



Thursday 31 October 2024

FAO Neil Hudgell
Hudgell Solicitors
By Email Only

Dear Neil

Thank you for your letter dated 23 October 2024, which I have now had an opportunity to consider and review with my team.

We are grateful for the time you have taken to set out the concerns you have with the reassessment process and now try to address those points in this response.

As you know, Post Office is committed to improving the Horizon Shortfall Scheme ("Scheme") processes and where we can, will work with you collaboratively to address issues and concerns that might arise.

I should start by saying that I agree that at times we have not made offers to postmasters as quickly as we would like to have done and this is not acceptable.

I share your concerns on many of the issues you raise, which I note are specific to the reassessment process and we are actively at this moment working to try to significantly improve things for postmasters in terms of speed and efficiency.

Lack of legal advice on initial offers

In addition to the issue of reassessment you begin by raising the fact that in your experience, due to the fact that applicants are not provided with legal advice at the start of the process, the initial offers made do not usually cover all heads of loss that an applicant could claim and that your firm has been able to successfully secure significant increases for applicants when you are instructed at the post offer stage.

As you know, the HSS was originally set up to be a user-friendly scheme which it was envisioned would not need the involvement of lawyers. That has clearly not been the position in every case, but we are not set up and funded to provide paid for advice to applicants from the outset.

To date, however, the majority of offers made have been accepted prior to a case entering the Dispute Resolution Procedure ("DRP"). In total, as of 24 October 2024, there have been 2333 acceptances, 91% of which have been received prior to a case entering the DRP.

As you have helpfully set out, there are clearly cases where a reassessment is required, where offers are not considered full and fair.



Delay

The Independent Advisory Panel ("Panel") is independent of Post Office meaning Post Office has no direct contact with Panel.

As you are aware, all communications are via Post Office's solicitors, HSF. Panel's independence is an essential feature of the Scheme and ensures impartiality, consistency, integrity and fairness.

Returning a case for Panel reassessment, however, is only one option: While the Terms of Reference are silent on the point, HSF's view, is that significant and complex new information is better referred back to the Panel in the interests of obtaining a full and fair outcome for the applicant.

Where there has been an expert report commissioned for example and there is substantive information which Panel did not see, we believe that the fairest outcome for your clients is to allow the Panel to revisit their recommendations in light of the new material, although I accept that this comes with a longer timescale before an offer is able to be sent.

Where Post Office and an applicant consider that Panel reassessment might not be the most appropriate route for a case, an alternative route through the DRP can be agreed between the parties.

The Terms of Reference provide "*These dispute resolution procedures may be varied by agreement between Post Office and the Applicant*".

If an applicant did not want the case to be reassessed by Panel and Post Office were in agreement, or the information being provided does not warrant a Panel reassessment from a technical perspective, the case can be considered internally by an informed decision-making group to determine a potential uplift on a case.

It's pretty clear that this is your preference and therefore should you believe non-utilisation of the independent Panel on disputed cases is not in your client's best interest, I suggest you let us know on a case-by-case basis accordingly.

Should both parties agree it may also be more sensible in a minority of cases to proceed straight to mediation, and equally we could agree to do that where it is best for the applicant.

Reassessment of cases does extend the time a case is in the DRP with apologies.

On average it has taken approximately 6 months from receipt of a fully articulated claim to issue of an outcome letter and although that time is decreasing, we agree that we have more work to do.

We are proposing a different approach in which we identify and agree with claimant representatives or in the case of unrepresented applicants, with applicants themselves, upfront the best route to an offer.

Where significant and complex information is being provided, we will recommend a Panel reassessment as the best option for your client, but we agree this needs to be triaged more proactively and as advised above we will take into account your client's preference.

The number of Panel sessions increased from 1 a week to 2 a week in September 2024, with between 5 to 10 cases being assessed per session. The number of cases assessed depends on size, complexity and the cases which are ready for Panel assessment.



Where additional Panel sessions are needed the number of sessions per week will be increased to meet demand as required.

Dispute Resolution Procedure

I am concerned to hear that you have experienced delay in securing dates for Escalation meetings ("EM") or mediations.

The DRT has dates available for both Escalation Meetings and mediations and can quickly facilitate these meetings should they be requested.

I would be very interested in any specifics you may have on this please.

As you know, the DRT engages with legal representatives or applicants on the phone or in writing explaining next steps and offering an EM or mediation depending on the most appropriate forum to try to resolve the matter.

It is our understanding that the difficulties you refer to in your letter about securing EMs and mediations is in connection with a preference on your part for cases to proceed to EM or mediation but instead being informed by POL that cases will be returned to Panel for reassessment. Hopefully the above commitment gives you some comfort on this now.

Joint losses

Third party losses are outside the scope of the Scheme.

As you are aware, to be eligible for the Scheme, a person or company must have had or have a direct contract with Post Office. Those who did not have a direct contract are not eligible for redress through the Scheme.

Partnerships are eligible and each partner can claim their own individual losses, but the scheme has not been set up to deal with claims that may be brought against Post Office on a different legal basis outside of a contractual breach in relation to Horizon.

The Panel is alive to the issues suffered by postmasters who see the impact on their families and where possible, they have recommended redress in relation to this, especially in terms of D&I.

Extension of the HSS or the creation of an alternative route for redress for third parties is, however, a matter for Government.

Consequence of delay

POL is acutely aware of the impact the delays have on applicants and you are aware that I have spoken to many postmasters at restorative justice and other meetings and seen and heard their experiences and the toll it has taken on them firsthand. Once again, I apologise for this and continue to offer my time to any of your clients who might find it helpful to speak to me with or without another Post Office Executive present and indeed with or without yourselves.

The Remediation Unit's sole aim is to provide full and fair redress to applicants as quickly as possible and I am conscious that in terms of timeliness we are not in many people's eyes delivering.



The £75k Fixed Sum Offer is one way in which Post Office is attempting to redress applicants fully, fairly and more quickly. With your collaboration I believe this could make a significant impact on the DRP population to the benefit of your clients.

I also recognise that there is more that can and will be done by Post Office to improve and speed up processes, with an emphasis on tracking reassessment cases and understanding through close monitoring of cases, where delays are occurring and what can be done to expedite the process.

Funding for treatment costs was obtained in June 2024 following requests and feedback from legal representatives.

Prior to this, Post Office did not have funding to pay for treatment costs for applicable DRP applicants.

Approvals of treatment costs commenced in September 2024, but we apologise that notification of approvals to legal representatives took longer than expected.

Post Office accepts that there was a delay which may have negatively impacted your clients. The blockages have now been resolved and there should be far fewer, if any delays, in approval of treatment costs.

We note your comments on case 001177 and particularly the time it has taken for Post Office to approve these costs. Apologies.

Approval of these costs was notified to your firm on 29 October 2024.

The way ahead

Post Office has been working consistently to improve efficiencies in the Remediation Unit, with a particular emphasis on the DRP for some time. The points flagged in your letter of 23 October 2024 highlight those delays. Feedback is welcomed and changes will be and have been made.

I know that you already have regular meetings and contact with the DRT and other members of the team, but we would be happy to arrange a meeting to discuss any points raised in this letter as a separate point and will continue to work collaboratively with your firm and other legal representatives to improve Scheme processes to aid in expediting and streamlining the reassessment process and the Scheme more generally.

If you have any further queries or points you would like to discuss, please do let us know.

Yours sincerely

A stylized signature of "GRO" in a bold, sans-serif font, enclosed within a dashed rectangular border.

Simon Recaldin

Remediation Unit Director

Post Office Limited