



# Horizon Shortfall Scheme

## Terms of Reference

To enter the Horizon Shortfall Scheme, applicants must agree to these terms of reference.

1. Post Office established the Horizon Shortfall Scheme (the “Scheme”) to address past issues regarding its point-of-sale accounting system, Horizon.
2. The purpose of the Scheme is to resolve past issues with current and former postmasters who, in good faith, believe they may have been affected by shortfalls which relate to previous versions of Horizon (sometimes referred to as Legacy Horizon, Horizon Online or HNG-X) (“Horizon Shortfalls”). The Scheme will not deal with issues arising with the current version of Horizon (HNG-A, sometimes referred to as the ‘Branch Technology Upgrade’).
3. Applications and other communications should be sent:
  - a) by email to [horizonshortfallscheme@GRO](mailto:horizonshortfallscheme@GRO) if you wish to have your claim fully assessed, or to [PostOfficeFixedSumApplications@GRO](mailto:PostOfficeFixedSumApplications@GRO) if you wish to apply for the Fixed Sum Award of £75,000.
  - b) or by post to Post Office Horizon Shortfall Scheme, [GRO](mailto:GRO). Please use Royal Mail as PO Box addresses can only accept post from Royal Mail and not from other carriers or couriers.

Please apply by email if you can, to help minimise any potential delays with responding to queries and processing your application.

Please note these are Post Office addresses as this is a Post Office scheme – please be assured eligible full assessment applications will be assessed by an independent advisory panel.

4. Applicants to the Scheme are required to agree to these Terms of Reference. Applicants who do not agree to the Terms of Reference will not be eligible to participate in the Scheme.
5. Once an application has been made, either party may write to the other to request relevant information. The parties shall co-operate with one another in providing any information which the other party may reasonably request. Information obtained and provided in relation to each application should be proportionate to the circumstances of that application.
6. Following assessment of the claim, Post Office will write to the Applicant setting out the outcome of his or her application. Eligible full assessment applications made under the Scheme will be individually investigated and the outcomes assessed by an independent advisory panel.
7. In the event the Applicant is dissatisfied with the outcome of his or her application, the following Dispute Resolution Procedure shall apply:
  - a) The Applicant must notify Post Office by email or post within 28 days that he or she wishes to engage the dispute resolution procedure.
  - b) As soon as is practicable, at least one Post Office representative shall meet with the Applicant by telephone and endeavour to resolve all issues regarding any outstanding shortfalls in good faith and in a manner that takes into account the legitimate interests of Post Office and the Applicant (the “Good Faith Meeting”).
  - c) If the dispute is not resolved as a result of the Good Faith Meeting, either party may within 28 days escalate the dispute to a member of Post Office’s senior management (the “Escalation Meeting”) in writing by email or by post.
  - d) If the dispute is not resolved as a result of the Escalation Meeting, either party may refer the matter to Wandsworth Mediation Service (“WMS”) within 28 days for mediation (the “Mediation”). WMS is a charity chaired by Stephen Ruttle KC, one of the two independent mediators who assisted the parties to reach agreement between Post Office and the claimants in the group litigation. All income generated by WMS is used to support the services it provides in the community. WMS will carry out the Mediation in accordance with standard terms. The Applicant will not be required to contribute towards the costs of Mediation but the Mediation will be limited to four hours in duration.
  - e) All Good Faith Meetings, Escalation Meetings and Mediations shall be carried out on a confidential and “without prejudice” basis, to ensure each party is able to engage in an open and meaningful fashion.

- f) Any settlements reached shall be on a full and final basis and shall not be capable of being re-opened save in the event of fraud. The terms of each settlement will be recorded in writing and signed by both parties.
- g) In relation to disputes which are not resolved at, or as a result of any Mediation:
- i. disputes for sums totalling not more than £10,000 shall be resolved by recourse to civil proceedings in the County Court pursuant to the Small Claims Track and shall be subject to the fee scale applicable thereto. The parties agree not to seek reallocation of the proceedings to the Fast Track or the Multi Track; and
  - ii. disputes for sums totalling in excess of £10,000 shall be referred to and finally determined by arbitration under the Arbitration Act 1996. The appointing authority shall be either Charles Flint KC or Stephen Ruttle KC, the number of arbitrators shall be one, the seat of arbitration shall be London, England and the language of the arbitration shall be English.
8. These dispute resolution procedures may be varied by agreement between Post Office and the Applicant or, if it becomes apparent that amendments to these terms would allow the Scheme to operate more effectively without causing any material disadvantage to the Applicants, by agreement between Post Office and Charles Flint KC or Stephen Ruttle KC.
9. Post Office will deal with all Applicants in good faith and in light of the lessons learned from Mr Justice Fraser's judgments in the group litigation. However:
- a) entry into the Scheme does not guarantee that a relevant shortfall will be repaid or written off; and
  - b) by creating the Scheme, Post Office does not waive any of its own legal rights. The duty of good faith is reciprocal and, if it appears from the investigation of any application made that the Applicant has not acted consistently with his or her own duties of good faith, Post Office shall not be precluded from taking such steps as may be open to it as a matter of law.