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Post Office

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'Constructive' talks held over transfer of Post Office ownership to operators

Minister met union officials and representatives from co-operative movement to discuss mutualisation

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Mark Sweney

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The government held “constructive” talks with Post Office workers on Wednesday about transferring ownership of the service to operators, as future governance of the business comes under scrutiny after the Horizon IT scandal.

Kevin Hollinrake, the business minister with responsibility for the Post Office, met in the morning with union officials as well as representatives from Britain’s co-operative movement.

Sources described the discussion as “constructive”, amid reports ministers were considering rekindling a proposal to mutualise the service by shifting ownership to the branch managers who run the 11,500 Post Office outlets across the country.

“Mutualisation is certainly not off the table,” said Hollinrake, posting on X after the meeting. “But as we have always said, any changes to the governance would need to take into account the costs and timing of the significant issues facing the Post Office, not least the compensation schemes and investment in the new IT system.”

The Post Office is an iconic institution, but we need to ensure it’s fit for the future.

Today I met with the CWU National Postmasters and @voiceofthePM to constructively discuss how we can achieve this.

Input from all involved was useful and I will now consider what we... pic.twitter.com/MFMWm7Webo

– Kevin Hollinrake MP (@kevinhollinrake) February 7, 2024

The meeting with the Department for Business and Trade could pave the way for the revival of a plan it supported in 2012, just before the business was separated from Royal Mail, which was privatised in 2013.

The decision was taken not to consider mutualisation until the Post Office, which remains government owned, was made more commercially sustainable. However, the possibility to revisit the model was enshrined in the 2011 Postal Services Act.”

Those attending at the half-hour meeting on Wednesday included Sean Hudson, the Communication Workers Union (CWU) branch secretary for post office operators, Rose Marley, the chief executive of Co-operatives UK, and Richard Trinder, the chair of the Voice of the Postmaster, a campaign group.


Andy Furey, a national officer at the CWU, said: “There has to be a totally new operating model for the Post Office going forward to remain relevant for society. The toxic culture embedded for years [and] driven by senior management has failed. This means the people on the frontline delivering the service to communities on a daily basis deserve a much bigger say in the running of the Post Office.”

Talks on the future of the Post Office come as a public inquiry into the scandal is likely to grill current and former executives over issues including governance when it reconvenes in April.

Last week the government dismissed Henry Staunton as the Post Office chair, saying there was a “need for new leadership”.

On Tuesday, MPs criticised the government for not acting over the Horizon IT scandal, even though it maintains a representative on the Post Office board with direct access to the governance and running of the company.

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The head of UK Government Investments (UKGI), the body responsible for managing the portfolio of wholly or partially state-owned companies such as NatWest and the Post Office, admitted the Post Office board needed to be questioned over its lack of “curiosity” about the scandal.

Between 1999 and 2015 the Post Office relentlessly pursued operators of sub-post offices across the UK for alleged theft, fraud and false accounting based on information from its Horizon IT system installed in the late 1990s. That was despite knowing that from at least 2010 onwards that there were faults in the centralised accounting software.

In total, about 3,500 branch owner-operators were wrongly accused of taking money from their businesses, with more than 900 prosecuted by the Post Office despite protesting their innocence and raising issues with the software in their defence.

The scandal, which caught the public attention after the broadcast of ITV’s drama *Mr Bates vs the Post Office*, is frequently described as the most widespread miscarriage of justice in UK history.

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