

Alan McLaughlin statement

Prepared for Northern Ireland Court of Appeal application

1. Introduction

Attempting to review the two decades of living with the consequences of the actions of the Post Office(POCL as it was) inevitably results in a range of often conflicting thoughts and emotions.

These range from the initial exhilaration and optimism of acquiring Brookfield Post Office in July 1999, to the ongoing struggles with the Horizon system and the traumatic upheavals and outcomes of the PO decision to prosecute and deny responsibility.

Like many Sub Post Masters I saw the business as a valuable community asset to which I could bring my own personal attributes and experience.

In my case it was in a very real sense a return to my roots, to the community and area [REDACTED] **GRO**

GRO

2. Family

GRO

I was married to [REDACTED] **GRO** [REDACTED] before court case concluded in 2005. She was and remains very supportive however we are now divorced. The divorce was due to external pressures as a direct result of the Post Office case and nothing to do with anything within our relationship. When I lost the house and entered bankruptcy it derailed our relationship. Our shared plans came to an end due to the financial events that happened to me. I was servicing debt throughout our whole relationship and looking back at everything I was under

an overwhelming burden. I dealt with my burden in chunks and could not look at the totality at any one time as it was too overwhelming. I could only deal with small steps that were in my control and try not to worry about things that were outside my control.

GRO

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3. Education / qualifications

GRO

4. Previous employment

GRO

5. Purchase of Post Office

I purchased the post office in July 1999.

I used my redundancy payment of £18,000 as a deposit for a bank business loan to purchase the post office. While I was still teaching I had bought a house when in the Ballysillan area of Belfast. I also put my Ballysillan house as security for a business loan from the Ulster Bank to purchase the post office. The loan

was £56,000 which was added to the £18,000 deposit to purchase the post office.

6. Antecedence

I have no other convictions.

7. Initial running of Post Office

I had good staff when I purchased the post office in July 1999. I started using the Horizon IT system in September 1999. In the months before Horizon was installed the post office used a very basic computer system. The pre-Horizon computer system was very antiquated and sometimes stopped working at times. The pre-Horizon system was a very manual system which was very labour intensive and time consuming to enter data and access information. When Horizon came in it felt like a huge step forward and I was looking forward to it. When realised Horizon didn't work my impression of the system went from extreme happiness to extreme disillusionment.

8. Problems

Horizon was installed in my post office shop in September 1999. Problems emerged immediately from the outset. When transferring all data from old system to the new system all the data was entered as negative numbers. I noticed this and asked the Post Office Trainers why this happened. They said a mistake had been made but they didn't say how it happened. They told me I had a choice to either continue with the new Horizon system with the incorrect data or else take Horizon out and re-start a number of months later. Because I felt I really needed the new system I went with keeping Horizon with the incorrect data. I was told that the figures would work themselves out and correct itself in a week. I asked the Post Office Trainers how that could be but they told me just to take their word that it would correct itself. Post Office Trainers had visited my shop at least three times from Horizon being installed to early 2000.

The week after Horizon was installed the balance was plus and not negative figures which was a relief. How that happened I have no idea. But the balance

wasn't correct. The first balance wasn't out by much. Maybe £20 or £30 out. If the discrepancies went above £20 / £30 then it was clear to me that this was more than routine error / miscounting money out. At first I thought it was just normal routine errors that would normally be expected. By November 1999 the discrepancies became bigger. £60 and above. To me, any discrepancies above £20 or £30 was something other than routine counting errors.

I was unhappy and uncomfortable from the start. I didn't think it was the computer system that was the problem as it wasn't something that was questioned back then.

As far as I know the problems I had with Horizon were software problems. I'm not aware of any hardware problems. The terminals supplying by Horizon / Post Office did not appear to have any problems with their operation.

9. Efforts to balance the accounts

Whenever we did any audits we were always told that there were no procedural errors with the Horizon system. There was a pre-Horizon audit. There were regular audits.

10. Problems increasing

From the very start I complained directly to the Aiden McNeill who was the Post Office regional operations director. I had weekly contact with him. I wanted to get things right and I wanted to know if I was doing something wrong. I was one of the first to get Horizon installed in Northern Ireland.

In December 1999 McNeill started saying to me that if I didn't start getting the accounts to balance then he would remove the Post Office contract. I was furious because I knew that the errors were not made by me and I had gone into the contract in good faith.

In July 2001 a woman was employed by a Management Agency to run the post office while I was negotiating with the Post Office. This lasted until February 2002 when the post office shop closed permanently.

The management agency was in contact with me every week and told me that they had to threaten the woman they employed to run the post office shop with legal action because she was doing such a bad job running the post office. She was a disaster. She was inventing costs and withholding payments to me and the staff. She thought she was a post-mistress. She lost the plot completely. Running the post office shop was completely beyond her. Post Office conflated her period with my period and made the allegations against me worse. By the conclusion of the criminal case, the losses during the period that she ran the post office were removed from the case against me. About £6,000 was physically missing the day the post office was closed on Feb 2022.

11. Calls to helpline

Even with the early smaller discrepancies of £20 / £30 in the first weeks of Horizon being installed I called the helpline. This would have been as early as October 1999. Post office trainers came out to assist and they were with us when we were making the balances to check the system was being used correctly. The trainers also ended up with the same discrepancies whenever they did the balance. The trainers told me that there were no procedural errors and they could not explain the discrepancies.

I made calls to the helpline on a weekly basis from October 1999. 15% calls would have been about lost passwords but the rest of the calls were about problems with balances and other issues with the Horizon system.

12. Own money used to make up shortfalls

I reversed the transactions to make the accounts balance. I knew that this wasn't the best thing to do but in my mind it was my money being put in and I wasn't using anyone else's money. In total I would have put £1400 into the system using my own money. No more than this would have been put in from my own pocket. It wasn't a huge amount.

I didn't get into debt however I wasn't getting as much profit as I should have.

13. Bankruptcy

Although I didn't get into any debt trying to make up the shortfalls I did eventually become bankrupt as a direct result of my problems with the Post Office.

After I lost the contract with the Post Office my loan repayments more than doubles and went up to over £900 per month. I re-mortgaged trying to keep afloat and to repay the loan. I entered into bankruptcy around 2011.

14. Federation of Sub-Postmasters

I spoke to Tom Graham and Victor Mateer who represented the Federation. I spoke to them regularly about the problems with Horizon. At no point did they indicate that they were aware of any other problems with anyone else with Horizon / Post Office. They never gave me the impression that any other problems or that the position was anything other than Post Office was right. I went to meetings. Nothing about the Horizon problems were ever discussed at these meetings. The Federation didn't really represent us or advocates for PMs. The Federation was more interested in protecting the Post Office.

15. Police interview

I have no recollection of the police interview. I remember an Inspector Lindsay contacting me. I wanted to know the seriousness of the allegations. I contacted Rice and Co. solicitors straight away after being contacted by police. I think I received a summons to court.

16. Criminal Proceedings

My solicitor at the time, James Malanophy of Rice & Co, commissioned a full audit by forensic accountants from McClure Watters of every Horizon transaction from September 1999 to February 2002 (from August 2001 to February 2002 the branch was run by a managerial company based in York, Abrahams associates) and it became clear that Horizon had systematically generated a series of 'transactions' quite independently of any of the branch employees or myself.

If these issues were not already known to POCL, they certainly were after the forensic accountants confronted head PO prosecutor, a Ms Winter(?), senior POCL management representatives and, I believe, a representative of the PPS, in an arranged interview in Tomb Street Royal Mail HQ in November 2004.

It is simply inconceivable that the evidence thus presented,(ie. of systematically generated Horizon transactions with no user input by branch staff), by the team from McClure Watters was not then communicated to the highest levels of PO management in GB by those present at the interview.

17. Plea / Sentencing

The first time I met the barrister was on the day of court and I had to decide there and then whether to go to trial or take a fine. My solicitor wanted me to fight the case but I was given the chance to walk away with a fine. I took the option of the fine so that I could put it all behind me.

22. Physical / Mental Health

I have always been in good health. I play football. I walk my dogs every day.

I have managed to compartmentalise the problems I had with Post Office. I always knew that I had not done anything wrong and that any problems had been out of my control. I used anger as a self-coping mechanism and stayed angry at the Post Office. I kept all the documentation and material that I could regarding Post Office as I always intended to be able to take legal action against them if I could. The knowledge that Post Office took something away from me has kept pushing me forward.

My life has not turned out the way I planned because of what they did, not because of any fault by me. I've had ups and downs since the problems with Post Office. When I had the post office I was turning over approximately £10,000 from the post office and the shop. I was taking approximately £5,000 as net profit. The person I gave the shop to is still running the shop. I basically gave the shop to someone without making any profit just so that I did not have to deal with it any longer.

18. Effect of Horizon / Post Office problems

The consequences of what happened to me as a result of the Post Office problems were disastrous.

I lost the business into which I had invested so much commitment and personal resources, resulting in a cycle of debt management, remortgaging to pay off the business loan and a series of desperate, but ultimately unsuccessful, attempts to avoid eventual bankruptcy and loss of all assets, including my home.

I would have had a more comfortable life with a successful profitable business if not for the Horizon problems and way I was treated by the Post Office.

These are the personal consequences for myself of a sequence of events which began with the roll out of the Horizon system by POCL, a system which by any rational criteria was completely unfit for purpose, though even this barely covers POCL's zealous and unquestioning pursuit of hundreds of ostensibly respected members of the community in what can only be described as a wholly misguided attempt to sustain the infallibility of a system which, even as early as 2004, a team of skillful professional accountants had already demonstrated was anything but infallible.

For the past 21 years I have been rather too concerned with attempting to maintain some form and level of social and economic stability to have been overly concerned with the thought processes and deliberations of those who drove the Horizon miscarriage of justice towards what now appears to be a well deserved ignominious end.

And yet, ultimately, it is to those individuals that the real questions need to be directed, for only they can provide the answers as to how and why the biggest miscarriage of justice in British legal history was allowed to happen.

19. Current circumstances

I am have been audit checking for supermarkets for the last ten years. I am currently working for GRO and previously worked for GRO. Before that I worked for GRO as I became interested in computers after my problems with Horizon. I also managed some supermarket businesses during the time after owning the post office shop. I have always kept active. Keeping active

helped me focus and not think about everything that happened to me. I had to keep working to pay the business loan back.