject of "Good Faith Meetings", and HSF attended each of these as POL's representative. As yet, none have progressed to the next stage of the dispute resolution

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<sup>2</sup> I understand that as at 13 August one of these was showing as "suspended" in our monthly reporting data but should have been showing as one of the "claims accepted".

<sup>3</sup> Available here: [https://www.onepostoffice.co.uk/media/47295/historicalshortfallscheme\\_termsreference.pdf](https://www.onepostoffice.co.uk/media/47295/historicalshortfallscheme_termsreference.pdf) (accessed on 31 August 2021).

procedure: the "Escalation Meeting" (as explained at paragraph 8.3 of the Terms of Reference).

**Q4 – The number of applications currently under consideration**

15. Excluding the ineligible and withdrawn applications, and applications where an offer has already been made, there are 1,884 progressing through the Scheme.
16. Using the seven stages I set out above, the progress of applications through the Scheme can be broken down as follows:

Eligibility Assessment	82
Ineligible/withdrawn	156
Document collation and Shortfall Analysis	1,632
Claim Assessment	111
Presentation to Panel	59
Claim offers issued	474
Settlement paid	437 (of the 474 claim offers issued)

**Q5 – The likely time scale for the determination of all applications**

17. POL is currently working towards communicating outcomes to the vast majority (if not all) applicants by the end of 2022. We are also working to accelerate and resolve as many as possible by late summer 2022.

**Statement of Truth**

I believe the content of this statement to be true.

Signed: GRO NICHOLAS J READ

Dated: 31 August, 2021