



9th December 2024

CWU Written Closing Statement to Post Office Horizon IT Inquiry

Introduction

The Communication Workers Union (CWU) is the largest union in the communications sector in the UK, representing approximately 165,000 members. We are the recognised trade union for all non-managerial employee grades in the Post Office Limited (POL), where we have members in all sections of the business. The CWU has approximately 300 postmasters in CWU membership, but POL continues to refuse to grant the CWU recognition on their behalf.

The CWU welcomes the opportunity to provide a closing written statement to the Inquiry. As one of the key Post Office stakeholders who called for a full judge-led Inquiry at an early stage¹ and pushed for it to be converted to a statutory footing,² we are pleased that the Inquiry has taken place and that it has been so comprehensive. The CWU congratulates the Inquiry for the way it has conducted itself so diligently in examining the failures associated with the Post Office Horizon IT system.

As a Core Participant, the CWU has given oral evidence to the Inquiry and provided several written submissions and witness statements since 2020. In this short closing statement, we emphasise our main concerns about the failures surrounding the Horizon debacle that still persist today, as demonstrated by much of the evidence that has emerged during the course of the Inquiry. We also highlight the changes we believe are necessary to ensure such a scandal cannot happen again. These centre on problems associated with the representation of postmasters, Post Office culture, governance, accountability, strategic direction and funding.

CWU Key objectives for Post Office reform

As the Post Office Horizon Inquiry draws to a close and prepares to report on its findings and recommendations, the CWU considers that the following objectives are essential for Post Office reform:

- **Independent representation of postmasters** through a recognised trade union.
- **A fundamental change to the POL culture** of institutional failure, denial and protectionism that led to the scandal.
- **A Post Office governance system** that is fit for purpose.
- **Real accountability for those responsible for running the Post Office**, including the POL leadership past and present and Government representatives.

¹ [CWU: CWU pressure secures public inquiry into Horizon scandal](#) URN: RLIT0000502

² [CWU: Horizon scandal: CWU keeps up pressure for judge-led inquiry](#) URN: RLIT0000504

- **A modern, reliable IT system and contractual protections** for subpostmasters against blame for future IT system errors.
- **A genuine strategic vision for the future of the Post Office** focused on revenue diversification and growth, along with good pay and conditions for employees and meaningful remuneration for postmasters that reflects their contribution to the business.
- **Sufficient Government funding and support** to maintain the Post Office network and ensure that the Post Office can deliver the high quality public service that local communities and businesses need.

Independent representation of postmasters is vital for their future protection

We urge the Inquiry to make recommendations on the future of postmaster representation as part of its final report. The failed model of representation that existed during the scandal and was a barrier to justice for postmasters remains largely in place today.

The Inquiry has exposed the lack of effective representation for postmasters as a significant contributory factor in POL's persecution of innocent people. One of the most important ways to ensure that such a scandal never happens again is to introduce effective, independent representation for postmasters through trade union recognition.

The CWU represents 300 postmaster members, which is just a fraction of the 7,000 postmasters across the UK. The CWU has worked hard since setting up our postmaster branch in 2011 to alert postmasters to Horizon related problems, to defend our postmaster members who have been falsely accused of wrongdoing, and to highlight our serious concerns about Horizon system failures. However, POL has consistently denied the CWU recognition for postmasters, making it impossible for the union to secure the same kind of collective agreements that have proved so effective in helping to protect CWU represented Post Office employees from unjust treatment.

The National Federation of Subpostmasters (NFSP) is the official representative body for postmasters with around 6,700 members. POL has persisted in promoting the NFSP as the only representative body for subpostmasters, despite the Horizon trial judge criticising the NFSP's lack of independence and its failure to represent its members.

POL does not formally recognise the NFSP for collective bargaining purposes, and continues to fund the organisation through a 15 year contract starting in 2015 which involves stringent conditions including that the NFSP shall not engage in any activity which may be detrimental to POL. The Inquiry has heard how the POL leadership knew that this agreement would undermine the NFSP's independence, but they entered into it anyway because *"if the NFSP failed, they would be replaced by a Union, possibly the CWU"*.³

POL claims that it has revised the Grant Funding Agreement (GFA) with the NFSP so that the NFSP can *'act independently from the Post Office'*⁴, but the precise nature of these changes has not been made public, and the Post Office recently refused an FOI request for the release of correspondence regarding

³ [WITN09840100 Alisdair Cameron - Witness Statement | Post Office Horizon IT Inquiry](#) URN: WITN09840100

⁴ [corporate.postoffice.co.uk/en/horizon-scandal-pages/changing-our-culture/](#) URN: RLIT0000500

the negotiation of the new GFA on grounds of public interest.⁵ This does not instil confidence that the GFA has evolved in any meaningful way, or that POL has done anything to move away from its culture of secrecy and non-disclosure.

The NFSP's new leadership has apologised unreservedly to any member who sought help from the NFSP about Horizon and didn't receive the support, stating the NFSP's relationship with POL was too close and that this is not the case today.⁶ Despite these assurances, the fundamental basis of the NFSP's relationship with POL that proved such an impediment to justice for postmasters during the Horizon scandal, in particular the NFSP's complete financial dependence on POL, remains unchanged.

The Post Office culture of corporate protectionism and abuse of power must end

There has long been and still remains a serious cultural problem in POL rooted in a lack of transparency and accountability, which has allowed POL leaders to act with impunity. It is clear from evidence gathered throughout the Inquiry that this was a major factor in the abuse of power, corporate complacency and protectionism, bullying and mistreatment of Postmasters, denials, cover ups and false evidence on display throughout the Horizon scandal.

When asked recently about what is being done to address the 'toxic' culture at the Post Office, the Post Office Chairman Nigel Railton said that POL is changing the culture actively now, including through the 'new deal for postmasters' which follows a strategic review he initiated.⁷

However, the CWU believes that the Post Office Chair's approach to the strategic review demonstrates no change in culture at POL. The Post Office failed to engage with the CWU - as a recognised union and a key stakeholder - in the preparation of the strategic plan and instead presented it as virtually fully formed, with only some future refinement as things progress.⁸ This is extraordinary given the direct implications of the plan for both postmasters and Post Office employees, including the potential closure of 115 Crown Offices and the subsequent loss of 1,000 jobs. As the CWU said of the Post Office closure announcements, it seems that POL has learned no lessons from its chaotic and uncoordinated mistakes of the past.⁹

We would also point to the '*grossly unsatisfactory*'¹⁰ disclosure failures during the Horizon Inquiry which contributed to significant delays, and relevant documentation being missed or incorrectly excluded.¹¹ This further demonstrates a continuation of the Post Office culture of corporate secrecy and protectionism that is central to the Horizon scandal.

⁵ [Grant Funding Agreement with NFSP - a Freedom of Information request to Post Office Limited-WhatDoTheyKnow](#) URN: RLIT0000505

⁶ [Statement from NFSP CEO Calum Greenhow following today's evidence at the Horizon Inquiry](#) URN: RLIT0000509

⁷ Oral evidence: Post Office Horizon scandal: fast and fair redress, HC 341, 19th November 2024, available at: [Oral evidence transcript](#) URN: RLIT0000507

⁸ [corporate.postoffice.co.uk/en/purpose-strategy/strategic-review-2024/strategic-review-launch/](#) URN: RLIT0000501

⁹ [CWU: CWU slam Post Office closure announcements](#) URN: RLIT0000503

¹⁰ [Chair to hear submissions on "grossly unsatisfactory" disclosure update from Post Office | Post Office Horizon IT Inquiry](#) URN: RLIT0000499

¹¹ [How legal disclosure failures disrupted the Post Office Horizon inquiry | Computer Weekly](#) URN: RLIT0000506

Governance of POL must be made fit for purpose

The Inquiry has laid bare the serious failures in Post Office governance that have given rise to the Horizon scandal. We believe the Government must introduce a substantial change in approach to governance and oversight of POL, which genuinely involves trade unions, employees, postmasters and customers, and will prioritise the delivery of Post Office services and the needs of workers and Post Office users.

The Inquiry has exposed the inadequacy of the arms-length relationship between the Government, as the sole shareholder of the Post Office, and POL who were allowed to operate without any effective oversight or intervention. It is clear that the new measures introduced by the Government to establish closer monitoring of POL, referenced by the Inquiry in 2021¹², do not go nearly far enough.

Since then we have witnessed serious governance failures in POL, including the scandal in May 2023 that saw POL executives pay themselves tens of thousands of pounds in bonuses for taking part in the ongoing Horizon inquiry and the Post Office annual report 2021/22 falsely claiming that the Inquiry Chair had confirmed the target on this metric had been met. UK Government Investments (UKGI) oversees government's 100% shareholding in Post Office on behalf of BEIS and holds a seat on the POL Board. The UKGI representative on the POL Board was heavily criticised for not telling officials for 5 weeks until after it was revealed about the bonus metric mistake in POL's annual report. This clearly demonstrates the ongoing failures of a governance system that is simply not fit for purpose, and is resulting in POL overseeing scandal after scandal.

POL's decision to appoint two postmasters to its board as non-executive directors in an attempt to move on from the scandal and reflect the views of postmasters has proven to be an empty gesture. The Inquiry has heard that the postmaster board members have been actively excluded from board meetings, denied access to committee documents and deliberately kept in the dark about key decisions.¹³

Accountability is key to restoring trust and changing POL's culture

Evidence presented to the Inquiry shows that there has been a long running history of obfuscation, secrecy, cover-ups and incompetence for which, as yet, no one has been called to account. The Government must introduce accountability for the POL leadership and the Government's representatives who are responsible for oversight of POL.

The Government is the Post Office's sole shareholder, yet they have consistently failed to introduce accountability for the POL leadership. POL executives who presided over the IT scandal have been allowed to leave with a golden handshake and their pensions intact, whilst recently departed executives awarded themselves huge sums for achieving a Horizon related performance target that was found to be fabricated. Meanwhile, the Government's representatives on the UKGI have failed to scrutinise POL's activities in any meaningful way or alert the Government to the Horizon scandal and subsequent governance issues.

¹² [Post Office Horizon IT Inquiry: call for evidence](#) URN: RLIT0000508

¹³ [Board member spells out Post Office executive dysfunction – Post Office Scandal](#) URN: RLIT0000498

It cannot be right that so far, the only people who have been punished are the victims of the scandal. A genuine system of accountability must be urgently introduced in POL to restore trust in the business, fix POL's toxic culture, and ensure such a scandal cannot be allowed to happen again.

An IT system that works effectively

One of the most important measures needed to protect POL employees and postmasters from false accusations is to ensure that the organisation's IT system is fit for purpose.

The CWU is concerned that the plan to replace the problematic Horizon IT system appears to be in disarray after news that it faces long delays and rising costs. We believe the Government must commit to providing the necessary funding to ensure that the Post Office IT system is fully functional, reliable and trustworthy. We also want to see new contractual protections for postmasters against blame for future IT system errors.

Strategic vision and adequate future funding

An important part of resetting the relationship with postmasters and ensuring that POL properly values its contractors and employees, is to develop a genuine strategic vision for the Post Office to survive and thrive for the long term.

We believe the Government and the Post Office must work with trade unions and other stakeholders to build a plan for revenue diversification and growth, along with secure jobs on good pay and conditions for employees, and meaningful remuneration for postmasters that reflects their contribution to the business.

In addition, the Government must provide adequate funding and support to maintain the Post Office network, including Crown Post Offices, and to ensure that the Post Office can continue to deliver a high quality public service that local communities and businesses rely on.

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