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[UK Parliament](#) > [Hansard](#) > [...](#) > [Commons Chamber](#) > [Horizon Settlement: Future Governance of Post Office Ltd](#)

Horizon Settlement: Future Governance of Post Office Ltd

Volume 673: debated on Thursday 19 March 2020

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🕒 3.30pm

Mr Kevan Jones >

(North Durham) (Lab)

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I beg to move,

That this House has considered Horizon settlement and future governance of Post Office Ltd.

Innocent people jailed; individuals having their good name and livelihoods taken away from them; the full use of the state and its finances to persecute individuals. Those are all characteristics of a totalitarian or police state. But that is exactly what we have seen in the 21st century in the way the Government and the Post Office have dealt with **sub**-postmasters and their use of the Horizon system. The Horizon system was the biggest non-military IT project in Europe. It cost over £1 billion to install and affected 18,000 post offices throughout the UK.

Before I go on, I would like to pay tribute to some individuals who I have been working long and hard with on this campaign. The first is the hon. Member for North West Leicestershire (Andrew Bridgen), who cannot be here today **GRO** **GRO** He has been with me from the start in trying to get justice for **sub**-postmasters, and I will refer to some of his work later. He would like to have been here and sends his apologies; that he is not here does not mean that he is not interested in the outcome. I also thank James Arbuthnot, the former Member for North East Hampshire, who, **GRO** **GRO** has still consistently pressed the case for justice for **sub**-postmasters. I pay tribute to the work that he has done in the past and is doing now.

I want to mention two other individuals. Alan Bates is the lead claimant in the class action. Alan has been a stalwart and stuck by his principles—knowing, as he said, that “I am right and I am going to make sure we get the truth out.” The other person is someone who has very helpfully shone a spotlight on the issue, and has spent many hours sitting through long court cases: Nick Wallis is a journalist who has kept this story in the public domain. Alan and Nick both deserve credit for their continued actions now and their work in the past.

I first came to be involved in the issue when a constituent came to see me in my surgery. That constituent was Tom Brown. Tom, like many other thousands of **sub**-postmasters, was a hard-working and well-respected individual. He had won awards from the Post Office for fighting off an armed robber in his post office, but because of the introduction of the Horizon system, he was accused of stealing £84,000 from the Post Office. Even though he said and demonstrated that that was not the case, the Post Office took him to court, and he went through the agony of being publicly shamed in his local community—we must remember that a lot of these individuals are the stalwarts of their local communities.

Tom went to Newcastle Crown court, and on the day of the trial the Post Office withdrew the case, but the damage had already been done. His good name had been ruined, and he had lost—because he had had to go bankrupt—in excess of nearly half a million pounds in the form of his business, the bungalow that he had bought for his retirement and some investment properties. He now lives with his son in social housing in South Stanley. The man who should have had a nice retirement, and who was well respected in his community, has been completely ruined and is destitute. Despite that—he came to see me last week—he is an individual who still has integrity, because he has always insisted that he is innocent of what he was accused of, and he has not been alone. Despite that—he came to see me last week—he is an individual who still has integrity, because he has always insisted that he is innocent of what he was accused of, and he has not been alone. The estimate from the class action that has been taken is 555, and there are many others, some unfortunately who have died since the case was taken forward.

The scandal of this—what makes me so angry and why I have persistently hung on to the campaign—is that the Post Office knew all along that the Horizon system was flawed.

Kevin Hollinrake >

(Thirsk and Malton) (Con)

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I congratulate the right hon. Gentleman on securing this important debate. Is not the other scandal in this that the courts time and again failed the victims? In the prosecutions that were taken forward by the Post Office, the courts found in favour of the Post Office, despite it being unable to properly evidence its case. It is absolutely wrong. We must stand up for David versus Goliath in our courts.

Mr Jones >

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I will come back to that, which is something that I think my hon. Friend the Member for Kingston upon Hull East (Karl Turner) will refer to in his contribution.

The board minutes from 1999 show that the Post Office knew there were bugs in the system and software problems. It denied all the way through that, for example, the amounts that **sub**-postmasters inputted could be changed. That was just not true. It could be remotely done, and the hon. Member for North West Leicestershire and his constituent Mr Rudkin, who visited the headquarters where the data was being stored, proved that. In classic style, when he raised that the Post Office denied that he had ever visited the data centre in the first place, until he proved that he had. It was just one cover-up after another. The denial culture in the Post Office was described by Judge Fraser, in what I thought was a very good his judgment, as

“the 21st century equivalent of maintaining that the earth is flat”,

because the evidence was there all the way through. There is no way that anyone who took an objective look at the system, in terms of the Post Office or Fujitsu, the contractor, could argue that it was perfect.

Duncan Baker >

(North Norfolk) (Con)

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It has also come to light that the people who were fixing the system from behind the scenes, as the right hon. Gentleman mentioned, and who could go in and balance the tills as it were, were incentivised and paid to be speedy and quickly fix the issues, which made a lot of these cases even worse, so that balances that were already poor got even worse.

Mr Jones >

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It was even worse than that: for many years the Post Office denied that that could ever be done. It was only in 2011, after campaigning by me and others, that the Post Office had the forensic accountants Second Sight take a look, and it discovered exactly what the hon. Gentleman has just outlined. But what does the Post Office do? It set up a mediation service, but still denied that there was any problem, even though the evidence was there.

As for the operator, Fujitsu, it knew that there were glitches. Indeed, I have to say that it is as guilty of the cover-up as the Post Office. I cannot comment on the judgment—I think the judge has possibly referred the case to the Crown Prosecution Service to get its involvement, so I do not really want to go into the detail—but Fujitsu has a lot to answer for.

John Spellar >
(Warley) (Lab)

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My right hon. Friend is outlining a litany of maladministration at the very least. Have any individuals at management level in either at Post Office Ltd or Fujitsu ever been held accountable for this?

Mr Jones >

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I shall come to that, which is a very good point. The complete opposite: most have been promoted or, in one case, appointed as a Government adviser when she left the Post Office.

That denial then led the postmasters to get the group action together, with 555 taking the Post Office to court. The Post Office was still denying that there was a problem when it went into court; indeed, its consistent approach has been to deny any type of liability.

Let me turn to the role of the Post Office and that of Government. The Post Office is an arm's length body from Government, but the sole shareholder is the Government. They have a shareholder representative on the board. Despite that, millions of pounds of public money are spent every year. In fact, it is a nationalised company, whether we like it or not.

But we are unable, as parliamentarians, to scrutinise the Post Office. For example, in spite of what it knew, it is estimated that the Post Office spent between £100 million and £120 million defending the indefensible in court. That was basically designed to whittle down the case, so that the other side ran out of money. Trying to scrutinise the Post Office and get it to account for that is virtually impossible. When I have asked parliamentary questions, they are referred to the Post Office. I will come on to the role of Ministers, but I am sorry that the right hon. Member for Kingston and Surbiton (Sir Edward Davey) is no longer in his place, because I would have liked him to answer for his role—or lack of role—when he was the Minister.

The Post Office falls somewhere between a private company and a public company, but then there are the individuals involved, as my right hon. Friend the Member for Warley (John Spellar) said. Paula Vennells was the chief executive of the Post Office. She left last year. Obviously, as a board member she knew what was going on, including the strategy in the court case and the bugs in the system. What happened? She got a CBE in the new year's honours list for services to the Post Office. That is just rubbing salt into the wounds of these innocent people. There is a case for her having that honour removed, and I would like to know how she got it in the first place when the court case is ongoing. Added to that, she is now chair of Imperial College Healthcare NHS Trust. Again, I would like to know why and what due diligence was done on her as an individual.

Lucy Allan >
(Telford) (Con)

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I congratulate the right hon. Gentleman on his excellent speech and his stoical determination in trying to get to the bottom of this. Is he also aware that the head of Fujitsu UK is now working in the Cabinet Office?

Mr Jones >

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I do not know whether the hon. Lady has read my speech, but I am just coming on to the Cabinet Office, because lo and behold, guess where Paula Vennells also ended up? She was a non-executive member of the Cabinet Office. I am told that she was removed from that post yesterday; I do not know whether it was because of this debate. I welcome that, but why is someone who has overseen this absolute scandal still allowed to hold public positions? Worse than that, she is a priest. I respect those who have religious faith, and she does, but the way that she has treated these people cannot be described as very Christian—she certainly would not pass the good Samaritan test, given the way she has ignored their pleas. I hope she thinks about people like Tom, who have lost their livelihoods and are now living in social housing because of her actions. It angers me that these individuals have gone scot-free, and they need to be answerable for their actions.

John Spellar >

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Maybe she fulfils the role of the Pharisee in that parable. Does this not also speak to a deeper problem in our society, where relentlessly, time after time, the great and the good look after each other and hand out these positions to each other, irrespective of whether they have been successful or a massive failure? We see that particularly in the health service, where people move from job to job, taking payments each time they go and leaving catastrophic failures. Is this not a deeper failure in the system?

Mr Jones >

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It is, but how could somebody be given a CBE when this scandal was out there? How could somebody be appointed to the non-executive board of the Cabinet Office and a healthcare trust, given what is coming out of this court case? I find that remarkable.

Then there is the role of Government. When the right hon. Member for Kingston and Surbiton was the Minister, he said that the Post Office

“continues to express full confidence in the integrity and robustness of the Horizon system and also categorically states that there is no remote access to the system or to individual branch terminals which would allow accounting records to be manipulated in any way.”

That is despite a board minute of 2009 which said that remote access was possible. What his role in it was I do not know, but he clearly did not ask many searching questions of the Post Office.

I turn to how we scrutinise the Post Office. I have tabled numerous written parliamentary questions, but because the Post Office is an arm's length body, the Department for Business, Energy and Industrial Strategy shift them over to the Post Office—it is at arm's length, and therefore it is nothing to do with the Department. There is a question here about how we can scrutinise the Post Office. This week, I asked a question about what the complex case review team in the Post Office is. My able assistant rang BEIS and asked, “What is it?” BEIS did not even know about it. The parliamentary question has now been given to the Ministry of Justice, but it does not know what that team is. I know that last week two cases were settled out of court, each for £300,000. This is public money we are talking about here, and we need full scrutiny. I would love to see whether the Minister can shed some light on what this organisation actually is.

Then we come to the role of Ministers. I have already mentioned the right hon. Member for Kingston and Surbiton, but Jo Swinson, Claire Perry and the Minister's immediate predecessor the hon. Member for Rochester and Strood (Kelly Tolhurst) were all involved. They all completely believed what they were being told by the Post Office, never asked any questions about how public money was being spent and allowed the Post Office to continue what it has been doing. The Government cannot say that they never knew about this, because when the new Government came to power in 2010, myself, James Arbuthnot and the hon. Member for North West Leicestershire went to see Oliver Letwin, then a Cabinet Office Minister, to put our case to him. He had sympathy for it, because he had a similar case in his constituency. What happened to that? Nothing happened at all. Clearly there is an issue that the Government cannot hide from.

Dame Diana Johnson >

(Kingston upon Hull North) (Lab)

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My right hon. Friend is making an excellent case. I want to raise with him this issue about MPs not being able to find out what happened. In the Hillsborough inquiry, the Bishop of Liverpool talked about

“The patronising disposition of unaccountable power”.

This is a classic case of exactly that.

I also want to put on the record how grateful my constituent Janet Skinner is that MPs such as my right hon. Friend and others have pursued this matter for many years to try to get justice for the people involved.

Mr Jones >

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I thank my hon. Friend for that. She uses a great description.

We then come on to the issue of compensation.

Mr David Jones >

(Clwyd West) (Con)

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The right hon. Gentleman mentioned the issue of Ministers. Of course the Post Office has a non-executive director appointed by the Government. One must assume that that non-executive director is reporting to Ministers. Would that not be an interesting topic for the inquiry?

Mr Jones >

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Yes, and I was going come on to that, because I would love to know who those non-executive directors have been over the years and what they said to Ministers. If I had been the Minister, I would have had that person in and scrutinised what was going on, as I am sure the right hon. Gentleman would. That would certainly have applied in the past few months, given the hundreds of millions of pounds that have been spent defending the indefensible.

In December, the Post Office agreed a settlement worth £57 million. Unfortunately, most of that has been swallowed up in the fees and the after-the-event insurance that the litigants had to afford. I do not criticise the lawyers—the people who funded this—because without them we would not have got justice, but that leaves about £15,000 for each of the successful people in the class action. We must recall that my constituent has lost more than half a million pounds, and the Post Office is settling cases outside this settlement for £300,000. What has to happen now is that a scheme has to be set up to compensate individuals properly. We must remember that £15 million of those costs were legal costs for pursuing the case, and £4 million of that is VAT, which will go straight back to the Government. Over the time that Paula Vennells was at the Post Office, she earned nearly £5 million, which just shows how the individuals who have been affected are not having happy retirements and peace of mind, but have been put through this system. The issue is clear to me: the figures that are being paid out now privately need a scheme.

I wish to make a couple of further points before I finish. The first is that the National Federation of SubPostmasters needs winding up now. It is not independent, nobody joins it—**sub**-postmasters are auto-enrolled. It is basically an arm of the Post Office and is paid for by the Post Office. Surely if it is going to be an independent voice for **sub**-postmasters, it should be that.

If anyone saw the Business, Energy and Industrial Strategy Committee hearing last week, they will have seen the chief executive, who could not answer on how many of his members had been affected by Horizon or what his organisation had done about it. I will tell the House exactly what it did: nothing. In Tom Brown’s case it just said that the Post Office must be right. The organisation is a sham and it needs to be wound up now. We need an independent organisation to represent **sub**-postmasters—including through the recognition of the Communication Workers Union, which some people are members of—that can actually be an independent voice for **sub**-postmasters.

The other thing that I, the hon. Member for North West Leicestershire and James Arbuthnot did was to take some cases to the Criminal Cases Review Commission, because there are people who have been found guilty and in some cases jailed unfairly. I pay tribute to that body, which took the issue seriously and took on a number of cases. It has stayed those cases—quite rightly, in my

opinion—until the outcome of the civil litigation. It is important that those cases are now moved on and considered, because there are miscarriages of justice in some of those cases that need to be put right very quickly.

The right of the Post Office to take forward its own prosecutions needs to be removed. This issue goes back many centuries in the Post Office's history. When Tom Brown asked whether he could get the police or the Crown Prosecution Service involved in looking at the evidence against him, he was told no. Likewise, it was the same for everyone else. Removing that right is something that the Government could do straight away, because there is no adequate oversight of how cases are being prosecuted. In Judge Fraser's summing up, he described the contract and the way in which the Post Office acted as

“capricious or arbitrary ways which would not be unfamiliar to a mid-Victorian factory-owner”,

and said that the Post Office appears to

“conduct itself as though it is answerable only to itself.”

That is the case: it was answerable only to itself, with little or no insight in terms of oversight from Government.

Let me say what needs to be put right now. I have already mentioned that compensation needs to be put in place. We now need a full independent inquiry, and in a response in Prime Minister's questions on 26 February, the Prime Minister indicated that that might be the case, calling the issue a “scandal”. In response to Lord Arbuthnot in the other place on 5 March, Lord Callanan said that the issue would be under consideration. We need as a matter of urgency an inquiry to cover not just what has gone on but how we can improve the situation for the future, and it has to be independent of Government. The Business, Energy and Industrial Strategy Committee is looking into the matter, and I give credit to it for doing that, but we need some recommendations about what went on in the past. I am sorry, but as my right hon. Friend the Member for Warley said, we need to expose who did what. I have to say, if in some cases what I would argue was criminal activity took place, people have to be prosecuted. Given their involvement, they certainly need to be removed from any public bodies on which they currently serve.

The Minister's predecessors have not been good at looking into this issue. They have not asked the right questions—they have not asked questions of their officials or the Post Office. The Minister now has a chance to put this right. I know that he spoke to Alan Bates yesterday, and I know that he is hiding behind the court case in terms of compensation—his officials are saying that they cannot get any more. I have to say: please do not do that. It is now time for bold action. If we do not take action, this injustice will continue.

Let me finish with this: my constituent Tom Brown should be enjoying a happy, well-funded retirement, but he is not. He is still a proud man, as I said—he is a man who has not lost his dignity—but he is living in social housing with his son, and that is not his fault; it is down to people such as Paula Vennells and the board at the Post Office, and the failure and cover-ups that have been perpetrated by individuals. The Government, who should have stood up for him, have turned a blind eye.

Several hon. Members rose—


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Madam Deputy Speaker >

(Dame Eleanor Laing)

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Order. It will be obvious that we have just over an hour left for this debate, which is not long. I hope that we can manage without a time limit, and we will if everyone takes about five to six minutes. That does not mean seven to eight minutes.

 3.55pm

Martin Vickers >

(Cleethorpes) (Con)

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I will try to complete my contribution in even less than five or six minutes, Madam Deputy Speaker.

The right hon. Member for North Durham (Mr Jones) has given a comprehensive explanation of the background to this case, and many of us taking part in this debate will be familiar with it. We have met constituents whose lives have been destroyed, which is not too strong a word to use.

I have six constituents who have been affected. They are decent, honest, hard-working individuals—indeed, they are public servants—but their lives have been wrecked. Some have lost their homes, and some now have a criminal conviction. Surely the Post Office will recognise that these people have not become criminals overnight. Why were no questions asked? During my 10 years in the House I have attended numerous debates on the issue and, to be absolutely honest, and as the right hon. Gentleman has said, Ministers have tried to wash their hands of it. They stood back when clear injustices were being ignored.

As Justice for Subpostmasters Alliance has said, given the tyrannical conduct of the Post Office over the years, it had no alternative but to seek litigation. Scores of postmasters contacted the Post Office to tell it of discrepancies. They were not trying to hide them. Their actions were hardly those of someone deliberately engaging in fraudulent activity.

The judge was scathing in his remarks about the Post Office, and rightly so. The Post Office relied heavily on section 12, clause 12, of its contract with the **sub**-postmasters. The judge rightly drew attention to that. The clause states:

“The Subpostmaster is responsible for all losses caused through his own negligence, carelessness or error, and also for losses of all kinds caused by his Assistants. Deficiencies due to such losses must be made good without delay.”

Yet the judge found:

“It is not for a Subpostmaster to demonstrate that there was no negligence, carelessness or error on his or her part. It is for the Post Office to demonstrate that there is. It is only if the Post Office can demonstrate that there is a loss which falls within the scope of the clause, that it is entitled to rely upon the clause”.

As has been mentioned, it is staggering that Fujitsu could access a **sub**-postmaster’s account without his or her knowledge. That left it wide open—though one hopes that this was not the case—to others to interfere with the account entries.

It is perfectly obvious that Horizon is not fit for purpose. The attitude of the Post Office is a scandal and a disgrace. As I have said, successive Ministers have sought to wash their hands of this. Yes, the Post Office is an arm’s length body, but, as has been said, the Government cannot escape their share of responsibility. Circumstances have changed. Anyone who has read the judge’s remarks cannot avoid acknowledging that they have some responsibility. We now have a new Minister in post and he has an opportunity to show some sympathy. As with the previous debate on IR35, this is about correcting an injustice, and the Government, along with the legal process, have an opportunity to achieve that. The Government should act without delay in instituting a full, independent inquiry and compensate in full those who have suffered.

Financial compensation, though, can never wholly recompense those whose lives have been utterly and totally destroyed. I and, I am sure, other Members, have had people in our constituency surgeries who have been reduced to tears because of how the Post Office has treated them. They have been diligent public servants for many years, and it is intolerable that they have ended up in this situation. I urge the Minister to take action on this as quickly as possible.

🕒 3.59pm

Karl Turner >

(Kingston upon Hull East) (Lab)

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I congratulate my right hon. Friend the Member for North Durham (Mr Jones) on securing this debate and on moving the motion. We have had discussions over the years about this case, which is a massive scandal, the likes of which I have not seen before.

Before my election to this House in 2010, I prosecuted and defended in criminal proceedings from my local chambers in Hull and, prior to that, I worked with a firm of criminal solicitors. It was there that I met Janet Skinner, who is a constituent of my hon. Friend the Member for Kingston upon Hull North (Dame Diana Johnson). Janet Skinner was prosecuted by the Post Office for dishonesty— theft, fraud and other related offences. I took Janet Skinner’s instructions. It was a very brief encounter, from memory. It was probably a conference that would have lasted no more than 20 minutes, but I remember her instructions and, indeed, she has reminded me of them since. She could not understand why she was being accused of dishonesty. When she explained the situation to me, it was clear that what she had committed, if anything, was the offence of false accounting. Why? Because when her books did

not balance, she would ring the helpline and it would tell her—and other **sub**-postmasters and mistresses—off the record, “You just need to make the books balance.” Effectively, they were told to make up numbers. The helpline said, “Put the information in, then you can close the system down for the night and trade the next day.” That was utterly disgusting.

My analogy is that it is like being trapped in a burning building. You ring the emergency services, you explain the situation and you are advised to smash a window to escape the building. Once you have, you are eventually prosecuted for criminal damage. That is the scenario. It is not a perfect analogy, certainly not for a criminal lawyer, because there is an inbuilt defence in criminal damage of reasonable excuse.

Janet Skinner was of good character, with no previous convictions. She reminded me recently that she had never even had so much as a parking ticket to her name. But if she had sat down with a probation officer for pre-sentence report, it was clear it would not be a good one. Why? Because she would have said, “I didn’t do anything.” When she was asked if she was sorry, she would have said, “No, I am not sorry because I do not think I have done anything wrong.” I did not represent her at the sentencing hearing as it happens, but when she was sentenced, the judge would have questioned whether she was likely to commit further offences because she had admitted no culpability whatever and she was not sorry. She was not sorry because she had done nothing wrong. We now know that she should not have been investigated, she should not have been interviewed and she certainly should not have been prosecuted. We now know that she should not have pleaded guilty to false accounting and that she certainly should not have gone to prison for nine months.

Since I have been involved in representing victims of this scandal, I have been contacted by other **sub**-postmasters, and a few days ago I received some startling documents. In 2006, a **sub**-postmaster was prosecuted. I have documents showing discussions between lawyers within the Post Office conceding that there was no theft, no dishonesty, no fraud and no false accounting in this case, yet she was prosecuted. It is utterly disgusting. When this person found out that these documents existed, because they had been leaked to her, she asked the Post Office whether they would produce the documents to the Criminal Cases Review Commission and she was met with aggression the likes of which I have never seen. She was told that these documents were privileged and that if they were leaked she could be in serious trouble. There was bullying, aggression, and constant lies from the very beginning—lie after lie after lie.

I have read Mr Justice Fraser’s judgment—it is a pleasure to read—and to someone reading the judgment it is clear that lies were constantly told. I am prepared to accept that Ministers and Government officials were misled from the very top of the Post Office and Fujitsu. What do we do now to put matters right?

Duncan Baker >
(North Norfolk) (Con)

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Does this not underline the simple fact in all of this, that the Post Office’s only consideration in all of this was to protect itself at the cost of the total injustice that so many people faced?

Karl Turner >

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I am grateful to the hon. Gentleman. I have described this as the most grotesque version of predatory capitalism I have ever seen. Why? Because £1 billion was invested and senior officials in the Post Office and Fujitsu did everything they possibly could to protect themselves. They knew. Let us be absolutely clear about that. They knew that there were victims who might go to prison—or who had already gone, at that point. It is utterly disgusting.

Lucy Allan >

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I, too, have a constituent in exactly the situation the hon. Gentleman has described, who was 18 years old and was sent to Holloway for six months, accused of theft and failing to apologise to the grannies she was supposed to have stolen from. She has not had her name cleared. She has been waiting five years for the Criminal Cases Review Commission to do that.

Karl Turner >

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The hon. Lady is absolutely right. These **sub**-postmasters were respected in the community. The Post Office is a respected organisation that we should all be incredibly proud of, but that was part of the problem. The Post Office was believed. The lies that Ministers, officials and everyone else were told along the line were believed as well. That is why only a judge-led inquiry can possibly sort this out. We need to know who knew what, what they knew, when they knew it and why they acted as they did.

I want to say something briefly about one of those senior people in the Post Office, Paula Vennells. I do not know Paula Vennells but I do know that she apparently earned something in the region of £5 million over a six-year period. I believe wholeheartedly that she would have had a very good inkling of what was going on at the time. This is utterly scandalous and a judge will be the person who can get to the bottom of it.

🕒 4.09pm

Mr David Jones >
(Clwyd West) (Con)

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I, too, congratulate the right hon. Member for North Durham (Mr Jones) and my hon. Friend the Member for North West Leicestershire (Andrew Bridgen) on securing the debate. I have the privilege of representing Mr Alan Bates, who was the lead claimant in the proceedings that were settled in December. If it had not been for his tenacity and that of others, the consequences would have been that the wrongdoings of the Post Office and Fujitsu would have gone undetected and the reputations of many hundreds of completely decent, innocent people would have been completely destroyed without any hope of being repaired.

It is clear from the judgment delivered last year by Mr Justice Fraser that the Horizon system was, at all relevant times, defective. It is also clear that the Post Office and, by extension, its directors and, by further extension, its Government-appointed directors must have been aware that the system was defective. Notwithstanding that, for over 20 years, the Post Office stubbornly and aggressively continued to assert that the system was fit for purpose. Many innocent **sub**-postmasters and **sub**-postmistresses lost their livelihoods, some of them went bankrupt, some of them were prosecuted and, indeed, some of them were sent to prison. It is an absolutely scandalous tale.

It is, indeed, a credit to Mr Nick Read, the new chief executive of the Post Office, that his intervention helped achieve a settlement to the legal dispute last December, but that settlement cannot be the end of the matter. The Government cannot simply regard the settlement as putting the Horizon issue to bed. As other hon. Members have said, after costs are taken into account, the settlement sums for those 500-plus litigants will be paltry. The Government have a duty to further compensate the **sub**-postmasters who have been so appallingly treated by a Government-owned company.

I will be brief, because I know others wish to speak, but there is a vehicle that could be used to pay that compensation. The Post Office operates a suspense account for unallocated money and, given the history we have heard today, I suggest there is rather a lot of unallocated money in the Post Office.

According to a 2015 report by Second Sight, unreconciled balances for the 2014 financial year were approximately £96 million in respect of Bank of Ireland ATMs and approximately £66 million in respect of Santander. Bank of Ireland and Santander are just two of approximately 170 so-called client accounts operated by the Post Office. The question of how much has been going into the Post Office's profit and loss account from unreconciled balances would clearly have to be a matter for further inquiry. However, it is surely a source available to repay the costs of the claimants in these court proceedings.

To summarise, the Government owe a significant debt, both financial and moral, to the wronged **sub**-postmasters as a consequence of the deplorable conduct of those responsible for the direction of the Post Office, including non-executive directors appointed by the Government. Ministers should ensure that the debt is discharged as quickly and as fully as possible. Although it is pleasing to hear assurances from Ministers that they recognise the Post Office needs to do more to strengthen its relationship with **sub**-postmasters and to regain public trust, it would be even more pleasant to hear they are making arrangements to compensate the claimants as quickly and as fully as possible.

Finally, I fully support the calls for an independent inquiry, which the Government have a moral obligation to deliver.

🕒 4.13pm

Bambos Charalambous >

(Enfield, Southgate) (Lab)

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The Post Office Horizon scandal must rank as one of the most shocking and badly handled ever. Its impact on honest, hard-working sub-postmasters has been truly devastating and life changing. Even the compensation won by the sub-postmasters in their class action against the Post Office will do very little to replace the lost years of pain, suffering and social stigma due to being classed as criminals, when all these people set out to do was to earn an honest living.

One of those affected is my constituent Kamran Ashraf, whose wife was a sub-postmaster, and together they ran the business. Right from the beginning, using the Horizon software provided by the Post Office, there were shortfalls. In September 2003, the Post Office carried out an audit of their branch and found a shortfall of £25,000. Following investigation, the Post Office prosecuted Kamran and his wife, but because they had two small children, even though they had done nothing wrong, Kamran decided to plead guilty so that their children would not risk both their parents being incarcerated. In February 2004, he was sentenced to nine months' imprisonment at Kingston Crown court and, to add insult to injury, was fined £25,000.

Kamran and his wife lost their business and their home and had to enter into an individual voluntary arrangement to pay off creditors. Because of his conviction Kamran struggled to find work, and although his conviction is now spent and he has found employment, he still has that stain on his reputation because his conviction has not been overturned.

In August 2015 Kamran happened to chance on the BBC "Panorama" TV programme, which highlighted other cases identical to his, where sub-postmasters were prosecuted and convicted due to shortfalls in their takings following an audit. Dozens of sub-postmasters were affected and came forward and formed an action group called the Justice for Subpostmasters Alliance, or JFSA for short. The JFSA, led by Alan Bates, brought a class action with a total of 557 sub-postmasters which was vigorously fought by the Post Office, and on 11 December 2019 the sub-postmasters were awarded £57.75 million in damages.

My right hon. Friend the Member for North Durham (Mr Jones) is right when he says that the biggest scandal of all was the fact that the Post Office denied that there was any flaw in the system but knew all along there was a problem, while innocent people were sent to prison.

Dr Julian Lewis >

(New Forest East) (Con)

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One other thing the Post Office must have known all along was that there was this huge spike in postmasters and postmistresses being reported and prosecuted, so they did not know that they were not alone in the matter, but the Post Office presumably knew that all this was going on at scale.

Bambos Charalambous >[Share](#)

The right hon. Gentleman is absolutely right and makes an excellent point. Evidence about the infallibility of the system would have led to the conviction of these sub-postmasters, and that is why we need to look at how to progress this further. While after the trial the Post Office chairman conceded that it had got things wrong in the past, the fact was that the Post Office fought the action until the bitter end, and that speaks volumes.

Lucy Allan >[Share](#)

Does the hon. Gentleman agree that the way the Post Office conducted itself throughout the litigation process was shameful in terms of trying to grind down the claimants, so they would withdraw their claim?

Bambos Charalambous >[Share](#)

The hon. Lady is absolutely right. The Post Office seemed to have unlimited funds at its disposal to fight this action, whereas the sub-postmasters had to collectively bring the action together and rely on support from free solicitors to get them through the case. The Post Office is an arm's length organisation, but there seems to be no accountability for its actions, and in this matter there seems to be no scrutiny, despite it receiving public money for its functions.

Although the civil action may be over, the nightmare continues for my constituent. Kamran is still trying to get his conviction overturned. The Criminal Cases Review Commission board is meant to be meeting next week to discuss what steps it will be taking; I am not sure if that will be going ahead, but I hope it does. He is also still considering further civil action, and he is not alone. After having been failed by the legal system, it seems that justice is now finally being done, but at a very slow pace.

I therefore invite the Minister to do whatever it takes to get justice for the sub-postmasters, and I also join the call for an independent, judge-led public inquiry into this shocking scandal.

🕒 4.18pm

Jerome Mayhew >
(Broadland) (Con)

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Scandals come and scandals go, and both as a former barrister and as a new Member of this House, it is all too easy when we see a raft of paperwork coming across our desks to scan through the details and forget that each of these scandals is made up of individual cases—individual human stories—so I beg the indulgence of the House and ask to reprise the story of Siobhan Sayer, a constituent of mine who 14 years ago was a sub-postmistress and had trouble balancing accounts. She did not hide this issue; she highlighted it and asked for help—indeed, she asked for help from the Post Office. Eventually, that help came, in the form of three auditors. They did not assist her in balancing the books. Instead, they suspended her, they accused her of theft, they searched her house, asking her where she had hidden the money, and then they interrogated her to such an extent that it stopped only when she physically collapsed. But it did not end there: they took the further step of prosecuting her, both for theft and for false accounting.

That young lady was pressurised to plead guilty to the lesser charge of false accounting in order to avoid a prison sentence for theft. As a former barrister, I can understand why, in the face of the seemingly impenetrable evidence of a robust system in the form of Horizon, that advice might have been given. Having pleaded guilty, she was sentenced to 10 months' imprisonment, suspended for two years, and 200 hours of community service. That is terrible. That is a true scandal. But it is worse than that, because she was shamed in her community, she was ostracised by her friends, and her mental and emotional health was hit to such an extent that she was unable to leave her home for two years. That is the consequence of the actions and inactions of the Post Office and its servant, Fujitsu.

Why did that happen? Undoubtedly, it happened because the Post Office did not care to believe in the honesty of its own staff. It refused to believe that the system could be wrong, despite its own evidence mounting up to the contrary.

Mr Kevan Jones >

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Does the hon. Gentleman agree that it is remarkable that there is a minute showing that the Post Office board knew in 1999 that the system had its faults?

Jerome Mayhew >

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It is absolutely inexplicable, and it lasted right up to the evidence heard last year by Mr Justice Fraser. As was mentioned, he said that the Post Office acted rather like the flat earth society, refusing to believe even its own facts. But there is a strong suspicion that it went further than a refusal to believe; there was actually a question of dishonesty, particularly in the evidence given by Fujitsu. The learned judge expressed serious concerns about the veracity of that evidence and took the very unusual step of referring it to the Director of Public Prosecutions to consider whether criminal prosecutions should follow.

This matter was discovered only by the brave and tenacious actions of the victims themselves over a 10-year period, faced with unending delaying and cost-increasing tactics by the Post Office.

Matt Rodda >
(Reading East) (Lab)

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The hon. Gentleman is making an excellent speech. Does he agree that **sub**-postmasters and **sub**-postmistresses are at the heart of many local communities and not only have the respect of those communities but deserve the respect of the Post Office and people in authority? This whole sorry saga shows a complete and utter lack of respect and trust. It is deeply disappointing and, as he suggests, it is deeply wrong.

Jerome Mayhew >

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I entirely agree. It was the very fact that postmistresses and postmasters are at the heart of the community that made the devastation of their reputations all the worse when they were unjustly accused by their employer of dishonesty and theft.

I conclude by imploring the Government not to hide behind the corporate veil. Albeit at arm's length, the Post Office is a part of the Government—it is part of the Department for Business, Energy and Industrial Strategy. It was referred to earlier as an example of unaccountable power, and I fully endorse that statement. It is part of a wider problem with the lack of accountability in quangos throughout our society. That leaves open only one sensible solution: a judge-led inquiry that has the power to investigate who knew what and when, and to give justice to these people and award real compensation.

 4.25pm

Duncan Baker >
(North Norfolk) (Con)

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When I spoke in the Westminster Hall debate on 5 March, I said that I had a declaration of interest to make. May I declare that I was once a **postmaster**? In 2015, I was somewhat of a pin-up for the Post Office when I won **postmaster** of the year at the retail Oscars. Really, I could not sell a stamp; it is the team who should take all the honour. I resigned as a director of the company that ran those post offices and now have no interests. I also want to make it clear that none of my post offices or staff were affected by the scandal.

However, this is a valid point to make—I wonder whether anyone else in the Chamber can claim to have been a **postmaster** at any point in their career. I think it gives me a unique insight and ability to comment on this scandal. As I said in the Westminster Hall debate secured by my hon. Friend, the brilliant Member for Telford (Lucy Allan), I will concentrate on the governance issues. I shall make three points.

Not only have I used the Horizon system and had first-hand experience of making up the losses, which is always a worrying moment, but I can empathise utterly with the awful situation of the hundreds of innocent victims. We have heard it before and we will hear it time and again this afternoon: innocent people have lost their life savings and young people—men and women—have been jailed and then struggled to rebuild their lives because of the criminal record. I have constituents in North Norfolk who have gone through such trauma. Their story is every bit as dreadful as the other cases we will hear about.

I question whether the £58 million that has been set aside to recompense the victims will be enough. I think we probably all agree that it will not. After the lawyers take a large portion of that fund, what will be left? That is not right. The Government must intervene, as the main shareholder, to ensure that people are recompensed properly.

The board of Post Office Ltd is, unquestionably, accountable for this fiasco. Action must be taken so that board members are properly dealt with for this injustice. What kind of corporate governance structures failed to allow this to happen? Those who have been jailed and who have criminal records must have them overturned.

I turn to the three governance issues that need to be put right. Together, these issues show the failings in the organisation. My first point is about the total withdrawal of the Crown network. It is an absolute necessity that we still have a backbone of Crown post offices in this country. We have gone from 600 a few years ago to just 100. Why is that relevant? We are talking about systems like

Horizon going wrong. If you have a backbone of Crown post offices that work effectively, they are often a test bed for new products and systems. They provide continuity in the network when so many franchised operations come and go depending on the operators' success.

Let us also remember the staff, as an organisation is only as good as the people who work in it. It is the staff who are the real holders of long-standing deep knowledge, and they should act as the wider custodians of the network. If the Post Office had listened to its staff in the first place when they raised the flag, this perhaps would not have happened. There should be an immediate moratorium on the programme of Crown disposals to ensure that the Post Office's backbone is preserved.

Secondly, a total decimation of the wider branch network is going on at the moment, and it remains a concern to many people—not just to the people who work in the Post Office, but to many communities that use it—that they and their communities are losing their branches. It is not anecdotal to suggest that the number of permanent sites falls year after year. All the longer-term projections will see them continue to go, despite the Government enforcing the Post Office to not shut its branches.

Let me go back to the contribution of my hon. Friend the Member for Broadland (Jerome Mayhew), the eminent barrister that he is. His Fakenham branch closed just around Christmas time. Replacing a physical branch with a mobile post office is not adequate for that community. I urge the Minister to put some governance in place to make sure that such branches are not lost. I say to him, please step in to try to stop these closures, because these post offices are so vital in our communities.

My final point goes back to the remuneration of our **sub-postmasters**. It is really quite clear that the commissions that a **sub-postmaster** earns from running a post office are so low that many of the franchise operations have to have a retail offering as well. In many rural areas where footfall is lower—and it is getting lower all the time—we need to ensure that we preserve those that remain. We want to have a vibrant network, so will the Minister please look into that?

🕒 4.32pm

Kevin Hollinrake >
(Thirsk and Malton) (Con)

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It is a pleasure to speak in this important debate, and I am grateful to the right hon. Member for North Durham (Mr Jones) for bringing it forward and for his excellent speech.

One thing that we do well across this House is to stand up for David against Goliath. As many Members know, I have worked quite hard on similar issues in the banking sector, where, again, we see that David and Goliath issue. Members on both sides of the House stand up very well against Goliath on these occasions. I wonder whether our system does the same.

The issues that post offices face and the disgraceful treatment of **sub-postmasters** and mistresses have been highlighted very well here today. My question is: why have the courts not stood up for these people through these past 10 or 20 years? These matters have been before the court hundreds of times, yet the court has not found in favour of people who have been demonstrably innocent of the charges. That is not just what I think, but what Paul Marshall, a barrister at Cornerstone Chambers, says. He looked at these issues across the banking sector and in these cases and he finds that the courts are structurally biased in favour of large, trusted brands. That cannot be right. I was always brought up to believe that everybody could get justice. The rules of court require the courts to maintain a fair and level playing field, yet, as we know, the courts are open to all, just like the Ritz hotel. There is a structural imbalance between a **sub-postmaster** or mistress when they go to the courts and the phalanx of lawyers provided by the Post Office. The courts are used to suppress the truth, and that cannot be right. There have been 110 prosecutions. Back in 2007, in the case of the Post Office Ltd v. Lee Castleton, Judge Havery found that there was irrefutable evidence against Mr Castleton, despite the fact that there was no evidence. That was just his statement; there was no evidence that the Post Office was in the right.

We know that the Post Office knew that this was going on after the Second Sight report. The prosecutions stopped at one point, but of course they then carried on. We have seen similar issues at Lloyds bank, which knew back in 2007 that this stuff was going on, yet did nothing and carried on as if it was in the right until the case came to court 10 years later. It tried to discredit a whistleblower and the victims. The same happened at Royal Bank of Scotland.

We must ask questions of the system: of the Post Office, of course, about who knew what and when—I support the calls for a public inquiry and proper compensation—and of the solicitors who acted for the Post Office. There are some ethical issues here. The Solicitors Regulation Authority should look into the actions of Womble Bond Dickinson, which represented the Post Office in 2007. It

knew about the Second Sight report yet continued to support the Post Office's case. The same happened at Lloyds with Herbert Smith Freehills.

We must examine the system. The justice system—the judiciary, the Justice Secretary, the Civil Procedure Rule Committee—must learn lessons from this. Why should it take 12 years and £40 million in legal fees to get justice? That cannot be right. We must have a justice system that works for all.

🕒 4.36pm

David Linden >
(Glasgow East) (SNP)

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As others have done, I thank the right hon. Member for North Durham (Mr Jones) for securing the debate. I will try to cut my speech to allow others to get in.

As we have heard, ordinary men and women throughout the UK have had their lives ruined by the scandal. Two constituents have had their lives turned upside down. I will say more about the trauma and anguish that they have been through later.

Although the court case has concluded, it is not enough to bring closure for those families, many of whom have endured 10 years of trauma. The Justice for Subpostmasters Alliance was formed in 2009, but it took until last December to get the settlement agreed. Any struggle for justice is difficult, but being put through a decade of hardship and anguish is more than many of us would have the fortitude to endure.

For my constituent Jacqueline El Kasaby and her husband, it was too much. They were not part of the group legal action because they had already settled through the earlier mediation. Their story is a little different from that of those who went on to pursue a legal remedy in that they just could not continue the fight. Who can blame them? Facing a bill of £36,000, the El Kasabys agreed to settle by paying the Post Office £10,000. The El Kasabys knew that they had done nothing wrong, but they had no fight left in them, and, thinking they had no redress, just wanted to start to close that chapter in their lives. They scraped the money together and continue to pay the mental, emotional and financial cost to this day.

What of those, like the El Kasabys, who settled through mediation and were forced to pay bills that were not theirs to settle? Given what we know now about the culpability of the Post Office and Fujitsu in the scandal, what action will the Government take urgently to ensure justice for them? Speaking to my office last week, Jacqueline outlined the position she now faces due to the covid-19 outbreak. She has been dealt a double whammy in that she is losing income and struggling to pay a previous debt accrued as a result of the Horizon faults. As a matter of urgency, will the Government step in and ask the Post Office to pay back those settlement amounts immediately and to reopen the remediation cases?

Another constituent, Mrs Elizabeth Barnes, was part of the group legal action. She will receive a pay-out, but does not know exactly how much. As other hon. Members have said, a lot of it will be subsumed in legal fees. One thing is for sure: she will not be paid anywhere near what she deserves. Once the costs associated with funding the action are subtracted, the claimants will receive much less than they should get. Mrs Barnes has one ask of the Government: to back her and the others by paying the funding so that she and 554 others get what they deserve. The Government must take some responsibility for cleaning up the mess.

Serious questions remain about the mess: about oversight and what was known by whom about the ham-fisted attempts to try to cover it up. Post Office Ltd may be an arm's length organisation, but a Government shareholder sat on that board throughout the period when the scandal occurred. Why was the saga allowed to drag on for so long when it was apparent that the problems were so widespread? Why was £100 million of public money spent defending the case when it was clear that the Post Office had no business continuing to prosecute innocent people? Why are the Government not taking more action to put things right, given all the injustices that have been laid bare, particularly this afternoon?

All too often, the Government cite post offices as ideal replacements for bank branches that have closed, but Post Office Ltd struggles desperately to get sub-postmasters to take on branches. Tollcross post office in my constituency was closed for almost two years before finally reopening in December. Who can be surprised that that challenge exists when sub-postmasters have been treated as horrifically as the El Kasabys and Mrs Barnes?

One other point I wish to make is the need for a public inquiry. In response to the hon. Member for Jarrow (Kate Osborne), the Prime Minister seemingly gave a commitment at PMQs to get to the bottom of this matter through such an inquiry, and I would expect further details to be divulged by the Government today.

I will conclude, but I want to comment that, given the sheer scale of this scandal, it is surprising that there has not been more media coverage. An honourable mention should be given to the freelance journalist Nick Wallis, who has been following the case since 2010. The independent online technology outlet, *The Register*, also deserves commendation for continuing to cover this story. With the campaign group up against such massively well-funded organisations, this really has been a David and Goliath story, as the hon. Member for Thirsk and Malton (Kevin Hollinrake) mentioned. It is right to put on record our appreciation of those who have ensured that this story and the plight of those involved have been reported. I very much look forward to the Minister's response, and I hope he takes this opportunity to start putting things right.

🕒 4.41pm

Chi Onwurah >

(Newcastle upon Tyne Central) (Lab)

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I congratulate my right hon. Friend the Member for North Durham (Mr Jones) and the hon. Member for North West Leicestershire (Andrew Bridgen) on securing this incredibly important debate. I particularly commend my right hon. Friend for his work on this issue over many years and for his excellent opening remarks. Like him, I pay tribute to the hundreds of **sub**-postmasters who have faced unimaginable hardship as a result of this scandal, and I want to celebrate the work of Alan Bates, who has helped to secure some justice for 557 **sub**-postmasters.

As we have heard from Members on both sides of the House, a truly shocking number of individuals and families have had their lives impacted by the shameful way that Post Office Ltd has conducted itself throughout this process. Hundreds of **sub**-postmasters have been accused of fraud and forced to pay back thousands of pounds. They have faced bankruptcy and conviction, and financial compensation alone will never repair the damage caused.

Speaking as a former software engineer myself, I am upset and truly disappointed at the way in which technology has been used as an instrument of torture. An IT deployment of this kind—one of the most expensive in the history of the United Kingdom—should have had users and people at its heart. It should not have been turned into a living nightmare—a living nightmare that continues for many **sub**-postmasters to this day.

Many MPs have told the stories of **sub**-postmasters from their constituencies. In Newcastle upon Tyne Central, **sub**-postmasters have suffered mental health problems brought about by this scandal. One young woman affected was still a teenager when convicted of fraud, and she has faced unemployment and financial ruin. As we have heard from other right hon. and hon. Members, she has been ostracised from her community and shunned by friends and neighbours. Sadly, her case is far from unique, and I want to pay tribute to all those who have suffered in this way.

In December, after a long trial in which the Post Office's heavy-handed actions against its own staff came to light, it agreed to pay a £58 million settlement to the 557 **sub**-postmasters who had brought action against it. In his verdict, Mr Justice Fraser stated that the Post Office treated its **sub**-postmasters in

“capricious or arbitrary ways which would not be unfamiliar to a mid-Victorian factory-owner.”

He also described its long-standing defence of the Horizon system as

“the 21st century equivalent of maintaining the earth is flat.”

We appear to have a Dickensian flat earth society running our precious network of local post offices.

On the Criminal Cases Review Commission's review of the convictions of those affected by the Horizon scandal, such an extraordinary set of circumstances requires a bespoke response. The Government have parroted the Post Office's line that those wrongly convicted must each bring their own individual appeal forward. However, it is simply not right to require those already in financial ruin to incur yet more costs in the fight to clear their name. Will the Government therefore consider giving the CCRC the mechanism it needs to assess the case for a group expungement of convictions due to faults with the Horizon system?

This is a Government-owned company that has been found to have been at fault. It is therefore of the utmost importance that the Government act to improve the corporate structure of the Post Office to prevent this kind of thing from ever happening again. More should have been done to address the issue before it was allowed to develop into the scandal it is, but all we can do now is ensure that those wrongly convicted get justice and lessons are learned. Unfortunately, the close relationship that the Government have with the architects of Post Office Ltd's vicious pursuit of **sub**-postmasters means that they are unable to create an environment that allows the necessary large-scale changes to happen.

I welcome the fact that Paula Vennells, the former chief executive of the Post Office who was so heavily criticised by Justice Fraser, appears no longer to serve on the Cabinet Office board, but why on earth did the Government allow that appointment to be made? Why did they not act sooner to distance themselves from those responsible for impacting the lives of so many?

As we have heard, on 26 February, the Prime Minister, in answer to a question from my hon. Friend the Member for Jarrow (Kate Osborne), appeared to commit to a full public inquiry into the Horizon scandal. When we hear from the Minister, I hope he will be able to provide more detail on the timescale and scope of that inquiry. Again, it is worth emphasising that litigation was brought to address the errors of a Government-owned company. A civil servant sits on the board of the Post Office. Its only shareholder is the Secretary of State for Business, Energy and Industrial Strategy, so more should have been done to address the scandal before it was allowed to fester to this extent. Serious questions need to be answered about the relationship between the company and the Government.

The Government appear to be content to act as the Post Office's parliamentary organ throughout this process, claiming that the December settlement was the end of the matter. Nothing could be further from the truth for the people who are still fighting for justice, and that is why we need a judge-led independent inquiry to take place as soon as feasibly possible.

I want to say a word about the Communication Workers Union, which identified flaws in the Horizon system back in 2015 and has worked hard to secure the inquiry. It has said that it is happy to work with us to ensure that it is timely and independent. So far, we have not seen any accountability for the lives and reputations that have been ruined. That is why securing this independent inquiry will be such a big victory for **sub**-postmasters, trade unions and justice. The Government failed to live up to their responsibility and prevent the scandal from occurring. I hope the Minister has listened carefully to the excellent contributions from all parts of the House and will use his influence to ensure that justice is delivered for the hundreds of **sub**-postmasters wronged and to hold those responsible to account.

🕒 4.48pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy >

(Paul Scully)

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First of all, I congratulate the right hon. Member for North Durham (Mr Jones) and my hon. Friend the Member for North West Leicestershire (Andrew Bridgen), who cannot be here today, for securing today's important debate. I thank all Members for their contributions to this excellent and heartfelt debate.

We know that the Government recognise the role of post offices, and that was articulated by my hon. Friend the Member for North Norfolk (Duncan Baker). It is so important that we make sure that we build on the network. There is no programme of closures—there have actually been 400 new post offices in the past few years, and I want to make sure that we can develop on that, although individual post offices may open or close at various points. I want to make sure that I spend the rest of my time covering as many as possible of the questions that have been raised in this interesting debate.

It is impossible to ignore the impact that the litigation process has had on the affected postmasters and their families. We have heard about Tom Brown, Janet Skinner, Alan Bates, Kamran Ashraf, Siobhan Sayer, Elizabeth Barnes and Jacqueline El Kasaby, among others. As my hon. Friend the Member for Broadland (Jerome Mayhew) said, they are all real people, not just people on a spreadsheet or a list. They are individuals whose families have been affected, so I will not hide and I will not wash my hands of it. It is so important that we get as much done as possible, even if we cannot achieve everything that has been asked.

I am glad that the Post Office has accepted that it got it wrong in the past on the Horizon accounting system and in its dealings with a number of postmasters, and that it has apologised. I am glad that we got a comprehensive resolution to the litigation following several days of respectful, challenging and ultimately successful mediation, although several hon. Members have raised issues about where we go from here.

Beyond the financial settlement, the Post Office committed to directly address past events for affected postmasters, so it will shortly announce a scheme to address the historical shortfalls for postmasters who were not part of the group litigation. That scheme has been designed to offer a fair, fast and transparent means for postmasters' historical issues to be resolved.

The terms of the settlement put the onus on the Post Office to implement the necessary cultural and organisational changes highlighted by the litigation, which means that the company should foster a genuine commercial partnership with postmasters. Clearly, it has to settle its past relationship with postmasters to look forward and ensure that postmasters can have confidence in their future relationship with it.

It is important that the necessary support for postmasters to operate branches successfully is available. That includes newly established area managers to deliver support on the ground, an improved branch support centre to support teams throughout the UK, an overhaul of **postmaster** training and, above all, a further increase to **postmaster** remuneration, as we heard earlier.

In terms of the management of the Post Office, there is a new chief executive officer and two new non-executive directors, so its leadership has changed significantly in the last few months as a result of the situation. I recognise the strength of feeling surrounding the case, which is why the Government and I are determined to take the necessary steps to ensure that lessons are learned from the Horizon litigation and that past issues will not be repeated.

We have talked about the independent review, which the Prime Minister mentioned a couple of weeks ago. We are looking at the best way to do it. There will be a further announcement as soon as possible in the very near future. I know that hon. Members want progress, but I want to ensure that we get it right, rather than rushing into the terms of reference and other details. I want to make sure, as I said, without hiding and without washing my hands of it, that we actually get something that means something to the affected postmasters.

Lucy Allan >

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Does the Minister agree that the most important thing is for the wrongful convictions to be overturned? We cannot learn lessons and move forward if that is not addressed. Will he please address that point?

Paul Scully >

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That is why the CCRC is looking at those cases and will therefore be able to refer them to the Court of Appeal accordingly. That option is now available, which would not normally be available without the CCRC looking at those cases.

I look forward to speaking at the Select Committee hearing that is due to be held on 24 March, covid-19 notwithstanding. The Government continue to proactively challenge the Post Office to restore and strengthen its relationship with postmasters and to deliver the terms of the settlement. On Monday, I met the Post Office's chair and CEO to seek assurance on the steps being taken. Alongside my officials, I will work to make sure that we hold them and their governance to account.

In terms of future governance, the Post Office is a large, complex and diverse business, so it is important that it is allowed the commercial freedom to compete in the challenging markets it operates in. It must, however, be accountable to the Government for its decisions, as we have heard. Following the litigation and the subsequent settlement, the Government will monitor the Post Office closely to ensure that it delivers on its commitments to improving the organisational relationship with postmasters.

Karl Turner >

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Will the Minister give way?

Paul Scully >

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I will not, because I am running out of time. I stress that the Government have robust mechanisms in place to maintain oversight of the Post Office, and they are regularly reviewed. I have regular meetings with its chief executive officer and chair, and the Government have increased the frequency of wider shareholder meetings to make sure that, among other things, the actions arising out of the litigation can be tracked. UK Government Investments, as the shareholder representative for the Department for Business, Energy and Industrial Strategy, challenges the Post Office on its corporate governance and strategy, and on its stewardship of financial and other resources on behalf of shareholders, as well as holding a non-executive seat on Post Office Ltd's board.

The Department also recently expanded the BEIS Post Office policy team, which works closely with UKGI to hold the Post Office to account at official level. We have a new framework document that makes sure that the responsibilities and accountabilities of the Post Office, BEIS and UKGI are clearly defined. We will publish that soon. It includes an open and transparent information-sharing agreement between the Government and the Post Office.

I will meet the Communication Workers Union, which has been referred to, at the end of the month to understand the views of postmasters—I look forward to that—and will be tracking progress at the highest levels of the Post Office in quarterly ministerial meetings with the CEO, Nick Read. Governance arrangements between the Government and all its arm's length bodies are kept under regular review. In the light of developments in the Post Office, the Government have considered and addressed all those arrangements.

The right hon. Member for North Durham talked about the Post Office's right to prosecute. This was a private prosecution; individuals and companies can bring such prosecutions—they are not limited to the Post Office. There is, however, a continuing duty to disclose material information that comes to light that might relate to the safety of any conviction, so the CCRC and those convicted will be able to take up that information.

I will write to the right hon. Member for North Durham with more detail about the Post Office serious case review team to which he referred. BEIS has pressed management on the issues around past prosecutions of postmasters, instigated a review of the Post Office's handling of that in 2015, and supported the Second Sight mediation scheme. The chair committed to the review in 2015, but it took all the litigation for all the facts to come to light. The suspense account was referred to; Nick Read wrote to Lord Arbuthnot recently on the subject, and we will monitor it closely. On the CCRC and the convictions that the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) talked about, there is a meeting on 24 March to consider those cases further.

To conclude, I reassure the House that the Government are working hand in hand with post offices, the Post Office, postmasters and other stakeholders to ensure that there is follow-through on the lessons learned from the litigation and the steps to be taken following the settlement. I look forward to sharing with Members as soon as possible further details of the review on the issue promised by the Prime Minister. I will leave a minute for the right hon. Member for North Durham, but I thank all postmasters—those impacted by the litigation and those not—for the value that they add in providing an exceptional service to communities, people and businesses across the UK, and for their contribution to this case. I thank hon. Members once again for their contributions to this excellent debate, and for their interest in the Post Office.

🕒 4.58pm

Mr Kevan Jones >

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I thank all hon. and right hon. Members who took part in the debate. Could I say one thing to the Minister? He should not just parrot what his civil servants say to him. The court case did not result in a comprehensive settlement. He has admitted that the Criminal Cases Review Commission is settling cases that did not come before the court. His Department did not even know what that was when we rang it this week. Two such cases were settled in the last month for £300,000 each. If we are to get justice, we have to look at giving the same amount of compensation to those who took the court case forward.

The Minister has an opportunity here. I have been a Minister, and it is a great privilege, but it is not about sitting on that Front Bench or carrying the red box; it is about making a difference. The Minister has an opportunity to make a real difference and put right a wrong. He cannot carry on as his predecessors have done and ignore the truth. I challenge him: be brave, Minister. Please, put this right; it is in your hands. No matter what obstruction he has from his officials, he should challenge them.

Motion lapsed (Standing Order No. 9(3)).

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