

The Observer Post Office

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Post Office chair dismissed as business reels from Horizon IT scandal

Business secretary Kemi Badenoch tells Henry Staunton he is to be replaced, feeling 'a need for new leadership'



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📷 Henry Staunton, who in 2023 was repeatedly questioned by the chair of the Commons' business and trade committee about £1.6m in bonus payments made to executives in 2021-22. Photograph: Sky News video grab

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The chair of the **Post Office** has been dismissed by the government as the state-owned company reels from the Horizon IT scandal.

Henry Staunton was this weekend told by the business secretary, Kemi Badenoch, that he will be replaced.

Badenoch said in a statement: "The Post Office is rightfully under a heightened level of scrutiny at this time. With that in mind, I felt there was a

need for new leadership, and we have parted ways with mutual consent.”

Staunton, 75, only became chair in December 2022, after a long career in FTSE boardrooms.

The decision to replace him comes as Rishi Sunak tries to push through new laws to “swiftly exonerate and compensate” those affected by the Horizon scandal.

“This is one of the greatest miscarriages of justice in our nation’s history,” Sunak told MPs earlier this month. “People who worked hard to serve their communities had their lives and their reputations destroyed through absolutely no fault of their own. The victims must get justice and compensation.”

More than 700 post office operators were prosecuted by the Post Office after its faulty accounting software, Horizon, made it look as though money had gone missing from their shops. The saga prompted an outcry across the country and was dramatised in the ITV series *Mr Bates vs The Post Office* earlier this month.

There had been several sources of tension between the Post Office chair and the government in recent months, according to a source who spoke to Sky News, which first reported the departure, including a row over the appointment of a new independent director.

In a hearing before the Commons’ business and trade committee last June, Staunton was repeatedly questioned by the chair, Darren Jones, about £1.6m in bonus payments that had been made to executives in 2021-22. One of the ways bonuses were awarded depended on the Horizon inquiry; the Post Office admitted it had made mistakes and 33 employees handed back bonuses.

The government’s shareholding in Post Office Limited is managed by UK Government Investments (UKGI), which is also responsible for the public’s stakes in Channel 4 and the Met Office.

The Post Office relies on government funding to operate and has struggled with tough competition in recent years.

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Staunton previously chaired Phoenix Group, the insurance company, and WH Smith, the high street retailer.

His executive career included a stint at ITV, while he held other boardroom seats at companies such as BSkyB and Ladbrokes.

A government spokesperson said: “In a phone call earlier today, the secretary of state for business and trade and Henry Staunton, chair of Post Office Limited (POL), agreed to part ways with mutual consent.

“An interim will be appointed shortly and a recruitment process for a new chair will be launched in due course, in accordance with the governance code for public appointments.”

A Post Office spokesperson said: “On Saturday afternoon the Post Office was informed that the business and trade secretary had asked Henry Staunton to stand down as chair of the Post Office. We have been advised by the government that they will appoint an interim chair shortly.”

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