

## GLO Compensation Scheme Guidance and Principles

### 1. Background

#### 1.1. Introduction

1.1.1. The Government announced the ex-gratia Group Litigation Order (GLO) Compensation Scheme (the “Scheme”) on 22 March 2022 with the objective of ensuring postmasters who were part of the GLO and not eligible to seek compensation from the Post Office have access to fair compensation for their Horizon-related losses. The scheme will be delivered by the Department of Business and Trade (DBT, formerly BEIS). Under the legal base for delivering compensation, all payments must be made to postmasters by 7 August 2024. This document sets out the underlying principles that will govern the assessment of any claims under the Scheme and provides guidance in relation to such claims.

1.1.2. In awarding compensation to postmasters, the Scheme will be guided by considerations of fairness, in addition to applying established legal principles and the findings from the Common Issues Judgment and the Horizon Issues Judgement. The Scheme aims to restore postmasters back into the position they would have been in had it not been for the breach of Post Office’s contractual obligations. The Scheme will take into account all relevant facts and matters presented in the claim in order to produce a fair result for the postmaster. Claims can be made for Horizon Shortfalls and for Consequential Losses resulting from them (the definitions for which can be seen in 1.3).

1.1.3. If you are a GLO claimant and are not currently legally represented, you are strongly urged to engage lawyers as soon as possible. Three firms of lawyers – Freeths, Howe & Co and Hudgells Solicitors – have agreed not to make any charges to claimants for work on the Scheme: they will be paid by government at rates agreed with them, which are set out in a Tariff of reasonable costs<sup>1</sup>. Other firms can access the same rates. You should not engage any firm which asks you for money now or later, or which offers a “no-win, no-fee”, conditional fee or litigation funding agreement.

#### 1.2. Evidence required

1.2.1. Although it is in your interests that your claim is well evidenced and quantified in respect of each head of loss, the Scheme recognises that this may not always be possible given the circumstances and the length of time which has passed, and that there will be an absence of evidence. As such, DBT will take a proportionate and considerate approach to the availability of evidence albeit there will be some claims in which expert evidence may be required and we have made this clear in the guidance below.

1.2.2. The evidence base for your claim should include the Schedule of Claimant Information (SOCi) submitted for the High Court case, although the Scheme accepts that aspects of these statements will need to be updated and expanded upon to reflect subsequent events or newly available information. Other statements and supporting documentation from that case can also form part of your evidence base.

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<sup>1</sup> See

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1135822/glo-tariff-reasonable-costs.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1135822/glo-tariff-reasonable-costs.pdf)

- 1.2.3. The Post Office is undertaking a comprehensive programme of disclosure on terms discussed with your legal advisors. Any evidence obtained by the Scheme from the Post Office will be shared with you at the earliest opportunity.
- 1.2.4. You should use any remuneration information provided by the Post Office as evidence. If you need additional information relating to your tax records to support your claim, you may also wish to seek evidence from HMRC<sup>2</sup>. You can ask your legal advisor to do this on your behalf with your signed consent (a digital signature is acceptable).
- 1.2.5. If you feel that you are unable to engage with this process, you can simply submit your documentation from the High Court, including your SOCI, to the Scheme. This may not produce the optimum outcome but will still allow your claim to be considered.

### 1.3. Definitions

- 1.3.3. Consequential Loss means financial or non-financial loss that is not a Shortfall Loss, but which flows from and was caused by the Horizon Shortfall – for example loss of earnings or damage to reputation.
- 1.3.4. Horizon Shortfall means a shortfall in stock or cash at a postmaster's branch compared with the amount of stock or cash indicated on Horizon for that branch, where the shortfall may have been caused by previous versions of Horizon (sometimes referred to as Legacy Horizon, Horizon Online or HNG-X) or a breach of duty related to such a shortfall by Post Office (including duties identified in the findings of the Common Issues and Horizon Issues Judgments). Shortfall Loss means the amount of a Horizon Shortfall that the postmaster has paid or is regarded by Post Office as still owing.

## 2. Is my claim eligible?

- 2.1.1. In order to be eligible for the GLO Scheme, you must meet the criteria set out in the next two paragraphs.
- 2.1.2. You must have been a claimant in the action *Alan Bates and Others v Post Office Ltd* pursued under a Group Litigation Order in 2016 and a party to the Settlement Agreement dated 10<sup>th</sup> December 2019 with Post Office Limited ("the 2019 Settlement").
- 2.1.3. Your application and time with Post Office must not involve or relate to any criminal conviction(s); claims from convicted postmasters will be processed by Post Office once the conviction has been overturned. Please note, if you were prosecuted but not convicted, or you received a caution, you are eligible for the Scheme.
- 2.1.4. You can apply on behalf of a deceased GLO postmaster or a GLO postmaster who is suffering from capacity issues. If you are making an application on behalf of another person, you must identify your legal authority to act on their behalf; for example, executor, personal representative, attorney or deputy of the person on whose behalf you are making the application. Please note you should proof of this legal relationship.
- 2.1.5. If you were a shareholder or a director of a company or a partner in a partnership which ceased to exist and which was a party to the GLO, you are able to make a claim as the linked individual. If appropriate, an offer of an ex gratia payment will be made to you and any other shareholders and directors of the company or partners of the partnership, which may have a

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legitimate interest in that payment. It is your responsibility to seek an agreement with them as to who will be the recipient of the payment and how it should be split between yourselves. If the company or a partnership has ceased to exist, it will not be necessary to restore it except in a limited number of circumstances, for example, when the company is set up as a community interest company.

### 3. What is the process?

#### 3.1. Parties involved

3.1.1. An independent advisory board has been established to advise Ministers on how best to manage delivery of the Scheme. It will not have any role in individual cases, but will monitor the overall progress of the Scheme, ensuring that the process is working well and identifying any blockages. Its membership comprises:

- Professor Christopher Hodges, an academic expert in the field of alternative dispute resolution;
- Lord Arbutnot & Kevan Jones MP, two Parliamentarians recognised for their past involvement in pursuing the resolution of the Horizon scandal and;
- Professor Richard Moorhead, an academic expert in the field of legal ethics.

3.1.2. It will be supported by a DBT secretariat and officials.

3.1.3. DBT has appointed:

- Addleshaw Goddard as **external legal advisors** to advise DBT on individual cases;
- Dentons as Alternative Dispute Resolution experts who will be **independent claims facilitators** supporting the progress of claims and will provide arrangements for making relevant papers transparent to all parties;

3.1.4. Dentons will be procuring:

- An independent **Panel** comprising legal, accounting, medical and retail experts, depending on the details of the claim;
- A senior lawyer (probably a KC or retired High Court judge) – the “**Reviewer**” – who will undertake exceptional review of cases.

#### 3.2. Registration in scheme

3.2.1. On 10 February 2023, DBT opened registration for the Scheme. Your legal advisors are invited to fill out the Registration Form published [here](#) and return to [glocompensation](#) **GRO** as soon as possible.

3.2.2. Only if you choose to represent yourself should you fill in your own registration form.

#### 3.3. Submission of a claim

3.3.1. You or your chosen legal advisor should present all losses in your claim in the application form, and submit all relevant information and evidence to the Scheme - either at the same time as submitting your application form or following a request from the Scheme setting out in detail the evidence required for each head of loss.

3.3.2. The claim should explain in as much detail as possible:

- the particular losses being claimed;

- the specific amount of loss being claimed;
- how this loss was caused by a Horizon Shortfall; and
- the steps the postmaster took to attempt to reduce this loss, and the impact these steps had.

3.4.3. Your lawyer will be granted access to the Dentons Direct platform in order to upload claims. They will also be able to check progress on a user-by-user basis. You will be granted access if you choose not to be legally represented.

3.4.4. If you are legally unrepresented and do not have access to the internet, you can send your application form by post to:

Horizon GLO Compensation Scheme  
C/O Dentons UK and Middle East LLP  
1 Fleet Place  
London EC4M 7WS

3.4.5. If you send your application via courier, the following address should be used:

Horizon GLO Compensation Scheme  
C/O Dentons UK and Middle East LLP  
1 Fleet Place  
London EC4M 7RA

Please include reference "**DSB/RZF/TS079928.00001**" in all postal submissions.

3.3.3. On submission of a claim, that claim will enter the claims facilitation process conducted by Dentons and a named claims facilitator will be appointed to the case.

### 3.4. Assessment of claim

3.4.1. Consequential Loss claims will be assessed against the established legal principles set out at paragraph 4.3, in addition to considering what is fair in all the circumstances.

3.4.2. Claims will be considered by DBT, with advice from Addleshaw Goddard, leading to an initial offer. In the light of further progress with the claim as described below, they will reconsider this offer.

3.4.3. If DBT is not prepared to accept elements of losses claimed, it will explain why and ask you/your legal advisor for further information. If, following such investigation, DBT does not accept those losses as claimed then it will make an offer (or nil offer) with an explanation for the offer.

3.4.4. Addleshaw Goddard will communicate the DBT offer to you and your legal advisor. This communication will explain the approach adopted when calculating the offer and its justification by reference to the evidence provided in the claim form and the scheme principles. It will set out the reasons for any divergence from the amount claimed.

### 3.5. Reaching agreement with DBT

- 3.5.1. Once an offer has been received in respect of a claim, unless DBT has agreed to pay the claim in full, the claim will enter the first facilitation period, during which Dentons' aim will be to promote common understanding and agreement between the parties. As a first step they will invite your legal advisor and DBT to a discussion. They may follow up on this by adopting any of the following approaches:
- Requesting further information from your legal advisor;
  - Recommending that expert evidence is sought;
  - Encouraging you and/or DBT to revise your positions;
  - Referring the case to the independent Panel for a first or final assessment.
- 3.5.2. The claims facilitators will monitor progress in the light of the steps taken.
- 3.5.3. The claims facilitators will update the communication described above as the evidence or the parties' positions change. Updates will be made available to you and your legal advisor, and it will be open to the parties to comment on them. If parties are not responding within standard timescales (to be determined) the claims facilitators will chase them up.
- 3.5.4. In adopting any of these approaches the claims facilitators will have regard to proportionality, including the likely costs (including costs to both parties and their own expenditure). Rather than adopt any approach which would involve costs that would exceed the difference between the parties, they should encourage the parties to reconcile their differences. Only if a case is likely to set a precedent for others should this criterion be relaxed.
- 3.5.5. If the claims facilitators judge that it would assist the parties' progress towards agreement, they can decide to put a case to the Independent Panel for a first assessment, based on their summary of the case.
- 3.5.6. The Independent Panel will apply its independent judgement to individual cases, guided by considerations of fairness and using the principles and guidance developed by DBT. It will make an assessment of the issues raised, which may recommend a specific award or request further evidence or analysis. The Panel's assessment – including its reasoning – will be recorded in writing and made available to you and your legal advisor.
- 3.5.7. The claims facilitators will commission the provision of any evidence or analysis requested by the Panel. This will be in addition to any expert evidence commissioned by you or your legal advisor. They will then continue to promote agreement between the parties.
- 3.5.8. If the claims facilitators judge that agreement between the parties is unlikely to emerge, despite the recommendations of a first Panel assessment, they can decide to put a case to the Panel for a final assessment. This will again be based on their summary of the claim and offer, taking account of the parties' views of the issues.
- 3.5.9. The Panel's final assessment will take into account any new evidence provided and will include a specific award, together with a written explanation of their reasoning. It will be sent to you and your legal advisor as well as to DBT and Addleshaw Goddard.
- 3.5.10. If DBT considers that information may be available to you which would help the assessment of your claim for Consequential Loss, DBT will ensure that your advisor is contacted and request that this information be provided within 28 days.

### 3.6. Review Process

- 3.6.1. If you believe that there has been a manifest error or irregularity in the Panel's final assessment of the claim, you can refer it for exceptional review. DBT will have the same right to seek exceptional review of a case on the grounds of manifest error or irregularity. This power would allow DBT to challenge if it believed that the Panel had departed from the established framework for assessing claims which is intended to achieve consistency and fairness when making offers to postmasters.
- 3.6.2. Any such application must be made within 15 working days of the communication of the Panel's final assessment. Any case submitted for the review should (1) identify the alleged manifest error or irregularity, (2) set out what the final assessment should have concluded in the absence of such an error or irregularity and (3) provide reasons for this view.
- 3.6.3. The reviewer will consider the case, alongside any comments on it which s/he will invite from the Panel or the other party. S/he may uphold the Panel's decision or in the event of finding that there has been a manifest error or irregularity make a revised award of compensation. The reviewer's decision will be sent to you and your legal advisor and to DBT and Addleshaw Goddard, together with a written explanation. The reviewer's finding will be the final stage to reach agreement between you and DBT on your claim. DBT will not consider any further offers or changes to the offer after this.

### 3.7. Acceptance of all or part of offer

- 3.7.1. If you propose to accept all or part of an offer and you are not legally represented, it will be referred for independent legal review before it is accepted.
- 3.7.2. Once
  - the parties have agreed in writing on an amount of compensation for some or all heads of claim; or
  - the Panel has issued a final assessment and the claimant has not referred it for exceptional review within 15 working days; or
  - the Reviewer has issued a decision.

DBT will pay to the claimant any elements which are agreed or determined by the Reviewer.

### 3.8. Claim outcome

- 3.8.1. The Scheme will present the claim outcome to you in a clear, succinct manner, setting out information sufficient to allow you to understand the basis for the conclusion reached by the Scheme in respect of each type of loss. Copies of the key supporting documentation relied upon will be available to you.

### 3.9. Transparency of progress of the scheme

- 3.9.1. Information about the progress of the scheme will be published each month on the gov.uk website. It will include statistics about the claims submitted, offers made and acceptances, as well as the total amounts paid.
- 3.9.2. Dentons will convene regular meetings involving your legal advisor and DBT, to identify and resolve any common issues relating to the process.

## 4. What are the Key Principles?

### 4.1. Burden of Proof

- 4.1.1. The Scheme will decide on the balance of probabilities (i.e. a greater than 50% likelihood) whether (a) the loss was incurred and (b) that the cause of the loss was due to a Horizon Shortfall).
- 4.1.2. It is therefore important that you provide as much relevant evidence as possible to support your claim. If you are unable to provide supporting evidence, your claim will still be considered and could be accepted if the Scheme considers it to be fair in the circumstances.
- 4.1.3. Claims which are supported by evidence are more likely to be successful. Guidance on how best to evidence any potential claims for Consequential Loss is set out further below.
- 4.1.4. Greater weight will be attached to:
  - a) contemporaneous evidence (documents created at or near the time of the loss); and
  - b) factual evidence that is undisputed and/or verifiable.
- 4.1.5. A shortfall will be presumed to have been a Horizon Shortfall where a) there is evidence that the shortfall in question existed and was paid; and b) there is no evidence that the shortfall was caused by something other than a potential issue with Horizon.

### 4.2. Taxation

- 4.2.1. Payments made under this scheme are exempt from Income Tax, Capital Gains Tax and National Insurance Contributions.
- 4.2.2. Your claimed losses should be quantified net, i.e. after the deduction of the tax which would have been due at the time. This is to put you back into the same after-tax position you would have been in had there been no breach. If you are unable to work out the net calculation in your application form, you should state that your claim has been made gross of tax and DBT will make the relevant after-tax deductions.
- 4.2.3. If you would like a tax expert to help you with the calculations, the Scheme will cover the reasonable legal cost of up to £1,000. This request should be facilitated through your legal advisor.
- 4.2.4. Interest applied to claims will not be subject to any tax deductions.
- 4.2.5. HM Revenue and Customs will not collect any tax that may have been due on payments made already by way of interim payment under the Scheme as well as on future payments.
- 4.2.6. Please note separate guidance will be issued shortly for company claimants.

### 4.3. Established legal principles

- 4.3.1. In considering a claim for any Consequential Loss, the Scheme will apply the findings in the Commons Issues Judgment and the Horizon Issues Judgment. In making an assessment on whether any consequential loss claimed is on the balance of probabilities, attributable to a Horizon Shortfall, the Scheme will consider:

#### **a) Causation**

- 4.3.2. The Horizon Shortfall must have caused the Consequential Loss (i.e. the Consequential Loss would not have happened but for the Horizon Shortfall). If you would have found yourself in the same position in any event, irrespective of the Horizon Shortfall, the Scheme will not be

able to conclude that the Horizon Shortfall caused the Consequential Losses you may have suffered.

**b) Remoteness**

- 4.3.3. The Consequential Loss must not be too remote (i.e. the Consequential Loss must have been reasonably foreseeable at the time of the Horizon Shortfall).

**c) Mitigation**

- 4.3.4. The Scheme will consider the extent to which you did or could have reasonably mitigated the Consequential Loss.

**d) Quantum**

- 4.3.5. The object of the assessment will be, so far as the award of a sum of money can do so, to put you into the position that you would have been in but for the Horizon Shortfall.

**e) Double Recovery**

- 4.3.6. You cannot recover the same loss twice. The Scheme will assess if any losses overlap with others. Account will also be taken of any payments received in the Initial Complaint Review and Mediation Scheme, under the 2019 Settlement (after the deduction of legal and funder costs), or under the Scheme (for example, interim payments).
- 4.3.7. Please note that the above is intended as a guide only; it is not an exhaustive list of the legal principles that may be applicable to any particular claim for Consequential Loss. The application of the above principles will be fact-specific and will depend on your circumstances.

**4.4. Limitation and end date of the Scheme**

- 4.4.1. Many eligible claims will relate to Shortfall Losses and Consequential Losses suffered a significant number of years ago. In order to draw a line under the issues caused by previous versions of Horizon and treat postmasters who have been affected fairly, the Scheme will not apply the laws of limitation or time bar in its assessment of the Shortfall Losses or Consequential Losses.
- 4.4.2. All eligible claims need to be lodged in sufficient time to enable payments to be made no later than 7<sup>th</sup> August 2024, as this is a time limited ex gratia payment scheme intended to provide you with fair and swift compensation as well as help bring to an end the stress and strains you have suffered.

**4.5. Interest**

- 4.5.1. Compound interest will be applied in relation to shortfall claims at a standard rate of 3.45%, consistent with the approach taken on the Historical Shortfall Scheme. You do not need to calculate the interest in your application form. DBT will apply interest to every offer made.
- 4.5.2. For Horizon Shortfalls, interest will be applied from the date of payment, where you and/or Post Office records are able to identify a single repayment date.
- 4.5.3. Where Horizon Shortfalls have been repaid over time, interest will run from the mid-point of repayment.
- 4.5.4. Compound interest will be applied in respect of most consequential losses. There may be certain cases where the facts of the case mean that it is not appropriate for compound

interest to be applied. For the following heads of loss, it is less likely that you will have been denied the use of money. Therefore, for the following heads of loss, it is less likely that compound interest would be recoverable:

- Reduction in capital value
- Stigma / Damage to reputation
- Malicious prosecution (civil and criminal)
- Harassment

4.5.5. For suspension pay awards, interest will generally apply from the mid-point of suspension.

4.5.6. For loss of earnings awards following termination/resignation, interest will generally apply as follows:

- For amounts offered in respect of the contractual notice period, interest is to be calculated from the midpoint of the notice period.
- Where the Scheme offers a Notional Compensation Amount (outlined in 5.2.5-5.2.6,) interest will ordinarily run from the date when the contractual notice period expired or would have expired.

4.5.7. For other heads of loss, interest will generally run from the date when the relevant loss was incurred, or your cause of action occurred (if a particular date can be identified). If no particular date can be identified, a suitable date will be used based on the information which is available.

## 5. What can I claim?

5.1.1. There is no exhaustive list of the types of loss that you can claim as Consequential Losses (assuming they meet the applicable legal tests and noting that additional losses claimed must be clearly linked back to a Horizon Shortfall); however, certain examples are detailed below along with examples of the types of evidence that you should provide to support your claims for Consequential Loss.

5.1.2. All losses should be quantified net of the tax which would have been payable at the time as outlined in Section 5.2.

### 5.2. Loss of earnings

5.2.1. This may relate to loss of earnings during a period when you were suspended or where your contract with Post Office was wrongfully terminated or you were forced to resign because of a Horizon Shortfall.

5.2.2. This will require evidence that you were suspended, were forced to resign or had your contract terminated without sufficient notice because of a Horizon Shortfall. The Scheme will ask the Post Office to take reasonable steps to identify any relevant information from its own records, but you should provide any documentation which you hold evidencing your suspension, forced resignation or termination related losses, for example:

- a. suspension letter;
- b. reinstatement letter;
- c. termination letter;
- d. forced resignation related correspondence;

- e. remuneration information for the period of suspension and the period before/after the suspension;
- f. contemporaneous correspondence between you and Post Office;
- g. an explanation or other evidence as to why your contract was wrongfully terminated or you were forced to resign and that otherwise you would have continued as a postmaster;
- h. in respect of termination, an explanation as to why the notice given to you by Post Office was insufficient;
- i. your average monthly expenses in running the Post Office branch for the period before the suspension, termination or forced resignation;
- j. if you subsequently obtained employment or earned an income following your suspension and/or termination or forced resignation, confirmation of the dates and details of the income earned; and
- k. if you subsequently received employment benefits following your suspension and/or termination or forced resignation, confirmation of the dates and details of payments received.

5.2.3. You and your legal advisor should demonstrate what you consider most likely to have happened to your earnings but for the alleged wrongful termination by Post Office of your contract or your forced resignation.

5.2.4. Cases will be considered on a case-by case basis, taking into account the extent of evidence presented by you and having regard to what would have happened to your earnings if the Post Office had exercised any right to terminate the contract lawfully at the earliest possible opportunity in a manner which would be least burdensome to it (the “minimum performance rule”).

5.2.5. That will involve consideration of the amount that would have been paid to you had you left under the Network Transformation Programme and received a “Leaver’s Payment.” In the context of Network Transformation Programme, this payment was the equivalent to 26 months’ Post Office remuneration plus the Post Office remuneration that would have been received in the minimum notice period for the contract (typically 3 or 6 months depending on a contract.)

5.2.6. In the context of the Scheme, the above calculation will not be applied mechanically: it is neither a cap nor a minimum. In the interest of fairness and consistency, DBT may make offers above or below 26 months’ Post Office remuneration should the facts of your case warrant a variation. For example, a lower offer might be appropriate if you had only been in post a short amount of time or were close to retiring. Offers may also depend on your personal circumstances following the contract termination or forced resignation (e.g. if you sought and found alternative employment.)

5.2.7. For complex calculations you may require assistance of a forensic accountant. This should be facilitated through your legal advisor, and requests for expert evidence should be submitted to DBT in accordance with the published Tariff on Reasonable Legal Costs<sup>3</sup>.

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### 5.3. Loss of profits

- 5.3.1. This may relate to loss of profits from the Post Office branch or any retail shop which you owned which was associated with the Post Office branch.
- 5.3.2. This will require evidence to show how the profits of the business were impacted by the Horizon Shortfall. You should provide all documentation you hold demonstrating the profits made by the business prior to and following the Horizon Shortfall, taking into account the cost of any additional measures that had to be put in place because of the Horizon Shortfall, for example:
- bank statements;
  - accounts;
  - tax returns;
  - cash flows (historical and forecast);
  - business plans (historical and forecast);
  - management information (historical and forecast); and
  - relevant correspondence.
- 5.3.3. You should provide a calculation showing how the amount being claimed has been quantified. You should demonstrate and evidence how long you would have continued to operate the business profitably had your contract been lawfully terminated by Post Office giving appropriate notice. Where you are unable to show that you could have operated the business profitably beyond expiry of the appropriate notice period, damages will usually be confined to the loss of profits suffered during the relevant notice period.
- 5.3.4. Inflation will be applied to loss of retail profits using CPI.

### 5.4. Loss of property or other assets

- 5.4.1. If, as the result of a Horizon Shortfall, you were forced to dispose of an asset (e.g. a property) at an undervalue and/or the asset would have been retained and would have a higher value at a later date, a claim for Consequential Loss may be available.
- 5.4.2. In order for such a claim to be successful, you will need to provide evidence that the Horizon Shortfall (as opposed to other factors) led to the disposal, as well as evidence of the value of the loss suffered as a result, for example:
- an explanation as to why the asset was sold;
  - relevant correspondence and documents relating to the purchase and sale of the asset;
  - evidence of the value of the asset (historic and current); and
  - any relevant accounting documentation.
- 5.4.3. Please provide a calculation showing how the amount being claimed has been quantified.
- 5.4.4. For property valuations, Nationwide House Price Index can be used for simple valuations to estimate the current value of a property and HM Land Registry can be used for historical sales prices and ownership details, where available.
- 5.4.5. Similar valuations may be available online for other assets, either historical or by way of current comparator sale prices.

- 5.4.6. Appropriate adjustments should be made for inflation.
- 5.4.7. For complex valuations you may require expert property valuation. This should be facilitated through your legal advisor, and requests for expert evidence should be submitted to DBT in accordance with the published tariff on reasonable legal costs.

#### 5.5. Loss of opportunity/loss of chance

- 5.5.1. You may be able to claim a Consequential Loss for the loss of an opportunity to pursue a course of action that, but for the Horizon Shortfall, could have resulted in financial gain. For example, expanding the business or making other investments.
- 5.5.2. For these claims, it will be necessary to submit evidence to demonstrate a specific opportunity or course of action that you were aware of at the time and had intended to pursue but was prevented from doing so due to the Horizon Shortfall.
- 5.5.3. This will require evidence that you were aware of the opportunity at the time it arose and intended to pursue it. Claims that speculate (without supporting evidence) how money put towards repaying a Horizon Shortfall could have been invested or what may have been done but for the Horizon Shortfall are unlikely to succeed. Any claims should therefore be accompanied by evidence such as the following:
  - evidence that an opportunity to invest existed;
  - evidence that you were actively considering the investment opportunity and that it was likely to be pursued;
  - evidence demonstrating that your inability to invest was caused by the Horizon Shortfall (rather than by other intervening events or the fact that you would not have had the funds to avail themselves of the opportunity);
  - evidence of what your financial position would have been but for the Horizon Shortfall;
  - expected costs and timeframe for investment; and
  - evidence of progress (if any) on the investment.
- 5.5.4. You need to provide a calculation showing how the amount being claimed has been quantified.
- 5.5.5. The Scheme will assess your claim by forming a view on the likelihood of success. For example, if you claim £50k for a lost investment and upon review of the evidence it judges that there would have been a 20% likelihood of success, you would be offered £10k in damages.

#### 5.6. Penalties/general or increased costs of financing

- 5.6.1. Penalties or general/increased costs of financing, as a result of the Horizon Shortfall, may be recoverable (e.g. additional interest or loan arrangement fees.) You should explain how the Horizon Shortfall led to the increased costs and provide any evidence you have to support the level of costs incurred.
- 5.6.2. This will require evidence of the purpose of the financing and what your financial position would have been but for the Horizon Shortfall. If you claim that the finance was taken out at less advantageous rates than it would otherwise have been as a result of the Horizon Shortfall you should provide any supporting evidence of when the finance was taken out and that you had been turned down for other products at more favourable rates.

5.6.3. You should provide a calculation showing how the amount being claimed has been quantified.

## 5.7. Bankruptcy/insolvency

5.7.1. Losses suffered if you underwent bankruptcy or insolvency proceedings as a result of a Horizon Shortfall may be claimed as a Consequential Loss.

5.7.2. For such a claim to be successful you will have to provide evidence that you were bankrupted/declared insolvent (as appropriate), the value of the loss claimed and that the bankruptcy/insolvency was due to the Horizon Shortfall (rather than other intervening events/general financial hardship/other factors.)

5.7.3. The types of documents that you should provide with your claim if possible include the following:

- copy of bankruptcy order or IVA documentation;
- copy of notice of bankruptcy in appropriate newspaper;
- financial/accounting evidence to demonstrate that the Horizon Shortfall was the reason for the bankruptcy/insolvency e.g.:
  - bank statements;
  - accounts;
  - cash flows (historical and forecast);
  - business plans (historical and forecast);
  - management information (historical and forecast);
- details of all creditors at the time of bankruptcy/insolvency; and
- if the bankruptcy/insolvency process has concluded, details of payments made to creditors.

6.7.4. If you were made bankrupt as a result of the Horizon Shortfall, you may be able to claim for:

- Diminution in value to your estate or assets because of the bankruptcy.
- Other consequential pecuniary loss, e.g. if you suffered a financial loss as a result of harm to your credit and reputation by reason of bankruptcy.
- General damages (anticipated to be in the range of £20,000 to £60,000.)
- The expenses of the bankruptcy (including annulment costs already incurred.)
- The statutory interest payable to your creditors.

6.7.5. Where Post Office was the original petitioning creditor in your bankruptcy, aggravated damages may also be claimed. These are anticipated to be in the range of £10,000 to £25,000.

6.7.6. You should provide a calculation showing how the amount being claimed has been quantified.

6.7.7. If you would like to seek an annulment, the Scheme will cover the reasonable legal fees associated with you doing so, e.g. court fees. This request should be facilitated by your legal advisor. You can provide an estimate of the costs in your application form, or if after the submission of your application form, by emailing [glo.compensation](mailto:glo.compensation@gro.com) **GRO**

## 5.8. Legal and professional fees

- 5.8.1. Fees incurred in relation to dealing with a Horizon Shortfall at the time (e.g. the cost of defending legal proceedings or professional advice about restructuring the postmaster's business) may be recoverable.
- 5.8.2. Please note that this is separate to any legal and professional fees you have incurred in bringing an application to the Scheme.
- 5.8.3. In order to claim these fees, you should explain and where possible provide evidence of the following:
- why and when the professional was engaged (noting that you should avoid providing any legal advice you have received unless you confirm you are happy to waive privilege over that legal advice);
  - details of the engagement (including whether the engagement was by the you or a third party); and
  - the professional's fees being incurred and paid by the you (e.g. invoice/receipt.)
- 5.8.4. You should provide a calculation showing how the amount being claimed has been quantified.

## 5.9. Stigma/damage to reputation

- 5.9.1. Where you have incurred a financial loss as a result of damage to your reputation as a result of a Horizon Shortfall, you may be able to claim Consequential Loss.
- 5.9.2. You should explain what action taken by Post Office in light of the Horizon Shortfall damaged your reputation, how those matters became known to others and why the damage to your reputation caused financial loss.
- 5.9.3. The types of financial loss caused by damage to reputation could include:
- evidence that prospective employers would not hire you as a result of the Horizon Shortfall; and
  - evidence that customers stopped supporting your business as a result of the Horizon Shortfall.
- 5.9.4. If you claim that your business suffered a downturn in revenue as a result of the damage to your reputation, you should try to provide copies of business accounts before and after the Horizon Shortfall became known to others in the community.
- 5.9.5. You may also claim for the non-financial loss you have suffered as a result of damage to your reputation. Offers for non-financial losses for stigma/damage to reputation will generally to be within the range of £1,000 to £10,000, although any offers will be determined according to the relevant facts on a case-by-case basis. The Scheme will look to assess offers by reference to the set of bands:

<b>Band 1 - Moderate impact/loss</b>	<b>Band 2 - Serious impact/loss</b>	<b>Band 3 - Severe impact/loss</b>
<b>Range - £1,000 - £2,500</b>	<b>Range - £2,501 - £7,500</b>	<b>Range - £7,501-£10,000</b>
<b>Description:</b> Distress and humiliation and / or damage to self-esteem and confidence of a	<b>Description:</b> Distress caused by loss of reputation in a local community, which may include	<b>Description:</b> Distress caused by significant loss of reputation in a local community, which may include adverse media

claimant caused by general loss of reputation in a wider or local community.	being subject of gossip/rumours and situations, where direct comments were made to you or your family (short of verbal abuse).	reports, loss of community positions (e.g. Councillor, local charity or sports club leader), being subject of verbal abuse (or verbal abuse directed at family members), feeling of being forced to move out of a local area, being subject of gossip, which took years to be forgotten, being unable to explain the position to the community as a result of Post Office's reliance on confidentiality duties.
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5.9.6. You should provide a calculation showing how the amount being claimed has been quantified.

## 5.10. Personal injury

5.10.1. You may be able to claim Consequential Losses for personal injury suffered as a result of a Horizon Shortfall. Personal injury can include physical injuries as well as psychiatric harm.

5.10.2. This will require evidence that the personal injury was caused by the Horizon Shortfall. You should provide the following information when making a claim for personal injury/harassment:

a) a detailed description of your injury including (i) the symptoms you have experienced; (ii) medical treatment you have received; (iii) any expenses/financial losses you have suffered; and (iv) the effect of your injury;

b) a letter from your GP (or from another medical professional who has treated them) setting out details of matters including the nature and potential cause(s) of the injury;

c) medical notes and records including copies of the notes and records kept by your GP, any other medical professional who has treated you and any hospital to which you have been admitted. You should only provide records that are relevant to the injury for which you are bringing a claim;

d) other relevant information, for example where you are seeking to recover for financial losses (e.g. medical expenses and/or loss of earnings) you should include documents in support of those claims.

5.10.3. Amounts will be awarded in line with the Judicial College guidelines for personal injury<sup>4</sup>. Your lawyer will be able to access these guidelines. You should set out the amounts being claimed with reference to these guidelines.

5.10.4. If you do not wish to instruct a lawyer who specialises in personal injury to help you with your claim, you should use the below as a guide for claims for psychiatric injury.

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[https://uk.practicallaw.thomsonreuters.com/Browse/Home/Books/Judicial?transitionType=Default&contextData=\(sc.Default\)&firstPage=true](https://uk.practicallaw.thomsonreuters.com/Browse/Home/Books/Judicial?transitionType=Default&contextData=(sc.Default)&firstPage=true)

5.10.5. For complex claims you may require expert medical evidence. This should be facilitated through your legal advisor, and requests for expert evidence should be submitted to DBT in accordance with the published tariff on reasonable legal costs.

5.10.6. The factors to be taken into account in valuing claims of this nature are as follows:

- (i) your ability to cope with life, education, and work;
- (ii) the effect on your relationships with family, friends, and those with who you come into contact with;
- (iii) the extent to which treatment would be successful;
- (iv) future vulnerability;
- (v) prognosis;
- (vi) whether medical help has been sought.

Categories of severity	Value ranges
<p>– <b>Severe</b></p> <p>In these cases the injured person will have marked problems with respect to factors (i) to (iv) above and the prognosis will be very poor.</p>	£54,830 to £115,730
<p>– <b>Moderately Severe</b></p> <p>In these cases there will be significant problems associated with factors (i) to (iv) above but the prognosis will be much more optimistic than in (a) above. While there are awards which support both extremes of this bracket, the majority are somewhere near the middle of the bracket. Cases of work-related stress resulting in a permanent or long-standing disability preventing a return to comparable employment would appear to come within this category.</p>	£19,070 to £54,830
<p>– <b>Moderate</b></p> <p>While there may have been the sort of problems associated with factors (i) to (iv) above there will have been marked improvement by trial and the prognosis will be good. Cases of work-related stress may fall within this category if symptoms are not prolonged.</p>	£5,860 to £19,070
<p>– <b>Less Severe</b></p> <p>The level of the award will take into consideration the length of the period of disability and the extent to which daily activities and sleep were affected. Cases falling short of a specific phobia or disorder such as travel anxiety when associated with minor physical symptoms may be found in the Minor Injuries chapter.</p>	£1,540 to £5,860

## 5.11. Harassment

5.11.1. You may be able to claim Consequential Losses for the harassment you have suffered as a result of a Horizon Shortfall.

5.11.2. Harassment as defined in the Harassment Act 1997 means that the conduct of the Post Office towards you was “unreasonable and oppressive,” i.e. which goes beyond the boundaries of acceptable and reasonable conduct.

5.11.3. This will require evidence that the harassment was caused by the Horizon Shortfall. You should provide evidence of the harassment, how often it occurred and what constituted the harassment.

5.11.4. Offers for harassment will generally to be within the range of £2,500 to £30,000 (in respect of non-pecuniary harm for alarm, fear, anxiety and distress,) although any offers will be determined according to the relevant facts on a case-by-case basis. The Scheme will look to assess offers by reference to the set of bands:

<b>Band 1 - Moderate impact/loss</b>	<b>Band 2 - Serious impact/loss</b>	<b>Band 3 - Severe impact/loss</b>
<b>Range - £2,500 - £5,000</b>	<b>Range - £5,001- £10,000</b>	<b>Range - £10,001-£30,000</b>
<p><b>Description:</b></p> <p>Sustained and persistent communication from POL through letters and calls regarding repayment of the alleged shortfalls over a period of time, by means of which it was intended to cause you distress.</p>	<p><b>Description:</b></p> <p>Oppressive and unacceptable conduct by POL in the investigation of the shortfalls, by means of which it was intended to cause you distress, which may include, for example, oppressive and/or multiple interviews, house searches and/or threats of further action including arrest and searches, threats of colleagues being interviewed, threats of court action.</p>	<p><b>Description:</b></p> <p>Invasive and/or very oppressive conduct by POL in the investigation of the shortfalls, by means of which it was intended to cause you distress and alarm, which may include, for example, multiple and/or very oppressive interviews, multiple house searches or house searches with seizure of personal items, Proceeds of Crime Act 2002 ("POCA") proceedings, threats of prosecution and prison.</p>

5.11.5. You should provide a calculation showing how the amount being claimed has been quantified.

## 5.12. Distress and Inconvenience

6.12.1. The Scheme may offer discretionary awards for the Distress and Inconvenience caused to you as a result of the Horizon Shortfall. This will be at the discretion of the Scheme and you should therefore not claim for this loss in your application.

6.12.2. Distress and Inconvenience offers are expected to be within the range of £500 to £10,000, although any offers will be determined according to the relevant facts on a case-by-case basis. The Scheme will look to assess offers by reference to the set of bands:

- a. Band 1 - £0 to £2,500;
- b. Band 2 - £2,501 to £5,000;
- c. Band 3 - £5,001 to £7,500;
- d. Band 4 - £7,501 to £10,000; and
- e. Band 5 – in excess of £10,000, in exceptional cases.

6.12.3. Relevant factors to determining where along that scale your case will fall may include: (a) the amount of money at stake; (b) the duration of the period this was an issue; (c) wasted time/effort by, and inconvenience to you or your branch in dealing with Horizon Shortfalls; and (d) other factors, such as allegations of dishonesty made against you and/or any public humiliation you suffered.

6.12.4. Offers for Distress and Inconvenience will take into account any potential double recovery with offers made to you under other heads of loss, e.g. stigma.

### 16.13. Malicious Prosecution (criminal)

16.13.1. If you were prosecuted but not convicted for an alleged loss, e.g. Horizon Shortfall, or you received a caution as a result of the Horizon Shortfall, you may be able to claim for malicious prosecution.

16.13.2. If you were prosecuted but not convicted, you should provide as much evidence and information as possible to show that:

1. You were 'prosecuted' by the Post Office;
2. The prosecution was determined in your favour;
3. The prosecution was 'without reasonable and proper cause';
4. The prosecution was 'malicious,' i.e. actuated by 'malice' on the part of Post Office; and
5. The prosecution has resulted in actionable damage.

16.13.3. If you were prosecuted but not convicted or received a caution, you may be able to claim for:

- i. Pecuniary losses (such as loss of earnings, legal costs etc.)
- ii. Mental distress and damage to reputation (anticipated to be in the range of £10,000-£40,000.)
- iii. Loss of liberty (anticipated to be in the range of £3,000-£5,000 where you were held for more than a day, or less where you were held for a matter of hours.)
- iv. Personal Injury (see section 5.10)
- v. Loss of congenial employment (anticipated to be in the range of £5,000-£10,000.)
- vi. Aggravated damages (anticipated to be in the range of £10,000-£35,000)
- vii. Exemplary damages of £75,000.

16.13.4. Each case will be considered on its own facts. With the exception of exemplary damages, these ranges are not a floor or ceiling to what offer the Scheme may conclude it is fair to recommend in any particular case.

### 16.14. Pension losses

16.14.1. If you suffered a loss of pension investments as a result of the Horizon Shortfall, you may be able to make a claim for the loss of the tax break you would have received.

16.14.2. For example, if you paid £80 into your pension, being £100 with pension relief, losses will be awarded for the £20 tax relief you would have received.

16.14.3. You should provide a calculation showing how the amount being claimed has been quantified and provide evidence to support your claim.

16.14.4. The types of documents that you should provide with your claim (if you can) include the following:

- a) Other employer contributory pension scheme documents, such as membership documents (showing the chosen investment profile of a claimant), quarterly investment reports and

annual statements, both pre-dating and post-dating the claimant's termination and prosecution.

- b) Private pension scheme documents such as membership documents (showing the chosen investment profile of a claimant), quarterly investment reports and annual, statements, both pre-dating and post-dating their termination and prosecution.
- c) Wage and salary slips, and tax documents, both pre-dating and post-dating their termination and prosecution, which contain information such as deductions from salary and matching employer contributions paid to a pension scheme.
- d) Any other documentary evidence of pension scheme participation and contributions, such as correspondence with a financial advisor, or a pensions and investment advisor.
- e) Any documents that evidence a claimant's entitlement to auto-enrolment in a mandatory workplace pension scheme, and details of any opt-out.
- f) Any documents that evidence a claimant's intention to subsequently join and contribute to a pension scheme in their counterfactual scenario e.g. retirement planning documents.