



Horizon Shortfall Scheme Appeals

Submission of the National Federation of Subpostmasters to Sir Wyn Williams, Chair of the Post Office Horizon IT Inquiry

The NFSP continues to be grateful for the work you and your team have undertaken in relation to the Post Office Horizon Inquiry, since its inception in September 2020 as a non-statutory Inquiry.

We appreciate this work has not only focused on the events of the past which led to Postmasters, their assistants and Crown office employees being victimised in the manner they were by Post Office Ltd, but has also considered the various compensation schemes currently available.

We note that to date your Inquiry has held four hearings specifically on compensation:

- Issues of Compensation – 6th & 13th July 2022
- One day hearing on matters relating to compensation – 8th December 2022
- One day hearing on matters relating to compensation – 27th April 2023

We note from your letter of 2nd May 2025 that you are not minded to hold a hearing on this matter for the reasons you give. We are taking this opportunity respectfully to request such a hearing. The reason we have for this request is not only for an

update to be given on the above compensation hearings and issues arising from the schemes, but also in respect of any comment you are minded to make on the recent changes announced in terms of the appeals process moving from Post Office Ltd to the Department of Business and Trade (DBT).

Current concerns

In terms of the update on current compensation scheme issues, the NFSP is aware of the concern among around as many as 1,500 additional Postmasters who have applied for compensation via the Historical Shortfall Scheme and who are currently in a state of limbo due to Post Office being unable to find specific evidence of a shortfall. The reason could be as simple as the Postmaster identifying the shortfall at their Trading Period date, with the Postmaster then making good the shortfall (as per their contract at the time) from their retail takings. In such a situation, there may not be specific evidence available, even if Post Office records could be relied upon as sufficiently and fully accurate for the time periods under review. While great strides in enabling the speed of reviewing individual cases are often mentioned, we still hear too often from claimants of the delays they continue to experience and the undue stress these delays cause.

Scotland and the Scottish Postmasters for Justice & Redress

As the Inquiry is aware, there is not only a different legal system in place in Scotland but also a range of matters which are devolved to the Scottish Government. The NFSP have been working with colleagues in Scotland and the Scottish Government to ensure that all those who were convicted in Scotland due to the Horizon IT system

have their convictions overturned. This work has led to colleagues in Scotland forming the **Scottish Postmasters for Justice & Redress (SPJR)** support group.

The SPJR support group was launched at the Scottish Parliament on Wednesday 2nd April 2025 where one of the first victims to have their conviction in Scotland overturned, Robert Thomson stated "*What we are trying to do is get the redress to the people who are entitled to it. Because it has taken so long in getting the money to the people, we want to get this moving quicker.*" We can advise you that the experience of victims is that redress is still too slow.

Compensation for deceased Postmasters

The NFSP would also want to advise you that there is ongoing concern that some relatives of deceased victims are being denied any form of compensation due to Post Office Ltd's unwillingness to concede legal points and this is adding to the trauma they have experienced for so long.

Lack of full access to redress

It is difficult to know exactly what the true number is from Government figures, but our understanding is that as many as 4,700 Postmasters still do not have full access to their redress, including some of those who were either part of the original Group Litigation cohort or those who have had their convictions overturned.

Confusion and concern regarding the various compensation schemes

The NFSP has also found there is also growing confusion about the various different redress schemes and that, in respect of the various schemes, the victims or their family members may not sit neatly into the criteria for each of the different schemes, making the access to redress more complex and traumatic.

Concerns regarding the £75,000 offers and seeking higher sums

The NFSP is also concerned about the so-called 'double jeopardy' aspect of the fixed sum claims. We are finding this comes up regularly from Postmasters who feel they effectively have a metaphorical gun to their head in terms of accepting the fixed sum of £75,000, or the £600,000 if they were convicted, because if they appeal, they could end up with less. Postmasters are telling us that this is leaving their legal advisors in a difficult position due to the risk of not being awarded the full claim, and instead accepting significantly less. These risks are not dissimilar to the issue of having to plead guilty to have a lesser sentence when not being guilty in the first place, adding to the trauma experienced, in particular, by those who went through this. In one case which the NFSP dealt with recently, the Postmaster applied for more than the £75,000 and received an offer of £6,000. Given the trauma that Postmasters have gone through, this situation, in our submission, only exacerbates the trauma, resulting in, we understand, around 98.5% of claims being for the fixed sum awards rather than some victims may truly be due.

Horizon Shortfall Scheme Appeals (HSS Appeals)

While we are broadly supportive of the move from Post Office Ltd to DBT, the NFSP does have concerns in relation to DBT's Horizon Shortfall Scheme Appeals. We have provided feedback to Minister Thomas at a recent meeting.

We are conscious that one of the main aims of this appeals system is to reduce the time it takes compared to the Post Offices appeals process from the current timescale of around a year to around 40 days. While the NFSP acknowledges that the speeding up of appeal is very welcome, we do consider that questions remain to be asked as to why the Post Office Ltd appeals process was so convoluting that it took a year to process, and, therefore, how it is we can be sure that the DBT's claim of 40 days will actually become a reality.

Another concern is that it appears eligibility may be withdrawn if you have already sought legal advice funded by Post Office. We understand DBT are clarifying this, but our understanding at present is that no-one will be disqualified from this system where they have received initial legal advice but if they have received full legal advice on their claim then the claimant would not be eligible. We do consider this is unfair as in very many court proceedings where legal advice had been given, either statute or natural justice allows for a legal entitlement to appeal a decision or seek a review.

In terms of Prior Information Notice (PIN), we understand the DBT is looking to retain a company that provides support completing the forms. We have offered to be a facilitator for this and have our team trained up to offer support to claimants.

We believe there is a question as to how many HSS cases there are in total, and how many have not entered the Dispute Resolution Process (DRP). We are

concerned that a claimant is ineligible if they have entered the DRP. We understand that there are around 400 cases in the DRP and where a case has gone to mediation then it will not be able to transfer to the DBT.

We understand the appeals process will reduce the risk of receiving less than the £75,000, subject to the caveats given, and this may take account of our point regarding the fixed sums as we have set out above.

We have found questions arise, such as:

- As far as the eligible group is concerned, do they have to rely on Post Office Ltd providing evidence to the individual potential claimants to enable them to apply within the time frames?
- Why is there a difference between 6 - 9 months depending on which aspect of the scheme a claimant is in at present?
- What costs will be provided for legal advice and how are the legal advisers to be obtained and retained by claimants in the appeals process?
- Tax payments – will outcomes of the appeals and payments be free of tax?

Overall, the NFSP while giving the broad welcome, we are not clear that moving away from Post Office Ltd to DBT will make a real difference, as we have found that DBT's involvement throughout this process has not necessarily been helpful. It appears to us the DBT is reluctantly accepting a responsibility in the whole scandal and this means they have, in the past, also been a block to the swift progress for redress that has been required. That said, we do appreciate that trust in Post Office Ltd is low and trust in DBT is higher. We also appreciate that it would have taken more than a year to set up a separate independent body, which would have delayed

things. There is a good reputation on the independent panel process and, as mentioned the intention is to reduce the timescales for appeals from around a year to 40 days (subject to the caveat we give above). We note that DBT are asking their independent case workers to assess claims within 20 working days before being handed on the Independent Panel. We also understand that around 7000 Postmasters have claimed so far.

Concluding points/summary

In the view of the NFSP, the various redress (compensation) schemes should be simplified and flexible with sufficient legal assistance being provided to claimants so that identifying which scheme from which they can seek redress is easier to understand and navigate. We also consider the evidence bar, such as discussed above in relation to making good shortfalls where Post Office does not have specific evidence, should be reduced to enable claimants access to their redress quicker.

In addition to this is an issue which we regularly hear about: communication. We have found that too often, claimants submit their claim and have no way of knowing whether their claim is being progressed or where in the process it is currently sitting. The NFSP believes that Post Office and DBT should be able to deploy a case management portal which details all of the information that has currently been submitted by a claimant, what information is still required, where in the process the claim is currently sitting and estimated timeline to completion. This, or something like it, would enable easier and better communication which claimants would have with Post Office or DBT claim handlers. It could reduce the level of frustration for claimants who feel their claim has gone out of sight. It would, in our submission,

given both Post Office Ltd and DBT's role in preventing the truth of the reliability of Horizon being publicly known, reduce the ongoing concern of victims in their communications regarding their compensation claims.

Concluding all of the above, if you are minded to hold a specific hearing into the matters surrounding the ongoing compensation schemes, the NFSP would be very much in favour.

Once again, thank you for the work you have done via the Horizon IT Inquiry and we look forward to Volume 1 of your report and its recommendations in the coming months.



Calum Greenhow

Chief Executive Officer

National Federation of Subpostmasters

12th May 2025