

# Hansard

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## Post Office: Horizon Compensation

### Volume 730: debated on Thursday 23 March 2023

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#### Madam Deputy Speaker >

(Dame Rosie Winterton)

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Before we come to the statement, I wish to make a short statement about the sub judge resolution. As has been said to the House on previous occasions, there are relevant active legal proceedings in the Court of Appeal. I am exercising the discretion given to the Chair in respect of matters sub judge to allow reference to those proceedings, as they may concern issues of national importance. However, I urge Members to exercise caution in what they say and to avoid referring in detail to cases that remain before the Court of Appeal.

 12.57pm

#### The Parliamentary Under-Secretary of State for Business and Trade >

(Kevin Hollinrake)

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With your permission, Madam Deputy Speaker, I would like to make a statement on the Post Office and compensation for the Horizon scandal.

The Horizon scandal was a truly appalling episode in this country's history. Our postmasters—those hard-working, thoroughly decent people, who give so much to our communities right across the country—were made to suffer horrifically and for many years. We want the postmasters who fought to expose that injustice through the High Court to receive compensation on a similar basis to their peers. I put on record our thanks to Alan Bates and the Justice for Subpostmasters Alliance, and to many others, journalists and parliamentarians, who were key to the campaign.

On 7 December we announced the outline of the group litigation order compensation scheme. I am delighted to tell the House that from today, the scheme is open to receive claims. Details of how to claim can be found on the gov.uk website. I am writing to GLO members today with further information and placing copies of that information, the scheme application form, scheme guidance and principles, and questions and answers for the scheme in the Library of the House.

Our legal powers to pay compensation expire in August 2024. We certainly intend and expect to make payments much faster than that. We said in December that we would follow an alternative dispute resolution model. We have appointed Dentons as claims facilitators to promote the fair and prompt resolution of each case. We have also appointed Addleshaw Goddard as our external legal adviser on the scheme. They have been instructed to recommend fair offers.

In December we also announced an independent advisory board to oversee the scheme. Reports of its meetings are available on gov.uk. I put on record my thanks to board members Professor Chris Hodges and Professor Richard Moorhead, as well as to the right hon. Member for North Durham (Mr Jones) and Lord Arbuthnot—who is in the Public Gallery—both of whom have long been tireless campaigners for the wronged postmasters. I am pleased to announce that the remit of the advisory board will be expanded to cover the historical shortfall scheme, postmasters' suspension pay, and compensation for postmasters with overturned convictions.

I am pleased to report that good progress is also being made by the Post Office on compensating other groups of postmasters. As of 20 March, the Post Office has paid out more than £17.6m in compensation to postmasters with overturned historical convictions, 79 postmasters have received interim compensation payments, and 49 non-pecuniary claims have been paid. The Post Office has reached full and final settlement in four cases.

On the historic shortfall scheme, 98% of eligible claimants had been issued offers of compensation, totalling £90.2 million, as of 21 March. I recognise that in recent weeks concerns have been raised about the tax position of claimants in that scheme. It has always been the intention of the scheme to return postmasters to the position that they should have been in had they not been affected by the Horizon scandal. The Government want to see fair compensation for all victims, and my Department is working urgently to address that issue with the Post Office, the Treasury and His Majesty's Revenue and Customs.

As we talk about financial compensation schemes, we must never lose sight of the human cost of this dreadful injustice. That is why, as the House will know, Sir Wyn Williams is chairing a statutory inquiry to establish what went wrong, and to identify those responsible for what has happened so that, where possible, we can hold them to account. I commend this statement to the House.

**Madam Deputy Speaker >**

(Dame Rosie Winterton)

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I call the shadow Secretary of State.

 1.01pm

**Jonathan Reynolds >**

(Stalybridge and Hyde) (Lab/Co-op)

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I thank the Minister for his statement and for advance sight of it.

I too begin by paying tribute to Alan Bates and the Justice for Subpostmasters Alliance, which has campaigned for decades for compensation, justice and the truth. In addition, I recognise the campaigning efforts of Members from across this House on behalf of their constituents, and join the Minister in paying tribute to my right hon. Friend the Member for North Durham (Mr Jones) in particular. There can be no doubt that he has played an instrumental role in helping to chart a route to justice for thousands of people. We all wholeheartedly thank him for that.

The House is in unanimous agreement that the Horizon scandal has been a shocking injustice. Indeed, I think it is no exaggeration to say that it is one of the greatest scandals of modern times. As we continue to hear in the public inquiry the accounts of lives torn apart by the scandal, we can never lose sight of how devastating its impact has been on those victims. Today's announcement of the group litigation order compensation scheme is very welcome. I was pleased to hear about the appointment of claims facilitators and external legal advisers—in the interests of full transparency, I declare that I am a former employee of Addleshaw Goddard.

I thank the Minister and his predecessor, the hon. Member for Sutton and Cheam (Paul Scully), for their work on this matter. I am sure that the Minister will appreciate that I feel duty-bound to put on record the level of frustration that many people have felt about how protracted their fight for justice has been, particularly the 555 litigants excluded from the original historic shortfall scheme. Indeed, one of the first speeches that I made from this Dispatch Box as shadow Business Secretary was in support of calls for compensation to be expanded to them—a campaign that was established long before that exchange nearly 18 months ago. The most important step now is for that compensation to reach victims as quickly as possible, so may I press the Minister on the steps that we will all take to ensure that the process is completed as swiftly as possible?

I am also grateful for the update on the historic short-fall scheme. The Government's ambition was for that scheme to be completed at the end of last year, but in December, the then Secretary of State said that 93% of eligible claimants had been issued offers of compensation. The Minister has given the figure of 98% today, so can he confirm that the scheme's completion is imminent? I also was pleased that he raised the tax issue. Will he commit to coming back to the House when he can to provide more information on the work that he said he is doing?

Today's announcement is certainly welcome, but as we all await the conclusion of the public inquiry, and its recommendations, surely this is one of many steps that we need to take to make amends for what has been the most insidious of injustices.

**Kevin Hollinrake >**[Share](#)

I thank the hon. Gentleman for his words, and for welcoming the statement and the opening of the scheme. I absolutely concur that we should all be grateful for the work of my predecessors—not least, as he said, my hon. Friend the Member for Sutton and Cheam (Paul Scully).

The hon. Gentleman is right to say that we want to do this as quickly as possible. I am very pleased with the work of the advisory board, which is helping with the scheme. The scheme is based on a set of principles that should mean that compensation is delivered more rapidly and that there is a clear route to claims being settled quickly. We very much hope that that is the case—we want to get those payments out of the door at the earliest possible opportunity.

Again, we are working at pace on the tax issue. Clearly that is a matter of law as well as of tax policy, so getting that right is key. We have to work with the Treasury and HMRC to ensure that we get it right, but that is a determination and a commitment that I am very happy to make. We hope to make a further announcement on that work shortly.

**Mr David Davis >**

(Haltemprice and Howden) (Con)

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At last. I remind the House that 27 people have died in the wait for justice. That said, I commend the Minister and his processor for their fabulous compassion, energy and drive in delivering what we are seeing today. However, there are people I represent among the 555 who have still not received any compensation for a variety of reasons, so can the Minister tell the House whether the scheme, under its brilliant advisory board—some of whom are in the Chamber—will cover all 555 claimants?

**Kevin Hollinrake >**[Share](#)

I thank my right hon. Friend for his words. He is absolutely right that it has taken too long and people have died waiting for compensation. That is totally unacceptable, and the worst part of that delay was the obfuscation and denials of the Post Office when clear evidence that something was sadly amiss was brought to light by parliamentarians. Yes, it is absolutely the case that we want every single person of the 555 who merit compensation to get it so that it is fair across the board—so that, between them, the three schemes deliver fair outcomes and there is parity across them. I am determined to make sure that that happens, as is the advisory board. We will report back to Parliament regularly to ensure that Members are aware that that is the case.

**Madam Deputy Speaker >**

(Dame Rosie Winterton)

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I call the SNP spokesperson.

**Marion Fellows >**

(Motherwell and Wishaw) (SNP)

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I thank the Minister for his statement. Of course, I welcome what he outlined, and, as chair of the all-party parliamentary group on post offices, I am very grateful to him for keeping me updated.

We now have three streams for former postmasters and sub-postmasters who were affected by Horizon to claim compensation—that is really important. The Minister has talked about achieving parity, and I think he will agree that that must be done. I would be keen to for him come back to the House to tell us that it is happening and that the latest compensation scheme will not run out of time.

I think it worth mentioning again the hard work done by the JFSA, by journalists such as Nick Wallis, by Members of this House and by former Members who are now in the other place. They have all been of great help to the APPG. I came into the House not knowing anything about Horizon—I wish I did not know what I know now. I congratulate the Minister and his predecessor, the hon. Member for

Sutton and Cheam (Paul Scully), on grabbing hold of this matter and making things happen. So many people will be grateful.

**Kevin Hollinrake** >

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I thank the hon. Lady for her kind words and for all the work she does as chair of the all-party parliamentary group on post offices. She is right to say that there are three separate schemes, and there was probably a good reason for that at the time. It is not ideal to have three schemes, and Sir Wyn Williams referred to that in his comments, but we are all keen to see consistency across the three schemes. That is why I welcome the work of the advisory board, which will cover all three schemes to make sure there is consistency across them. I am determined to make sure that happens, and I will keep her fully informed on progress.

**Sir Edward Leigh** >

(Gainsborough) (Con)

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This is a terrible scandal, and Post Office Ltd is not fit for purpose. Thirty years ago, when I was a Post Office Minister, I tried to privatise this body, and it is still in a mess. Only last week, I had a meeting with sub-postmasters led by David Ward, one of my excellent local sub-postmasters, and they are calling for something good to come out of this scandal—namely, that we pass control directly to sub-postmasters, for instance through mutualisation.

We have the chief executive of Post Office Ltd paying himself a salary five times more than the Prime Minister, with a bonus of £400,000 a year on top of that. We have banking remuneration to Post Office Ltd coming to £205 million, of which only 27% went to sub-postmasters. We have 11,000 sub-postmasters in a state of managed decline, earning virtually the minimum wage. I wrote to the Minister on 14 March, so he will have received the letter by now. I do not expect him to reply immediately to my question, but will he at least have an open mind about trying to take us forward and preserve the wonderful world of our sub-postmasters, particularly in rural England?

**Kevin Hollinrake** >

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I thank my right hon. Friend for his points, and I also hope that some good comes out of this terrible scandal. I am a big fan of mutual organisations. I am happy to have a conversation with him. I will respond in writing, and perhaps we can meet following that.

**Madam Deputy Speaker** >

(Dame Rosie Winterton)

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I call the Chair of the Business, Energy and Industrial Strategy Committee.

**Darren Jones** >

(Bristol North West) (Lab)

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I thank the Minister for his statement and advance notice of it, and the members of the advisory board for their important work.

I want to focus on one particular sentence of the Minister's statement, which is very important. He said that the intention of the compensation scheme is

“to return postmasters to the position that they should have been in had they not been affected by the Horizon scandal”.

He will know that that has an important meaning in law for the calculation of compensation. Some victims of this scandal feel that they have not been fully put back into the position they would have been in had they not been a victim of this scandal. Can he confirm for those victims what process they should follow to ensure that the compensation scheme delivers on its intention as stated on the Floor of the House today?

**Kevin Hollinrake** >[Share](#)

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I am grateful to the hon. Gentleman for his work as Chair of the Select Committee. There is a clear process in the GLO scheme for a claim being submitted and then settled. There is claims facilitation if a case cannot be settled, and an independent panel following that. Through those processes, there should be a mechanism to get fair compensation. If he has evidence of people who feel they are in the situation that he refers to, I would be keen to meet him to discuss those cases.

**Andrew Bridgen** >

(North West Leicestershire) (Ind)

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I thank my hon. Friend for his statement. I started campaigning on this issue only weeks after being elected to the House in 2010 when I was approached by two of the victims of this scandal, my constituents Mr and Mrs Rudkin. Thanks to the diligent work of Ron Warmington and his team of forensic accounts at Second Sight, by 2015, I and other Members of this House with an interest, the Post Office and, importantly, the Government were well aware of the overwhelming evidence produced that showed these convictions were at least unsafe and that there had been a huge miscarriage of justice. That was in 2015. Will the Minister tell the House why it has taken a further eight years to get to a position where convictions have been overturned and compensation is now beginning to be paid out to the victims? How will we hold to account those who are responsible for this prolonged injustice against the sub-postmasters?

**Kevin Hollinrake** >[Share](#)

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I thank my hon. Friend for his work; he is a long-standing campaigner on this issue. He is right to point to the work of Second Sight, which was pretty critical to our getting to this point. The work of Members across the House in drawing attention to these issues shows Parliament at its best and what it is capable of doing, and I pay tribute to all Members of this place and of the Lords who have done that.

As I said, it took too long initially for the Post Office to hold its hands up and say that things were wrong. It had to be held to account in a court, which resulted in the settlement in December 2019. I agree that we need this as quickly as possible. It is also important that we get these schemes right. We want to make sure we get the compensation right the first time, and that is why it has taken a little bit of time, but we are in a much better place now. We are keen to get these payments out by August 2024, and ideally a lot quicker than that.

**Mr Kevan Jones** >

(North Durham) (Lab)

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I declare an interest, as a member of the GLO advisory board. Today would not have happened without Alan Bates and the Justice for Subpostmasters Alliance's tireless campaign over many years. I pay tribute to the hon. Member for Sutton and Cheam (Paul Scully) and the Minister for the way in which they have approached this scheme. Now the test is to get money to these claimants as quickly as possible.

I thank the Minister for agreeing to the advisory board's request to extend our remit to cover both the historical shortfall and the overturned conviction schemes, but he knows what I am going to say now. There must be equalisation of the schemes, to ensure that individuals under the historical shortfall scheme are not taxed or liable to bankruptcy clawback. He will not be surprised to know that that will be one of our first requests at the first meeting.

I thank the Minister for his work. This is a historic step forward, but there is still a lot of distrust, and the postmasters and victims will not be happy until those who were responsible for this scandal are held to account in a court of law. That obviously will come after the public inquiry, but their day of reckoning needs to come.

**Kevin Hollinrake** >

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I am grateful to the right hon. Gentleman for his work, including on the advisory board, which is much appreciated. He is right to reference Alan Bates, as I did. I spoke to Alan this morning, and he is pleased with the steps we have taken, as I think the right hon. Gentleman is, but the proof of the pudding is in the tasting. We need to make sure these schemes work properly. When he and Lord Arbuthnot asked to expand the board's remit to the other two schemes, I was pleased to support that wish. He is right to point to tax and bankruptcy. We need to make sure these people are treated fairly across all three schemes. We will leave no stone unturned—and I know he will not either—in making sure that happens.

**Duncan Baker** >

(North Norfolk) (Con)

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I thank the Minister, who has followed in his predecessor's footsteps in following this up. It is right that wrongly convicted postmasters get the justice and the compensation they deserve. I echo the wise words of my right hon. Friend the Member for Gainsborough (Sir Edward Leigh). As a former postmaster, I ask the Minister to turn his attention to a decent investment in the branch network and a decent remuneration and commission package for postmasters, who, operating a stand-alone post office, cannot make it work at the moment because the package is not good enough. Slightly cheekily, may I also ask the Minister to wish my constituents Jigen and Nisha Patel all the best for tomorrow, when I will formally open the new post office in Sheringham on the north Norfolk coast?

**Kevin Hollinrake** >

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My hon. Friend speaks as one of the few experienced sub-postmasters who have taken a seat in this place, and I appreciate his work in this area. We are looking at the future sustainability of the Post Office, and that will require investment. It is important that we get to a position where there is a bright future for the network and for the sub-postmasters who work in it and they have sustainable businesses. I am keen to liaise with him as we move towards that position. Of course, I congratulate the Patels on their new post office and hope the launch goes well.

**Jeff Smith** >

(Manchester, Withington) (Lab)

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Two of my constituents who were innocent victims of this scandal recently contacted me to raise their concerns about the appropriateness of Herbert Smith Freehills as what they describe as aggressive litigators of compensation claims on behalf of the Post Office, as well as concerns about the level of Government and independent oversight of the process operated by the Post Office with public money. Could the Government look into this situation again and report back to the House?

**Kevin Hollinrake** >

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If the hon. Gentleman writes to me, I will be happy to look into the situation. The solicitors involved in this are Dentons and Addleshaw Goddard. We believe they are the right people to help us make sure these claims are fair and to facilitate negotiations between the two parties, but I am keen to talk to him about any issue he wants to raise with me.

**Clive Efford** >

(Eltham) (Lab)

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My constituent served a prison sentence as a result of a prosecution by the Post Office. His conviction was subsequently overturned on the recommendation of the Criminal Cases Review Commission, but because he pleaded guilty on the advice of the National Federation of SubPostmasters, the Post Office is saying that his case is not a malicious prosecution, and therefore he is not included

in the scheme and is not to be compensated. It is only offering him what it would cost the Post Office to defend his case if he were to take it to court. Can the Minister say whether my constituent will be included in the schemes he has outlined today?

**Kevin Hollinrake** >

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I am very sorry to hear what has happened to the hon. Gentleman's constituent; that must have been a devastating situation for him. I do not think it would be appropriate for me to talk about individual cases on the Floor of the House today—I do not think that Madam Deputy Speaker would want me to do so—but I am very happy to liaise with the hon. Gentleman. If he writes to me, we can take that up on his behalf.

**Margaret Ferrier** >

(Rutherglen and Hamilton West) (Ind)

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I thank the Minister for his statement and for the work of his predecessor, the hon. Member for Sutton and Cheam (Paul Scully). The emotional toll that this tragedy has had on the Horizon victims and their families is devastating, particularly those who passed away before they were exonerated, one of whom was a constituent of mine. New evidence has revealed that the Post Office-Horizon help desk was a toxic and resentful environment where racism was reportedly a daily occurrence. What investigation have Ministers made of that workplace culture and how it may have hindered the system error from coming to light sooner?

**Kevin Hollinrake** >

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The hon. Lady is absolutely right to point out the emotional distress that many people felt, and the fact that some people have passed away while this process has been ongoing, a point also made by my right hon. Friend the Member for Haltemprice and Howden (Mr Davis). To be clear, any compensation can, of course, be paid to family members in that situation—a situation that, clearly, is entirely unacceptable. The Sir Wyn Williams inquiry will look at all the different factors at play in terms of why this happened, what could have been done, what should have been done, and who is responsible. I am absolutely determined to make sure that we learn the lessons from it, but not just that: if people can be held to account for what they have done, they should be, and I will do everything I can to make sure that they are.

**Madam Deputy Speaker** >

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I thank the Minister for his statement.

Royal Assent

**Madam Deputy Speaker** >

(Dame Rosie Winterton)

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I have to notify the House, in accordance with the Royal Assent Act 1967, that His Majesty has signified his Royal Assent to the following Acts:

Supply and Appropriation (Anticipation and Adjustments) Act 2023

Genetic Technology (Precision Breeding) Act 2023

Social Security (Additional Payments) (No. 2) Act 2023

Seafarers' Wages Act 2023

Trade (Australia and New Zealand) Act 2023

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