

WITNESS: KHAYYAM ISHAQ

STATEMENT NUMBER: WITN0170\_01

EXHIBITS: 0

DATED: Jan 27, 2022

**POST OFFICE HORIZON IT INQUIRY**

**FIRST WRITTEN STATEMENT OF MR KHAYYAM ISHAQ**

THIS STATEMENT IS PROVIDED IN RESPONSE TO THE RULE 9 REQUEST OF  
THE PUBLIC INQUIRY DATED 29/10/2021 TO ADDRESS THE HUMAN IMPACT OF  
THE FAILINGS OF THE HORIZON IT SYSTEM

I, MR KHAYYAM ISHAQ, Date of Birth  of

will say as follows:-

**PERSONAL BACKGROUND**

1. I am currently 44 years of age.
2. I have a degree in Biomedical Sciences.
3. Prior to working for the Post Office I had worked for Loop Customer Management and also for Yorkshire Water.
4. I worked for Loop Customer Management initially for around 12 months and then moved to Yorkshire Water where I worked as an operational controller.

5. After about 8-9 months of working for Yorkshire Water I moved back to Loop Customer Management where I was working until such time as I began work for the Post Office.
6. I am currently self-employed; I do contracted work in a takeaway part time and I also do part time social media consultancy work.

### **POST OFFICE HISTORY**

7. I began work as a Sub-Postmaster of the Birkenshaw branch of the Post Office on 5<sup>th</sup> July 2008.
8. My contract was terminated by them on 14<sup>th</sup> February 2011.
9. After working for Yorkshire Water for 7-8 years I was looking for a business investment. The role of a Sub-Postmaster at the Post Office seemed perfect for me and I liked the fact that I would be at the centre of the community.
10. Birkenshaw Post Office came up at just the right time. It was viable and local to where I lived.
11. I took out a business loan of £136,000. The loan was taken out exclusively to buy the goodwill of the Post Office and shop. The lease was separate for the premises, and I believe the rent was £1000 per month which was paid every quarter. I took the loan out with my brother Itasham, who was my business partner. He was a silent partner but we were running the business as partners on a 50/50 basis. We took the lease on for 10 years and my long-term plan was to buy the business for the family. I haven't paid off the loan any further after 2014. It is still accruing interest and we are in dispute with Lloyds bank about this. They are chasing for the balance of the account and payments

- have been made to them by my brother, Itasham. This matter is in the court system but is currently stayed because of the COVID-19 pandemic.
12. I lived in my family home with my wife and three young children in a separate property to the Post Office.
13. I employed staff and also my sister's husband to work for me. Initially he worked in the shop attached to the Post Office from 2009-2010 and then in 2010 he began to help in the Post Office as well.
14. I recall the name of my area manager was Andy Carpenter. I only spoke to Andy twice, once was when I was having large shortfalls and the second time was the day after the audit. He told me the best thing I could do was to resign, which I did, and he then suggested an interim Sub-postmaster should be instated.
15. I only became aware of others having similar issues with the Horizon system after the magistrates hearing. I started to dig up information and got in contact with the JFSA and I believe they mentioned that there were other potential cases at the time. I believe I was also a member of the union, but they told me they couldn't do anything to help.

#### **CRIMINAL ALLEGATIONS AND ANY PROCEEDINGS/CONVICTION**

16. After starting with the Post Office, my training was brief. I went on a three-day training session in Leeds, but this only dealt with the basics of selling stamps etc and did not cover any back office duties such as balancing off. The trainer even said to me not to worry about any discrepancies as I could just reverse them.

17. I then received five days of on-site training which dealt with back-office balances and pushing the insurance policies and other sale avenues.
18. I had a number of issues from the very start with the IT system called Horizon.
19. The first discrepancy that I remember encountering was in the sum of £188,000. I cannot recall the exact date but I was amazed how it could be so much money and immediately questioned it with the Post Office's helpline. The Post Office confirmed that this was an error and removed it. I was never informed where it had come from or whether it was my fault or not.
20. I then noticed another error for a much smaller amount and spoke to the Post Office about this. They disputed that this was their error and said that I would need to pay the shortfall. As I could not afford to do this, I had to pay it out of my salary.
21. Each time I found an error or shortfall I would contact the helpline to let them know. Each time I would have the amount taken out of my salary to cover the cost.
22. The Post Office took a formal audit of my account on 8<sup>th</sup> February 2011. I was not working that day and received a call from my employee to come in as the Post Office had been closed.
23. Mr Dennis Watson from the Post Office told me that he had found a large shortfall. He spoke to his manager who then phoned me and suspended me immediately. From that point on I was not allowed back in the Post Office. The audit had to be continued the next day due to my shop closing at 5pm. I remember thinking it took them a long time for experienced auditors to reconcile the figures.

24. The following day I was informed that the shortfall amount was £21,168.64. I disputed these figures.
25. On 7<sup>th</sup> April 2011 I was interviewed under caution at the Bradford Delivery Office by Stephen Bradshaw, who I believe was an ex-Police Officer.
26. I was subsequently prosecuted by the Post Office for theft.
27. I recall it being a long time between the audit and me attending court. I thought, if they have evidence against me, surely it would have been a quicker process.
28. On 30<sup>th</sup> May 2012 I pleaded 'not guilty' to theft at Bradford Magistrates Court and my case was transferred to the Crown Court.
29. After a couple of months of hearings including a Plea and Case Management Hearing and also an adjourned Trial, my case eventually went to court on 7<sup>th</sup> March 2013.
30. I felt that I had a strong chance of defending the allegations as I knew that I had done nothing wrong and that it must have been a fault with the Horizon system. However, halfway through the trial I was informed by my barrister that I was now unable to raise Horizon within my defence. This basically meant that I had no defence as, from my point of view, everything was caused by the Horizon system.
31. I remember from day one the prosecutor asking my barrister to consider a guilty plea. I knew I was innocent at that time, so I was happy to go to trial. I recall the judge also turned and told me that Horizon could not be discussed as an issue. I believe at the time of my conviction the Second Sight report had been published.

32. I felt that I had no other option than to plead guilty to the theft charge under the advice of my barrister.
33. My barrister said that if I did, then I would not be sent to prison and the Post Office would not seek to reclaim the money back from me.
34. On the 22<sup>nd</sup> of April 2013 I attended Bradford Crown Court where I was sentenced to 54 weeks immediate imprisonment for theft. We sought to appeal against my sentence, only to be refused by the Judge. I was taken straight into remand. I had not been able to pay back the shortfall as I could not raise funds with the business not being able to sell.
35. I was taken to the back room and was handcuffed; I was not prepared for this. I was supposed to go home.
36. I was taken to Armley Prison and remained there for three months. I was tagged when I was released, and I had to attend weekly meetings with my probation officer.
37. The Post Office sought to pursue me for the full shortfall amount, and subsequently obtained a county court judgment against me dated 11 June 2015 for the shortfall and costs in the sum of £30,729.02. There has been further court action, and at present on the proprietorship register there is a restriction made on 20/07/15 in relation to an interim charging order from the Post Office.
38. My conviction was overturned on 23 April 2021.

## **THE HUMAN IMPACT**

39. The human impact which the failings of the Horizon IT System have had and continue to have upon me and my family are set out in the remainder of this

statement. The section headings follow the particular questions posed by the Inquiry.

**WHAT WERE THE CONSEQUENCES OF BEING REQUIRED TO MAKE GOOD APPARENT SHORTFALLS SHOWN BY THE HORIZON IT SYSTEM?**

40. After I was suspended I continued to work in the shop but it began to lose money and trade. I spoke to the Relief Sub-Postmaster she was called Margaret and they took over the running of the shop for a couple of months. After this time, I asked our extended family friend to help us as he owned the main Post Office in Dewsbury GRO
41. At my interview with the Post Office in April 2011 I was asked how I could repay the shortfall. We discussed selling the property and I asked for time to market the property. As I understand it, three Postmasters made offers to take over but the Post Office refused all the applications for various reasons.
42. Throughout the whole investigation I had to keep working at the shop to bring money into the business.

**WHAT WERE THE COSTS OF MAKING GOOD ALLEGED SHORTFALLS SHOWN BY HORIZON?**

43. I didn't have the money to pay back any of the shortfalls that arose over time and so each time I would have to pay the money from my own salary or from the retail side of the business.
44. If the system was £100 or £200 down I would make good the shortfall with money from the retail side. Nine times out of ten, the system would show a higher amount. When this happened, I couldn't pay the money back so I

would 'settle centrally'. I think this would then be sent to the cash place and they would take the money from my wages

**HOW WERE YOU AFFECTED WHEN ALLEGED TO BE RESPONSIBLE FOR SHORTFALLS OR DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?**

45. When the audit took place, and I was told that the shortfall was over £21,000, I was in a state of shock. I knew that I had done nothing wrong.
46. When I was suspended, I was very upset. I had no idea how this had all happened or what would happen next.
47. At the interview with the Post Office on 7<sup>th</sup> April 2011 I took my solicitor along with me. It was all very formal, and I felt extremely nervous and anxious. I had hoped that the interview was going to be the Post Office agreeing to re-instate me to work again. I was stressed out about the whole process.

**WHAT WERE THE CONSEQUENCES OF BEING HELD RESPONSIBLE FOR SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?**

48. I lost my job with the Post Office which was a job that I enjoyed and felt was going to provide me family with a secure future.
49. I was also then prosecuted for theft and my case was taken, initially, to the Magistrates Court and then subsequently transferred to the Crown Court.

**WHAT WERE YOUR FINANCIAL LOSSES CAUSED BY ACTION TAKEN AGAINST YOU IN RELIANCE UPON HORIZON DATA?**

50. I tried to sell the Post Office and claw some of the money back to repay the shortfall found at the audit. I found three separate potential Sub-postmasters

- and helped them with their applications but the Post Office declined them all with no reason.
51. I couldn't sell. Once the audit had happened, it took us a week to get an interim Sub-postmaster in. Eventually, someone my dad knew came to run the Post Office as Sub-postmaster. I was struggling to manage. The interim Sub-postmaster ran the Post Office from audit to my conviction.
52. Eventually when it got to 2013 and at the sentencing hearing, they took me straight into remand. It could have been on the same day that my brother rang the Post Office and told them to come and take their equipment. We struggled to pay the lease on the business as it was technically empty without the Post Office. This had its own impact. We still had to pay all the bills and the council tax increased as it was empty. I recall being asked to pay £10,000 council tax in one go.
53. The landlord wasn't helpful at all. I gave back the keys in April 2013. When I was sentenced my dad instructed solicitors in Dewsbury who sent the keys back to the landlord by recorded delivery and requested the lease be terminated, but the landlord never did. I still had to pay the off the remainder of the term of the lease. I didn't have the money to pay, so my family and my brother helped me out.
54. I struggled financially to pay my mortgage and the bills and was reliant on my family for help. My brother Itasham took care of the mortgage. My brother's name is on the deeds to my house, but until I started struggling, I had always made my own mortgage payments. I lived in the house with my family alone. Itasham also helped with the Lloyds loan. He agreed to pay an amount of around £1800 per month at one point. This was an enormous weight off my

- mind. I am so grateful to him for this. However, the unpaid loan to the bank is still an ongoing issue and they threatened to repossess my house which caused me a lot of anxiety and worry.
55. I have lost a significant amount of earnings because of the conviction. I had planned on running the Post Office for many years to come and the theft conviction that I sustained meant that this was never going to be possible. Indeed, finding employment of any kind was extremely difficult with the 'thief' tag attached to my neck.
56. My family's income was also affected. As mentioned above my brother Itasham was involved in the business with me and lost half of the profit. I had two other brothers Khuram and Nezam who worked in the business, and they also lost their monthly income. After my suspension, I had to tell them I could no longer afford to employ them. They understood, but it was very difficult.
57. My brother-in-law, Umair Liaquat, worked for me too, and luckily after a month or so the interim Sub-postmaster who is called Abdul Patel employed him. He continued to work for Mr Patel at Ravensthorpe Post Office after.
58. It was then just me running the shop side, it was very difficult financially and with the stress. I ran the shop until the day before I was convicted.

**WHAT EFFECT DID IT HAVE TO BE ACCUSED OF COMMITTING CRIMINAL OFFENCES AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?**

59. It was over a year between my interview with the Post Office and me learning that I was being prosecuted for theft.

60. Throughout this period I felt it hanging over me but I had no idea what was going to happen, if anything. I hoped that they would see sense and just apologise for their error but this did not happen.
61. I found the whole court experience terrifying.
62. Over the space of a few months I was required attend several court hearing in both the Magistrates and also Crown Court.
63. Despite having a solicitor and barrister acting for me, I felt very much on my own against the might of the Post Office.

**WHAT WERE THE CONSEQUENCES OF BEING CONVICTED OF A CRIMINAL OFFENCE AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?**

64. I was under the impression that, by pleading guilty, I would be going home to my family that same day. However, I was sent into a state of shock when I was then told that I would be going to prison immediately.
65. I didn't get a chance to say a proper goodbye to my family which was very upsetting. My children were still at school at the time.
66. I was angry and devastated about what had happened to me. My life felt as though it was in tatters.
67. The prison that I was taken to was a 24-hour security prison. The prison wardens would open the cell to let you go get the food and sometimes you would have time where you would socialise. I was in the same prison as rapists and murderers. You are watched by other people and you do not know who they are or why they are there.

68. In prison I saw a number of horrible acts including men getting slashed with knives. I tried my best to forget about what I was seeing.
69. I did not sleep properly for the first three weeks as I did not know if I would wake up. I was given different dates when I would be released but it would change. I did not have any visitors whilst I was in HMP Armley, but my brother was adamant that he wanted to see me, so I let him come and we talked about my children and family. This gave me some comfort.
70. After being released from prison I struggled to find work. I was very embarrassed about having to wear a prison tag and I tried to hide it as much as possible.
71. Eventually I found a job in a takeaway and then started working with my brother in his wholesale business selling sandwiches. I had applied for a number of other jobs but had been turned down due to my DBA check.
72. My whole personality changed as a result of my conviction. I feel that I have become a lot more introverted. I stayed at home a lot with my family as opposed to going out as I was worried that people would have read the newspapers and would know who I am.
73. I have been diagnosed as suffering a Depressive Disorder and told that, although I am currently largely recovered from this, it is likely to be something that will affect me for the rest of my life.
74. I had an eye condition from birth (Keratoconus), which was triggered at the time by the stress caused by the Post Office, and my eyesight deteriorated.

**WHAT EFFECT DID THESE ISSUES HAVE UPON YOUR RELATIONSHIPS WITH YOUR FAMILY, FRIENDS, COLLEAGUES AND LOCAL COMMUNITY?**

75. We were able to hide the prosecution until the date of my trial. Due to the outcome, everything was left to my brother to sort out which included the closing of our shop.
76. I was in the local papers, but I was in prison, so I did not see what was going on; in some respects, I was sheltered from it. However, I was aware that people had found out what I had been convicted of and I hated the fact that I was not able to protest my innocence as I was in the prison for so long.
77. The newspaper stories brought shame on my family as a whole. This was a family that was held in high regard in the local community.
78. Due to the stigma of how my family was viewed in public, I stopped going to pray and only prayed at home.
79. My whole personality and outlook on life changed as a result of the conviction and prison sentence.

**PLEASE DESCRIBE THE DIRECT AND INDIRECT EFFECT WHICH THESE ISSUES HAD UPON THE MEMBERS OF YOUR FAMILY?**

80. The whole ordeal has impacted not just me but all my family financially and emotionally.
81. My wife was left at home whilst I was in prison. She had support from the family, but she had our three children to help raise on her own. My children were aged 3, 5 and 7 at the time and we told them that I had just gone on holiday in order to protect them from truth. To this day they do not know the truth.
82. My father is well known in Dewsbury and it would certainly not have been missed the fact that his son had been sent to prison for theft.

83. My father became ill whilst I was in prison and had to have his leg amputated, I wasn't there for him. I felt I had let him down massively. He took the conviction very hard being a religious man. He passed away in 2018.

84. My brother had to give up huge amounts of time and effort to help me and my family. He helped deal with the closure of the shop as well as covering my mortgage and bills for a long period of time. There is no doubt that this will have had a large impact on him emotionally as well as financially.

### **CONCLUDING REMARKS**

85. I will never be able to forgive the Post Office for everything that they have put me through. This has impacted not only on a financial scale to me but in fact also on a psychological side as well. Even after the conviction and subsequent sentence they kept chasing for the money.

86. My family's good name has been dragged through the mud and this is something that will never leave us despite it being proven that I had never, in any way, committed a criminal act.

87. It was a very tough time for me, I had small children at the time. It affected me so very much financially. It is tough for me to recall. I feel that I have healed and put it away for so long, I find it very difficult to look back.

**Statement Of Truth**

I believe that the facts stated in this Witness Statement are true.

Signed:

**GRO**  
Khayyam Ishaq (Jan 27, 2022 18:40 GMT)

Position Or

Office Held:

Print Full

Date: Jan 27, 2022

Name: KHAYYAM ISHAQ

FILE REFERENCE: **GRO**

