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Post Office Management Culture

Volume 745: debated on Thursday 8 February 2024

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[Relevant documents: Oral evidence taken before the Business and Trade Committee on 16 January 2024, on Post Office and Horizon – Compensation follow up, HC 477; Oral evidence taken before the Business and Trade Committee on 20 June 2023, on The Post Office, Session 2022-23, HC 1501.]

🕒 1.04pm

Marion Fellows >

(Motherwell and Wishaw) (SNP) [R]

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I beg to move,

That this House has considered the management culture of the Post Office.

I thank the Backbench Business Committee for allowing this debate. I spoke in Westminster Hall on this very subject in July 2023, but it is even more pertinent now.

The **Horizon IT scandal** resulted from the Post Office's management culture. In his March 2019 judgment on *Bates and others v. Post Office Limited*, Mr Justice Fraser stated:

“There seems to be a culture of secrecy and excessive confidentiality generally within the Post Office, but particularly focused on **Horizon**.”

Following this damning judgment, Nick Read, who had been appointed as chief executive officer, set about changing the management culture of Post Office Ltd when he took over in September 2019. In a letter to the Select Committee on Business, Energy and Industrial Strategy in June 2021, he stated that he was

“undertaking to drive a culture of genuine commercial partnership between Post Office and postmasters with openness and transparency at its core...a major programme of improvement has been underway. The goal is to overhaul the culture of the organisation”.

I reiterate his words: “openness and transparency” and

“to overhaul the culture of the organisation”.

Since last July, we have seen a spate of historical scandals emanate from Sir Wyn Williams’s statutory inquiry, from Post Office staff pursuing prosecutions despite knowing of **Horizon** issues, to others boastfully emailing colleagues to celebrate having sent innocent sub-postmasters to jail, and auditors omitting evidence in witness statements. It has been another shameful chapter in the Post Office’s history and, at the outset, I commend the work of the inquiry for bringing these issues and many others to light.

It is worth pointing out that more than 40 current management staff were there throughout the **Horizon scandal** period. Some have given evidence to the inquiry demonstrating elements of the toxic management culture that has gone on too long. The continual disclosures that have blighted the inquiry appear to be another “spanner in the works,” as one victim said. The clear case of obfuscation on the watch of the current management of Post Office Ltd suggests that very little has changed in the organisation.

Amy Callaghan >

(East Dunbartonshire) (SNP)

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My hon. Friend is making a powerful opening speech, and I commend her efforts on this issue more generally. Does she agree with me and many of my constituents in East Dunbartonshire that the Post Office has a difficult culture of secrecy? That culture was highlighted by the ITV drama “Mr Bates vs The Post Office”, which resonated with so many of our constituents. Does she agree that sub-postmasters were othered by Post Office Ltd and the Government, and that they were not listened to or respected?

Marion Fellows >

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I absolutely agree. The ITV drama exposed what happened, despite numerous efforts by many distinguished people in this place and the other place, by journalists such as Nick Wallis and by *Computer Weekly*. Many thousands of people knew about this **scandal**, but not the general public.

Mr Alistair Carmichael >

(Orkney and Shetland) (LD)

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I congratulate the hon. Lady on securing this debate. She has heard me speak often enough about the culture in the Post Office. Does she agree that following the money is often a good approach? Last year, the cost of administering the Post Office centrally went up by 10%, but the money going to sub-postmasters went down by 2%. When those figures are reversed, we will know that there has been a genuine change of culture within the Post Office.

Marion Fellows >

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I could not agree more with the right hon. Gentleman. I frequently agree with him on Post Office matters. This is important, because the all-party parliamentary group on post offices, of which he is a member and I am the chair, is a true cross-party group. There is no party that does not have a member of the APPG.

Sean Hudson of the Communication Workers Union described the management culture perfectly:

“Every serious management failure results in a culture of offering that failure up for external investigation at significant expense to POL and the taxpayer, without learning from those mistakes.”

It has since transpired that the legal fees for resolving disclosure issues in the past year alone cost £24 million. That money could have gone into the network to help struggling sub-postmasters, many of whom are working for below the minimum wage. For context, POL announced remuneration improvements this year of just £26 million, which in no way take into account the rise of costs and overheads. Some of the issues were only brought to light through the perseverance of campaigners through freedom of information requests that revealed that not all relevant evidence had been disclosed to the inquiry. Some of the issues outlined came

to light before the transmission of ITV's "Mr Bates vs The Post Office", which has had a monumental impact on the public consciousness in Britain. It is important that that was beamed into front rooms across the nation. It has caused deep distrust of Post Office management among the general public.

With the words "openness and transparency" in mind, I want to bring to the attention of the House the case of my constituent Salman Aslam. Salman, or Sal, is a young man who ran a post office in my constituency for five years, before he walked away last year. Sal took over the post office from his father, [REDACTED] **GRO** [REDACTED]. Sal began noticing shortfalls, which he continually plugged himself and which ranged from £4,000 to £16,000 at a time. He estimates that he has paid in about £100,000 of his own money. When audited last year, a shortfall doubled in front of his eyes to £80,000. He decided he could no longer go on, for the sake of his finances, and of his mental and physical health, which doctors were saying was under threat due to his levels of stress.

Throughout the five-year ordeal, Sal contacted the Post Office for help continually, but none was forthcoming, and after handing in his keys, the Post Office was not in touch for more than a year, leaving him in a perennial state of stress and fear. Sal went public with his story a few weeks ago—I had a hand in that—and once the story went out, Post Office Ltd immediately sprang into action and the communications department got in touch with him. That is not indicative of a change of culture. It echoes tales of the past that are all too familiar: desperate postmasters reaching out to POL for help, but receiving little in return; and communication from POL arriving only after some negative press.

Throughout the **Horizon scandal**, POL prioritised institutional reputation over the welfare of sub-postmasters, whom Mr Read himself recently told the Business and Trade Committee were the trusted asset that made the network what it is. Sal is one of many postmasters who have been in touch in the past weeks to tell me that they are experiencing shortfalls—not historical shortfalls, but ones that have occurred in the past year. Issues with **Horizon** appear to be continuing to this day, which is seriously concerning. Is the Minister aware of ongoing issues with **Horizon**? What has he done, or is he going to do, to address these? Sal, like all the victims who preceded him, is in this position through no fault of his own. Today, I call for an undertaking from the Government, the Post Office's sole shareholder, that he will not be pursued for the ghost debt of £80,000, and I ask the Government to examine what kind of redress he can expect, having sunk so much of his own money into his post office to cover repeated shortfalls generated by **Horizon**. I have other constituents who are also in that position.

The culture of change that Nick Read has called for has not been apparent. In 2023, POL was rocked by scandals once again, with one appropriately named "bonusgate". The former Chair of the Business and Trade Committee, the hon. Member for Bristol North West (Darren Jones), outlined the statutory definition of "false accounting" at a meeting and said:

"it seems to me that in the annual accounts that Post Office reported to Parliament there was false or misleading information presented that did lead to...financial gain".

I said in July:

"That is the management culture of POL: bonuses for doing 'a reasonable job'."—[*Official Report*, 13 July 2023; Vol. 736, c. 161WH.]

We should compare that with the compensation schemes, which have been fraught with difficulty every step of the way. The fundamental principles of public life, including openness, honesty, and integrity, have not been upheld by the management of POL for decades.

Regrettably, even the compensation schemes established to address the injustices of the lamentable **Horizon** chapter are not immune from POL's unjust approach. Dan Neidle, a renowned tax expert, soon realised that the schemes are designed to ensure that the lowest amount of compensation is paid out. The application forms are so legally intricate that even a legal expert such as Mr Neidle expressed the need for legal advice in order to complete them, but POL provides only token amounts for legal advice. The original absence of an option to claim punitive damages, something a lawyer would notice, puts applicants, many of whom are elderly and financially vulnerable, at risk of missing out on a significant portion of their compensation. I have seen a heavily redacted offer, and that is what happened to a sub-postmistress who was spat at by members of her local community after rumours of her stealing abounded in the neighbourhood. This is appalling, shameful and a stain on us all.

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

The hon. Lady remarked earlier about the number of people coming forward following the ITV series, and I am keen for people to do that. It is important to say to all postmasters that they will be treated fairly. I know that she has some concerns about that, and she is right to raise concerns where she has them. I, too, have concerns about some elements of the original Horizon shortfall scheme. We are looking at that, in conjunction with the advisory board, to see what might be done to make sure that those payments were fair.

Let me draw the hon. Lady's attention to some of the stats on the new group litigation order scheme. We may be talking about the simpler cases coming forward here, but with 58 claims received, 52 offers have been made and 41 have been accepted without even a reference to the independent panel for people who are unhappy with the offers made. I do believe that the offers made are fair, but I am also happy to be challenged, in order to make sure that they are.

Marion Fellows >

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I thank the Minister for his intervention. I know that he has worked hard since he took over his post to make things better, but it would not be right if I did not continually and continuously push him.

Kevin Hollinrake >

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indicated assent.

Marion Fellows >

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He is acknowledging that.

At this point, it is worth reading out a letter from Professor Chris Hodges, the chair of the Horizon Compensation Advisory Board, who has been similarly scathing. He writes:

“Dear Nick Read,

My colleagues on the Advisory Board and I remain deeply unconvinced by the substance of what you say on legal issues. We continue to hear stories your former Sub-Postmasters and Mistresses are confused, intimidated and hurt by the behaviour of the Post Office and its lawyers in negotiating settlements generally and in continued use of legalistic terminology. This is especially true for the significant number who remain deeply traumatised, and who do not understand the practice of terminology of what they see as an aggressive approach to settling claims. This is irrespective of whether the language or behaviour may or may not be technically permissible, and irrespective of the fact that they may have legal representation. Your reliance of legal argument and legal terminology similarly does not impress us. We do not perceive demonstration of behaviour that is anything like a sympathetic understanding towards the people your organisation has harmed. We suggest that this should give you cause for deep concern.”

Andrew Bridgen >

(North West Leicestershire) (Ind)

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The hon. Lady is giving an excellent speech about a sad chapter in the Post Office's life. As someone involved from the beginning, back in 2012, Ron Warmington's first investigation into the Post Office Horizon scandal concluded that the Post Office always tended to promote from within, which led to an incestuous management style and the keeping of secrets. Does the hon. Lady think that may be part of the problem?

Madam Deputy Speaker >

(Dame Eleanor Laing)

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Order. Before the hon. Lady answers the intervention, I have allowed the hon. Gentleman to intervene because the House is quiet, but was he in the Chamber at the beginning of the hon. Lady's speech?

Andrew Bridgen >

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I was five minutes late.

Madam Deputy Speaker >

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If the hon. Gentleman was not in the Chamber at the beginning of the hon. Lady's speech, it is not in order for him to make an intervention in her speech. I have allowed it because the House is quiet this afternoon, but the rules are there for a good reason and they have to be observed. It is perfectly in order for the hon. Gentleman to intervene in another speech, later, after he has been in the Chamber for a while. I have to make that point because if I do not make an example of the hon. Gentleman now, on a quiet day, we will totally lose control on busy days, when lots of people want to do that, and it is not right. There are very few people here this afternoon and there is plenty of time, so in these circumstances I have allowed the hon. Gentleman to make his point and I will allow the hon. Lady to answer it.

Marion Fellows >

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I agree with the hon. Gentleman. He has been one of the people who has been pursuing this business for many years, and I pay tribute to him for that.

Shockingly, the Post Office's attempt to suppress the truth continues as it cautions sub-postmasters under the **Horizon** shortfall scheme against mentioning compensation terms to anyone. The overall process of seeking fair compensation is described by one applicant as "soul destroying", raising concerns about the added suffering imposed on those individuals who have already endured so much. Again, I have a personal example of a constituent I am trying to persuade to apply, but he is terrified because he signed a non-disclosure agreement. Because he has heard about how others have been treated, he is even more afraid to apply.

Jim Shannon >

(Strangford) (DUP)

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I commend the hon. Lady for her speech. One issue that burdens me— I think it burdens us all in this House—is those who unfortunately took their own lives as a result of what has happened. I am conscious of the families left behind now carrying that burden. Does the hon. Lady agree that there should be some methodology to ensure families who are left without a loved one are helped through the process, which they might find equally terrifying and worrying?

Marion Fellows >

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I absolutely agree with the hon. Gentleman. Many victims have described themselves as suffering from post-traumatic stress disorder. There is no scheme in place to help them and their families through what has been a traumatic and absolutely awful time for all of them, especially when someone has died before they have been vindicated. There are many recent examples of that.

Kevin Hollinrake >

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I am sorry to intervene on the hon. Lady yet again, but people might listen to her speech more than mine at the end, so I am keen to get a point on the record about the non-disclosure agreements. In evidence to the Select Committee, the Post Office has been quite clear—it is certainly our position—that nobody will be held to their non-disclosure agreement, so everybody should feel completely

at liberty to discuss the terms of their settlement with Members of Parliament and others, as they feel appropriate. It is important to get that on the record.

Marion Fellows >

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I really thank the Minister for his intervention because hearing direct from the Minister that he will not be pursued will provide my constituent with some element of comfort. However, people are still traumatised years later because of the treatment they have had and it is hard for them to believe that people will not pursue them. I will show my constituent a clip of what the Minister just said.

I have met recently with Christopher Head, who is in the Gallery today. He is a **Horizon** victim and campaigner who, out of his own good will, helps others in applying for compensation. I do not want anyone else to add to Christopher's burden because he is doing such a good job. He has told me of the difficulties people face and that he himself received an offer that was only a minuscule fraction of his estimated **Horizon** losses. Alan Bates recently talked about his offer as well.

Many sub-postmasters I have spoken to recently told me that they plugged shortfalls out of their own pocket for years. The Minister has advised those people to apply for the **Horizon** shortfall scheme, and I sincerely hope that many more people will take advantage of that. Will the Minister ask Post Office management to make their records of those payments available to individuals? Have Post Office management let the Minister know when they will give an estimate of the excess claimed in **Horizon** shortfalls, from the introduction of the system to the end of financial year 2019-20? That is important because all that excess money, which was not owed, was put into Post Office Ltd and management bonuses were paid on profits.

The Post Office network is in disarray. Sub-postmasters have no faith in the current management of Post Office Ltd to turn things around. What they see is an organisation that is top-heavy, with multiple layers of management and directors, who have self-interest at heart.

Andy Slaughter >

(Hammersmith) (Lab)

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The hon. Lady is making an excellent speech. For obvious reasons, she has focused on the **Horizon scandal**, which has horrified the country, but the malaise within the Post Office management goes much further than that. Over the last 10 years, I have noticed the so-called temporary closure of many sub-offices that never reopen, and the loss of town centre post offices, some of which have been there for a century or more. Does she agree that the fundamental duty of the Post Office to run a viable network across the countries of the UK is simply not being fulfilled, and that lies at the door of Post Office management?

Marion Fellows >

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I could not agree with the hon. Gentleman more. I have lost three post offices in the last year, but not one vacancy has been filled. As we all know, it is the poorest and most vulnerable who regularly use post offices. I will be applying to the Backbench Business Committee for another debate on the continuation of the network. The network also includes pick-up and drop-off offices—PUDOs, in the vernacular—that are not real post offices. Those who work there are not under Post Office terms and conditions, as they work for Payzone, which Post Office Ltd owns. The post office network is in disarray and postmasters have absolutely no faith in the current management. All the while, as the hon. Gentleman says, the network is crumbling, post offices are closing, and sub-postmasters are being asked to take on additional work for less pay, being punished for reducing hours as they try to keep overheads down in the middle of an economic crisis, and seeing their life investment lose value with each subsequent **scandal** that is uncovered. Lack of sub-postmaster support continues to this day, in stark contrast to the postmaster support policies championed by POL in the briefing that it gave me for this debate.

I have heard evidence of a recently widowed postmaster, who was told by a senior manager that Post Office Ltd

“does not have a roadmap for bereavement”,

meaning that people were left alone without support, except from their fellow sub-postmasters. In the same briefing, Post Office Ltd outlined that it had increased fees for banking deposits by 20%. As Richard Trinder, chair of Voice of the Postmaster, put it:

“20% of not a lot, is still not a lot.”

Communities are losing a vital social asset, and the post offices that remain are being powered by the altruistic nature of hard-working sub-postmasters, pillars of the community, who are running out of energy. In 2012, the societal value of POL was estimated to be £2 billion. Does the Minister have an updated figure? I do not expect an answer on that today.

The Minister’s announcement that the Government will legislate to exonerate convicted sub-postmasters is welcome. Lord Arbuthnot said that

“a mass problem requires a mass solution.”

Will the Minister commit to changing the governance format, which clearly has not worked for decades? It is high time for the Government to adopt a new approach, as the current arm’s length governance arrangement has allowed **scandal** after **scandal** to fester under the watch of successive Labour, Conservative and coalition Governments. Essentially, sub-postmasters find themselves subsidising a Government-owned network at significant personal cost. Moreover, when issues arise, they are left to navigate the path to justice on their own. The pressing need for genuine support for those on the frontline is evident. Will the Minister elaborate on the Government’s plan for the post office network, excluding PUDO services?

Government oversight has not solved any of the issues of the past, including **Horizon**. It is the hard work and tireless campaigning of sub-postmasters themselves, journalists such as Nick Wallis, and campaigners such as Alan Bates and Christopher Head, the Justice For Subpostmasters Alliance, Eleanor Shaikh, Dan Neidle, Tim McCormack, the CWU, Voice of the Postmaster, the National Federation of SubPostmasters, and many Members in this place past and present, that has continued to push the Government on the issue. Will the Minister, on record, please confirm that sub-postmaster organisations, such as Voice of the Postmaster and the CWU, will no longer be excluded from discussions with Post Office Ltd? It is essential that those who power the post office network are front and centre of any decision-making process that will carry the Post Office forward. For those who are not aware of this, the NFSP is financed by Post Office Ltd. I am making no judgment on how it performs in respect of its members, but we need a wider range of postmasters who will be consulted on and worked with if we are to change things going forward.

I have seen a rather large list of 23 directors in the senior leadership team at Post Office Ltd, not one of whom is a postmaster national executive director or a postmaster experience director, so when Nick Read speaks of putting

“postmasters right at the centre of the business”,

are the postmaster director roles simply window dressing?

Until postmasters have a say in all levels of the business, the culture will not change. Only recently, a communications director at POL, Richard Taylor, was suspended for saying that

“some of them were guilty.”

It says so much that he felt able to say that publicly.

As Bates v. Post Office Ltd has shown the nation, it was the hard-working community sub-postmasters who built the trusted reputation and social value of the Post Office over centuries, and it was those within management who pulled it down. If it is to be rebuilt, then the rebuild must be led by those community pillars once again.

Mr Deputy Speaker, the speech I had written was twice as long as this. I know that I have probably overrun my time, but I still have so much more to say. Change must happen. The fact that there will be a general election this year—that is without doubt—must not stand in the way of change that is so, so needed.

🕒 1.35pm

Ronnie Cowan >
(Inverclyde) (SNP)

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Thank you, Mr Deputy Speaker, for calling me to speak so early in this debate.

We are today debating the Post Office's management culture, but I very briefly want to touch on the responsibility that Fujitsu has, because as I understand it, it, too, is culpable and should be part of any agreed outcome. Fujitsu has a role to play in bringing this sorry tale to a speedy end. Every computer system in the world has the potential to contain bugs. People write the code. Errors can happen, but the vast majority are tiny. What matters is how those responsible react once an error has been identified.

I worked in IT for 35 years, most of which were spent developing and implementing computer solutions for business problems. We reviewed code—we pored over it, and we took pride in doing it. Somebody, somewhere, at some point was looking at this particular problem in the **Horizon** system. Why were they looking at that problem? Who directed them to it, and when were they asked to address it? I have no wish to stereotype my fellow software developers, but I have a vision in my head of somebody with a brain-load of code looking at this problem one morning and then being struck by something. They take off their headphones and put down their fifth cup of coffee of the day and say, "We have a problem here. This is important." In any system worth its salt, the modification to fix that problem will have been documented, and somebody within Fujitsu will know when it was identified. Therefore, at what point did the staff inform the Post Office? That matters, because then we know when the Post Office stopped acting out of ignorance and belligerence and started lying to people.

Today we have a Government who have been in denial. It is as if this is not a problem of their making. Please correct me if I am wrong, but the Post Office is a limited company owned entirely by the UK Government. The Department for Business and Trade has responsibility for postal affairs. Ofcom is the regulator of postal services. It is a public corporation accountable to Parliament. Can anyone imagine what it is like to be an individual wrongly accused of a crime, humiliated and ridiculed, forced into bankruptcy and knowing that they were innocent for all those years, while the wider establishment stood back and did nothing?

The Post Office proudly boasts that

"at our core we are a business driven and defined by our social purpose".

Well, here is a chance to prove that, and it has failed. That is despite the contrition, despite the promises to learn from its mistakes, despite admitting that it got it wrong, and despite acknowledging that compensation must be paid. What we see today is the establishment hiding behind very expensive lawyers for whom I can only presume the taxpayer is paying. Fortunately, in my life I have rarely bumped up against the legal profession in its professional capacity. It has usually been restricted to moving house, and that is confusing enough. The mountains of administration and the perpetual legal speak leave most people gasping for air. What must it be like for someone to face a criminal prosecution of which they are innocent, and then, when that innocence is proven, find that same force utilised to slow down the process that should be working for them to receive compensation?

The letter from Professor Chris Hodges, the chair of the **Horizon** compensation advisory board, to Nick Read, the chief executive officer of the Post Office, which was quoted by my hon. Friend the Member for Motherwell and Wishaw (Marion Fellows), perfectly encapsulates the current situation. I will not read the entire letter, but I will read a couple of lines:

"Your reliance on legal argument and legal terminology similarly does not impress us. We do not perceive demonstration of behaviour that is anything like a sympathetic understanding towards the people your organisation has harmed."

I am not for a minute saying that the Post Office does not require legal representation; it certainly does. I am saying that the manner in which it engages with the victims of the **Horizon scandal** is a measure of its concern, contrition and compassion, and it has failed on all three fronts. That is crucial, because a successful resolution depends on the mindset of the Post Office management changing.

We continually see citizens of the UK being chewed up by large corporate and Government entities. The Equitable Life case, the Women Against State Pension Inequality Campaign, the blood-borne virus **scandal**, and the Post Office **Horizon** fiasco are just a few examples. If citizens of the UK are to have faith in their politicians, we need to get it right and be on their side when big corporations beat down on them.

Andrew Bridgen >

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I would like to put something on the record, and see what the hon. Gentleman thinks. I was in the original Post Office review group. By 2015, a whistleblower from Fujitsu had come forward from the boiler room, as they called it. He had been altering accounts without the knowledge of the sub-postmasters. The MPs in the review group knew. The investigator from Second Sight, Ron Warmington, knew. The Post Office knew that the convictions were unsafe, as did the Government, yet it took another five years of very expensive litigation from the 555 before justice was done.

Ronnie Cowan >[Share](#)

That is an ongoing example of how, historically, the Government of the day thought that they could weather this storm and get away with it. The UK Government have to be part of the solution. Continuing to be part of the problem is unacceptable. They must act swiftly to ensure that all innocent victims have their convictions quashed, and that the correct, acceptable compensation is paid. Anything else is an extension of the ongoing miscarriage of justice that innocent men and women have been subjected to because of the hubris of the Post Office and UK Governments past and present.

🕒 1.42pm

Ian Lavery >

(Wansbeck) (Lab)

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Today's debate is extremely timely and important. It is harrowing to listen to cases from across the UK, and it takes time for it to sink in how the cover-up of this **scandal** has cost the lives of ordinary, hard-working people who only wanted to provide for their families by working for their communities in post offices. We have to think about how many of those people have been tret, not just by the Post Office but by the Government and Fujitsu. Many of them have had extreme difficulties in employment. They were not just betrayed but sent to prison for crimes that they did not commit. They knew they were innocent; more importantly, the people who sent them there knew that they were innocent as well. We need a lot of answers. More and more is coming to the fore every day with regard to this **scandal**.

Mention has been made of who knew about this. The Government knew about it, Fujitsu knew about it, and the Post Office knew about it; yet they still sent investigators into sub-postmasters and sub-postmistresses' post offices. They investigated people, charged people, and devastated people's lives. They acted like the Gestapo. They turned up on the day and closed post offices down. That is the Post Office management culture, and it needs to be addressed.

I am not sure how we can compensate anybody. How can we compensate the family of a woman or man who committed suicide as a result of the pressure that they were put under by the Government, the Post Office and investigators? How do we compensate people for the death of a loved one who was the breadwinner in the family, and decided that their only option was to take their own life? It is unimaginable. We cannot put ourselves in their shoes.

What about the men and women who went to prison because they had supposedly falsified accounts and committed theft? They were imprisoned with child-killers and rapists for things they had not done. Not only did they know they had not done them; the Government and the Post Office knew it too. Fujitsu knew what was happening behind the scenes. This does not seem like the country I am very proud of—what happened with the Government behind the scenes. It is very murky and sinister. At the same time, the Government and the Post Office were prosecuting people with evidence from Fujitsu, and people were being imprisoned and taking their own lives. Frankly, it is enough to make us cry.

Kevin Hollinrake >[Share](#)

The hon. Gentleman is rightly making a typically impassioned speech. I have been very careful throughout the whole time I have been involved in this matter, which is over four years, as a Back-Bencher and a Front-Bencher, not to play any kind of party politics with it. I put it on the record that the issues occurred under a series of Governments: the Labour Government, the coalition Government and the current Government. It is important that we look at the matter on a cross-party basis and seek to resolve it as such. I am keen to work with him on that basis.

Ian Lavery >[Share](#)

I thank the Minister for that intervention, and I agree. I have a lot of time for him. We have had conversations about this matter and many others. As he will notice if he looks in *Hansard*, I have not been party political. I have said "the Government". He is correct to point out that there have been Governments of different colours throughout the period.

Richard Graham >
(Gloucester) (Con)

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Will the hon. Gentleman give way?

Ian Lavery >

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The hon. Gentleman has just come in, but of course I will.

Richard Graham >

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The hon. Gentleman is making some very good points, as did the hon. Members for Inverclyde (Ronnie Cowan) and for Motherwell and Wishaw (Marion Fellows). All of us who have been in the House for a while share the feelings that all three Members have expressed of horror and great anxiety, given the cases that we are dealing with. However, roughly 3,000 people work for Post Office Ltd, including all those working in Crown post offices, like the one in my constituency of Gloucester. It is important that we try to separate things out in our minds before we know from the inquiry precisely where guilt lies and where charges and prosecutions will come, so that we do not label everybody within Post Office Ltd with the accusations that are rightly being made in the House today.

Mr Deputy Speaker >
(Sir Roger Gale)

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Order. Before we proceed, I heard what the hon. Member for Wansbeck (Ian Lavery) said, and I heard the Chairman of Ways and Means' admonition of another hon. Member earlier. The difference in this case is that the hon. Member for Gloucester (Richard Graham) was here for the start of the speech. That said, I personally believe that there is a prerequisite for Members, whenever they can, to be in from the start of a debate and to hear the whole debate.

Ian Lavery >

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The hon. Gentleman makes a valid point, and nothing I have said up until now has criticised everyone in the Post Office. We have some fantastic employees in the Post Office, but I am not going to say the same thing about the executive team in the Post Office. I refuse to accept that things have changed, because the management culture within the Post Office has not changed one iota. However, I agree that we have to look forward and take the Post Office forward.

I mentioned that there might or might not be charges in the future, but too many people have been charged already. This whole **Horizon scandal** is a result of people being sent to prison, people being traumatised and people—kids, men and women—having their lives destroyed because people knew there was something happening at the Post Office.

I sit on the Business and Trade Committee, and the chief executive of the Post Office has been to the House a couple of times. I must be honest: he shows no remorse whatsoever. He believes that, because he was not there at the time, that is right. This individual's wage is, I think, about £344,000 a year. I asked him, "Why are you getting a bonus in excess of £145,000 in addition to your salary? What makes you so special?" He could not answer. That is at a time when people have suffered so greatly and the Post Office and the Government are reluctant even now to address many people who have suffered as a consequence of this **scandal**.

I will come on shortly to the question of who has been missed in the compensation. There are three packages, and I have had a chat with the Minister—I am going to call him my hon. Friend, and why not?—about this very issue. I have three heartbreaking examples, and my understanding is that it will be very difficult for these individuals to claim any compensation whatsoever.

The culture has not changed; there has always been a serious cultural problem in the Post Office, which obviously came to the fore with the abuse of power blatantly displayed during the **Horizon scandal**. As I mentioned before, the management structure, the governance and the culture largely remain unreformed. We have people in post offices now suffering greatly because of low wages.

They are not getting the wages from the Post Office to make ends meet. Those people are mainly in newsagents and Spar shops and so on. That is wrong when, as I mentioned before, at the same time Post Office executives are being awarded bonuses of tens of thousands—if not hundreds of thousands—of pounds. That has to be looked at.

It has been suggested, as the Minister will be aware, that a lot of the bonuses that have been paid are for progress on the **Horizon scandal**. How can anybody get a bonus for that? Is a bonus not supposed to be for additional production or good work? How can the chief executive get a bonus of hundreds of thousands of pounds while this is happening? Who do we blame for that? We have to look at how these remuneration packages are settled and who benefits. We cannot have people getting hundreds of thousands of pounds in one hand and bonuses of 10 times what ordinary sub-postmasters or sub-postmistresses, or postal workers, are getting in the other. It is just not correct. Bonuses should not be paid for failure, and that is what is happening here.

Andrew Bridgen >

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Is the hon. Gentleman aware that, on investigation, it was found that the **Horizon** system had a suspense account? A suspense account in an accounting package is where transactions are put before they are properly allotted. At the end of most years, there was more than £1 million retained in the suspense account, which was kept for four years and then added back to profit and never resolved.

Ian Lavery >

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Not only that, but Jo Hamilton had to pay £36,000 back, even though she knew she was in the right. I asked Nick Read, the chief executive of the Post Office, whether it was a possibility that the money paid back by a number of the victims would have been in a place where it could have provided bonuses for senior executives. How perverse is that? The answer from the chief executive, when I pressed him and pressed him, was that yes, it was a possibility, but he did not know where the money actually went. That in itself is so bad that it beggars belief.

Fujitsu, meanwhile, denied any knowledge of bugs or any wrongdoing, but actually knew quite the opposite, and it supplied evidence to the Post Office to prosecute individuals. How bad is that situation? This is not a spy movie—it is worse than a spy movie. They had a dark room in Fujitsu where its employees were communicating with the **Horizon** computer system in post offices up and down the country. Fujitsu denied it all along, saying that it was impossible it could ever happen, yet people there were changing the amounts of money openly. The Government knew. Fujitsu knew, because it had the operation in its own offices, with employees changing facts and figures in the accounts of ordinary hard-working individuals—again, spy movie stuff. It is unbelievable that that could be the case.

Is it not unreal to think that none of this would have come about if not for the ITV dramatisation, “Mr Bates vs The Post Office”? We would not be discussing it in this Chamber, because it would have been kicked into the long grass. The people would all have suffered the same—those who are in prison, the families who have been destroyed, and the kids who have been brought up with the criticism and abuse that their parents were thieves—but it would not have been unearthed.

Kevin Hollinrake >

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There is no doubt that the ITV series has rightly heightened awareness both in this House and further afield, and I welcome that, but much work was going on in this space before it aired, including on how we can overturn more convictions on a blanket basis. I was working on that with the advisory board before the series aired, so it is not right to say that we would not have got to this position without it. We probably would not have got here as quickly, but the hon. Gentleman must concede that this work has been going on for years—although I welcome the fact that it is happening more rapidly now.

Ian Lavery >

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I thank the Minister for that clarification. Forgive me, Mr Deputy Speaker, if I suggested that nothing at all had happened, because I know that the Minister, the all-party parliamentary group, the hon. Member for Motherwell and Wishaw (Marion Fellows) and others have been working on the matter assiduously. However, as the Minister said, we might not otherwise have been at this stage. We might not have got Fujitsu to say for the first time, "Yes, we are sorry," and the Post Office might not have started to admit that it had pursued wrongful or unsafe prosecutions. But we are where we are. I would not want to mislead anyone in the debate.

I have three brief examples. These people, Minister, were heavily involved with **Horizon** and the Post Office, and suffered greatly. It causes me real heartbreak, to be honest. The first example is that of Janine, a lady from my constituency who has sadly passed on; no one came to see me about her case until they saw the ITV documentary. Her husband simply cried for the entire hour that I sat with him. He wanted justice for Janine, who sadly died [GRO]. He is hoping for some sort of justice now.

Janine was employed in a post office in a newsagents, which is a regular thing up and down the country. Her contract with the newsagents said that any shortfall in the post office finances must be made up by her. She and another person were employed by the newsagents, and then there was the sub-postmaster or mistress—I am not sure which it was on this occasion. Janine was accused of stealing £25,000, even though she had not seen that amount of money before. The Post Office investigators came to the newsagents and basically treat her like a common thief. The pressure was put on: "We are going to charge you with theft and you are going to prison."

Janine was absolutely devastated. She pleaded guilty. Then, she sat back and realised, "Why should I be pleading guilty when I am not guilty?" It cost her and her family a small fortune to take the case back to court and have the guilty verdict rescinded. The Post Office then said, "Okay, you can accept the lesser charge of false accounting and pay the money back." She refused. All this cost her £15,000 in legal fees—these are just ordinary working people in the community. She was then informed that if she paid the £25,000 back, the Post Office would drop the charges. That is what happened: she paid the money back. Unfortunately, by the day she sadly passed on, she and her family had lost everything they had.

That needs scrutiny. We need to look at the management culture. What on earth was going on at the Post Office during this thing? Who directed the investigators to go to those post offices and treat people the way they were treated in the investigations? They knew at the time that the allegations were false. That is the thing that I have reiterated and will continue to reiterate: they knew that the allegations were in many ways false, unfounded, unfair. Maybe the investigators did not, but the people at the top of the Post Office certainly knew; people in government knew. That cannot be right. Janine's husband has written and submitted a really heart-rending letter, but under the current schemes, he is unlikely to be able to claim any money. How can that be just? I will follow that up with the Minister.

The second example is that of a man who wrote to us saying: "I've got a massive problem. I'm like lots of other sub-postmasters and sub-postmistresses. We work at the very heart of the community. It's where people used to come to talk. We were trusted, well respected, listened to." He was seeing mistake after mistake crop up on his computer week after week, but rather than inform the Post Office, he was putting money in week by week to balance the accounts, which had been altered by somebody at the Fujitsu head office.

This individual says that he simply could not stand the idea that anybody would think him in the slightest—in the remotest sense—a thief. He has paid tens of thousands of pounds, if we aggregate the money that he paid week by week. There is no way that he or hundreds of other employees have the opportunity or ability to claim compensation at this moment. That begs the question of whether the Post Office, together with the Government, will write to every single person who was a sub-postmaster between 1998 and now to ask them if they are aware of anyone who might have put their own money—out of their own backside pocket, out of their family's savings—into balancing the accounts. There should be consideration of compensation for such individuals. The Post Office will have all the details of people in those roles who claimed to have used finances from their own back pocket.

I will briefly mention the last example. I have not actually seen these individuals—they are coming to see us next week—but I have been told by one of their relations that they were involved in the **Horizon scandal** and paid £25,000. That sum crops up time and again. They paid that just to save their name. Nothing went to court—nothing happened—but they paid the money, despite the fact that they were innocent. They thought that because they paid the money, the matter would go away, and there is very little opportunity for people like them to reclaim their money. It is unfair. Never mind them stealing money off the Post Office; the Post Office has stolen money off hard-working people. That should be recognised.

It would be helpful if the Post Office and the Government could listen to what other people have to say. This is not just about those who were convicted or prosecuted; there are more people who were not convicted or prosecuted, but who are out of pocket and have had their life destroyed as a consequence of the Post Office **Horizon scandal**. We need to look at how that can be addressed. Those

people deserve compensation. As the hon. Member for Motherwell and Wishaw said, this **scandal** is appalling. It is disgraceful, shameful, and a stain on all of us. I agree with the Minister that this is a cross-party issue. We have the opportunity to put things right, so let us do it. Let us look after the people whose only crime was going to work and looking after their family.

🕒 2.11pm

Sarah Green >
(Chesham and Amersham) (LD)

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I begin by thanking the hon. Member for Motherwell and Wishaw (Marion Fellows) for securing today's debate. This has been a shocking and heartbreaking sequence of events. Nobody could fail to be moved by the testimony of the countless families affected by this **scandal**.

I will focus on one specific issue today: the pervasive use of non-disclosure agreements by Post Office management. I heard the Minister's intervention about NDAs, and I think it is worth highlighting their use as part of the management culture at the Post Office. The more things come to light, the more shocking and pernicious this aspect of the **scandal** is. For example, a recent report by the *Financial Times* highlighted the distressing case of Martin Griffiths, who managed a post office for 18 years before tragically taking his life after spending £100,000 of his own money to meet accounting shortfalls. Post Office lawyers apparently offered his widow a settlement in exchange for her silence about the circumstances surrounding her husband's death. Frankly, that is appalling. The Prime Minister himself, responding to a question in this Chamber just a few weeks ago, stated that

"The ability to speak out about things is key to unlocking justice."—[*Official Report, 17 January 2024; Vol. 743, c. 821.*]

Last month, I was contacted by a constituent who worked for the Post Office for over three decades. He only grasped that there was an issue, and the scale of that issue, when a journalist got in touch about **Horizon** after he retired. He was, however, unable to agree to be interviewed because he is tied to a non-disclosure agreement that he signed when he retired from the Post Office. That, together with the Official Secrets Act, which he signed when he joined the Post Office, means that he has effectively been gagged. He told me:

"As a member of the Post Office project team that delivered **Horizon**, I, like many of my ex project colleagues, was aware of the truth behind many of the points that the Post Office have been at great pains to hide or deny. The Post Office were very careful to ensure that their employees with links to **Horizon** were unaware of how the system was operating or the volume of sub-postmasters that were being prosecuted."

He also said:

"I am still staggered that someone at a senior level didn't question the huge rise in prosecutions after the system was implemented... The Post Office have used these Non Disclosure Agreements to ensure that current and ex employees are effectively silenced. If not tied by these agreements it is possible that information would have been available to those enquiring about the **scandal** much earlier in the process."

I spoke to my constituent again yesterday, and his sense of frustration was palpable. He knew, for example, that Fujitsu had remote access to live **Horizon** terminals, and he shared a host of other details, which prompts the question: how much sooner would this **scandal** have come to light if people such as my constituent had not been gagged? Of course, it is entirely understandable that these people felt unable to speak out. If they had spoken out, they risked not only prosecution for a criminal offence, but the possibility of the Post Office seeking recovery of moneys paid for voluntary redundancy, for example. As my constituent feels unable to speak out openly, I close by giving him the final word:

"I understand that a company needs the ability to protect its valid business interests and the interests of its clients. However, the non-disclosure agreements should not be so restricting to avoid malpractice being reported or to allow the company to blatantly lie when under investigation".

🕒 2.15pm

Jim Shannon >
(Strangford) (DUP)



It is a pleasure to speak in this debate, and I commend the hon. Member for Motherwell and Wishaw (Marion Fellows) for setting the scene so well. She touched on everything in her contribution; I am simply here to support her, and also to make the case for justice, for the right decisions to be made, and for fairness and equality, which have been missing from this process. The hon. Lady has endeavoured vigorously—evangelically, even—to pursue this matter, and has done so with a zest that we all recognise, as have many others. I also thank the other Members who have made contributions, including the hon. Member for Wansbeck (Ian Lavery).

As an MP for a rural constituency, the role of the post office in my community is vital. When we look at management culture, we have to look at the role of Post Office Ltd: what does it aim to achieve, and is it achieving that aim? We have no bank branches left in the rural community; we have no holes in the wall—as we refer to them—that are free of charge. Post offices are the only option we have for rural banking and to lift pensions, so in the rural communities I represent in Strangford, the post office plays a critical role. As such, today's debate is one of immense interest for me.

I also commend the Minister. I think every one of us in this House—I can say this personally, but I think others will say the same—recognises that he has worked industriously behind the scenes on this issue for some two years, and probably longer. He did the spadework and the footwork, and endeavoured to ensure that we got to where we are now. The TV programme, “Mr Bates vs The Post Office”, highlighted the issue visually and helped us to understand it better, but there is always a person who has to sow the seed, and then there is a person who reaps the harvest. The Minister has worked hard to sow the seed, and today he is hopefully reaping the harvest, which is a recognition of the endeavours that he has made. I say that very honestly, because I think we in this House all recognise that his heart was always set on justice and fair play. Today's debate gives us the chance to air those things, so I thank him for that.

With the drive towards online banking, our older and more vulnerable people have been left behind. Those people should be considered as part of the management culture, particularly those who do not have a good mobile signal or those in rural areas who, due to broadband pockets, do not have at their fingertips the reliable internet connections that we take for granted. Never mind the ability to use online facilities; those people do not even have the opportunity to do so, so the local post office—with its trustworthy staff who can help them do what they need to do—becomes even more important.

When it comes to management culture, we have to have a Post Office that works in the way we all wish to see. Post offices really are a lifeline, not simply when it comes to filling the financial gap left by the banks in their mass exodus from rural communities, but in terms of social engagement and contact. I think 11 banks have closed in my constituency over the past number of years; one or two of those were in the towns, but most were in the rural community. People need to know that they can keep their wee routine of lifting their money or paying their electric or gas bill, or doing the other things that can be accomplished in post offices, without having to get on a bus—or even two buses—to go to one of the major towns to carry out their business.

What grieves me greatly, as I said in my intervention on the hon. Member for Motherwell and Wishaw, are those who lost their lives, as well as those who had prison terms, which the hon. Member for Wansbeck mentioned. I see the grief and the anxiety of all those people, who were good, honest, hard-working and sincere. They probably never had a parking ticket in their life or anything else, and they suddenly found themselves on the front row of discredit and disappointment, with their whole lives destroyed along with their relationships and their health. Those people deserve to be compensated. They deserve to have their lives reinstated, and for all the things that happened to them—in many ways, including financially—their compensation must be adequate.

Those honest, hard-working people lost their reputation and had their lives destroyed, so it is essential that sub-postmasters and mistresses are supported in their role by the Post Office's management culture. The **Horizon** scheme is a very big indication that the culture was not good, is not good and has to improve. That is not simply because of a defunct system and scheme, but because of the lack of trust and support given to those people, who had done nothing other than offer a service. Morale in the Post Office is at an all-time low, and the question is: how do the Government—and the management as well—fix this? Some of those people have become destitute and had their lives destroyed entirely, and that has to be addressed.

How do we convince younger men and women to take up the gauntlet of running a post office? The hon. Member for Motherwell and Wishaw said that three post offices have closed in her constituency, and there is nobody taking up those jobs. We know why no one is taking them up. It is because the monetary value—the wages they receive—is such a minimum quantity. We need to look at that when it comes to how the management culture moves forward, to make sure that running post offices can be, by their very nature, jobs that people can take on. There are horror stories all around about how staff have been treated and just how horribly underpaid they are. Who, for goodness' sake, would take on a role in a post office for less than the minimum wage—and, my goodness, all the worry? I have read of postmasters working out that, when they take into consideration the time taken to carry out the functions

required by the Post Office, they are on less than the minimum wage. That is where they are, so I think today's debate also has to address that within the management culture. We have to incentivise people and make it a job that is worth doing for those who put their reputation on the line to do it.

It cannot be acceptable to see bosses taking bonuses. I understand people getting bonuses and the reasons for it, but I cannot understand some people getting bonuses while others are disadvantaged financially, facing destitution and with their lives destroyed. So I must express concern about some bosses receiving adulation and accolades while postmasters get less than the minimum wage. That would not entice people to take on a post office or entice others to join their ranks.

I conclude by suggesting that, in any discussion of the management culture of the Post Office, there needs to be serious cognisance taken of how to rebuild trust. That starts with honest and open communication, and the decision to work with Post Office staff at every level. A wrong has been done, and it has to be righted. I know the Minister is committed to that, and we support him. He is right, the hon. Member for Wansbeck is right and everyone else here is right. We support the Minister in what he does simply because he is seeking justice—the justice we all want for our constituents—and I commend him for that. I look forward to his reply later.

🕒 2.24pm

Owen Thompson >
(Midlothian) (SNP)

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It is a great pleasure to follow the hon. Member for Strangford (Jim Shannon). I thank and commend my hon. Friend the Member for Motherwell and Wishaw (Marion Fellows) for securing today's debate. I know that she has worked on this and other Post Office issues from the minute she set foot in this place in 2015. Her efforts, and those of many other hon. Members who have spent many years trying to raise this subject, are finally getting the attention they deserve, and we are actually seeing the required redress for those caught up in it. In many ways, she is our very own Madam Post Offices. I know she is going to hit me for that later, but that is okay.

This is a really important issue, and it shows that when injustices are brought to light, it is possible that they can be addressed. It may never be done as quickly as we want it to be done and it may not be done exactly how we want it to be done, but when we all come together, it can be done. The fact that we had to wait for a TV dramatisation to speed up the process is unfortunate, but at least we are there now. I commend the Minister for his personal efforts and the actions he has taken in driving this forward, because I know he has done so. That is a genuine recognition of a subject on which we will not just oppose for the sake of opposing. When something is done right, it is important that we make that point.

By now, we are sadly too familiar with the details of this chapter in British history and, indeed, the infamy of it. Hundreds of working people had their lives ruined, and still nobody has yet really been held accountable. I know there is an inquiry under way, but we are still waiting for that accountability. More than 900 sub-postmasters and postmistresses have been prosecuted after being accused of stealing money because of incorrect information provided by the failed **Horizon** computer system. My hon. Friend the Member for Inverclyde (Ronnie Cowan) highlighted issues involving Fujitsu and the responsibilities of that company, but what questions were being asked by the Post Office itself when issues in the system were first brought to light? Were questions being asked, and were they simply dismissed? Why is it that, when questions were asked, that did not necessarily result in the Post Office much more quickly addressing the issues that were raised?

Some very serious questions still require answers, and some very serious answers are required from Fujitsu. I know others have done the same, but in the past few weeks I have written to the CEO of Fujitsu to urge him to step forward to help the corporation come forward and accept its responsibility for its part in this debacle. It would only be right if Fujitsu held up its hands and accepted that responsibility. In the spirit of openness and transparency—and, indeed, dare I say, honour—that company should recognise the part it has played.

The hon. Member for Wansbeck (Ian Lavery) talked about injustices, and it is important that we all get behind an injustice such as this. Of course, this is only one of several injustices we are currently dealing with, which include Grenfell, infected blood, partygate, Hillsborough and—just to plug my own Bill—the subject of the Miners' Strike (Pardons) Bill, which I would encourage all Members to support. Where we see injustices, it is important that we come together to address them and tackle them head-on.

I share the concerns of the hon. Member for Chesham and Amersham (Sarah Green) about the use of NDAs by the Post Office, because when we are trying to get to the bottom of a **scandal** such as this, we need to have as much information as possible. The Minister's direct intervention and assurance on that point was very helpful in making sure that we are all clear that any postmasters

or mistresses who may have concerns about coming forward can do so without fear of that coming back on them.

Every day, I and everyone in the Chamber see the important part that post offices play in our local communities. I know that my post offices in Midlothian do a phenomenal job. It is because they are a central part of the community that so many of us feel so strongly about this issue, and the heart of many of our communities have been let down by a management structure that simply tried to brush aside concerns and complaints. I am still waiting to see if there is actually the shift in culture that we all hope there has been, but there seems to be some concern that that has not necessarily entirely changed. We hear that sub-postmasters are still closing businesses because their present terms are insufficient to make it worthwhile. What will the Minister do to push the Post Office further towards a fundamental culture shift?

Some of the issues that arose in the **Horizon scandal** were even named after Scottish towns. We had the Dalmellington bug and the Callendar Square bug—these issues were not unseen or unheard; they were flagged to the extent of being named after towns. How could we have got to that place without action being taken sooner?

All these tragedies again show that the cards are stacked heavily against the ordinary working person. Sadly, it sometimes takes something like an ITV programme to bring that into wider public awareness. I hope we can learn lessons through this process to instigate a culture shift in the management of the Post Office, and wider than that, to ensure that where such concerns are raised, they are not simply pushed aside by whatever colour of Government there happens to be, and that those concerns are taken on board in the way the Minister is doing here. We should expect Parliament and Governments to address injustices where we come across them and to restore faith. Too often, it is the negative headlines that come out of this place that catch the public's attention, but we are seeing that it is possible to do the right thing, albeit that it can sometimes take a lot longer than we might have hoped.

I commend my hon. Friend the Member for Motherwell and Wishaw for all her work, as well as members of the APPG and other Members who over many years have contributed to trying to get to the bottom of this issue. I hope we can move swiftly to a place where this issue is a historical fact that has been resolved.

🕒 2.31pm

Rushanara Ali >
(Bethnal Green and Bow) (Lab)

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I, too, thank the hon. Member for Motherwell and Wishaw (Marion Fellows) for all her work, including on the all-party parliamentary group on post offices. Members across the House are grateful to those Members from different parties who were the first to spot this **scandal**, and who doggedly campaigned to place it on the Government and media agendas, which have of course been amplified by the recent television series. I also thank other Members who joined that group, from this House and the other place, and who continued to campaign for many years. As has been stated today and on many other occasions in the House, this **scandal** is one of the greatest miscarriages of justice in this country. We are now more than two decades into this **scandal**, with limited progress or justice for the victims, although recent months have seen some considerable work. I commend the Minister for his work in doing what he can from both the Back Benches and the Front Bench to address the injustices.

The wrongly accused sub-postmasters have had to endure unjust prison sentences, family breakdowns, homelessness, bankruptcy, health consequences, ostracisation from their communities, and worse. That is to say nothing of the mental health toll and stress that they have all carried while knowing they have been wrongly convicted. As of 10 August 2023, the Post Office **Horizon** IT inquiry and court cases have heard that at least 60 sub-postmasters have died without seeing justice or receiving compensation. Tragically, at least four took their own lives. As many Members have rightly and powerfully shared today, the **scandal's** impact is horrifying and wide reaching. I do not think any of us can truly understand the scale of what the victims have suffered.

The hon. Member for Motherwell and Wishaw powerfully highlighted how the toxic management culture continues to be alive and present. She highlighted the **scandal** of the lack of openness and transparency, and the spectre of some 40 management staff who continue in post and have been there since the **scandal** began. I hope the Minister will address, from his own insights, what is happening with those who remain in management positions, because it cannot be possible or right for them to continue. If we want a culture change, it would be helpful to understand how the Minister thinks that can happen when those who were involved in management at the time can take part in the reform process.

Many of those affected by the **scandal** remain trapped in a limbo without closure or justice, and many of the victims have limited faith in our justice system for the reasons we have heard in numerous debates and about which the Minister is well aware. Since this issue became common knowledge, the public too have lost faith in the system. People are shocked and upset. They want change, and we must work hard to repair the distrust and damage that has been done. Whatever we can do across parties to achieve that is vital if we are to ensure that such scandals do not happen in the future.

The hon. Member for Inverclyde (Ronnie Cowan) highlighted the appalling role of Fujitsu in the **Horizon scandal**, and rightly pointed out that the crisis could have been mitigated if those early IT problems had been recognised and properly addressed, rather than ignored. My hon. Friend the Member for Wansbeck (Ian Lavery) spoke passionately about the failure of the management and executive team at the Post Office, and highlighted the scale of the injustice and the trauma that victims have endured, and continue to endure. They have been let down at every turn, and we need the Government to act with the urgency that is desperately needed.

The hon. Member for Chesham and Amersham (Sarah Green) spoke about the horrific way that non-disclosure notices and agreements were used to silence victims, including some of her constituents. That cannot be allowed to happen because it added to the injustice of what her constituent and their husband faced, and prolonged the time it took to expose the **scandal**. Lessons need to be learned. We recognise that the inquiry will highlight in its conclusions the lessons that the Government, and others, need to draw on.

The hon. Member for Strangford (Jim Shannon) spoke of the importance of improving the culture of the Post Office, as we look at what it can provide for communities up and down the country, especially rural communities. Bank closures around the country have led to the need for banking and other services, for example. It is important that we work to ensure that the Post Office is fit for purpose, that there is never another **scandal** of this nature, and that we properly reform the Post Office for the good of citizens and communities. In that spirit, I hope the Minister will tell us how he sees that future, and tell us about the role of communities, trade unions, and those who have seen how things can go so badly wrong, so that their insights are built into how we shape the future of the Post Office.

Last month, the Secretary of State sacked the chair of the Post Office, Henry Staunton, stating,

“given all of the difficulties the Post Office is having, it’s not just about **Horizon**, it’s about the entire business model, how we make it work... we needed someone who could chair a board that was able to deal with these things”.

Mr Staunton was appointed in December 2022, so was not chair of the Post Office during the key years of the **scandal**. In an answer during an urgent question, the Minister said that,

“some of the past conduct and culture of the Post Office has changed. However, we know that it needs to change further.”—[*Official Report, 29 January 2024; Vol. 744, c. 615.*]

Will the Minister outline what he believes has changed already in the culture of the Post Office? What steps is he taking to ensure that further changes take place? What will the timeline be for that reform process? I hope that the appointment of the new chair can be a clear marker for a fundamental alteration of the culture and management of the Post Office.

In the High Court case of *Bates v. Post Office*, it was stated:

“There seems to be a culture of secrecy and excessive confidentiality generally within the Post Office, but particularly focused on **Horizon**.”

This management culture has been affirmed by numerous testimonies. Many victims of the **scandal** spoke of the fear they felt as Wednesdays approached, as that was the day when sub-postmasters had to balance their accounts. Other Members have given testimonies of the experiences of sub-postmasters in their constituencies and their terror when faced with these issues. That was not because it was their fault, but because of the failures of the **Horizon** system and Post Office management.

The Fujitsu whistleblower Nate Orrow last week revealed how he, along with fellow staff at the Fujitsu call centre, would also approach Wednesdays with dread. They knew to expect a barrage of desperate calls from sub-postmasters whose livelihoods and lives were being snatched from them. He said that despite Fujitsu staff knowing that the software clearly had faults, they would be punished by leadership for sharing any of their doubts with sub-postmasters. For staff across the organisation to face that every week and to be silenced is hardly a sign of good management. These are the things we need to prevent.

The former Post Office chief executive Paula Vennells, as we have heard, will be giving evidence to the public inquiry. It is crucial that the evidence provides clarity on what happened and that serious lessons are learned. It is also vital to recognise that when senior management failure happens, early intervention should take place to tackle it. The Department and the institutions responsible for

Post Office oversight need to learn lessons from the action or inaction that took place.

It is important also to draw lessons for parliamentary scrutiny. Could more have been done to ensure greater scrutiny? On the lessons we need to consider, should there be early warning systems within Whitehall to spot issues when Members of Parliament raise them or when cases are brought to Ministers through officials? Individual cases too often do not get the attention they deserve in Whitehall. Lessons will need to be learned on that front, too, working with Members of Parliament so that we can build a clearer picture of patterns that emerge and so that delays do not occur before a major **scandal** is exposed.

As we consider the future of the Post Office, given all that has happened—all that has been reported on and uncovered about the **scandal**—over two decades, there is rightly huge distrust, horror and dismay about Post Office management and the Post Office as an employer. Despite the hard work of dedicated sub-postmasters across the country and all other staff, this **scandal** has made their role synonymous with being a victim of injustice. Citizens Advice reported that more than 200 post offices have closed in the past two years and 1,291 post offices are deemed temporarily closed. More than half of those have been shut for more than the two years.

Post offices provide a broad range of services so that communities can access cash, pay bills and deliver and receive mail, and they often act as hubs for communities. That is by no means an exhaustive list of their positive role and impact on our country. High streets have already been facing years of decline, and when the key service of a post office closes down, it leaves a gaping hole in our communities. Labour has pledged to stop the decline of high streets and to bring much-needed services back to communities. Many post offices provide crucial banking services, as has been mentioned. Labour will accelerate the roll-out of banking hubs to protect the service and to help people deposit and take out cash, as well as to get them support and help with wider banking services.

I hope the Minister can provide further updates on how his Department will reform the Post Office and how there will be wide consultation, including with the unions and local players, to ensure we have an appropriate service for the future. The scale of Post Office management's failings is seismic. This **scandal** has instilled mistrust in the Post Office, in public contracts and, most worryingly, in our judicial system. I hope the Minister will set out the action that he and his Government—this requires cross-Governmental work, too—will take to reform the Post Office and restore trust in our system so that these scandals do not happen again. He has heard about the numerous scandals that have come to pass, not just the **Horizon scandal**.

Can the Minister provide a further update on the wider independent review of governance in relation to Post Office decisions on remuneration? Another issue that has come to the fore is concerns about racism in some of Post Office management's actions, including in language and in racist classifications, which the Post Office said it would investigate. Will the Minister look at that and provide any updates?

Finally, I am grateful to all colleagues across both Houses for their tireless work over many years in highlighting this **scandal** and for the dogged determination with which debates have been used to keep the pressure on Ministers. We will all continue to do everything we can to ensure that justice is done.

🕒 2.47pm

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

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May I first pay tribute to the hon. Member for Motherwell and Wishaw (Marion Fellows) for securing this debate and her fine work as always on the all-party parliamentary group on post offices, and to the Backbench Business Committee for bringing forward this debate? I also pay tribute to all Members of this House and the other place for their work on this issue. I promise the shadow Minister, the hon. Member for Bethnal Green and Bow (Rushanara Ali), that I do not need anybody to hold my feet to the fire, but it is good that we have this momentum. I very much appreciate the work that has been done by many.

There have been many kind words from contributors about my work, but it is a bit part compared with that of many others who have campaigned long and hard on this issue, as have people outside this place, including members of the legal profession and the media, many of whom we are familiar with for their great work on bringing this **scandal** to light.

On the governance issues, I am fond of a quote by Emerson, who said:

“An institution is the lengthened shadow of a single man.”

I am keen to ensure that the Post Office's management culture is in the right place. A positive management culture is paramount to the health of any organisation, so I very much welcome the opportunity the debate brings to consider that point. The Post Office **scandal** is one of the biggest miscarriages of justice in living history, and the victims must get the justice they deserve. I do believe that today's Post Office is different from the past, but restoring trust will take time. That does not mean that we are satisfied with the current situation. This will never be about quick fixes; it will be about fundamental changes in every part of the organisation, and that change will not occur overnight.

When the current chief executive of the Post Office, Nick Read, started in September 2019, he made it clear that as well as delivering the essential services that we value across our constituencies, the Post Office needed to apologise for the events of the past and fully address them. On the point made by the shadow Minister about the current board, no one serving on a day-to-day basis on the current board was there at the time of the **scandal**. As I said, Nick Read joined in 2019, and only one member of the board was there at the time, but they are on extended leave on health grounds and do not work on the board on a day-to-day basis. No members of the senior management team were there at the time.

Post Office is taking steps to right the wrongs of the past. However, it is also important to highlight what it has done with a view to the present and future of the business to improve the culture and ensure that a similar situation can never arise. Crucially, Post Office is taking steps to restore trust between itself and postmasters. That is so important, because, as I have said many times, without postmasters, there is no post office network.

In December 2019, the parties to the group litigation in *Bates v. Post Office Ltd* took part in a mediation session and issued a joint statement confirming Post Office's commitment to resetting its relationship with postmasters. Since then, Post Office has improved the board's structure by ensuring that two non-executive director postmasters nominated and elected by other postmasters have a seat on the board. That is intended to ensure that postmaster voices are being heard at the highest level and that senior management are aware of the impact that decisions will have on those on the frontline delivering services.

Post Office also created a postmaster experience director role, which is filled by a serving postmaster. To pick up the point made by the hon. Member for Motherwell and Wishaw, it is held by Mark Eldridge, who is a serving postmaster at Great Massingham. He is seconded to the role, so he may no longer be in that post office on a daily basis, but he is nevertheless a serving postmaster. He leads the day-to-day relationship with postmasters. Alongside those senior appointments, the Post Office has reformed operational matters to improve culture and trust between senior management, staff and postmasters. Improved training packages and the hiring of more than 100 new area managers to provide dedicated local support are all examples of positive changes. At my meeting yesterday with Voice of the Postmaster and Communication Workers Union national postmasters, they spoke highly of the support and engagement provided by those area managers.

Post Office has also strengthened how it listens to postmasters, with two postmaster conferences and a nationwide postmaster consultation conducted each year to provide the foundation of Post Office annual priorities. I experience at first hand how postmasters in the network today can challenge Post Office leadership on various issues when I chair a regular working group between the Post Office and the National Federation of SubPostmasters. I know that, according to various commentators, past experience of that group has been mixed, but my experience from working with them on an ongoing basis has been that the challenge they provide is constructive but robust.

I know that branch profitability is the top priority for postmasters, and I am pleased that the Post Office is committed to increasing the share of income going to postmasters. That has been stressed on every occasion we have met. We have also very much stressed the need to control central costs—indeed, to reduce them—so that we see more of the remuneration heading towards postmasters. The clear strategy for the Post Office to do that and ensure that the highest share of income goes to postmasters is through parcels and banking services, which are key; we have discussed that regularly when we have met. That point was raised by the hon. Members for Midlothian (Owen Thompson) and for Strangford (Jim Shannon).

I have been clear that the banking framework, which is negotiated between the Post Office and the UK banks, should be as ambitious as possible. Banks have saved about £2.5 billion a year through closure of branches, and in our view a greater percentage of that should go to postmasters directly. I am pleased that the shadow Minister likes our policy on banking hubs, which came principally as a result of our legislation on access to cash. Thirty are open already, and another 70 are in the pipeline, so we will be at 100 and we anticipate that about 500 will be rolled out across the country. Clearly there is more to do to strengthen the relationships with postmasters, but I believe that the Post Office has made and is making some positive steps forward.

Members rightly raised compensation, which speaks to the current management culture at the Post Office. Getting compensation to those impacted by the **scandal** has not been as swift as we would have hoped. I can assure Members that my Department has been working hard on compensation, alongside colleagues in the Post Office who were recruited specifically for that purpose. As the

Secretary of State said recently, we continue to look for ways to speed things up, and we work closely with the **Horizon** compensation advisory board to ensure that we deliver faster compensation, and that compensation is seen to be fair and is fair.

Recently, we introduced measures such as fixed sum awards of £600,000 for overturned convictions, and £75,000 for the GLO. To be clear, a fixed sum award is an option for people who believe that it will provide sufficient redress. People who believe that their claims are above that level can go down the full assessment route, but the fixed sum award route has the benefit of speedy resolution of claims and reducing the number of people in the queue who want to go down the full assessment route. That should mean faster resolution of claims for all parties involved in the compensation process.

Dominic Raab >

(Esher and Walton) (Con)

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The Minister has been given credit for the assiduous way that he is righting the wrongs. Members in all parts of the House have been contacted by those affected, such as sub-postmasters who have been prosecuted or have suffered in other ways. Is there a constituency breakdown of the numbers affected? Some people will be more familiar with how to avail themselves of opportunities than others. If we can make ourselves available to those affected—not just those prosecuted—that may provide some assistance, albeit at a late stage, and some solace to them as they try and right the wrongs that he has rightly outlined.

Kevin Hollinrake >

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I thank my right hon. Friend for his intervention and his work on this matter. It is interesting that more people are coming forward, through colleagues, to the compensation processes, which is very welcome. Some colleagues have written to all their postmasters in their area, asking them to come forward. That is a positive step. I was not aware that I had a postmaster in my area who had been affected—Sam Harrison of Nawton, near Helmsley, who sadly passed away last May. She was one of the 555 members of the GLO scheme. Sadly, she has passed away. New cases come to light all the time. I am very happy to work with my right hon. Friend to see what information we might provide him, so that he can take forward those actions.

As I said, we are aware of concerns about the **Horizon** shortfall scheme, which was the first scheme set up. We are looking at ways to ensure that that scheme's compensation is fair and seen to be fair. More than £160 million has been awarded already to 2,700 victims, and 64% of all claimants who made their claims prior to the ITV series—more will come forward as a result, which we welcome—have had full and final compensation. Much work has been done by me, my predecessors and many officials, who do a tremendous job trying to right the wrongs of the past, but there is more that we can and have to do.

As of 6 February, more than £35 million has been paid out to those with overturned convictions. There have been 42 claims submitted already for the 101 convictions that been overturned; 36 offers have been made and 32 have been accepted. A very significant proportion of those have taken the fixed sum award. £27 million has been paid out to 479 claimants among the original 555 postmasters who took the Post Office to court. A total of 58 completed claim forms have been received, and 52 claimants have received offers. Of those, 41 people have accepted those offers without going to the next stage, the independent panel. That indicates that people feel that the offers they are receiving are fair, because there are two further stages in that process if they feel that they are not getting fair settlement of their claims. Some £98 million has been paid out through the **Horizon** shortfall scheme.

There were 2,417 claimants who claimed prior to the original deadline, which has now been extended for late applications, so there is no final date for applications in that scheme. Some 2,417 offers have been made and 2,051 have been settled, meaning that 84% of claims have been settled. The hon. Member for Motherwell and Wishaw raised the total compensation amount—I think she mentioned the figure of £2 billion. The maximum budget set thus far is £1 billion. That is the number we are working to at the moment. However, we have always been clear that that is not a cap and it will not stop people getting fair compensation for their claims.

On the matter of more people coming forward, we are absolutely united with the Post Office in calling for anyone impacted by the **scandal** to bring forward their claims as soon as possible. I welcome the fact that the ITV drama has helped to uncover people who had not previously come forward.

The hon. Member for Motherwell and Wishaw asked about ongoing shortfalls. There may be instances of that, although not all shortfalls occur as a result of software problems. I am happy to look at any cases of that that the hon. Lady has, but I have to say that it has not been raised with me thus far in my conversations with the National Federation of SubPostmasters, the Voice of the

Postmaster and the CWU. However, I am happy to look at that as we proceed.

Compensation is one part of providing justice; the other is truth and accountability, which the Post Office has told us it is fully committed to. The Post Office **Horizon** inquiry has been established to uncover what went wrong, and the chair, Sir Wyn Williams, continues to make good progress.

The Post Office is co-operating fully with the inquiry. While the recent disclosure issues have been disappointing, they were the consequence of a failure of process rather than a reflection of the management culture. We do not regard them as a deliberate obfuscation, as the hon. Member for Motherwell and Wishaw said. Nevertheless, it is a serious and unacceptable matter, and we certainly want to ensure that they do not happen again.

It was reassuring to hear Sir Wyn Williams's comments on Friday that he was "impressed" that the Post Office's new lawyers have a "grasp of the scale of the disclosure exercise",

and that he currently has no reason to doubt that the Post Office will continue to assist the inquiry by disclosing relevant material. The inquiry will also look at the future of the Post Office itself from September this year.

On governance, strong and effective leadership of the Post Office is essential. As is set out in the Post Office articles of association, the Business Secretary appoints the chair and approves the appointment of directors of Post Office Ltd. It is a role that the Government take very seriously. As Members will be aware, following a conversation with the Business Secretary in late January, Henry Staunton agreed to step down as chair of the Post Office. We judged that the current chairmanship was not proving effective and had a difficult decision to make between changing course or waiting and hoping that it improved.

The shadow Minister referred to ministerial scrutiny, and I think all Ministers should learn the lessons of the past in terms of their approach to concerns that are raised. Of course, we as a Department have learned from this ourselves. We will continue to look at governance arrangements and make sure they are fit for purpose. We are not planning any further changes at this time. Members of the House and others have looked at different models of governance of the Post Office, such as mutualisation. As I said, I met with the Voice of the Postmaster and the CWU yesterday, and I am happy to have further conversations with them about that potential route. We are confident that our representative at UK Government Investments, Lorna Gratton, is doing a good job to ensure that the Post Office's governance is fit for purpose.

The hon. Members for Wansbeck (Ian Lavery) and for Motherwell and Wishaw asked about the surpluses and where they ended up—whether they went into a suspense account, into profit and loss, or into bonuses for directors. We are currently conducting an exercise to find out where that money went and how much it was, and we will report accordingly.

The hon. Member for Inverclyde (Ronnie Cowan) talked about the role of Fujitsu. We welcome the admission from Fujitsu that it holds moral responsibility for the **scandal** and a responsibility to contribute towards the compensation bill. We will certainly take that up in due course, but it is right for us to ensure that we understand the extent of the bill. The inquiry is looking at other matters surrounding Fujitsu and it is right that we wait for the outcome of that. He mentioned the role of Ofcom. Ofcom does not regulate the Post Office; it regulates Royal Mail. There is a distinction there.

The hon. Member for Wansbeck talked about who knew what. That is something we very much want to know. The inquiry's purpose is to find exactly that. He made the absolutely correct point that no amount of redress could ever make up for what has happened to some people in this **scandal**. People have taken their own lives and people have been made bankrupt. The least we can do is try to make that good by providing them with full and fair compensation.

I am very sorry to hear about what happened to Janine. I am very happy to look at that case with the hon. Gentleman, as he asked me about it offline the other day. It is certainly the case that if an employee suffered financial detriment, their employer should be able to claim on their behalf. There may be other cases we need to look at, including that case, so I am very happy to have that conversation with him.

The hon. Member for Chesham and Amersham (Sarah Green) talked about non-disclosure agreements and raised the tragic case of Martin Griffiths in that context. As I said to her in an intervention, it is absolutely right—the Post Office has said this and it is also our position—that no NDA should prevent somebody speaking to relevant individuals, including their Member of Parliament. It is the case, in whatever part of our system and wherever an NDA is signed, that no NDA can ever prevent somebody speaking out—going to the police or other authorities—about a crime. That is the case in any circumstance. The Official Secrets Act only covers the confidentiality of mail and it is no longer signed by postmasters. Again, I am very keen that the gentleman she referred to passes on his evidence to the inquiry, because I think it might find it very useful.

I thank the hon. Member for Strangford again for his very kind words. Understandably, many people are still affected by the **scandal** and in terms of my performance as a Minister—whether I am the right person or whether I am fit for purpose—I guess the jury is out. I quite understand that. People will judge me at the end of the process, but while I am here, I am very keen to make sure that the full and final settlements are made as quickly and as fairly as possible.

To conclude, I have outlined some of the progress the Post Office has made to improve its culture and its relationship with postmasters, and its determination to right the wrongs of the past. Despite the positive progress made since 2019, there are clearly still improvements to be made. Where the Post Office makes mistakes, I will continue to challenge the leadership. Where action is needed, I will not hesitate to act decisively.

🕒 3.08pm

Marion Fellows >

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I thank everyone who has taken part in this debate. It was quite a surprise that so many people turned up on a Thursday as the House rises for a recess. I intend to go on with this. I intend to secure more and more debates to keep this issue, as far as possible, in the public eye and in the eye of the House, the Minister and any Government that follow.

I will start by mentioning Fujitsu, which was raised by my hon. Friend the Member for Inverclyde (Ronnie Cowan). I, too, have written to it. I have had no response as yet, but I am ever hopeful. The hon. Member for Wansbeck (Ian Lavery) has been doughty in his questioning in the Select Committee and I have had the privilege of listening to him. As with so many of us, he has had many difficult cases which sometimes leave you almost gasping for breath. They fire you, as they have me, with a real sense of injustice. We have to follow through and make sure things are done.

I thank the hon. Member for Chesham and Amersham (Sarah Green) for what she said about non-disclosure agreements, and I thank the Minister for his response. It is important for people who have been affected by the **Horizon scandal** or by working for or in conjunction with Post Office Ltd as sub-postmasters to be able to come forward with their experiences and speak about what has happened to them. I also want to give special thanks to the hon. Member for Strangford (Jim Shannon), who has been very supportive in every debate that I have initiated, on this and on other subjects.

Let me gently remind the Minister that the chief executive officer of Post Office Ltd has been in post for more than four years. I think that many people, especially postmasters, expected to see more change during this period than seems to have happened. I am extremely pleased that the Minister is to continue discussions with representatives of Voice of the Postmaster and the CWU, and I hope that he will, in turn, gently remind the CEO of Post Office Ltd that he should be talking to those organisations as well.

I am pleased that things have moved forward a bit. The Minister is pleased that those in the GLO scheme are accepting £600,000, but it should be borne in mind that people are accepting offers because they have simply had enough. They want nothing more to do with the whole process, and they are broken by it. That is something on which we should all reflect deeply.

I am grateful to you, Mr Deputy Speaker, for chairing the debate—in part—and, as I have said, I am grateful to all Members who have taken part in it. I do not often compare myself to Arnold Schwarzenegger, but I will be back.

Question put and agreed to.

Resolved,

That this House has considered the management culture of the Post Office.