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[UK Parliament](#) > [Hansard](#) > [Commons: 10 May 2023](#) > [Commons Chamber](#) > [Post Office Executives: Bonuses](#)

Post Office Executives: Bonuses

Volume 732: debated on Wednesday 10 May 2023

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🕒 12.40pm

Mr Kevan Jones >
(North Durham) (Lab)

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(Urgent Question): To ask the Secretary of State for Business and Trade if he will make a statement on the awarding of bonuses to Post Office executives.

The Parliamentary Under-Secretary of State for Business and Trade >
(Kevin Hollinrake)

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I thank the right hon. Gentleman for tabling this urgent question; I was very keen to come to the House to make a statement on this matter had he not done so and am keen to answer his question here today.

The situation is extremely concerning and deeply regrettable and the Post Office is right to apologise. This is a very serious issue, particularly as it comes at a time when it is essential that the public have confidence that the culture and processes at the Post Office have been improved.

Since becoming aware of this incident, I have acted swiftly, calling for an immediate explanation from the Post Office as to how this mistake occurred and asking what steps the Post Office board is taking in response. I met officials in my Department and UK Government Investments yesterday to discuss what further action is needed.

The Post Office has rightly apologised to the inquiry and issued a clarification on its website. The Post Office chief executive officer and chief finance officer have returned the remuneration associated with the sub-metric relating to the Post Office's support for the inquiry. The Post Office CEO has also apologised to Department for Business and Trade Ministers.

But more needs to be done. As a first step it is important that the facts are established. The Post Office has rightly announced that the incoming chair of its remuneration committee, Amanda Burton, will lead an immediate investigation into this incident. She was appointed non-executive director on the Post Office board at the end of last month and brings to the role experience and expertise from her time in the legal profession. The scope of the investigation is to ensure that the remuneration committee's approach and processes on rewarding its executives in this case was consistent with corporate governance best practice. I expect this investigation to report back to me within two weeks with its findings and recommendations.

I can also announce that my Department is commissioning a wider independent review of the governance around Post Office decisions on remuneration. It should make recommendations about any further changes that are needed. This will run alongside the Post Office remuneration committee chair's investigation of this specific incident. Further details will follow.

Finally, let me finish by reiterating that the Government remain steadfast in their commitment to ensure swift and fair compensation to postmasters who suffered as a result of the Horizon scandal and are grateful for Sir Wyn's work leading the Horizon inquiry. We will keep the House updated on this issue.

Mr Jones >

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First, I declare an interest: I am a member of the advisory board on the compensation scheme.

Two months ago I sat in the front room of a 78-year-old lady in Newcastle whose son had contacted me because she had not applied for compensation. That woman was traumatised: she was never spoken to about this for 20 years and was broken because of the shame involved in her prosecution. When this news broke on Friday night I thought about her and I was angry, but I am not as angry as many of the victims, who have been misled and lied to with a cover-up over the years.

Nick Read was brought in as a new broom, and he apologised to the victims on behalf of the Post Office. Well, that apology means absolutely nothing. This is a man who will get a bonus of over £400,000, which is based not on a mistake, as the Minister said, but on a deliberate lie. Added to that, two of the four people on the advisory board are Tom Cooper, who is his Government's own representative on the board, and Ben Tidswell, who is chairing the review of historical compensation. How could those two people remain on the board? As the Minister knows, the victims of the Post Office have no confidence in it. I was prepared to give them the benefit of the doubt, but frankly it is rotten to the core still. It needs to change.

May I ask a couple of questions? First, when was the Minister made aware of this? What is the actual role of Tom Cooper, who is the Government's representative? We have had this for many years, Minister: there were independent Government advisers on that board who oversaw the Post Office spending £100 million of taxpayers' money to fight an unjustifiable court case against the postmasters. Will he publish who has got a bonus and who has given it back? If he says that the criteria were not clear or were misunderstood, will he publish them? When he does his inquiry, will he come back to the House to give a full explanation about what is going on?

Finally, may I say this to the Minister? Victims of compensation are waiting for their compensation. I know it has been a difficult task. They do not trust the Post Office, which is still dragging its heels in getting information out. Unless we get that, people are not going to get justice. The only thing that needs to happen is that the chief executive should resign or be sacked.

Kevin Hollinrake >

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I am grateful for the right hon. Gentleman's work on the advisory board, as he set out. I was keen to support the advisory board's recommendation to widen the scope of the scheme to cover other elements of the compensation scheme, so I thank him again for the work that he does.

To respond to the right hon. Gentleman's specific questions, I was made aware of this on 6 May, Saturday; the officials were made aware on 5 May. It is absolutely right that we should have been notified of this earlier. I met with Tom Cooper yesterday, together with other officials and UK Government Investments representatives. Tom has accepted that mistakes were made, including on his behalf. Tom Cooper was already due to leave his role as the shareholder representative, which is the UKGI role he plays, and is being replaced by Lorna Gratton.

The criteria for the bonus are published in the annual report, but I am happy to commit to come back to the House and report, by whatever means, on the findings of the remuneration committee and the independent expert external report that will look at these issues in the round. As I said in my remarks, I absolutely think that the Post Office needs to change its culture and its approach to these matters, and wider matters arising from the Post Office scandal. We are determined to make sure that people get fair compensation; I know that the right hon. Gentleman, too, is determined to make sure that happens, and he has been a doughty campaigner for that cause for many years.

Sir Edward Leigh >

(Gainsborough) (Con)

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Ever since being the Post Office Minister years ago, I have been very worried about the whole governance of the Post Office. I think, following this urgent question, that we need absolutely radical reform. Here we have a badly run nationalised industry, with people paying themselves huge salaries and bonuses, but all the work is done by the 11,000 **sub**-postmasters. They have been treated absolutely appallingly, and not just in the Horizon scandal but in their working conditions, pay and everything else. I have been arguing recently, in consultation with **sub**-postmasters and their leaders, that we should consider mutualisation. We should pass control of this body to the people on the frontline who do all the work. I hope the Minister will not dismiss that idea.

Kevin Hollinrake >[Share](#)

My right hon. Friend and I have discussed and corresponded on this matter at length. I am a big fan of mutuals, and I spoke in favour of them many times as a Back Bencher. I am happy to keep those conversations going, and mutualisation is certainly not something I would dismiss out of hand.

Mr Speaker >[Share](#)

I call the shadow Minister.

Seema Malhotra >

(Feltham and Heston) (Lab/Co-op)

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I, too, thank my right hon. Friend the Member for North Durham (Mr Jones) for his ongoing work, and for securing this urgent question.

Here we are again. Just when we thought we had reached a low in the ongoing saga that is the Post Office's Horizon scandal, a new low is reached. The Minister is right that the situation is concerning, but it is much more than that: it is a disgrace. After years of fighting compensation claims against honest **sub**-postmasters, using every trick in the book to draw things out for as long as possible, the Post Office somehow found it appropriate to hand out bonuses for co-operating with Sir Wyn Williams's inquiry, which executives had a statutory obligation to do anyway. The Post Office even implied that the bonuses had effectively been approved by Sir Wyn, which he has denied, saying that the confirmation it received from him was misleading and inaccurate. This is, in no uncertain terms, completely unacceptable.

The Horizon scandal is one of the greatest injustices in modern British history, and these bonuses add further insult to injury. The Post Office has very serious questions to answer on corporate governance, not least in relation to the remuneration committee. I am glad to hear that an inquiry is being undertaken, but there are also questions about Government oversight if the Minister himself had been kept in the dark for weeks. I would be grateful if he could clarify what role Tom Cooper played as an adviser, what he knew and when he knew it. I think the Minister has made this commitment, but can he give a timescale for when he expects to publish Amanda Burton's report?

The Post Office and the Government must now convince the British public that they understand not only the scale of what happened, but the priority and importance of urgently getting compensation to victims. **Sub**-postmasters have had their lives ruined, and they need more than repeated apologies and further delayed compensation. They must also be confident that lessons have been learned

from these failures. Sadly, it seems the Post Office has failed to do that.

The Government must get a grip of what happened and how it was allowed to take place. Can the Minister confirm how and when the Government became aware of the bonus payments? He said it was last Friday and Saturday, but how did it happen? Will the Government confirm whether they asked for the bonuses to be repaid? Finally, will the Government now confirm that the interest on compensation paid to victims will be exempt from tax?

Kevin Hollinrake >

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As I said earlier, I became aware of the matter on Saturday, and my officials became aware of it the previous day. I understand that the UKGI representative was made aware in the early part of April. We asked why we were not made aware at that point, and there are questions about information that is restricted to the inquiry. There are provisions around that, and we need to make sure it is disclosed to us appropriately and as quickly as possible. To my mind, the Post Office should have made us aware of this situation straightaway.

Clearly we have to follow due process, including good employment processes, in publishing any report by Amanda Burton. I cannot make a commitment on that, or on the repayment of bonuses, due to employment laws and regulations.

Finally, we are determined to resolve the tax problem that some people in the historical shortfall scheme have suffered. We are working on that at pace right now.

Duncan Baker >

(North Norfolk) (Con)

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It is an absolute scandal that Post Office executives are being paid a bonus for co-operating with an inquiry into a scandal to which they all turned a blind eye. Another scandal is that Fujitsu, the author of the software, has never been held fully to account for its role. Why not? Can the Minister tell us why Fujitsu is still being given Government contracts, most recently the emergency alert? That is a huge kick in the teeth to those still seeking compensation and justice.

Kevin Hollinrake >

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My hon. Friend and I discussed this yesterday, and he takes a great interest in such matters given his background, including as a former **sub-postmaster**. I understand his concerns about why such a metric was used in the first place. Some time ago, there was an attempt to move away from purely financial considerations in bonuses. I fully recognise that the conditions under which this bonus was authorised are questionable, to say the least. Holding to account Fujitsu and other people who are responsible for this scandal is clearly a role for the inquiry. We should follow due process and wait for the facts to be published before deciding what action to take against those responsible.

Mr Speaker >

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I call the SNP spokesperson.

Marion Fellows >

(Motherwell and Wishaw) (SNP)

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I declare an interest as chair of the all-party parliamentary group on post offices. I have no idea how I will cram everything into a minute, but I will try.

The Post Office was right to apologise, but it should not have had to apologise in the first place. The rotten core of what is still happening in Post Office Ltd needs to be exposed to daylight and be completely cleansed. I know the Minister is keen to do that, and I look forward to his inquiry—not an internal inquiry—into what went wrong. Surely to goodness, Post Office Ltd should not be awarding itself bonuses for co-operating with a Government inquiry into wrongdoing of the extent of the Horizon scandal. Furthermore, lying about the inquiry's chair is beyond the pale. I have railed against this so many times in this House. Members will be pleased to hear that I do not intend to go on any longer, but this needs to be sorted.

Kevin Hollinrake >

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I thank the hon. Lady for all the work she does as chair of the all-party parliamentary group and for engaging with me on many different issues, not least this one. I agree that this should never have happened, which makes it all the more concerning. The external independent review will do just that, and we are keen to ensure that it happens as soon as possible, to get under the skin of this and find out exactly what happened and who is responsible. I have great sympathy for her position that bonuses should be awarded for appropriate measures, and not for something the Post Office should be doing anyway.

Chris Loder >

(West Dorset) (Con)

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The Post Office came to this place a few weeks ago to try to influence many of us to say how great it is. I met the chief executive, Nick Read, who is clearly a liar, because what he told me was untrue. I met Kenneth Pritchard, the head of public affairs, who is equally a liar because what he told me was untrue.

The Post Office is awarding enormous bonuses, or tried to award enormous bonuses, but the **postmaster** in Dorchester, the county town of Dorset, is so screwed down on transaction fees that he is now personally subsidising the county town's post office in order to survive. That cannot be right, and I am hopeful that the Minister might be able to give me some reassurance that this sort of area will be properly considered and looked into, to make sure it is stopped.

Kevin Hollinrake >

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I am not aware of the circumstances to which my hon. Friend refers, but I am happy to engage with him separately on the matter. Remuneration is clearly important to our postmasters, and we want to ensure that we have a sustainable network. Some improvements have been made this year, including a 20% increase in payments for bank deposit transaction. We need to make sure that the post office network is sustainable for the future, and that includes our postmasters being able to make a decent living.

Andy McDonald >

(Middlesbrough) (Lab)

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Putting aside the cheating and lying, let us get back to the basic question of why on earth people were awarded bonuses for going to work and doing their job. Some **sub**-postmasters have lost their lives and others have lost their livelihoods or spent years in jail, yet some people are trying to clean up on this. Will the Minister commit to tackling the Post Office, which is wholly owned by this Government, and scuppering these bonuses? This has to stop. It is a stain on our history that it happened in the first place, and this is just adding insult to injury.

Kevin Hollinrake >

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I am keen to deal with the matters I have referred to in my statement and in answers to questions. I understand the intent to move away from purely financial considerations, which were one thing that drove inappropriate behaviour in the Post Office before. However, the hon. Gentleman raises a good point, and I fully recognise that the conditions on which the bonuses were paid and

authorised were questionable. I am keen to look at this in the round, to include the other matters we have discussed today, and to resolve these matters for good, so that we have an organisation fit for purpose in the future.

James Sunderland >

(Bracknell) (Con)

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I popped into a leaving party last week, where a Post Office worker was taking early retirement because he had been, in effect, fitted with a tracker, having done a round for 25 years, and because after a two-week holiday he had come back to find that all of his mail had not been delivered. My constituents are also writing to me about mail that is not arriving. Does the Minister agree the Post Office executives must stop congratulating themselves with huge pay rises and bonuses, and just do the job for which they are paid?

Kevin Hollinrake >

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I am grateful to my hon. Friend for his question, and I certainly agree with that last point. People often confuse the Royal Mail's activities with those of the Post Office, but there have been some issues with both organisations in recent months. We are keen to ensure that we do whatever we can to resolve those problems, and I am happy to talk to him at length about how we might do that.

Tim Farron >

(Westmorland and Lonsdale) (LD)

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Along with the victims of this miscarriage of justice, I am outraged at these bonuses. While the Post Office executives get these huge bonuses, dozens of post office branches around Cumbria are struggling to survive, with many facing closure as they cannot even break even. Given that the high street banks have largely abandoned our towns and villages, is it not time for the Government to ensure that those banks pay a much larger sum to our post office network, so that our much-valued post office branches can survive and thrive, and so that we give our **sub**-postmasters and **sub**-postmistresses a pay rise, not the executives?

Kevin Hollinrake >

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I am grateful to the hon. Gentleman for his points. The Government's position is that we are maintaining a network of 11,500 branches nationally and that 99% of the population will be within 3 miles of a post office. That will continue, and there are other criteria, which we will continue to maintain. He is right that we need to ensure there is a sustainable business model for a post office, and I am happy to discuss with him whether that involves the relationship with banking. Opportunities for banking hubs, for example, might make those businesses more sustainable, and I am keen to exploit such opportunities wherever we can.

Jerome Mayhew >

(Broadland) (Con)

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This scandal upon a scandal highlights yet again that there is something fundamentally wrong with the governance of the Post Office. This is happening at a time when Fakenham, the largest town in my area, has not had a permanent post office for more than three years. So I have an idea: how about linking bonuses to actually providing the services we need on the ground?

Kevin Hollinrake >

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My hon. Friend raises a number of good points and an interesting way of looking at how we can incentivise management to make sure we have a sustainable network of post offices in the future. I am happy to engage with him further on that.

Clive Efford >

(Eltham) (Lab)

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It is difficult to know where to begin, but let me say that my constituent went to prison as a result of this scandal, as the Minister knows. Let us just consider the very idea that these people should be rewarding themselves with bonuses for co-operating with this inquiry and then letting the Minister know on 6 May, the day of the coronation. It does not take us long to work what was going on there; they were trying to hide this bad news. I know that the Minister takes this matter very seriously, and we have commended him for his actions on it on many occasions, but he really has to make sure that these bonuses do not stand. He has to question Mr Tom Cooper about when he knew about these bonuses and why did he not tell the Minister much sooner that they were going to be paid.

Kevin Hollinrake >[Share](#)

I spent much of the coronation day dealing with this matter, as the hon. Gentleman might imagine, although I had the TV on in the background. It is disappointing that this took so long; as I said earlier, Tom Cooper found out about this matter in early April and we should have been made aware earlier, either through the Post Office or by other means.

I am sorry about what has happened to the hon. Gentleman's constituent, and the hon. Gentleman and I have talked about it previously. We want all people who have suffered as a consequence of the Post Office scandal to come forward and make sure that they submit a claim for compensation. That is the most important thing now. We have set aside £1 billion to compensate postmasters for various different detriments that they have suffered, and our message to all postmasters affected by this scandal is: please come forward, you will be treated fairly. There is an independent processes to make sure that is the case, including the advisory board, of which the right hon. Member for North Durham (Mr Jones) is a member.

Simon Fell >

(Barrow and Furness) (Con)

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This is a scandal from top to bottom. Yet again, we seem to be in a position where the Post Office is apologising only after the fact, when it has been found to have done something wrong. One of my local **sub**-postmistresses, Isabella Wall, died without having got the compensation she deserved; she lost her shop, her post office and the flat above it, and her family are still dealing with this injustice. I am glad that the Post Office is getting back the bonus payments it gave out, but would it not be more fitting if it were to put that money into a pot for the **sub**-postmasters and **sub**-postmistresses who are still awaiting compensation, so that some of their legal fees could be covered by it?

Kevin Hollinrake >[Share](#)

I am sorry to hear the tragic case of my hon. Friend's constituent; sadly, too many people have died waiting for justice and compensation. Of course, a claim for compensation can still be made and it would go to the family, and people will get reasonable legal fees paid as part of the compensation process. Again, if any Member has constituents who have suffered detriment and are looking for compensation, I am keen to engage with them to make sure that they submit the claim, so that it can be dealt with as quickly as possible.

Chris Stephens >

(Glasgow South West) (SNP)

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I have listened to the Minister's answers carefully. On Post Office executives' pay and bonuses, can he confirm that he is looking at docking them even further, on the basis that these executives signed off false accounts?

Kevin Hollinrake >

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That matter needs to be determined by the different inquiries that will be taking place. I think the hon. Gentleman would agree that we have to follow due process; there are employment processes and laws associated with this. I cannot stand up here and say now what I would do on the payment of bonuses, but he can be assured that we are looking at the situation carefully, and I am sure that what he sets out will be one of the considerations made as part of these investigations.

James Wild >

(North West Norfolk) (Con)

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An apology and the repayment of bonuses that should never have been awarded in the first place is, frankly, the minimum we should expect. Will my hon. Friend ensure that all necessary steps are taken, including personnel changes, following the report he is due to receive?

Kevin Hollinrake >

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As I say, we should wait for the outcome of the inquiry, but these are serious matters and we should take them seriously. I have great sympathy with my hon. Friend's points. A lot of these matters are governed by employment law, and it is important that we respect due process. We would expect other organisations to do that and we should do it too, but I will take his comments on board, of course.

Steve McCabe >

(Birmingham, Selly Oak) (Lab)

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I understand that the chief executive's full bonus is approximately half a million pounds and that he has offered to pay back just a few thousand. Does the Minister understand that members of the public watching this will be asking how come, if the Post Office is a Government-owned entity, the Minister cannot simply decide to suspend all bonuses for executives until the Horizon compensation claims are settled?

Kevin Hollinrake >

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The **sub**-metric referred to here is an element of the bonus, and the total bonus of £400,000 does not relate to this particular **sub**-metric in its entirety—the hon. Gentleman is right to say that. I have sympathy with what he says. It would be wrong for me to stand here and comment on a matter that is clearly subject to employment law. I do not think that could be done in a normal commercial organisation—I have spent most of my life in such organisations—and it would be wrong for me to do that as a Minister; we in this place make the rules and we have to follow them as well. I take his point, of course, and we will be looking at these matters extremely seriously when we have the results of both reviews.

Jason McCartney >

(Colne Valley) (Con)

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I question the competence and leadership qualities of any Post Office executive who thinks it is right to take a bonus at this time. Does the Minister agree that if there is any spare money or hundreds of thousands of pounds available at the moment, it should be going into the compensation fund for the victims of the Horizon scandal and it should also be used to support our fragile post office network, where our **sub**-postmasters and **sub**-postmistresses are working so hard to preserve services for our local communities?

Kevin Hollinrake >

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It is important that we have a remuneration package that attracts the right kind of person—many people will question whether that is the case today. On the compensation fund, the Government are prepared to fund compensation up to £1 billion, and that commitment has already been made. We want to make sure that everybody who has suffered as a consequence of the Post Office accounting scandal is returned to the position they were in before detriment was suffered and gets compensation in other areas, such as for non-pecuniary losses.

Mr Alistair Carmichael >
(Orkney and Shetland) (LD)

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It is surely apparent that the culture within the Post Office that allowed people at the top to spend millions of pounds of taxpayers' money to pursue an indefensible case has not changed. Although, of course, those who were victims of Horizon will be angry, so, too, will the thousands of **sub**-postmasters and **sub**-postmistresses across the country whose remuneration package is wholly inadequate. So here is an idea: why not set a cap on the maximum gap between the money paid to the **sub**-postmaster or **sub**-postmistress delivering the service on which our public rely and that paid to the chief executive?

Kevin Hollinrake >

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By whatever means, I am very happy to have a further discussion with the right hon. Gentleman. We want to make sure that we have a sustainable network, which must mean that postmasters can run sustainable businesses. It is in the nature of things that, with the reduction in mail volumes and the frequency with which any of us visit post offices and use them for different reasons, it is more difficult to be a **postmaster** today than it was a decade ago, but we are keen to make sure that there is a sustainable future for the network and for the individual businesses that make up that network.

Andy Carter >
(Warrington South) (Con)

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I recently spent a Saturday morning with Chris Borroughs, the **sub**-postmaster of a small post office in Latchford. It was very clear to me that the post office is the first port of call for many people who are vulnerable in society and is increasingly important because of the reduction in the number of banks on our high streets. It is also clear is that the economics of running a small **sub**-post office just do not work anymore. I was interested to hear the Minister say that he was looking to introduce a review of payments to executives. Will he consider extending that to look at how **sub**-postmasters are remunerated so that we do not lose any more post offices from the high street?

Kevin Hollinrake >

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I thank my hon. Friend for his question and Mr Borroughs for the work that he does for the community. My hon. Friend is right to say that post offices and postmasters are at the heart of our community—that is absolutely right. As I have said, they are needed now more than ever with the demise of many banks on our high streets. He was absolutely right to say that. However, it would be wrong of me to say from this Dispatch Box what incentives we are considering to make sure that we have the right network for the future, but, clearly, these matters are under review. The network itself is supported heavily by the taxpayer—about £2.5 billion over the past 10 years. We are balancing what we need to make sure that we have a sustainable network and sustainable businesses with the impact on, and asks of, our taxpayers. It is a difficult balance to strike. The best way forward is to make sure that we find more business opportunities for postmasters to make a living.

Catherine McKinnell >
(Newcastle upon Tyne North) (Lab)

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Like many Members, I speak for constituents who have faced more than a decade of stress and misery while seeing their personal finances and their standing in the community completely trashed by the Post Office. The Post Office is a long-standing national institution, and those sub-postmasters and the public deserve so much more than they are getting. Will the Minister be clear today that the Government accept responsibility for this situation, and outline exactly what steps will be taken to put this right? I am talking not just about this scandal but about our Post Office for the future.

Kevin Hollinrake >

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We are trying to address a number of different things, including making sure that people are properly compensated and that we have a sustainable business going forward. It is a difficult balance to strike. As I said, the taxpayer supports the post office network to a significant degree—£2.5 billion over the past 10 years, so it is about striking that balance. If we talk to any postmaster, we will find that the principal challenge they face is finding more business—getting more people through the door to use their services. That is why we need to determine what the best future for post offices is to make sure that there is a sustainable business. Obviously, we encourage all our citizens and constituents to use their post office to make sure that those post offices have a sustainable future.

Rehman Chishti >

(Gillingham and Rainham) (Con)

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I pay tribute to the amazing postmasters and sub-postmasters in Gillingham and Rainham for all that they do. The Minister says that he is waiting for the report to come forward before he takes the next steps. The question that he has not yet answered is what is the timeline for that report to come to him so that he can take those next steps, because people have waited so long to get justice in the first place. Linked to that, I support the comments made by my hon. Friends the Members for Colne Valley (Jason McCartney) and for Broadland (Jerome Mayhew). At the very top end, we have people being given high, high compensation, while at the bottom end there are people who are doing a fantastic job, but who are not being given adequate resources and funding. If there is money at the top end, surely it needs to go to people on the frontline in these difficult and challenging economic times.

Kevin Hollinrake >

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My hon. Friend raises a fair point. It is important that we pay the right package to get the right person for the job. People have had questions about that today, and I understand that. We do want to make sure that we have a sustainable future for our post offices. I pay tribute, as he does, to the postmasters in his area who do a tremendous job, but it is important that we find that sustainable future. I am very happy to engage with him and discuss our work in that regard to make sure that that is the case.

Sammy Wilson >

(East Antrim) (DUP)

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Leaving aside the scandal of the non-payment of compensation and the foot-dragging over the Horizon issue, Post Office executives surely cannot justify bonuses on the basis that the network is falling apart; nine post offices are closing every week, many of them being replaced by pay points and click and collect points; 70% of postmasters and postmistresses are living on the minimum wage; and the post office service itself is contracting in many rural areas. Can the Minister ensure that, at the very least, if there are criteria for giving bonuses, they are based on the level of service across the community and the viability of post offices for the future?

Kevin Hollinrake >

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I thank the right hon. Gentleman for his points, and I agree with many of them. I, too, represent a rural area and have a number of post offices that have closed either temporarily or otherwise. Yes, we want that sustainable network. Yes, that is a key part of the conversation that I constantly have with the Post Office management and senior leadership. I accept his point that many of our

postmasters are struggling to make a living. We must make sure that they have a sustainable future at a business and network level. The taxpayer makes significant contributions to ensure that that is the case today, and that is the balance that we need to strike. I am very keen to achieve the right hon. Gentleman's objective, which is a sustainable future for our network.

John Spellar >
(Warley) (Lab)

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May I put it to the Minister that if individuals' bonuses were based on misleading information, there is the possibility that they could be guilty of obtaining pecuniary advantage by deception under the Theft Act 1968? Will he consider referring this matter to the police and the Crown Prosecution Service for investigation?

Kevin Hollinrake >

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I think the first step is to look at the evidence to find out what has actually happened and who is responsible, and then we can decide what action we need to take. We have two parallel inquiries and reviews: one by the remuneration committee and another by an independent external expert. I did not answer the earlier question about the speed of that inquiry. The remuneration committee will report back within two weeks. We have not set a timeline for the external review, but we will do so, and we will make Parliament aware of it as soon as possible. We should of course consider any action that results from that, but that must be within the context of due process.

Jim Shannon >
(Strangford) (DUP)

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I commend the right hon. Member for North Durham (Mr Jones) on bringing this urgent question to the House. His actions today have been a service not only to his constituents, but to all our constituents, and we thank him for it. The Minister understands only too well what the issues are; he understands the need for compassion and understanding, and I believe he has those. He will know that to constituents such as mine who lost their reputation in their local village due to this programme, news of bonuses paid to bosses is—I cannot emphasise this enough—grotesque and a slap in the face. I understand that the inquiry is ongoing, but what steps will the Minister take to ensure that there is accountability for those whose errors are exacerbating the stress of sub-postmasters and sub-postmistresses to such a level that it has affected their health?

Kevin Hollinrake >

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I join the hon. Gentleman in paying tribute to the right hon. Member for North Durham (Mr Jones) for this urgent question and for all the work he has done for postmasters up and down the country. I agree with the hon. Gentleman's point about reputation and that many will feel that this is another slap in the face. I completely understand his points. He mentions accountability, and he knows from the work we have done together that I agree with him: scrutiny and accountability are necessary, and we must ensure that the process of the reviews that we are undertaking is as transparent as possible and subject to parliamentary scrutiny. I am very happy to ensure that that is the case.