



Department for
Business & Trade

Horizon Compensation Advisory Board

Report of fourth meeting: part I, held on 29 March 2023

Members present: Lord Arbuthnot; Kevan Jones MP; Prof. Richard Moorhead.

Apologies: Prof. Christopher Hodges (Chair)

Also present: Rob Brightwell; Eleanor Brooks; Eleri Wones; Elena Michael (all DBT).

Development of bandings for GLO scheme

1. The minister had asked the Board to consider recent public comments about the bandings for awards set out in the scheme's Principles and Guidance in respect of issues such as reputational damage.
2. DBT described the way in which bandings for selected heads of loss in the Principles and Guidance had been prepared. Freeths, as part of their contract with the Department, had been asked to identify and give anonymised details of "moderate", "serious" and "severe" cases which could serve as benchmarks for the GLO scheme. The Department's lawyers had developed an upper and lower figure for the cases described for each band based on awards made to claimants by the Independent Panel for the HSS: those awards had in turn been based on legal principles and the Independent Panel's obligation to secure fair settlements. Given the pace at which the scheme had been developed, there had not been time to consult claimants' lawyers on the figures attached to each band.
3. DBT noted that those figures were advisory and did not impose limits on compensation. The guidance required that each case should be considered on the basis of its individual facts. The Independent Panel would be under an obligation to secure fair settlements. Board members pointed out that the guidance did not make these points sufficiently clear. They were concerned that claimants and their lawyers might be inhibited from making full claims, and that the Panel might not be clear about the flexibility available to it. They were also concerned about the way in which the figures had been derived, and wanted more information.
4. In the light of the Board's discussion it was agreed that DBT would provide further information about the way in which the figures had been set. Board members would speak to lawyers representing claimants in the GLO and HSS schemes. The meeting would reconvene when this additional information was available.

Report of fourth meeting: part II, held on 21 April 2023

Members present: Prof. Christopher Hodges (Chair); Lord Arbuthnot; Kevan Jones MP; Prof. Richard Moorhead.

Also present: Carl Creswell; Rob Brightwell; Beth White; Eleri Wones; Joshua Scott (all DBT).

5. The Board reconvened to discuss additional information provided by DBT and the results of Board members' discussions with claimants' lawyers.
6. The Board agreed to recommend to Minister Hollinrake that the scheme's Guidance and Principles should be revised to make clear that:

- the bands were not limits but indicative guidance to claimants, their lawyers and the Independent Panel
- each case would be decided on its merits
- the figures for each band were derived from decisions made by the HSS Independent Panel on HSS cases where there was good reason to expect cases were generally less serious. The more serious cases were likely to still be going through dispute resolution. The GLO Compensation Scheme expects to find some cases where the facts of the case would demand awards significantly higher than the upper figure for the top band.
- if a claimant's compensation cannot be agreed through the Alternative Dispute Resolution process, they have the right to have it considered by the Independent Panel including a KC and other experts
- as for other aspects of compensation, where the Principles and Guidance set out bands, decisions would be taken by the Independent Panel based on the facts of each case looked at "in the round" and guided by considerations of fairness

7. Board members wanted to understand the legal rationale and case law on which they had been based as they were aware of case law which might suggest significantly higher indicators, such as serious defamation cases. The Board therefore agreed to hold discussions with members of the HSS Independent Panel with a view to confirming the way in which the figures had been devised and used; and securing greater transparency about those issues.

GLO project review

8. DBT presented progress on the GLO scheme.

9. They reported that the Post Office was recruiting additional staff to ensure that information relevant to GLO claimants was disclosed as quickly as possible. There was no issue about meeting the costs of this work but the pool of people with the necessary skills was limited. The Post Office would deal with cases in the order requested by the scheme – and, in practice, determined by claimants' lawyers – so that complex claims could be submitted without delay. DBT had commissioned the development of a timeline for the whole scheme. This would be discussed with claimants' lawyers and reported to the next meeting.

10. Dentons and Addleshaw Goddard were both now firmly in place as claims facilitators and legal advisors to DBT respectively. DBT was working with them to develop processes and governance so that claims could be dealt with fairly and quickly.

Revised terms of reference

11. The Board welcomed the expansion of its Terms of Reference to cover DBT's oversight of the compensation schemes being delivered by the Post Office. [Note: these are being published in parallel with this report].

Controls to assure fairness between schemes

The Board noted the arrangements which DBT had in place to ensure that claimants were treated in a similar way no matter which scheme applied to them. These included a new Programme Board of officials focussed on ensuring fairness across schemes.