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Post Office Governance and Horizon Compensation Schemes Volume 745: debated on Monday 19 February 2024

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🕒 4.18pm

The Secretary of State for Business and Trade >

(Kemi Badenoch)

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With permission, Mr Speaker, I shall make a statement about Post Office governance and the Horizon compensation schemes.

Over the weekend, several serious allegations were made against the Government, my Department and its officials by Henry Staunton, the former chair of the Post Office. The allegations are completely false, and I would like to make a statement to the House so that hon. Members and the British public know the truth about exactly what has happened. I would like to address three specific claims that Mr Staunton made in his *Sunday Times* interview—claims that are patently untrue.

First, Mr Staunton alleges that I refused to apologise to him after he learned of his dismissal from Sky News. That was not the case. In the call he referenced, I made it abundantly clear that I disapproved of the media breaking any aspect of the story. Out of respect for Henry Staunton's reputation, I went to great pains to make my concerns about his conduct private. In fact, in my interviews with the press, I repeatedly said that I refuse to carry out HR in public. That is why it is so disappointing that he has chosen to spread a series of falsehoods, provide made-up anecdotes to journalists and leak discussions held in confidence. All that merely confirms in my mind that I made the correct decision in dismissing him.

Secondly, Mr Staunton claims that I told him that “someone's got to take the rap” for the Horizon scandal, and that was the reason for his dismissal. That was not the reason at all. I dismissed him because there were serious concerns about his behaviour as chair, including those raised by other directors on the board. My Department found significant governance issues. For example, a public appointment process was under way for a new senior independent director to the Post Office board, but Mr Staunton apparently wanted to bypass it and appoint someone from the board without due process. He failed to properly consult the Post Office board on the proposal; he failed to hold the required nominations committee; and, most importantly, he failed to consult the Government, as a shareholder, which the company was required to do. I know that hon. Members will agree with me that such a cavalier approach to governance was the last thing we needed in the Post Office, given its historical failings.

I should also inform the House that while Mr Staunton was in post, a formal investigation was launched into allegations made regarding his conduct, including serious matters such as bullying. Concerns were brought to my Department's attention about Mr Staunton's willingness to co-operate with that investigation.

It is right that the British public should know the facts behind the case, and what was said in the phone call in which I dismissed Mr Staunton. Officials from my Department were on the line; the call was minuted, and a read-out was sent after it took place. Today, I am depositing a copy of that read-out in both Libraries of the House, so that hon. Members and the public can see the truth. In those minutes, personal information relating to other Post Office employees has been redacted. For all those reasons, an interim chair will be appointed shortly, and I will, of course, update the House when we have further details.

Finally, Mr Staunton claims that when he was first appointed as chair of the Post Office, he was told by a senior civil servant to stall on paying compensation. There is no evidence whatsoever that that is true. In fact, on becoming Post Office chair, Mr Staunton received a letter from the permanent secretary of the Department for Business, Energy and Industrial Strategy, Sarah Munby, on 9

December 2022, welcoming him to his role and making it crystal clear that successfully reaching settlements with victims of the Post Office scandal should be one of his highest priorities. That letter is in the public domain. The words are there in black and white, and copies of the correspondence will be placed in the Libraries of both Houses.

The reality is that my Department has done everything it can to speed up compensation payments for victims. We have already made payments totalling £160 million across all three compensation schemes. That includes our announcement last autumn of the optional £600,000 fixed-sum award for those who had been wrongfully convicted. It is the strongest refutation of those in this House who would claim that we acted only after the ITV drama, "Mr Bates vs The Post Office", was shown. British people should know that a dedicated team of Ministers and civil servants have been working around the clock for many months to hasten the pursuit of justice, and bring swift, fair redress to all those affected.

To that end, I am pleased that all 2,417 postmasters who claimed through the original Horizon shortfall scheme have now had offers of compensation. The Post Office is dealing promptly with late applications and cases where the initial offer has not been accepted. My Department has also established the Horizon compensation unit to ensure that money gets to the right people without a moment's delay. Last autumn, we announced an additional £150 million to the Post Office, specifically to help it meet the costs of participating in the Post Office-Horizon inquiry and delivering compensation to postmasters. In all, we have committed around £1 billion to ensure that wronged postmasters can be fully and fairly compensated, and through forthcoming legislation, we are taking unprecedented steps to quash the convictions of postmasters affected by the Horizon scandal.

In short, we are putting our money where our mouth is, and our shoulders to the wheel to ensure that justice is done. It is not fair on the victims of this scandal, which has already ruined so many lives and livelihoods, to claim, as Mr Staunton has done, that things are being dragged out a second longer than they ought to be. For Henry Staunton to suggest otherwise, for whatever personal motives, is a disgrace, and it risks damaging confidence in the compensation schemes that Ministers and civil servants are working so hard to deliver. I would hope that most people reading the interview in yesterday's *Sunday Times* would see it for what it was: a blatant attempt to seek revenge following dismissal.

I must say that I regret the way in which these events have unfolded. We did everything that we could to manage this dismissal in a dignified way for Mr Staunton and others. However, I will not hesitate to defend myself and, more importantly, my officials, who cannot respond directly to these baseless attacks. Right now, the Post Office's No. 1 priority must be delivering compensation to postmasters who have not already been compensated. There were those who fell victim to a faulty IT system that the Post Office implemented, and that it turned a blind eye to when brave whistleblowers such as Alan Bates sounded the alarm. We said that the Government would leave no stone unturned in uncovering the truth behind the Horizon scandal, and in pursuing justice for the victims and their families. We are delivering on that promise, while looking for any further possible steps that we can take to ensure the full and final settlement of claims as quickly as possible.

It is right that we reflect, too, on the cultural practices at the Post Office that allowed the Horizon scandal to happen in the first place. It was a culture that let those in the highest ranks of the organisation arbitrarily dismiss the very real concerns of the sub-postmasters who are the lifeblood of their business and pillars of the local community. Although the Post Office may have failed to stand by its postmasters in the past, we are ensuring that it does everything that it can to champion them today, and to foster an environment that respects their employees and their customers. That is how we will rebuild trust and ensure that the British public can have confidence in our Post Office, now and in the future. I commend this statement to the House.

🕒 4.26pm

Jonathan Reynolds >

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

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I firmly agree that the revelations in *The Sunday Times* at the weekend could not be more serious. In particular, if true, the claim that the Post Office was instructed to deliberately go slow on compensation payments to sub-postmasters in order to push the financial liability into the next Parliament would be a further outrageous insult in a scandal that has already rocked faith in the fairness of the British state. If that is the case, it cannot be allowed to stand, and if it is not, it must be shown to be false in no uncertain terms. We have two completely contrasting accounts: one from the former chair of the Post Office, and one from the Secretary of State. Only one of them can be the truth. I hope that we are all in agreement that Parliament is the correct place for these matters to be raised and clarified. What we need now is transparency and scrutiny.

Will the Secretary of State categorically state that the Post Office was at no point told to delay compensation payments by either an official or a Minister from any Government Department, and that at no point was it suggested that a delay would be of benefit to the Treasury? Will there be a Cabinet Office investigation to ensure that no such instruction or inference was given at any point? Crucially, is the £1 billion figure for compensation, which the Secretary of State helpfully just repeated, already allocated, and sat in the accounts of the Department for Business and Trade, ready to be paid? If it is not, will compensation payments be specifically itemised in the upcoming Budget?

The Secretary of State will also understand that following the story at the weekend, victims of other scandals—especially of the contaminated blood scandal—feel that they need to ask whether they have been the victims of deliberate inaction. Will the Government provide assurances that no such obstruction has been placed on any payments of this kind? If so, can they explain what the delay is in some cases? In the full interests of transparency, and to fully ascertain the veracity of any allegations for sub-postmasters and the general public, will she publish all relevant correspondence, and minutes of meetings between the Department, the Treasury, UK Government Investments and the Post Office during this time? Finally, when can we expect the legislation on exoneration that was promised by the Prime Minister?

I cannot stress enough that the last thing that was needed in this scandal was any further allegation of cover-up or obfuscation at the very top of Government. People's faith in Government, already damaged by scandals such as Hillsborough, Bloody Sunday and Windrush, is hanging by a thread. This miscarriage of justice has shown the devastation that can occur when institutions are allowed to operate without oversight or are shrouded in secrecy. We should all agree that that secrecy must end, and that the full sunlight of public scrutiny should be brought to bear. If everything the Secretary of State has told us today is correct, surely there will be no objection to that happening fully.

Kemi Badenoch >



I welcome the tone that the shadow Front-Bench spokesman has taken. There is often a tendency for political point scoring, but I think we both agree that this is very much about the postmasters. That is why I ensured that I was at the Dispatch Box: so that people would know the truth. That is what builds trust.

The shadow Minister asked whether I would categorically state that no instruction was given to delay payments. Yes, I can. We have no evidence whatever that any official said that. If such a thing was said, it is for Mr Staunton to bring the evidence. It is very hard to refute a negative. People making wild, baseless accusations and then demanding proof that they did not happen are making mischief, in my view. As far as I have seen, all the evidence points to the fact that no one gave that instruction.

It is also important to look at whether it would even make sense to do so. There would be no benefit whatever to our delaying the compensation, which has no significant impact on revenues. It would be a mad thing even to suggest. The compensation scheme, which Mr Staunton oversaw, has been completed. My understanding is that 100% of payments have been made, so clearly no such instruction was given. The hon. Gentleman mentioned the infected blood inquiry. This is a good example of how people lose faith in the system because of misinformation. That is why I am here to correct the record.

The hon. Gentleman asked about the £1 billion allocation. We give monthly reports that show exactly what payments are being made. He also asked whether we will publish correspondence. No, we will not publish in full all correspondence between Departments, UKGI and the Post Office. That is because we set up the statutory inquiry, which will examine the important issues related to the Horizon scandal, as well as current governance arrangements. We are fully co-operating with the inquiry, but the inquiry was set up by Parliament specifically to look at that. In addition to the read-out of the true content of my telephone call with Mr Staunton, we will consider publishing correspondence between Departments and Mr Staunton in accordance with freedom of information rules, so that people will know exactly what happened, contrary to his account. The hon. Gentleman asked about legislation. That is something that we are actively working on. I expect that we will be able to deliver on that imminently.

Paul Scully >

(Sutton and Cheam) (Con)



When I was the postal affairs Minister, the officials in my team not only shared my drive to get the money out of the door—life-changing money for postmasters—but were energised and empowered to do so. I cannot believe for a minute that just a few months later they would be doing and thinking the polar opposite. Clearly, they cannot defend themselves in public, so will my right hon.

Friend confirm that conversations about colluding to slow down the compensation did not happen? It is important that we double down and get more money out of the door as soon as possible.

Kemi Badenoch >[Share](#)

I pay tribute to my hon. Friend for all his fantastic work as the postal affairs Minister, and I can confirm that. My officials have looked through all the correspondence, and all the minutes of the conversations that Mr Staunton had with the Department. They found absolutely nothing, and he did not raise the matter in his call with me. If it were something that officials had said to him, surely he would have mentioned it to Ministers—either myself or the postal affairs Minister, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake). The fact that Mr Staunton did not do so shows that it is quite likely something that he is making up.

Madam Deputy Speaker >

(Dame Rosie Winterton)

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I call the SNP spokesperson.

Marion Fellows >

(Motherwell and Wishaw) (SNP)

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I am at a loss today: another Monday, another Post Office scandal. I have tried very hard to pull together my thoughts on the statement, what was said in *The Sunday Times*, and what was said in this place less than two weeks ago when I led a Backbench Business debate on the culture of Post Office management.

I will ask the Secretary of State a few questions. Will she place on the record whether Nick Read wrote to the Justice Secretary last month defending the convictions, saying that some postmasters were guilty? That is a serious allegation, and I would really like to have an answer.

There has been talk all morning about damaging confidence in the compensation schemes. If there is confidence in them, can the Secretary of State explain why so many leading sub-postmasters affected by the scandal were given such derisory offers, months and months late? That is just not on. The Secretary of State cannot say that Henry Staunton damaged the compensation schemes; it was down to the Government and Post Office Ltd.

Is the Secretary of State aware that Post Office Ltd still employs 40 investigators who secured convictions? I agree with what the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) said: exoneration must be hurried up and compensation must be paid sooner rather than later. I have said that every month for the last nine months.

Kemi Badenoch >[Share](#)

The hon. Lady asks multiple questions. The first is about a letter written by Nick Read, Post Office's chief executive, to the Justice Secretary. What I can say is that UKGI and Post Office Ltd have both vehemently denied that Nick Read was put under any pressure to write the letter she refers to.

On the risks of making a decision on blanket exoneration, the postal affairs Minister, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), has said repeatedly that we have been faced with a dilemma: either to accept the present problem of many people carrying the unjustified slur of conviction, or to accept that an unknown number of people who have genuinely stolen from their post offices will be exonerated and perhaps even compensated. That is the case, and it is certainly what the Government believe. What she says about people being put under pressure to write a letter is something that UKGI and Post Office Ltd have both vehemently denied.

The hon. Lady repeats Mr Staunton's allegations, but I have already given a statement saying that they are completely false. She asks about individual cases of people who have been paid. I cannot comment on individual cases, but I would like to clarify that the main scheme in place under Henry Staunton's watch was the Horizon shortfall scheme. Some 2,417 people were made offers within

the original deadline. One hundred per cent have received offers, but 84% have accepted offers. I just wanted to clarify my previous comments.

On the 40 prosecutors still working for Post Office, I have had multiple people giving different bits of information. The inquiry is looking at that and will get to the bottom of it.

John Redwood >

(Wokingham) (Con)

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Will the Secretary of State review the governance of UKGI? How did it manage to preside over the Post Office with its dreadful treatment of sub-postmasters? How did UKGI allow senior Post Office managers to rack up and accumulate losses of £1,390 million, effectively bankrupting the Post Office so that it can now trade only if it has the reassurance of massive cash infusions from the Treasury on a continuing basis? Surely this body has done very badly, and we need a better answer.

Kemi Badenoch >

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That is one of the reasons why we have been making personnel changes in this area. It goes back to the point I was making in the statement: Post Office needs an effective chair. Until the day I had the conversation dismissing him, I never had any correspondence from Mr Staunton about difficulties that he was having with UKGI. If he was having difficulties, he should have told me, rather than give an interview to *The Sunday Times* effectively stating that he had no control over the organisation that he had been appointed to run.

Mr Kevan Jones >

(North Durham) (Lab)

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The Secretary of State says we have to accept that Henry Staunton's accusations are completely false. The letter that Nick Read wrote to the Lord Chancellor about overturning convictions mentioned that about 300 people are possibly going to be "guilty". She has just told the House that the investment body did not instruct him to do that. Henry Staunton said he did not tell Post Office to write the letter, and the board did not know about it, so who did? For the sake of openness and transparency, she should produce all correspondence between UKGI and Post Office. The Secretary of State has accused Henry Staunton of lying in public. The only way we can judge whether she is telling the truth is if we have all the information out there.

Can I just say to the Secretary of State, in relation to her obsession with tweeting, that although she says that people are jumping "on the bandwagon", some of us have been involved in this for many years on a cross-party basis, including through work with her colleague the Under-Secretary of State for Business and Trade, the hon. Member for Thirsk and Malton (Kevin Hollinrake), so that is quite insulting. What message will the Secretary of State's tone today send to sub-postmasters? I will tell her: more cover-up and obfuscation. Get the information out there and explain what is going on. Otherwise, she will not have their trust. It will just be more of the same that we have seen over many, many years.

Kemi Badenoch >

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I completely reject the right hon. Gentleman's assertions. This is the political point scoring that I talked about earlier, which we just need to stop. Rather than focusing on the issue, he is talking about my tweeting. Maybe he should get off Twitter and actually listen to what I am saying at the Dispatch Box. He is talking about a letter that UKGI says it did not ask Nick Read to write. The only possible answer is that Nick Read himself decided to write that letter. I did not ask him to write it, the Post Office says that it did not, and UKGI did not. These are the sorts of things I am talking about—continuing to make aspersions about Ministers. We have made the Post Office an independent body, we have an independent inquiry, and the information will come out in due course.

Sir Conor Burns >

(Bournemouth West) (Con)

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There is no doubt that there was a bad culture in the Post Office for a very long time. It misled a significant number of Ministers, who, to put it gently, could have been more inquiring over the years. Has my right hon. Friend had time to reflect on the words of the non-executive members of the board representing the postmasters, who say that only days before she sacked the chairman, there was still a culture in which they were viewed as guilty and on the take? If that sacking has brought compensation to those people, who were traumatised and misled by the Post Office, and who had their lives destroyed, her decision will go down as a very welcome one.

Kemi Badenoch >[Share](#)

I agree with my right hon. Friend. The comments by the members of the board who are former postmasters are very interesting. They are saying exactly what I am saying: that Henry Staunton was not doing a good job as Post Office chair. That leads me back to the point made by the right hon. Member for North Durham (Mr Jones), who is more interested in attacking the Government than in looking at what even the members of the board are saying. It is important that we continue to give confidence to people that those organisations are run properly. That was the reason for the dismissal.

Mr Alistair Carmichael >

(Orkney and Shetland) (LD)

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Having supported constituents in negotiations in relation to the historical shortfall scheme, I can tell the Secretary of State that, whatever the reason for it, the conduct of the Post Office and its agents was characterised by delay and obstruction. That, in turn, led to the view taking hold among sub-postmasters that there was no point in making claims. Since the ITV drama aired, I have heard of several constituents making belated claims. What more are the Government doing to ensure that everybody out there who may have a claim is able to receive compensation?

Kemi Badenoch >[Share](#)

The right hon. Gentleman's question is a good one. The fixed-sum awards show that we are taking the matter very seriously. I became Business Secretary in February last year, and my one priority was to ensure that people got their compensation as quickly as possible. I did everything that I possibly could, with the Minister with responsibility for the Post Office, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), whom I thank for his tireless efforts. He had been looking at the portfolio before I got the job as Business Secretary, and I knew that the work was in safe hands. We have worked together as a team, fought cross-departmentally to ensure that people got the compensation that they deserved, and brought in legislation just before December—well before the ITV drama. The cases that the right hon. Gentleman raises are important, as they show that there is still a lot of work to do, and we will continue doing it.

Duncan Baker >

(North Norfolk) (Con)

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Given the Post Office's track record with accuracy, I am very glad that we have heard from the Secretary of State—I would rather take her assurances at the Dispatch Box than anything from a disgruntled, sacked former employee of the Post Office. Even during last week's recess, I still had constituents coming to me saying that they were affected by the Horizon scandal, so can the Secretary of State assure the people watching that the process is very quick and simple? People who still feel that they lost money during that horrendous period need to keep coming forward, because there is an easy process: they can fill in a form to make sure their voice is heard and that they get compensation.

Kemi Badenoch >[Share](#)

My hon. Friend is quite right. I thank him for raising this issue, and also for the work he has done—as a former postmaster, he knows quite a lot about what has been going on. I reassure all of the people who have been affected by this scandal that it is something we take very seriously. When I became Business Secretary, I was absolutely horrified by the sheer scale of trauma that people had been going through. We want people to continue coming forwards; where they are not happy with the process, we will look at it again, but there is a formal process in place to ensure that all postmasters can be treated fairly, equally and equitably.

Dame Diana Johnson >

(Kingston upon Hull North) (Lab)

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The allegations of limping towards the general election in relation to delaying compensation payments to postmasters mirror the Government's behaviour towards the infected blood scandal. They have had the final recommendations for that compensation since April 2023, with no action having been taken, so it seems to me that there is a pattern of behaviour: the Government act only when they are forced or shamed into doing so. With the infected blood scandal, we have been told repeatedly by Ministers that the Government are working at pace. What that really means is that they are limping at pace, are they not?

Kemi Badenoch >[Share](#)

No, no, and no. It is a shame that the right hon. Lady stands up in the Chamber and says that the Government acted only when we were forced to do so, because she knows that we brought legislation to this House well before the ITV drama. She knows about the Horizon shortfall scheme, the group litigation order payments and the overturned convictions. She is trying to mix this issue up with the infected blood inquiry, knowing that I have just proved that the allegations made by Mr Staunton are completely false. I have said that minutes will be put on the record showing that this is not an issue that Labour wants to look at beyond political point scoring. I will not stand at this Dispatch Box and allow that to happen.

Miss Sarah Dines >

(Derbyshire Dales) (Con)

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At the weekend, leaks to newspapers appeared to show really poor embedded practices at the Post Office board, using language about our postmasters being “on the take” or “guilty”. What is my right hon. Friend doing to clean up the act?

Kemi Badenoch >[Share](#)

My hon. Friend makes a very good point. That is why we need effective leadership at the Post Office; and it is why I took the decision to dismiss Mr Staunton, among the other issues I have covered in this statement. We need people who care, and one of the things that worries me is that because Mr Staunton has decided to have revenge in the papers, it is going to be even harder for us to find people who will come in and do this very difficult job. I hope they will not be put off by the misinformation that has been in the papers.

Andrew Bridgen >

(North West Leicestershire) (Ind)

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I thank the Secretary of State for her prompt statement, and for laying out her version of events about the dismissal of Mr Staunton, the Post Office chairman. We have to accept her statements from the Dispatch Box, but I take exception to one point she made. She said that there was no evidence of stalling on compensation, but that evidence comes from the experience of my own constituents, Mr and Mrs Rudkin—their evidence to me was fundamental in unravelling this whole Post Office Horizon scandal. Susan Rudkin's criminal conviction was overturned in December 2020—she was one of the first nine. When I spoke to Mr and Mrs Rudkin only a few weeks ago, over three years after that conviction was overturned, they still had not received their compensation. If that is not evidence of stalling, what is?

Kemi Badenoch >[Share](#)

I cannot comment on that specific case, because I do not have the details, but a fixed sum award is available should Mr and Mrs Rudkin wish to take it. There is a process and we will move as quickly as we can. I cannot speak specifically about why there has been that delay, but we are doing everything we can to get the money out to the postmasters as quickly as possible.

Richard Drax >

(South Dorset) (Con)

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I have a once-proud former postmaster in my constituency, who ran the post office in Swanage. He fell foul of this scandal and was sacked, not prosecuted. His life was utterly ruined and he repaid the money that was owed. That was many years ago, but his wife is now very ill and he has still not had compensation. May I make two points? First, his lawyer tells me that the compensation scheme is taking too long. Secondly, may I ask the Secretary of State for an assurance that he will not be brushed off financially simply because he was not prosecuted? The lives of this man and his wife have been utterly ruined.

Kemi Badenoch >[Share](#)

I know exactly the sort of people my hon. Friend is talking about, and it is really awful to hear about everything they have been through. I have a constituent who has talked to me about how this scandal has ruined her life. We owe it to them to do everything we can to ensure that they are fully compensated, and I can assure him that Ministers and officials are working on this every day. I know it is not always as quick as people would like, but we want to ensure that it is done properly and that there are no issues following that. I do not have the specific details of that case, but they can apply to the Horizon shortfall scheme, and if my hon. Friend brings it to the attention of the postal affairs Minister, we will look at it specifically.

Kate Osborne >

(Jarrow) (Lab)

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Ministers have promised that the Government will bring in a new law to swiftly exonerate and compensate victims, so can the Secretary of State tell me why my constituent Chris Head has been offered only 13% of his compensation claim? How can sub-postmasters trust the Government or the Post Office to deliver full and fair compensation when they are still facing so much pushback on their compensation claims and receiving offers that go nowhere near financial restoration, let alone compensation for the injustice? Can I quickly add that the Secretary of State's suggestion that the Government would have acted in the same way had the ITV drama not been shown is thought to be completely unbelievable by most, and none more so than by the sub-postmasters themselves?

Kemi Badenoch >[Share](#)

The fact is that when we took the legislation through the House in December, the Opposition Benches were empty. Opposition Members are the ones who decided to take a more keen interest after the drama; we have been working flat out. I do not have the specific details of her constituent's case, as she knows, but I will continue to repeat what I have said, which is that where people have not received compensation, we can look at that. There is a process, and there is also an independent panel they can appeal to, but the vast majority of people who have been getting offers are taking them.

Brendan Clarke-Smith >

(Bassetlaw) (Con)

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Too often, quango bosses are rewarded for failure and can walk away with big payouts, and it would be a disgrace for the man who has done so little to get compensation for postmasters to get any himself. Can the Secretary of State confirm that she will block any such payments?

Kemi Badenoch >

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There will be no payments to Henry Staunton.

Sammy Wilson >

(East Antrim) (DUP)

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I think the public squabble at the weekend further undermines people's confidence in what is going to happen and in the Government's assurances about compensating the people affected by the Post Office scandal. I tend to believe the view of the Secretary of State, simply because the record of Post Office officials trying to cover up, pass the buck and cause confusion is on the record, and we know what they are doing. However, the fact remains that there are still people who have not had any offer of compensation, there is still £1 billion that has not been spent in compensation, and there are still people whose cases have not even been considered. Is not the best way of answering Henry Staunton for the Government to get on with the job and ensure that compensation is paid quickly, and for people to get the compensation they deserve?

Kemi Badenoch >

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The right hon. Gentleman is quite right. As I said earlier, 64% of people have received compensation, and we want to get that to 100% as quickly as possible. However, we want to ensure that people get the right amount and are compensated fairly, and that is why we have the process, including a point of appeal if they are unhappy with the offer.

The point the right hon. Gentleman made right at the beginning of his question is correct. The points made in the newspapers do undermine the work that we are doing. It was very disappointing to read those statements. It was also disappointing because I had done everything I could to try and keep this out of the news and do it behind closed doors, properly. I made sure when I gave public statements that I said I would not do HR in public. When I found out that it had been leaked to Sky News, I even called Sky News and asked—one of my assistants asked—for that not to be put out in the public domain before I had had a chance to speak to Henry Staunton. I did the same with the *Daily Mail*, which thankfully did listen. We also need the media to help us in this and not publish false allegations.

Lee Anderson >

(Ashfield) (Con)

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I am absolutely staggered that the Labour party now seems to be coming out in support of the disgraced Post Office management team—the same management team that oversaw the wrongful imprisonment of postmasters across the country, with hundreds of convictions. Does my right hon. Friend agree that, when push comes to shove, that lot over there would take the side of the grafters, not the grafters?

Kemi Badenoch >

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As my hon. Friend says, the Post Office leadership oversaw wrongful convictions. That is one of the reasons why we have had multiple changes, and this is just the latest to ensure that we get the right leadership in place. *[Interruption.]* I know that some Opposition Members are dealing with this properly, but we can see from the heckling that many of them came here thinking that they could score political points, and I am not allowing that to happen.

Sir Chris Bryant >

(Rhondda) (Lab)

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Many Members are of course angry and impatient about trying to get compensation and exoneration for all of the postmasters as soon as possible. If we are all honest, we as a whole Parliament should have been much more impatient much earlier. There are some rare exceptions to that, including my right hon. Friend the Member for North Durham (Mr Jones), who spoke earlier, and obviously Members on the Government side of the House as well. May I just clarify something about the process of Mr Staunton's dismissal? As I understand it, he found out about it from Sky News. I think the Secretary of State just added a piece of information, which is that she then rang Sky News, before ringing him I think, to try and get them to stop running it. So she knew that this had already been leaked to Sky News, presumably from somebody in her Department. What investigation did she go through to find out who leaked it, and is that person still in post, because otherwise one might just worry that it might have been she herself who leaked it?

Kemi Badenoch >[Share](#)

I knew that someone would ask that question. I in fact have evidence to show that I asked Sky News not to run the story. Of course I did not leak it—because if I had, that would have created legal risk if Mr Staunton had found out on the news before I had had a chance to speak to him. We have no idea how Sky News found out the information—several thousand people work in the Department for Business and Trade, and many more work at the Post Office and UK Government Investments. *[Interruption.]* The hon. Member for Rhondda (Sir Chris Bryant) is heckling, but the point I am making is that leaks are incredibly damaging and harmful; they create legal risk for the Department. I did not do so; I made multiple efforts with at least two media outlets to make sure that they did not create problems for Mr Staunton, and it is one of the reasons why it was very disappointing to see what he did in *The Sunday Times* at the weekend.

Debbie Abrahams >

(Oldham East and Saddleworth) (Lab)

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To be honest, I am afraid I do not think that the Business Secretary and her statement have helped us to get closer to the truth in this situation; it is a question of the Secretary of State's version of events and the former chairman's version of events. For clarity, and to try to draw a line under this and get to the truth, is the Secretary of State willing to refer herself to the ethics adviser?

Kemi Badenoch >[Share](#)

I think that is a ridiculous assertion, and from someone who clearly did not listen to the statement. The difference between what I am saying and what Mr Staunton is saying is that I have officials who will back me up, I have members of the Post Office board who will back me up, and I have newspaper and media outlets that know that I tried to stop the story. The fact is that the hon. Lady just wants to believe Mr Staunton's allegations because that helps Labour politically, but they are not true. They need to listen to the truth and stop hoping for lies; that is not what our job is in this House.

Clive Efford >

(Eltham) (Lab)

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If Henry Staunton is guilty of what the Secretary of State has accused him, it beggars belief that he was appointed only two years ago by this Government. May I ask her about Post Office investigations? I have yet another constituent who has come forward who was forced to sign a non-disclosure agreement by the Post Office and who has not been fully compensated for what they lost when they lost their business. Is it acceptable for the Post Office still to be involved with investigations, given how discredited those are? How can the victims of this scandal have any confidence whatever in the process that the Post Office is involved with?

Kemi Badenoch >[Share](#)

The way we have been dealing with this issue at the Dispatch Box, the work that the inquiry has carried out and our commitment to look at individual cases and ensure that the process is working out properly is how the postmasters will have confidence in the system.

Ben Lake >

(Ceredigion) (PC)

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In recent weeks, I have met with a number of constituents who are former sub-postmasters and who have explained the terrible impact that this scandal has had on their lives. Although they were not convicted by the Post Office, they had to pay large sums of money for shortfalls that frankly did not exist. Can the Secretary of State confirm that the Government's expectation is that those people will be compensated not only for the money they paid, but the financial and personal harm that this scandal caused in their lives?

Kemi Badenoch >[Share](#)

That is definitely what we are trying to do. No one should be in a worse position than they were in before the scandal happened. Where we can provide additional compensation, we will be able to do so, and that is what the process is set up to do.

Stella Creasy >

(Walthamstow) (Lab/Co-op)

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Many of us will be concerned about the Department that oversees employment rights being one where thousands of people know that somebody is about to be sacked before they do. We would agree with the Secretary of State that the process is about giving the public confidence that when wrongs come to light, they will be righted. The challenge she faces is that the track record of recent decades is not good. It is not just about the Horizon scandal, but the nuclear veterans, Windrush, the Women Against State Pension Inequality Campaign, the infected blood scandal and Grenfell. Time and again, it is the compensation schemes that become the story and a source of injustice. Rather than taking to Twitter, would it not be the right rejoinder for her to become the first Secretary of State to say, "We should put the management of compensation schemes involving Government out to an independent body so that everyone can have confidence"? I am sure she would find support from Opposition Members for that.

Kemi Badenoch >[Share](#)

First, I have not said that thousands of people knew that Henry Staunton was being sacked; I said that there are thousands of people who work in the Department, and it could have been anybody who put that out there. It is important that we stick to what has been said on the record. The hon. Lady mentions that these scandals go over decades, and I remind her that the Horizon scandal started under a Labour Government; it is this Government who are beginning to fix it.

Barbara Keeley >

(Worsley and Eccles South) (Lab)

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On the shortcomings of the Horizon scheme, I raise with the Secretary of State the case of my constituent Mr Pennington, a sub-postmaster for 20 years, who went through 10 years of financial distress paying back shortfall amounts generated by errors in the Horizon system. The poorly designed Horizon scheme has paid back only part of the shortfalls of possibly £100,000—and only a

paltry £1,500 for 10 years of financial stress and worry. I wrote to the postal affairs Minister four weeks ago and have not had a response. When will the shortcomings of the Horizon scheme be reviewed, so that sub-postmasters such as Mr Pennington receive full—not part—compensation for all those years of distress?

Kemi Badenoch >

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The hon. Lady is right to raise that matter. We are aware of the problem. We are working with the advisory board to see how we can fix it and ensure that people get proper compensation. I have just been told by the postal affairs Minister that the letter she is expecting should be with her shortly.

Florence Eshalomi >

(Vauxhall) (Lab/Co-op)

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I thank the Secretary of State for her statement. She will be aware that many post office branches have closed in recent years, including the Clapham Common post office in my constituency, which is due to close on 6 March. In her statement, she said:

“Right now, the Post Office’s No. 1 priority must be delivering compensation to postmasters”.

Does she agree that millions of pounds spent on the Post Office trying to pay innocent sub-postmasters would have been better spent on ensuring that we keep our vital post offices up and down the country?

Kemi Badenoch >

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I thank the hon. Lady for her tireless work campaigning to save Clapham post office; I know she has had many meetings with the postal affairs Minister. We should be able both to keep post offices open and to compensate.

Stephen Farry >

(North Down) (Alliance)

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As this is a genuine national scandal, the exoneration of sub-postmasters with criminal convictions requires that they be treated equally, with a shared speedy and common approach, across the UK. Both I and the recently reappointed Justice Minister in Northern Ireland have written to Ministers asking for Northern Ireland to be included in the forthcoming legislation. However, I understand that the Government are currently not minded to do that with the devolved Administrations. Will the Secretary of State confirm that Northern Ireland will be part of that legislation, which I hope will be brought forward soon?

Kemi Badenoch >

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The hon. Gentleman will know that Stormont is now up and running, and that we will be having conversations with devolved Governments on the best way to resolve this. We do not have an answer now, but we are aware of the issue and are working on it.

Gerald Jones >

(Merthyr Tydfil and Rhymney) (Lab)

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The reports on the weekend were extremely alarming, given how sub-postmasters have been treated in recent years. On the obvious question, can the Secretary of State give any assurance or guarantee that the compensation will be paid and taken forward before the general election is called? That surely is what sub-postmasters would ask for, and it is the least that they deserve.

Kemi Badenoch >[Share](#)

That is absolutely the right thing to do. I thank the hon. Gentleman for his question, because it gives me another opportunity to restate that the very idea that compensation would be delayed until after the election is complete nonsense. It does not even make political sense. We want to ensure that people get their money as quickly as possible.

Jim Shannon >

(Strangford) (DUP)

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I thank the Secretary of State for her positive answers. Across the United Kingdom of Great Britain and Northern Ireland, hundreds of postmasters and postmistresses are still awaiting compensation for these wrongdoings. While it is understood that this is a sensitive subject for many, will she provide an update on the expected timescale for compensation of everyone who is entitled across the United Kingdom of Great Britain and Northern Ireland? The fact of the matter is, some people have waited two years, three years and longer, and it really cannot go on.

Kemi Badenoch >[Share](#)

The hon. Gentleman is right: it cannot go on. I want to see everyone get their money as quickly as possible. By the end of this year, everybody should have received it. That is certainly what I am working towards.

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