



Minister Thomas
Department for Business and Trade

18 November 2024

Dear Minister Thomas,

You will be aware that the NFSP wrote to Secretary of State, Jonathan Reynolds, on the 22nd of October, 2024 outlining the following concerns that both past and present Postmasters have brought to the NFSP. These are:

1. A commitment to an early and thorough review of the implementation, conduct and consequences of the Network Transformation Scheme.
2. A review of the abatement scheme that operated from 1989 – 2001, under which 25% of a Postmaster's first year's remuneration was unfairly retained by Post Office, and reimbursement of that remuneration.
3. A review of the Post Office ECCO+ system, consistent with the recent Department of Business review of the Capture system.

After meeting with officials of both the DBT and UKGI, the request was that I write to you requesting an urgent meeting and highlighting the below.

A number of recent material revelations have come to light that necessitate an urgent meeting between yourself, the NFSP and our legal representatives Howe & Co to set out the terms of reference to these reviews.

The first is that Sir Alex Chisholm in his oral evidence to the Post Office Horizon IT Inquiry on the 7th of November, stated that Post Office Ltd had misused £2.3m of

funding provided for Network Transformation to fund its legal defence in the Bates & Ors V Post Office Ltd (GLO) litigation (*Inquiry oral witness statement, pdf P30 internal pages 117-119*). This misuse of transformation funding occurred in 2018 and was not rectified until 2019.

Earlier this year, via Anderson Strathern, the NFSP requested via a Freedom of Information, details on how £640m of Government funding provided to Post Office Ltd between April 2014 and March 2018 was used in respect of Network Transformation. This request was rejected on cost grounds. The information from Sir Alex shows that Post Office Ltd did misuse Network Transformation funding.

The second reason that the need for a meeting with you is urgent arises from the announcement made by Post Office on Wednesday this week. As Mr Railton (interim Chair of POL) presented the highline information into his plan, he made mention that half of the present network is unprofitable and unviable.

It is therefore imperative that the review of the cause, namely Network Transformation, is undertaken urgently and without delay.

Whilst the Post Office Horizon Inquiry hearings have now completed oral evidence, Sir Wyn has indicated that he may be seeking further evidence and submissions that sits within the Inquiry's Terms of Reference. In our view the review of Network Transformation, the Appointment Abatement Scheme and Post Office's Ecco+ computer system rest firmly within the scope of the Inquiry's Terms of Reference, which direct the Inquiry to:

E: Assess whether the processes and information provided by Post Office Ltd to postmasters are sufficient:

- i. to enable both parties to meet their contractual obligations*
- ii. to enable postmasters to run their businesses. In addition, determine whether the quality of the service offer for postmasters and their relationship with Post Office Ltd has materially improved since the conclusions reached by Mr Justice Fraser.*

F: Examine the historic and current governance and whistleblowing controls in place at Post Office Ltd, identify any relevant failings, and establish whether current controls are now sufficient to ensure that failing leading to the issues covered by this Inquiry do not happen again.

Whilst both the NFSP and Howe & Co have much to cover in relation to the Inquiry hearings on the 16th & 17th of December, we will make ourselves available to meet with the you to address these matters which are of the highest importance Postmasters, past and present, to the future of the Post Office network, and to demonstrate your Government's commitment to "reset" the relationship with postmasters.

Yours sincerely,

Calum Greenhow
NFSP, CEO

P.S. For openness, the NFSP have forwarded our letter of the 22nd to the Chair of the Business and Trade Select Committee