

[Back to top](#) [Previous](#) [Next](#)

Our use of cookies

We use essential cookies to make our site work.

We'd like to use additional cookies to understand how you use the site and improve our services.

You can find details of these and all other cookies on our [cookie policy](#).

[Accept additional cookies](#)

[Reject additional cookies](#)

[Cookie settings](#)



Hansard

[UK Parliament](#) > [Hansard](#) > [Commons: 13 July 2023](#) > [Westminster Hall](#) > [Post Office Ltd: Management Culture](#)

Post Office Ltd: Management Culture

Volume 736: debated on Thursday 13 July 2023

[Download text](#)

🕒 1.30pm

Marion Fellows >

(Motherwell and Wishaw) (SNP)

[Share](#)

I beg to move,

That this House has considered the management culture at Post Office Ltd.

It is a real pleasure to serve under your chairmanship, Sir George.

Many right hon. and hon. Members past and present continue to work on Post Office issues, especially the **Horizon IT scandal**—the greatest miscarriage of justice in UK history. Others outside this place who brought that **scandal** to public notice, including Alan Bates, Nick Wallis, Eleanor Shaikh and the many sub-postmasters past and present who suffered and, in some cases, died because of the management culture of Post Office Ltd, deserve our gratitude.

We should all remember that the statutory inquiry into the **Horizon scandal** is still ongoing; it has not even reached the stage at which it will forensically examine the management culture of Post Office Ltd past and present. For me, Post Office issues have never been party political. I have focused on the viability of the network. Post offices fulfil a vital role in local communities, and sub-postmasters worked right through the pandemic—that is the kind of people they are.

A local sub-postmaster and his wife came to see me in 2015, just after I was elected. Their sub-post office was being closed down and they were fighting for decent compensation. I was totally unaware that this was going on across the UK as part of the network transformation. A new sub-postmaster took on the post office in his local shop half a mile away. He was assured that that would boost his business's revenue, although how that was going to happen I do not know—it was the same folk from the old post office that were going to withdraw their benefits at the new shop. A few years later, he told me he made more from his new coffee machine than from the post office.

[Back to top](#) [Previous](#) [Next](#)

confirmed recently that it will reduce the compensation for sub-postmasters of hard-to-place post offices from 26 months to 12 months. During my time as an MP, there has been a constant battle to ensure that sub-postmasters receive decent compensation when they retire and decent remuneration while they continue to serve their communities. Government funding increases have gone to Post Office management; under former and current management, SPMs have been last in the queue for pay increases. Does the Minister think that is fair? Does he agree that the Government promise that post offices would be the “front office of Government” has never been kept? That would have given much more revenue to sub-postmasters.

The **Horizon IT scandal** is the result of the culture of Post Office management, and I will show that that culture still exists. In his March 2019 judgment in *Bates and Others v. Post Office Ltd*, 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**.”

Eventually, in September 2020, a non-statutory inquiry was announced. It was led by Sir Wyn Williams and subsequently became a statutory inquiry. It was to gather information, to consider whether Post Office Ltd had learned the lessons and embedded the cultural change deemed necessary in Mr Justice Fraser’s judgment, and to consider the impact on affected sub-postmasters.

That commitment was echoed by Post Office Ltd chief executive officer Nick Read, who was appointed in September 2019. In a letter to the Business, Energy and Industrial Strategy Committee 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.”

He said that

“a major programme of improvement has been underway. The goal is to overhaul the culture of”

Post Office Ltd.

There is no doubt from the evidence submitted to Sir Wyn Williams’s inquiry that there is a long history of obfuscation, secrecy, cover-ups and incompetence, for which no one has yet been called to account. We are now at the halfway point of the inquiry, and almost daily revelations have cast doubt on the claim that a cultural change has taken place. I do not intend to go into the details of the historical management culture, as Sir Wyn Williams is yet to cover that, but there is sufficient evidence that the hope of a cultural change at POL has not been realised.

Mr Kevan Jones >

(North Durham) (Lab)

[Share](#)

I was shocked that the inquiry was suspended again last week because the Post Office had failed to disclose documentation to it. Does that not show that the secrecy, incompetence or cover-up is continuing?

Marion Fellows >

[Share](#)

I could not agree more with the right hon. Gentleman. I will come on to that point.

Openness, honesty and integrity are guiding principles of public life, but it seems that for decades the management of Post Office Ltd has not adhered to them. Shamefully, the compensation schemes set up to right the wrongs of the deplorable chapter of **Horizon** have not been immune to Post Office Ltd’s unjust approach. In recent months, tax expert Dan Neidle has written of the unfairness baked into them. He initially wrote about the unfair tax burden imposed on the compensation awards. Thankfully, that opened up an additional £26 million from the Government to “top up” compensation for historical shortfall scheme claimants, but he soon realised that the schemes are designed to ensure that the lowest amount of compensation is paid out. That goes against the assertion of the chair of the inquiry that “normal negotiating tactics” used in “hard-fought litigation” are not appropriate for **Horizon** compensation.

[Back to top](#) [Previous](#) [Next](#)

require legal advice when filling them out. However, the provision of legal and tax advice from POL-appointed lawyers has been totally insufficient and, as Mr Neidle says, “token”. Everything that follows the initial application is framed by the lack of legal assistance. The Post Office guidance, and the lack of clarity on the forms from Post Office Ltd that applicants can claim for damage to their reputation, leads many applicants to claim much less compensation than they are entitled to. Furthermore, there is no option to claim punitive damages. Mr Neidle says that a lawyer would spot that, but a layperson would not. Once again, that means that applicants, who are often elderly and in a weak financial position, are likely to miss out on a large portion of their compensation.

Shockingly, the Post Office continued to attempt to suppress the truth by warning sub-postmasters who received an offer under the HSS that they could not mention the compensation terms to anyone, including other applicants, the press, and their family and friends. That is inaccurate, misleading and, most of all, shameful. One applicant described the process of trying to get fair compensation as “soul destroying”. Have these people not suffered enough?

The recent **scandal** in which Post Office Ltd executives paid themselves tens of thousands of pounds in bonuses for taking part in the ongoing **Horizon** inquiry, which they were legally obliged to do, has been referred to as “bonusgate”. To make matters worse, one sub-metric that the Post Office remuneration committee deemed to have been fulfilled was required to be signed off by the inquiry chair, Sir Wyn Williams, but he had not done so.

In June, Nick Read, the Post Office Ltd CEO; Henry Staunton, its chair; Amanda Burton, the chair of the remuneration committee; Lisa Harrington, the former chair of that committee, and Tom Cooper, a former director from UK Government Investments, were brought before the Business and Trade Committee. Once again, there was a total lack of openness and clarity. It was claimed that the metric had been changed to require approval from Sir Wyn’s team rather than from Sir Wyn himself. Post Office Ltd still had not received such approval, but it exercised “discretion” to go ahead pay out the bonuses.

The Chair of the Business and Trade Committee, the hon. Member for Bristol North West (Darren Jones), outlined the statutory definition of “false accounting”—ironically, a charge on which many sub-postmasters were wrongly convicted. He said that

“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 the financial gain”

of Mr Read and some of his senior colleagues. As the single shareholder in Post Office Ltd, what steps are the Government taking to ensure that this situation never recurs?

The messaging is simply terrible. While sub-postmasters often earn less than the national minimum wage and others fight tooth and nail for compensation, executives pay themselves hundreds of thousands of pounds in bonuses for doing “a reasonable job”, even though the bonus sub-metrics they set themselves have not been properly achieved. That is the management culture of POL: bonuses for doing “a reasonable job”. Mr Read is on the record refusing to pay more than the token amount he has repaid. Compare that with the management bonus culture for sub-postmasters, whose area managers periodically offer them the chance to enter into a draw for a luxury hamper of tea products. It is teabags for sub-postmasters, and tens or hundreds of thousands of pounds in bonuses for executives and managers.

Shockingly, in recent weeks, following a freedom of information request by Eleanor Shaikh, it was revealed that Post Office Ltd had racially categorised the sub-postmasters it was investigating, using what have been described as Victorian-era racist terms. I will not repeat them. Post Office Ltd has since confirmed that the relevant document was in use until 2011. It is incomprehensible that no one in the POL management questioned the language in that document.

The chance discovery of that document raised further concerns about Post Office Ltd’s disclosure of documents at the inquiry. Sir Wyn Williams outlined that the late disclosure of documents

“has the potential to jeopardise the smooth running of the Inquiry”.

He said:

“It wastes public funds, it delays the provision of answers to those who were affected and delays the learning of lessons through the recommendations that I will in due course make.”

Subsequently, the Post Office informed the inquiry that it would not be able even to identify relevant documents by the date set by the chair, which Sir Wyn described as “grossly unsatisfactory”. At disclosure hearings, it was stated that the Post Office had been

“unable to identify the scale of the disclosure, and cannot give a timescale.”

[Back to top](#) [Previous](#) [Next](#)

significant.

Representatives of the core participants lambasted the disclosure issues and their impact on victims—people who have already suffered immeasurably are being retraumatised—and called for an adjournment of the inquiry. Reflecting the views of victims, Mr Henry from Hodge Jones & Allen said in his oral submission:

“If a man deceives me once, shame on him. If a man deceives me twice, shame on me.”

He added that Post Office Ltd had taken for granted the chances that it had been afforded early in the inquiry, noting that there had been previous disclosure issues yet Post Office Ltd had acted vexatiously and done the same again. He said that those he represents will not say, “I told you so,” and that

“they knew the future...for the past they knew.”

Mr Henry spoke of the “mental scars” that victims had suffered for two decades because of the Post Office’s cruelty, culture of deceit, secrecy, cover-ups and lies.

Another representative of victims said:

“Post Office always throws a spanner in the works...They have total disregard for any of us. They’re making fools of everyone”.

Another victim said that having to relive the Post Office’s tactics had made them relive the way they were investigated and treated during **Horizon**, which had a significant impact on their mental health. The representative of Howe & Co. brought up compensation delays. He quoted a victim who spoke of seeing no light at the end of the tunnel and said that victims have no faith that all claims will be settled by August 2024.

The inquiry has been derailed, having been being suspended until the end of July, but that is under review and it is entirely plausible that it will not sit again until September. This latest in a very long list of Post Office-manufactured scandals is a kick in the teeth for victims, who are once again losing faith, for the inquiry and for the general public. The significant non-disclosure of documents by Post Office Ltd makes it feel like nothing in the toxic management culture has changed and, sadly, raises serious concerns about its future.

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

“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.”

When were the Government made aware of disclosure issues, and what discussions have they had about them with POL?

The UK Government are the single shareholder in Post Office Ltd. Traditionally, the small business Minister, whatever title they have or Department they are in—at the moment, it is the Department for Business and Trade —has oversight of POL. UK Government Investments has a director on the board of POL, presumably to protect the Government’s interest in the company. The Post Office Ltd board has responsibility for the operation of the Post Office. Is that tenable, given the cultural issues of the past and present?

UKGI is the Government’s centre of expertise in corporate finance and governance. Until recently, its representative on the POL board was Tom Cooper, a senior civil servant, but he has now resigned as a director. Mr Cooper was heavily criticised for failing to tell Ministers about the error regarding bonuses for five weeks after it was revealed, leaving officials to read about it in a statement on the Post Office’s corporate website. That is not a great look for the Government and it raises real questions about the governance of Post Office Ltd.

Lord Arbuthnot of Edrom, a Government adviser on a compensation scheme for **Horizon** victims, said that Cooper’s failure to tell Ministers and Parliament about the mistake was

“of a piece with the UK government’s representation on the board throughout this sorry saga.”

While I understand that the Department for Business and Trade has said that Tom Cooper’s resignation was planned before bonusgate, does the Minister accept that **Horizon** victims may find that hard to believe given the culture of deceit within Post Office Ltd?

[Back to top](#) [Previous](#) [Next](#)

expertise. Does he still think that the Government have got value for money from the current leaders of Post Office Ltd? Do the Government think it right that its CEO received £455,000 in bonuses and its chief financial officer received £310,000 while Post Office Ltd oversees **scandal** after **scandal**, drags its heels on compensation and offers substandard remuneration packages to hard-working sub-postmasters?

In the same way that the Post Office apologises for each **scandal** or crisis as it arises, the Government criticise Post Office Ltd and commission a report, yet there does not seem to be much action—I put that more kindly than what I wrote, which was: “and then they do nothing”. Government oversight has not solved any of the issues of the past, including **Horizon**. It is the hard work and tireless campaigning of SPMs themselves, journalists such as Nick Wallis, and campaigners such as Alan Bates, the Justice For Subpostmasters Alliance, Eleanor Shaikh, Dan Neidle, Tim McCormack, the CWU, the National Federation of SubPostmasters, and many Members in this place, past and present, that has continued to push the Government on the issue. I exclude myself from that, because I just take everybody else’s work and talk about it.

It is about time that the Government offered a different approach, because with the current arrangement they are presiding over disaster after disaster. Sub-postmasters are essentially left to subsidise a Government-owned network at great personal cost, and when things go wrong, they are left to fight for justice themselves. It is about time that we started to see proper support for those at the coalface. Will the Minister outline the Government’s plan for the post office network, and provide assurances that the constant barrage of scandals will come to an end and that the management culture at Post Office Ltd will change forever?

🕒 1.52pm

Lucy Allan >
(Telford) (Con)

🔗 [Share](#)

It is a pleasure to serve under your chairmanship, Sir George. I put on record my utmost respect for the Minister, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), and his work in this area. When he was a Back Bencher, he was as passionate as I am about seeking justice for the little people who have been trampled in this **scandal**.

Last Monday, Nick Read, the chief executive of the Post Office, came to Parliament to apologise to my constituent Tracy Felstead. He said he wanted to hear her story and to understand how her wrongful imprisonment had affected her life and that of her children and family. He sounded genuine. He looked genuine. We wanted him to be genuine. We talked about how the Post Office could improve its efforts to provide redress to those it had wronged, and we made clear how important it was that the actions of the Post Office matched its words. He readily agreed.

What Nick Read did not tell us at that meeting was that the next day, the news of the non-disclosure of documents would land and, as an inevitable consequence, the public inquiry would grind to a halt for an indefinite period. Either Nick Read was dissembling and putting a victim—my constituent—through more trauma and distress, or he had no idea at all about the non-disclosure and its implications. I do not know which is worse. Perhaps he was both dissembling and incompetent, but as a fair-minded person, I believe that he did not know about the serious non-disclosure that would halt the inquiry. It speaks to the culture of an organisation when the man at the top does not know what is happening. Why was he not told, and why were the Government not told? I am sure that they were not told. Nothing surprises me now.

When I first read the Fraser judgment in 2019, and I observed the way that the group litigation was conducted, I saw all the same things that I as the local MP had seen in other public organisations that have experienced profound scandals. I refer to the Shrewsbury and Telford Hospital NHS Trust’s baby deaths **scandal** and its Ockenden inquiry, and to Telford and Wrekin Council, where there was the Telford child sexual exploitation inquiry, led by Mr Crowther KC. There was the same corporate denial; the same secrecy and lack of transparency; the institutional blindness; the instinctive desire to protect the institution and the people at the top above all else; the complete lack of understanding of corporate governance and the proper role of scrutiny and accountability; the desperate desire to dissemble; the poverty of leadership; the complacency and utter disregard for the usual norms of behaviour; the blaming of everyone else but themselves; the failure to comprehend that their organisation serves the public; and a twisted belief that cover-up is better for the public than openness, and that keeping victims quiet is for the greater good.

I am a chartered accountant and a chartered company secretary. I have a master’s degree in law and experience as a non-executive director. In the case of the Post Office, the questions that screamed at me from the pages of the Fraser judgment were: where were the non-executive directors? What questions, if any, did they ask? What information were they given? Did they read it? And then

[Back to top](#) [Previous](#) [Next](#)

thought it was untouchable, and so well protected that it could act with impunity in the courts, in the inquiry and elsewhere? It was protected; it had the deep pockets of the Government backing it to the hilt. It can behave as it pleases, and it does.

We cannot talk about the culture of the Post Office without talking about the culture of the civil service and its relationship with Government. Over many different Governments, there has been great poverty of oversight, and a casual tolerance of appalling behaviour. Even after the Fraser judgment, junior Minister after junior Minister was wheeled out to read what had been written for them by their civil servants. I do not include in that my hon. Friend the Member for Sutton and Cheam (Paul Scully), who did a fantastic job and is as committed to the cause as I am, as is my hon. Friend the Member for Thirsk and Malton. Over the last year, we have talked about the House being misled over covid rules, but what about misleading the House about the fate of the sub-postmasters who lost their livelihoods and liberty, their good name, and sometimes their life? We do not talk about that.

Not every junior Minister will share my passion for righting wrongs and correcting injustice. Indeed, the Ministers concerned had a right to trust the information that their civil servants gave them. Did those civil servants mislead the House? What were the consequences, and why are we not concerned about that? Alex Chisholm was the permanent secretary at the Department for Business, Energy and Industrial Strategy between 2016 and 2020, and was the accounting officer for the Post Office. He was recently knighted—perhaps that tells us all we need to know. Those in power appear to think that nothing wrong happened, or that if it did, there were perhaps a few unfortunate mistakes that led to a perfect storm, but that it certainly was not down to those in charge. Why would they be accountable? Why would they be responsible? Take the bauble, Sir Alex et al. Move onwards and upwards. There is not a stain on your character.

I quote campaigner Eleanor Shaikh, to whom the hon. Member for Motherwell and Wishaw (Marion Fellows) referred:

“This is a culture that can never be trusted to handle the compensation claims brought by those who long ago lost hope that the post office is capable of transforming itself. With an acquiescent, arm’s length, sugar daddy shareholder, it will never be in its interests to do so.”

Who decided that the taxpayer should fund the multimillion-pound defence against the group litigation brought by sub-postmasters? Who agreed to fund the war of attrition to wear down those who dared to fight for justice? Who consented to public money being used in this way? Was it the permanent secretary at the Department for Business, Energy and Industrial Strategy at the time, or was it the Secretary of State, or did they simply not know? I think we are back to that: too many people simply did not know, when it was their job to know. This is a culture, both in Government and in the Post Office, where no one thinks they are really responsible. This is a culture that has leaders who do not understand leadership, as we would know it in the private sector, and who do not feel responsible or accountable for anything their organisation does. Public relations are their focus, as well as the greater good of the organisation and the careers of those at the top.

That culture led to terrible wrongs being suffered, destroyed the lives of the powerless, and left those in power to walk away entirely unscathed from the wreckage that they created, and let us not pretend otherwise.

🕒 2.01pm

Margaret Ferrier >

(Rutherglen and Hamilton West) (Ind)

🔗 Share

It is a pleasure to serve under your chairmanship, Sir George, and I congratulate the hon. Member for Motherwell and Wishaw (Marion Fellows) and the Backbench Business Committee on securing this debate.

I start by paying tribute to the work that the Under-Secretary of State for Science, Innovation and Technology, the hon. Member for Sutton and Cheam (Paul Scully), did when he was the Minister responsible for this issue, and I am sure that the Minister here, the Under-Secretary of State for Business and Trade, the hon. Member for Thirsk and Malton (Kevin Hollinrake), feels as strongly about this subject.

Respect in the workplace should be the bare minimum that every worker receives; it should be a given. People work to make a living, pay their bills, and provide for themselves and their family. The majority of workers are assets to their company, and as a collective, their work makes it possible for companies to turn profits—sometimes huge profits that can pay out huge bonuses for executive shareholders, who are a very select few at the top of an organisation. Workers’ contribution should earn them respect, and inspire

[Back to top](#) [Previous](#) [Next](#)

working culture. Unfortunately and unacceptably, in many workplaces, that does not happen. We know that it did not happen at Post Office Ltd.

It is difficult to know where to start with the Post Office **scandal**. Today, we are focusing on the management culture, which is one of those issues that profoundly impacts every aspect of an organisation, and it undoubtedly played a vital role in what unfolded with the Horizon system.

I pay tribute to all of the postmasters and postmistresses who found themselves a victim of the **Horizon scandal**—every one of the men and women whose integrity was questioned, and who were accused of dishonesty and fraud; those who lost their job, livelihood and, in many cases, freedom; those who were isolated from their community, because they were under a black cloud of suspicion; and those who suffered the breakdown of their family unit under the strain of this long-running saga.

I pay my respects to those who ended up passing away before justice could be served or before their name was cleared, as well as to their families, including those in my constituency. I also say thank you to every former postmaster and postmistress, and those who worked with them, for their hard campaigning over the years to see this wrong recognised and addressed.

I welcome the fact that in its remaining phases, the inquiry will review some of the issues around the working culture. That is essential to understanding exactly how and why so many people found themselves in the situations that they did. However, it will mean very little if it does not prompt change. Lessons must be learned, and not only by the Post Office; this process must inform the improvement of workers' rights across the UK.

What happened at the Post Office had devastating effects. Sub-postmasters and sub-postmistresses were left with overwhelming anxiety, depression and other long-term mental health troubles. Their vulnerability was exploited, leading to many pleading guilty to crimes they did not commit. Many were driven to financial ruin when they were expected to make good the shortfall in the accounts from their own money. Some were sadly driven to taking their own life.

We often hear that there is strength in numbers, but for the best part of two decades, that was not the case for these victims, despite so many of them experiencing issues with the **Horizon** system, and being adamant that these accounting errors were systematic. They were not listened to. The problems were hidden and covered up, and many did not realise that they were not alone in their difficulties until many years later. In fact, between 2000 and 2013, over 700 people were prosecuted on the back of issues with **Horizon**.

It is absolutely astonishing that no one bar the postmasters affected put the pieces together sooner or, crucially, acted on it. It is now clear that internal investigations by the Post Office meant that the issues were identified much earlier than it had indicated, which is mind-blowing. It means that the chief executive at the time and others were aware that it was very possible that innocent people's lives had been destroyed for no reason. That is unforgivable. Why were apologies not immediately made? Why was the path to justice not immediately set out upon? Why did these people—human beings with lives and families—not matter enough?

Some of the most disgusting things I have read relate to the racial classifications that the Post Office used for its postmasters. At the height of the Post Office's pursuit of unsafe prosecutions against its postmasters, racial identification codes were used by its security operations team in a compliance document. The Post Office has not been able to confirm when those classifications were removed from its working practices. It is language straight out of another century, and language that we all condemn. It is language that is incredibly racially charged, ignorant and, frankly, unacceptable. It illustrates the culture at play in the Post Office at the time, and it is not an attractive picture. Racism has no place in the workplace or, indeed, our country.

The fact that the former chief executive was able to leave her role voluntarily, having been paid £500,000 a year and awarded an honour for her contribution, is a disgrace. So is the fact that senior executives received bonuses of hundreds of thousands of pounds last year, particularly as one of the metrics used to justify those payments, and judged to have been met, was compliance with the inquiry. Essentially, they got a pat on the back and a huge financial windfall for doing what the Post Office is legally obligated to do. Add that to the fact that the Government will have to pay huge sums of taxpayers' money to bail out the Post Office as it pays the compensation owed to postmasters and postmistresses. It makes a mockery of the entire fiasco.

I am sure that more will come out of this inquiry that will continue to shock us. I am sure that every Member of this House agrees that postmasters cannot and should not wait any longer to receive the compensation that they are rightfully due. I am not sure that anything can be done to fully right the wrongs that have occurred throughout this **scandal**. However, we must not hear any more excuses or denials, and above all else, we must not see any repeat of such widespread and utterly avoidable injustice.

[Back to top](#) [Previous](#) [Next](#)

(North Durham) (Lab)

[Share](#)

It is a pleasure to serve under your chairmanship, Sir George. I congratulate the hon. Member for Motherwell and Wishaw (Marion Fellows) on securing the debate. I declare an interest that I am a member of the Government's Horizon compensation advisory board. Many will know that I have been involved in addressing what has become known as the **Horizon scandal** for many years.

I am usually an advocate of the cock-up theory of history—mistakes happen—but my involvement in addressing the Post Office and **Horizon scandal** started when a constituent of mine, Tom Brown, who was being prosecuted by the Post Office, came forward. The more I looked into the issue over the years, the more I realised that these were not mistakes but deliberate lies, cover-ups and deceptions, which, as has been said, led to innocent, upstanding members of the community being prosecuted, bankrupted and, in some cases, sadly taking their own lives. That takes us back to issue raised by the hon. Lady: it is the culture of the Post Office that led to the **Horizon scandal**.

I have described the culture of the Post Office as rotten to the core. Based on recent evidence, I do not think a great deal has changed. Let us see what that rotten culture led to. The hon. Member for Telford (Lucy Allan) has referred to the vicious prosecution of individuals. The evidence that came out of the inquiry—Lord Arbuthnot and I were aware of this—showed that the board knew in 2011 that the **Horizon** computer system was flawed. The argument that kept being peddled out—that somehow the system was infallible—was just not true.

In spite of that, the Post Office continued to prosecute individuals, including one horrendous case where it sent a pregnant mother to prison. Some 927 individuals were prosecuted. The numbers went up substantially, so why was nobody at the Post Office saying, “Wait a minute: have we suddenly got a load of kleptomaniacs employed as sub-postmasters?” Alarm bells should have been ringing, and yet the Post Office doubled down on prosecuting people. My constituent Tom Brown went through agony for two years after being arrested for allegedly stealing £84,000, only to get to the Crown court in Newcastle and be told that the case was dismissed. In that time, he had gone bankrupt and had his reputation completely ruined. There are many other stories. I and other Members have met some of these individuals, so we know of the mental strain and cruelty that they have experienced. It would take a heart of stone not to be moved by their situation.

The hon. Member for Telford also raised the issue of the board's approach of resistance. I have referred in the past to a tsunami of public cash being used to defend the indefensible, as happened in the court case that Alan Bates and the Justice for Subpostmasters Alliance brought against the Post Office. There was also the ridiculous situation in which it challenged Mr Justice Fraser in the court and tried to have him removed. That was a delaying tactic—it was not about getting to the truth, but about trying to outspend the applicants. That all happened at our expense—the nearly £100 million it spent was our money—yet it knew back in 2011 that what it was arguing in court could not be defended.

The hon. Lady also mentioned the role of the board. There were faceless individuals sitting on the board and agreeing all of this. They were quite happy to get remuneration for sitting on the board, but they did not ask basic questions about what was going on. For many years I have not been able to get to the bottom of the role played by the UK Government Investments shareholder. That person was meant to represent the interests of taxpayers on the board, yet they were quite happy to sign off £100 million of legal fees for the Post Office. I shall make an exception for the present Minister, but I have dealt with many Ministers over the years, all of whom, to be frank, trumpeted the same rubbish every week, obviously guided by their shareholder on the board. It would be interesting to see what the shareholder said over the years. These faceless individuals are taking remuneration, and they need to be held to account for their actions. It is no good saying that time has passed. They have ruined people's lives—that is the important thing.

The ironic one is Paula Vennells, who ran the Post Office from 2012 to 2019. It has already been mentioned that she got a CBE for services to the Post Office. Even in 2019, when she got it, we knew about the **scandal** that was going to break, yet somebody thought it was great to sign off on the CBE. They not only did that, but made her a non-executive director at the Cabinet Office and the chair of Imperial College Healthcare NHS Trust. What the hon. Member for Telford said is correct: it is a chummy club where we think good people—either good men or good women—can go on to these other things, and no doubt get, for those two roles, quite substantial payments. How was that allowed to happen? How did somebody in Government say, “Wait a minute; this **scandal** is about to break—we'll give her a CBE and appoint her to two public bodies”?

Finally, I come to the present board. It has already been said that Nick Read's salary is £415,000. He had a bonus of £455,000. The chief financial officer, Alisdair Cameron, gets paid £110,000 and got a £316,000 bonus. I ask them: where is their moral compass? How did they think it was right to accept such ludicrous bonuses when we are still fighting over compensation for victims of the

[Back to top](#) [Previous](#) [Next](#)

supposed to provide a public service and think that somehow it is right to get a bonus for doing their own job, while there are people who are broken, who are destitute and, in some cases, who still have the moral shame that came with prosecution. That is a moral issue. I do not know how these people sleep at night. How do they think it ethically possible to accept such a figure?

I think Nick Read has paid something like £7,000 back. Big deal! Let us be honest: that is pocket money in terms of his overall remuneration package. Part of the bonus was actually for their work on the **Horizon scandal**. It was complete nonsense: they said that Sir Wyn had to sign the thing off, but Sir Wyn did not even know about it. The Post Office made that up. At the end of the day, this is public money, not their money. This is not a private company; this is taxpayers' money, which is the important point. I would not mind if it was actually good, but as has already been said, the inquiry has now been held up because the Post Office has not disclosed documents. The Post Office cannot argue that somehow it cannot find documents or that there has to be a delay. Somebody should have done a trawl of this. If certain people have kept money for work on the **Horizon scandal**, the Government should sue them, because frankly they are holding up the inquiry.

There is a lot of anger, quite rightly, among sub-postmasters, sub-postmistresses and their supporters, not only about what has happened in the past. There are some clear governance issues. I think that there is call to sack the board on various social media, and I agree with that: the present board needs to be sacked. We also need a fundamental change in the way the Post Office is structured and operated.

Lucy Allan >

[Share](#)

Does the right hon. Gentleman agree that the lawyers, Herbert Smith Freehills, should be sacked?

Mr Kevan Jones >

[Share](#)

Lawyers are lawyers. The hon. Lady said she was a lawyer, and I mean no disrespect, but let us be honest, if the lawyers are going to get a good living out of it, they will take the money and give the advice. A lawyer will say anything if they are paid enough. The point is that the board is still not performing its scrutiny role. As the hon. Lady rightly said, the role of non-executive directors is to challenge and question things, but they are not doing that.

There needs to be an emergency situation and the current board, including Nick Read, needs to go. We need to put in some interim arrangements, and then in the long term we need to look at how the Post Office is run. It is frankly a farce that it is considered to be a private, stand-alone company. It is not: it is 100% owned by taxpayers. Unless that is done, I fear that these people will keep taking large bonuses and salaries and, as the hon. Member for Motherwell and Wishaw said, our network will get smaller and smaller and the people who do the real hard work every day of the week at the front end will get less and less.

🕒 2.20pm

Gavin Newlands >

(Paisley and Renfrewshire North) (SNP)

[Share](#)

It is a pleasure to see you in the Chair, Sir George. I congratulate my hon. Friend the Member for Motherwell and Wishaw (Marion Fellows) not just on securing this debate but on all the work she has done over a number of years campaigning on Post Office issues—particularly for sub-postmasters affected by the **Horizon scandal**. At various points, I have assisted her work; I will talk about that a little later.

My hon. Friend's speech covered the bases very well. She spoke of the suffering of sub-postmasters, including those who have sadly died. She also spoke of the absolutely vital role that the Post Office plays in our communities. That has always been the case, but it is particularly so now that the banks have abandoned our high streets. She did not miss when she spoke of the horrendous management practices at Post Office Ltd. Moreover, there is no evidence that that management culture has changed. That sharp practice continues into the Post Office's handling of the compensation scheme. I respect the Minister and I am looking forward to his answers to our questions.

[Back to top](#) [Previous](#) [Next](#)

apology that she received from Nick Read. The hon. Lady rightly compared the **Horizon scandal** with other shameful episodes in which there have similarly been secrecy, incompetence, institutional blindness—I thought that was a good phrase—and an overwhelming desire to protect the organisation at any cost.

The hon. Lady also mentioned the role of the civil service and the fact that Ministers—in fact, all elected representatives from local councils right up to Holyrood and Westminster—rely on information given to them by civil servants or our member on the Post Office board. We know about that all too well in my constituency, because a local school that has been built is two or three times too small, despite officers being told that information years ago.

The hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) made the very good point that all businesses, including the Post Office, are built on their workforce, which should at the very least be treated with respect. She praised and thanked the sub-postmasters and their families for their campaigning and their extraordinary patience over the years, and I wholeheartedly second that thanks. She also made the very good point that many sub-postmasters thought they were alone when they faced these accusations and charges.

The right hon. Member for North Durham (Mr Jones) said that the Post Office board was rotten to the core, and that not a great deal has changed in that regard. He said that the board knew in 2011 that the **Horizon** system was flawed, and yet it pursued the prosecutions, one of which resulted in the imprisonment of a pregnant mother. He made the very obvious point—at least it should have been very obvious to the Post Office—that when the system was introduced, the instances and the value of missing money increased significantly, and yet the Post Office did nothing and pursued these prosecutions.

I mentioned my work with my hon. Friend the Member for Motherwell and Wishaw, which was to do with the definition of community post offices, and about banking transactions. Sub-postmasters were paid 24p for every £1,000 of banks' money that they handled. However, there was no distinction between notes and coins, so if someone was processing—this is not likely; it is the extreme—£1,000-worth of pennies, they would be able to keep 24 of those 100,000 pennies as payment for that work. I am glad that that was increased threefold after a lot of campaigning by many of us in this House and, more importantly, sub-postmasters themselves, but the levels that they are paid today are still, particularly in the light of the inflation that we have seen in the last while, not enough.

It has been said in this debate that not a single senior manager at Post Office Ltd has lost their job as a result of this shameful episode. Not a single highly paid executive has yet faced criminal charges for their role in this conspiracy. Many have quietly departed with golden handshake payments and their gold-plated pensions intact. When counterclaims were being lodged by the Post Office in court—at the behest of its senior execs—it knew full well that its own systems were dodgy and that those who were seeking redress for the ordeal that they had suffered were completely correct, yet still it went ahead with its counterclaims, seeking to drive the claimants off the case.

Virtually every Member will have experience of their constituents being victims of the conspiracy at the top of the Post Office, and I am no different. My constituent was accused of the theft of tens of thousands of pounds during her time as a sub-postmaster at a rural sub-post office. She was advised that going to court and defending her innocence would be futile and might result in a longer sentence if she was found guilty, because the Post Office had evidence of her “theft” in black and white—evidence taken from the flawed **Horizon** system. She took that advice: she pled guilty, despite knowing that the charges were utterly untrue. She ended up being sentenced to more than a year in prison and had her life ruined. Her name was plastered over the local newspapers as a common thief. Her house was repossessed as the Post Office moved on from its abuse of the criminal justice system to abuse the civil legal system and sought to recover the money that had been “stolen”. She lost everything—her family, her friends and her freedom. Thankfully, she has been able to move on somewhat and settle in my constituency, but she will never get back the years of being marked as a crook by a collection of spivs at the Post Office.

That is in marked contrast to those involved at the heart of this conspiracy, who have been able to move on with ease to new roles and positions with other organisations—all of them generously paid and secure. That is to say nothing of those still with the Post Office, who continue the appalling track record of their predecessors and obstruct the work that Sir Wyn Williams and others are doing to lay bare exactly what happened at POL and Fujitsu over decades. Even this week, we have heard that the inquiry will be further delayed while the Post Office fails yet again to disclose documents that it has been ordered to provide. You would think, Sir George, that given the revelations and scandals of the past few years surrounding the Post Office and its responsibility for destroying the lives of thousands of people on the basis of a lie, it might be a little less cavalier with the facts. It saw fit to pay bonuses to senior management and executives and to boast in its annual accounts that it had supplied the inquiry with all the documentation that it required, but we all know that to be a complete lie—another pack of falsehoods that it thought it could get away with, but which fortunately has been stopped in its tracks. How many more lies will Sir Wyn's inquiry uncover in the end? That is what Post Office management are afraid of and why they should not be allowed to delay or obfuscate for a single minute longer.

[Back to top](#) [Previous](#) [Next](#)

Throughout this saga, Fujitsu has behaved deplorably, to say the very least, with some instances of behaviour potentially being criminal. Why is Post Office Ltd extending its contract? It makes no sense; it beggars belief that it is extending its contract, unless they are in cahoots. **Horizon** was manifestly unfit for purpose from the very start and continued to produce fundamental and systemic errors. Those errors should have been properly investigated and changes made. Instead, hundreds of innocent men and women paid the price for both organisations' arrogant intransigence.

Why has Fujitsu escaped paying a single penny back to the Post Office for a contract that it clearly was incapable of fulfilling properly? Given its key role in this **scandal** from start to finish, why is Fujitsu still allowed to involve itself in contracts from the public sector when it is manifestly unsuitable, practically and morally, for that task? The accountability quite rightly has been focused on Post Office Ltd, but responsibility also lies with those it engaged, using public funds to commission the deeply flawed **Horizon** programme. They cannot and should not be allowed to escape their responsibility in this affair.

While all this was going on, Post Office Ltd was engaged in a programme of stripping our country of large parts of our post office network. Only 200 Crown post offices are left, out of about 11,000 offices. Most of the rest of the network has been contracted out to sub-postmasters and sub-postmistresses, which makes the company's behaviour toward the very people who have ensured that we still have a post office network all the more appalling.

I want the inquiry to go through all the facts and events that led to such despicable behaviour. I want to see each of the former executives and managers brought in front of Sir Wyn and made to explain in detail their actions and the actions of those around them that led to these miscarriages of justice. Finally, those involved in the catastrophic errors made by the Post Office and Fujitsu, and more pertinently those who organised the cover-up, must be held accountable for their actions. That is the only way forward to restore public trust in the Post Office, an organisation that we expect to be proud of, but that is currently a byword for corruption, cover-ups and chicanery.

🕒 2.30pm

Justin Madders >

(Ellesmere Port and Neston) (Lab)

[Share](#)

It is a pleasure to see you in the Chair, Sir George. I start by thanking the hon. Member for Motherwell and Wishaw (Marion Fellows) for securing the debate. Her tireless work on this **scandal** is well recognised across the House and is greatly appreciated. Indeed, all Members who have spoken have been powerful advocates during their time in the House. They gave many powerful examples of how the management culture in the Post Office has had an impact on individual people's lives.

The hon. Member for Motherwell and Wishaw talked about obfuscation, secrecy and cover-ups, saying that nobody has truly been held to account for this. She made it clear that the victims she has spoken to have little faith that justice will be done. That really has to change. She raised several important questions that the Minister will hopefully be able to address, and I will refer to a number of the issues she mentioned.

The hon. Member for Telford (Lucy Allan) spoke very powerfully. Her point about her constituent meeting the chief executive earlier this week really got to the nub of the problem: words need to be matched by action. That is the challenge that Post Office's management need to step up to. She raised questions, as all Members did, about culture and governance. My right hon. Friend the Member for North Durham (Mr Jones) raised similar issues in a passionate speech. It is clear that there are serious questions about what the board is doing.

Litigation has been ongoing for several years. The fact that the inquiry does not have the documents because they cannot be found raises questions about what on earth has been going on. Documents would normally be prepared for litigation, so my right hon. Friend the Member for North Durham was right when he said that questions must be asked about what the board is doing. He talked about lies, cover-ups and deceit being the culture—a culture that is rotten to the core. He also talked about a tsunami of public cash being used to defend the indefensible. Those comments really sum up why this is something that has to change.

As the hon. Member for Motherwell and Wishaw said, it is very clear that this is one of the greatest—if not the greatest—miscarriages of justice in this country. We have heard many poignant examples about how the lives of hundreds of innocent post office workers have been ruined by the Post Office aggressively pursuing them on the basis of a fundamentally dodgy IT system about which worries had been flagged up.

[Back to top](#) [Previous](#) [Next](#)

v. Post Office Ltd stated:

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

This is not someone down the Dog and Duck talking about the Post Office. It is a member of the judiciary, so we have to take those words very seriously.

Those sentiments are reflected by the Communication Workers Union, which identified a

“serious and longstanding cultural and governance problem”

rooted—a word we keep coming back to—in a fundamental lack of accountability. In its view, this led to the abuse of power, corporate complacency, denials, cover-ups and false evidence that have been the hallmark of the **Horizon scandal**. These comments are rightfully damning. The complete overhaul of Post Office management and culture that one would have expected on the back of such claims has been lacking. From the stories we have heard, the Post Office seems largely unreformed.

Despite assertions to the contrary, we know that, as the hon. Member for Motherwell and Wishaw detailed, years have been spent fighting compensation claims against honest sub-postmasters. Every trick in the book has been used to draw things out for as long as possible. That includes making low compensation offers, only for them to be raised once legal action is taken, and using technical and misleading language in letters to dissuade victims from seeking expert advice. Those are not the behaviours of an organisation that has a true insight into its failings. Those are not the behaviours of an organisation that is contrite. Those are not the behaviours of an organisation that recognises that it needs to change. Sixty former sub-postmasters have died without payouts and most victims are still waiting to receive their full and fair compensation. That is outrageous. Victims have been failed time and again by the Post Office’s toxic management culture. What are the Government going to do to protect those victims and to ensure that justice will be fairly and swiftly delivered?

As we heard from the hon. Member for Motherwell and Wishaw, executives have been receiving substantial bonuses while this has all been going on. We heard about chief executive Nick Read receiving £455,000 in bonuses on top of his £415,000 salary in ’21-22. As we know, part of those substantial bonuses was falsely reported to have been agreed by Sir Wyn Williams, who led the **Horizon** inquiry. That bonus was paid due to Read’s co-operation in the handing over of documents. We now know that to be false on two counts. First, it was reported in May that Sir Wyn did not sign it off; that was a complete fabrication. Last week, it was found that the documents for that day of evidence in the inquiry had not actually been disclosed at all. As the hon. Member for Telford said, there must be questions when the chief executive does not know the facts on something so important to the Post Office and to the victims.

This is not just a casual misunderstanding; the Post Office annual report and accounts for 2021-22 published the metrics on which bonuses for senior leaders were based. One metric, which was marked as achieved, read:

“All required evidence and information supplied on time, with confirmation from Sir Wyn Williams and team that Post Office’s performance supported and enabled the Inquiry to finish in line with expectations.”

We now know that to be completely false; Sir Wyn Williams actually said:

“I am dissatisfied by the approach that has been taken by the Post Office; in my view, their approach demonstrates a lack of clear thinking about the disclosure obligations owed to the Inquiry with which the Post Office must comply and the means by which their obligations can be fulfilled.”

The Post Office has issued a clarification to the report and an apology, stating:

“We recognise that by setting this particular sub-metric, and marking it as achieved, we implied that Sir Wyn and his team had agreed to this sub-metric and had commented on the outcome. We wish to clarify that we did not ask for Sir Wyn’s agreement to the wording of this sub-metric and Sir Wyn and his team did not give any input into assessing whether it had been met.”

This is an annual report; basic things like that ought to be checked before they appear in black and white.

If we put aside the argument of whether executives should be paying themselves handsome sums for complying with things that they ought to be doing by law anyway, and if we also try to overlook the vast irony of the Post Office being caught doing what it pursued sub-postmasters for supposedly doing, as my right hon. Friend the Member for North Durham said, that is a moral issue. There are questions about that.

[Back to top](#) [Previous](#) [Next](#)

into the governance arrangements, but has he commissioned any investigation into whether section 1112 of the Companies Act 2006 was breached in this episode? I would be grateful if he would address that specific point in his response. If he is unable to do so today, can he respond in writing?

Understandably, the focus has been on the **Horizon scandal**—there are so many things that need to be addressed—but, as other Members have referred to, the creeping withdrawal of post office services affects all our communities. We have been reminded today of the important functions they perform, particularly for older and disabled people, carers and those who simply cannot access the internet. The post office is a vital lifeline, especially when other vital in-person services such as banks are closing at an alarming rate. There is a serious question about whether the management have the ability to meet those challenges.

I was struck by the comments from a constituent of the hon. Member for Motherwell and Wishaw who said that they make more money from the coffee machine than from post office services. That might explain why there is a silent withdrawal of the post office from our communities. Of the 11,500 post offices in operation, only 4,000 are open seven days a week. There has been a proliferation in the number of outreach branches. In 2000 there were just 52, representing 1% of the total network. As of March last year, that had gone up to 1,901, comprising 16% of the network.

I would be interested in whether the Post Office meets any of its six accessibility criteria if part-time or partial service branches are included. Have the Government conducted any analysis into that? How many people are reliant solely on outreach services? Constituents have told me that they have to go on a magical mystery tour of the constituency to find a post office that is actually open, and that is not because they go out at unsociable hours; it is often in the middle of the day. Many people now struggle to find somewhere open because the advertised hours are not adhered to. I do not know why that is happening, but it points to something badly wrong in the whole system. What can be done about it? Has the Minister made an assessment of the anticipated profits of an average post office operating on a full-time basis? Is the system sustainable or is there a problem with the way it is being run?

Another difficulty is when one of the many sub-postmasters decides to close up shop, and we see time and again a failure to address that issue. It has happened many times in my constituency; I am sure it has happened in other Members' constituencies. Every time the Post Office tells us that it will look for another partner to open up. We wait and we wait and sometimes—months or even years later—we get a new post office, but sometimes it does not appear at all. I have said repeatedly, every time there is a closure, that the Post Office's laissez-faire attitude to another one reopening is not good enough. It does not work, and it is allowing services to wither on the vine. I can give examples of each outcome in my constituency.

In Elton in 2016, we waited a year for the post office to reopen after it had closed. Neston lost its branch almost two years ago, and it is now open in a car park for two hours on two days a week. Great Sutton post office closed last year, and there is no sign of it reopening. It all feels like management either do not care or do not have the capability to address this structural challenge. We know they have not been able to do the job in the past. Can they do it in the future?

I raised that issue primarily because there is a pattern here. The failure to handle post office closures has parallels with the failure to deal with the **Horizon scandal**, which have both shown an unwillingness to change or to accept that things need to be improved.

Does the Minister have confidence in the management of the Post Office? Does he think the management culture has changed sufficiently since **Horizon** first emerged? What are the Government doing to ensure that victims receive the compensation that they rightly deserve? Does he consider that they have a sufficient grip of public access to post offices and a proper strategy to maintain services?

🕒 2.43pm

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

🔗 [Share](#)

It is a pleasure to speak with you in the Chair, Sir George. I thank the hon. Member for Motherwell and Wishaw (Marion Fellows) for securing today's important debate and for her constant work in this area on the all-party parliamentary group on post offices. It is always a delight to work with her in these areas. We share her passion for the post office network and the services that it provides to communities up and down the country.

[Back to top](#) [Previous](#) [Next](#)

Post Office. As raised by the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier), culture is critical to any organisation. As Emerson once said,

“An institution is the lengthened shadow”

of a single person, so leadership is hugely important in this context.

The **Horizon scandal** has had a devastating impact on those affected and on Post Office itself. It has now rightly accepted that it got things very badly wrong. I thank all right hon. and hon. Members for all the work they have done in campaigning over many years, including the hon. Member for Motherwell and Wishaw, my hon. Friend the Member for Telford (Lucy Allan) and the right hon. Member for North Durham (Mr Jones). I also thank the noble Lord Arbuthnot, who is in the Gallery, and the many other people associated with this work, including the barrister Paul Marshall, the journalists Tom Witherow and Nick Wallis, Dan Neidle and, of course, Alan Bates and the 555 people who took the matter to court. We would not be here without them, and we are at least starting to put these matters right.

When the current chief executive of Post Office, Nick Read, started his job in September 2019, he made it clear that Post Office needed to apologise for the events of the past, fully address them and, of course, compensate those who suffered detriment. A key part of that will clearly be the restoration of trust between Post Office and postmasters. That is so important, because, as I said previously in other debates, there is no post office network without postmasters.

In December 2019, the parties to the group litigation order 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 appointed two non-executive director postmasters, who were elected by other postmasters, to the Post Office board. This ensures that postmasters' voices are being heard at the highest level—something that I witnessed yesterday when I attended the board meeting at the company's offices. It is crucial that senior management is cognisant of the impact that its strategies and changes will have on those who are on the frontline of delivering services. Post Office has also appointed a current postmaster to a new director role, who leads the day-to-day relationship with postmasters.

Alongside those appointments, Post Office has looked into 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 examples of positive changes. On the Government's part, I enjoy chairing our regular working-group meetings with Post Office and the National Federation of SubPostmasters, as I did yesterday, and I find them to be a useful forum to discuss the high-level issues affecting postmasters.

On compensation, it is right to say that in order to look to the future, Post Office must first address and learn from its past mistakes so that it can rebuild trust in the business. We are determined that postmasters affected by the **Horizon scandal** receive the compensation they deserve, and the Government are supporting Post Office with funding to deliver that.

The shadow Minister, the hon. Member for Ellesmere Port and Neston (Justin Madders), challenged me on what the Government are doing to make sure that justice is delivered to those affected, and I am determined to make sure that we do everything possible in that regard. I am grateful to the right hon. Member for North Durham for his work on the advisory board, to which he referred. The board initially looked after just the GLO part of the scheme, but that was extended to all three schemes on the request of him and his colleagues on the board. I am delighted to see the work it is doing, and I am determined to give it what it needs to make sure that the schemes are fit for purpose and delivering outcomes as expected. Indeed, we expanded membership of the board to include, for example, Professor Moorhead, who has been a leading advocate in this area.

Although there is still work to do, good progress has been made across the different compensation schemes. For postmasters who were wrongfully convicted due to **Horizon** shortfalls, Post Office has to date paid out over £20.4 million in compensation. That includes initial interim payments to 81 individuals and, additionally, 65 partial settlements, top-up payments or hardship payments. Post Office has reached full and final settlement with four claimants, and will continue to process claims that are lodged as quickly as possible. The **Horizon** shortfall scheme, which was set up as part of the settlement in the 2019 group litigation case against Post Office, provides redress for postmasters who repaid shortfalls but were not convicted or part of the court case. Over 99% of the original claimants to the HSS have now received an offer, and the value of the offers is more than £100 million. A further £2.1 million has been offered to the 91 late claims that have been processed so far.

The hon. Member for Motherwell and Wishaw says she believes the claims have been settled at the lowest possible level. I do not accept that. The advisory board, including the right hon. Member for North Durham and the noble Lord Arbuthnot, and I attended a session with the HSS panel and the lawyers connected to that panel. It was clear to me, and I hope to other Members who attended

[Back to top](#) [Previous](#) [Next](#)

compensation in full on those matters.

The group litigation order scheme is being delivered by my Department—the Department for Business and Trade—rather than the Post Office. It is always tragic to hear the many cases that relate to these issues. I have a constituent—Sam Harrison of Nawton, near Helmsley—who sadly passed away while waiting for her claim to be paid from the GLO. That is unacceptable, and we need to accelerate outstanding payments through all schemes. To date, the Department has paid out over £21 million in compensation, including through interim payments. We have received 18 claims. Across those areas, our priority is providing fair and swift compensation to those affected, so that postmasters achieve the justice they deserve. Indeed, we have made some adjustments to the scheme and to previous schemes, in terms of the tax treatment of the HSS. When the board has come to me on any matter, we have delivered on its suggestions.

Mr Kevan Jones >

[Share](#)

I would like to put on the record my thanks to the Minister and his predecessor, the hon. Member for Sutton and Cheam (Paul Scully), for the way in which they have approached the **Horizon** compensation scheme **scandal**. The board made some recommendations to the Minister at the last meeting. When will he be in a position to respond to those recommendations?

Kevin Hollinrake >

[Share](#)

I am keen to respond, as the right hon. Member knows, on a potential appeals process. I am looking at this carefully, and we will continue to engage on that, but we want to ensure that everything is fair and that people are confident in the process for getting the compensation they deserve. We want to ensure that the compensation is delivered on time. We have an August 2024 deadline, as the hon. Member for Motherwell and Wishaw mentioned. We are keen to deliver on that deadline and are looking again at further ways to expedite payments to all those still waiting.

On governance, Post Office Ltd is a public corporation, and as such its board retains responsibility for the strategic direction of the company.

Lucy Allan >

[Share](#)

This debate is about the culture of the Post Office, and we have raised issues around the bonus arrangement, non-disclosure of documents, and racism and the use of categories. Will my hon. Friend move on to discuss the points raised by hon. Members?

Kevin Hollinrake >

[Share](#)

I certainly will. This is all context to the issues that many people have raised around compensation, but I will certainly come on to those points.

Through the shareholder's representative on the board, the Government oversee the Post Office's corporate governance, strategy, performance and stewardship of its financial and other resources. The Post Office reports to the Government on key issues at the regular shareholder meeting. The hon. Members for Motherwell and Wishaw and for Paisley and Renfrewshire North (Gavin Newlands) asked about the future of the Post Office and our plan for it. We all recognise that post offices are a valuable social and economic asset for communities. They deliver essential services and play a key role on our high streets.

The hon. Member for Motherwell and Wishaw spoke about post offices being the front office of Government. We very much see them as the front office of Government, but we do not dictate to consumers how they access vital services. Many consumers look to acquire services in different ways. Many people renew their passports and driving licences online these days rather than at the post office, and we want to give them the convenience of doing that. That creates challenges for the sustainability of the Post Office and of individual branches. We have to acknowledge that. The Post Office is putting together its future plan, and we are working with it

[Back to top](#) [Previous](#) [Next](#)

network is getting a fair share of the savings that the banks are making by closing branches and making the Post Office the first point of call for access to cash, for example.

Marion Fellows >

 [Share](#)

I recognise what the Minister has done, and I acknowledge that more and more people are going digital, but post offices serve their communities. In communities with high levels of deprivation such as mine and others represented by hon. Members in this Chamber, we need post offices. The Government have to stop withdrawing contracts from them, as that prevents people from accessing those services.

Kevin Hollinrake >

 [Share](#)


I am not aware of any withdrawal of services. There is a Driver and Vehicle Licensing Agency issue, and there is a negotiation between the Post Office and DVLA. It is absolutely right that postmasters get fair remuneration for those kinds of services; we agree on that.

On senior pay and bonuses, what happened with the setting of the metric, and the awarding of the bonus around it, was unacceptable. The Post Office's internal investigation has reported, and the Government have commissioned a separate review of the governance around Post Office decisions. We have not sat on that; it has not reported back yet. One thing we all agree on is that we need to follow due process in our oversight of the Post Office. Our review is being led by Simmons & Simmons, and we expect it to report to me by the end of the month, and of course I will wait for that before taking action.

My hon. Friend the Member for Telford talked about the inquiry and disclosure. The Post Office apologised and has taken urgent steps to put things right. Its disclosure to the inquiry was clearly unacceptable. I am not aware of any breach of the Companies Act, but we will certainly look into that.

My hon. Friend and the hon. Members for Rutherglen and Hamilton West and for Paisley and Renfrewshire North all asked about matters pertaining to the inquiry— what happened, why it happened and who is responsible. When the inquiry reports and assigns blame, we should be able to take action against those responsible.

The Government are very supportive of the Post Office's efforts to improve its culture and its relationship with postmasters, and to right the wrongdoings of the past. Despite the positive progress since 2019, there clearly are still many improvements to be made, and the Government will be watching closely to ensure they are properly implemented.

 2.57pm

Marion Fellows >

 [Share](#)

I thank all right hon. and hon. Members who are here. This was the most difficult debate to prepare for in my time in this place, because I had so much information and so many facts that I wanted to get over, and I had to put aside a large amount. It is really important to many communities—in fact, it is important to everyone—that sub-postmasters receive proper justice and recompense for what they and their families have gone through. It is really important to communities such as mine in Motherwell and Wishaw that the Post Office network continues.

I pay tribute to the Minister and his predecessor, the hon. Member for Sutton and Cheam (Paul Scully). In the eight years that I have been here, we have had a variety of small business Ministers and Ministers with responsibility for post offices, and none of them got it until the last two. However, that does not excuse the failures, and it will not stop us pushing and keeping at the Minister and the chief executive of Post Office Ltd. Post offices are important and need to continue. People who work in them need to be properly remunerated, and people who need them have to be able to go to them and get what they need.

Question put and agreed to.

[Back to top](#) [Previous](#) [Next](#)

That this House has considered the management culture at Post Office Ltd.

© UK Parliament 2024

[Cookie policy](#)

[Cookie settings](#)

[Privacy notice](#)

[Accessibility statement](#)