

Witness Name: Mrs Suzanne Palmer
Statement No.: WITN0224_03
Exhibits: None
Dated: 30 November 2022

IN THE POST OFFICE HORIZON INQUIRY

THIRD WITNESS STATEMENT OF MS SUZANNE PALMER

I, MRS SUZANNE PALMER WILL SAY as follows:

INTRODUCTION

1. I make this witness statement to update the Chair and the Inquiry on the continuing difficulty I am experiencing with the Department for Business, Energy and Industrial Strategy ('BEIS'). I make this statement regarding the inadequacy and unfairness of government's efforts to compensate subpostmasters whose cases have been classified as "complex" or "difficult". My case has been deemed to be "complex" or "difficult", and as a result have been unable to receive any interim compensation.
2. This is my third witness statement in this Inquiry. The first witness statement I provided addressed the human impact of the issues with Horizon and of Post Office's conduct toward me. In my second witness statement, I addressed the continuing impact on me and my family of the government's inadequate, changeable approach to compensation and reparations for subpostmasters.
3. I have received no interim payment to date. I have received promise after promise, and assurances that an interim payment will be made, but to date I have had nothing. My family and I need financial help, we have needed it for some time, and as we approach Christmas during an unprecedented cost of living crisis, our need for help is becoming more and more desperate. I set out my current financial circumstances in greater detail below.

BACKGROUND

4. In 2007, I was prosecuted for theft and false accounting. I pleaded not guilty and acquitted on all charges. However because of the financial strain on my business, by 2015 we had nothing left: we had sold everything we had, creditors' agents had taken everything we owned of any value. In 2015 I was declared bankrupt. After a year in 2016, I was discharged from bankruptcy. At that time, following my discharge, I had no debts.
5. I learned about the JFSA and the group legal action after I had been discharged. When I spoke to the solicitors, I was told that I could not participate in the group action if I was a discharged bankrupt. I was told I had to sign over my bankruptcy to Moore Stephens, which I did. At the time I did this through Freeeths who said I would have to give away 49% of whatever was recovered. I agreed to do this without hesitation because I understood that my claim was worth, and I would receive, in excess of £1.8m. However, the way in which the case was settled and the amount I received meant that the settlement did not begin to cover the costs of the bankruptcy, let alone before interest started to accrue.

SUBPOSTMASTERS' COMPENSATION

6. In my second witness statement, I said as follows:

13. In August 2021, shortly after the announcement of the interim compensation scheme, I wrote to Paul Scully, the Minister under whom the compensation scheme was devised and announced. That email is exhibited to this witness statement. I asked the Minister why I was excluded from receiving interim compensation, when I had the same experience of prosecution and criminal trial as those who were convicted.

14. I received a response from the Minister on 1 December 2021, which is exhibited to this witness statement. The letter was dismissive. It stated that as a litigant in the group claim against Post Office Ltd, I had received compensation and that the department could do nothing more. It repeated that government would not provide any further compensation to subpostmasters who were claimants in the group litigation, as a full and final settlement had been reached.

15. It is important to say that although I received a payment from the Group Civil Litigation, of that sum, half was taken in lieu of my bankruptcy and by the Administrators. I was made bankrupt by the Post Office as a result of their prosecution of me and dismissal from my post as subpostmaster despite being found not guilty after trial.

16. I responded to the Minister on 2 December 2021. I wanted to ask the Minister why the government had decided that those who had been convicted were more entitled to compensation than those who were prosecuted but not convicted. My email stated:

"Since I received your reply email which you dictated ,and dismissed mine 3 months after I sent it , perhaps we could have a face to face meeting so you can explain how you came to the decision that some people who were prosecuted are more important than others compensation wise . Only the outcome was the same for me guilty/ not guilty"

17. I eventually received a response on 13 January 2022. That response is exhibited to this email. In his response, the Minister stated:

'Members of the Group Litigation Order (GLO) who have had criminal convictions overturned are eligible for compensation as part of the overturned criminal conviction settlements. The Compensation is open to all those who were prosecuted, including those not convicted and will be determined based on individual circumstances.'

[emphasis added]

.....

22. On 2 February 2022, I received another letter from the Minister, which is exhibited to this statement. The letter was short. In it, the Minister went back on his previous letter.

7. Following the exchanges I set out in my second witness statement, on 19 April 2022 I received another email advising that I was included in the compensation scheme which the Government had announced. On 13 May 2022, Rob Brightwell of BEIS requested a phone call with me. I spoke with him later that day.

8. On 17 May 2022, I received an email from Mr Brightwell informing me that BEIS had received permission to establish a compensation scheme. He asked me to keep this information to myself as it was not general knowledge yet. I sent Mr Brightwell a follow-up email requesting an update.

9. On 30 June 2022 the government made the announcement that £19.5m of interim compensation was going to be made available and distributed to the 555 claimants who had participated in the group litigation. Shortly after that announcement I

received an email from BEIS apologising for the delay and explaining that how the money would be administered.

10. I was informed that the Government had entered into a contract with Freeths (who had conducted the group litigation on behalf of the Claimants), to administer the interim payments to subpostmasters. The money was to be distributed by Freeths in the same proportion as the sum subpostmasters received from the group litigation. I was told it would be a very simple process, that Freeths would be in touch further, and that my payment should take no longer than a few weeks to come through. By this stage, there had been no mention of the process being any different for those who had been made bankrupt, or that those who had so-called "difficult" or "complex" cases would be subject to any delay.
11. A few weeks after the compensation was announced, I began to hear from other subpostmasters that they were receiving offers and payments of interim compensation. I was confused, so on 29 July 2022 I wrote to BEIS again. I asked why there was a delay with my compensation. I wanted to know why I was being treated differently from some of the other subpostmasters. Shortly afterwards I received a response explaining that my case was deemed to be "complex" and that as a result I could not expect an interim payment in the same timescale as other subpostmasters.
12. On 15 August 2022, Sir Wyn published a report concerning subpostmasters' compensation. In his report, Sir Wyn recommended that the subpostmasters who were prosecuted but not convicted should receive interim compensation in the same way as those who were convicted.
13. I have sent endless emails to BEIS and Freeths asking about enquiring about Sir Wyn's recommendation but all I seem to receive are negative responses: I am told (variously) that there is a delay in obtaining legal advice, that BEIS or others lack authority to conclude matters satisfactorily, or issues with my trustee in bankruptcy. I am referred from BEIS to Freeths and back again. I have been told by the Department for Business that there is little that it can do to assist me further, but I cannot understand how it, as a government department, lacks the power or authority to help me. I am trying my best and doing all I can but it feels like no progress has been made. The can is being kicked down the road, again and again.
14. When it was announced by the government that we would be receiving an interim payment in the coming weeks, I did the one thing I have never done and never wanted to do. I borrowed money from my elderly parents, who are 90 and 86 years old respectively, for my son's wedding. I was ashamed that I would not be able to contribute something because of my financial circumstances. I promised my parents that I would pay them back within weeks, on the basis of the positive assurances which I had received from Freeths and BEIS. 5 months have passed now and I have not been able to repay them.
15. On Monday 21 November 2022, at about I received an email from Rob Brightwell of BEIS, inviting me to attend a meeting on 22 November 2022 (the next day) to "discuss the next steps in regards to your bankruptcy and releasing your interim payment".
16. On 22 November 2022 I attended the meeting with BEIS, on Zoom. Mr Brightwell (who chaired the meeting) attended on behalf of BEIS, along with his colleague whose name I believe was Elena. The meeting was conducted alongside about 15 other attendees, all of whom were claimants in the group litigation who had so-called "complex" or "difficult" cases. I was excited. I expected, from reading Mr Brightwell's email that progress had been made and we would be receiving good news about our interim payments.
17. During the meeting, Mr Brightwell told us that we had three options of how to proceed with interim payments. He told us that we had to reach agreement between us on which of the three options we wished to take:
 - a. The first option was for BEIS to bypass Moore UK (our trustee in bankruptcy) and pay us 100% of the interim compensation to which we are entitled. Mr

Brightwell told us that this option risked Moore UK bringing legal action against us to recover some or all of the interim payment.

- b. The second option suggested by Mr Brightwell was for us to bring legal proceedings against Moore UK so that we could recover 100% of the interim compensation. Mr Brightwell told us that this option risked Moore UK bringing proceedings against us to recover 100% of the interim compensation and that, even if we were successful, legal proceedings initiated by us could take months to resolve and could be costly.
- c. The third option presented by Mr Brightwell was to accept a split of 51%-49% with Moore, as we had done with the settlement sums from the group litigation.
- d. Finally, if we wished, we could agree to forego interim compensation altogether, instead waiting until the Stage 2 compensation scheme had been established. However, as the Stage 2 compensation scheme has not been formally announced, and will not be accepting claims until the beginning of 2023 at the earliest, it is not possible for me to accept this scheme. Further, it is not clear that the issues with the trustee in bankruptcy will be any different in the Stage 2 compensation scheme.

18. During our meeting, Mr Brightwell told us that BEIS had given Moore UK until the end of the week (25 November 2022) to agree to give us 100% of the interim payment. He said, however, that the government have no power to enforce a split. This is in spite of legal advice which I understand Freeths have received, which stated explicitly and unequivocally that subpostmasters should receive 100% of the interim compensation. As I understand it, if Moore do not agree then we were told to expect 51% of the money in our account by next week.

19. The choice given to us was not a choice. It is a poisoned chalice. We cannot afford our own legal action and we cannot wait for it to conclude. We also cannot risk Moore UK bringing legal action against us to recover money. We have been to court too much. As a result, I asked Mr Brightwell whether we needed to be in unanimous agreement in order to make progress. He told us that we did. I told him that if it meant I could get money, and money soon, I agreed to the 51/49% split. I did so reluctantly and with a heavy heart, as I simply felt I had no choice.

20. I would like to note that it was clear to me during the meeting that by agreeing to this split I was not agreeing to the split as part of the Stage 2 compensation scheme.

21. One of the most frustrating parts of this process has been the delay. If we had known that it was going to end up in the same split as the settlement funds, after all of this time, we would have simply agreed to it. We are getting the same deal as we would have done then, but in the meantime we have had to go through frustration, hurt and worry about our finances. It feels as though we are not important. We were told to fill out a form and expect payment within a few weeks. It has been five months and things are as difficult and unpredictable as ever.

22. All along we were told to wait because they were working on sorting out the complex cases. Nothing has changed and nothing has been sorted. During the meeting I asked why it had taken so long to get to this point because the government knew when they announced the £19.5 interim payment that 30 of the GLO group were bankrupt and so why wasn't this sorted out before. Mr Brightwell told us that in hindsight it should have been, that he was very sorry it's taken so long but that this is where we are now.

23. I was very angry and extremely disappointed by the meeting, both by the outcome and by the delay in agreeing to provide us with the same share of compensation as that which we would have already expected. I told Mr Brightwell that I was going to have to go on mute, as I was likely to say something I shouldn't. Everyone else on the call was just as angry.

24. What I am frightened of is that the government and Freeths have paid subpostmasters and set up the HSS. People like me are at the bottom, sidelined. Once the hearing is over in December we will be sidelined again. I am not being heard by the government or by anyone.
25. My bankruptcy is all business related. I had no credit cards, store cards, car finance or personal loans. All of the liabilities which are causing my financial difficulties relate to the Post Office and the shop. Each of my financial issues, which has inevitably caused issues in all other aspects of my life, is attributable to Horizon and to the actions and inaction of Post Office Limited.

FINANCIAL CIRCUMSTANCES

26. Over the years, my husband and I have had to learn to live within our means. We went from being relatively comfortable, with a paid-off car and financial security, to financial ruin. We survive, just about, on my husband's pension and pension credit. We survive because we don't do anything and we don't go anywhere. Our friends have stopped asking us to go out with them, because we just cannot afford the expense. We have no luxuries, we cannot afford to go on holiday, and we cannot afford to move to a bigger house from our social-housing studio flat.
27. Most of my waking thoughts are about the financial peril my husband and I are in, and I lay awake most nights worrying. My anxiety is only increasing as we come into winter and approach Christmas, especially given the rising cost of utility bills. We have one storage heater to heat the whole of our flat. We have no running hot water; we have an electric shower and we have to boil a kettle to do the washing up.
28. This should not be our lives now. We are left, stuck and thrown to one side by Post Office. We were robbed of the best years of our lives and we are left with the life that Post Office left for us, of financial risk and worry.
29. We need support and we need it urgently.

Statement of Truth

I believe the contents of this statement to be true.

GRO

Sue Palmer
30 November 2022