

Guidance

Horizon Shortfall Scheme Appeals process guidance and principles

Guidance for making an appeal under the Horizon Shortfall Scheme Appeals (HSSA) process and the underlying principles of how cases are assessed.

From: **Department for Business and Trade**

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Introduction

The Post Office established the Horizon Shortfall Scheme (HSS) to address past issues regarding its point-of-sale accounting software system, Horizon. The purpose of that scheme is for current and former postmasters who, in good faith, believe they may have been affected by shortfalls which relate to previous versions of Horizon (sometimes referred to as Legacy Horizon, Horizon Online or HNG-X) (Horizon Shortfalls). The scheme does not deal with issues arising with the current version of Horizon (HNG-A, sometimes referred to as the 'Branch Technology Upgrade').

In September 2024, the government announced that it would be introducing an independent Horizon Shortfall Scheme Appeals (HSSA) process. This is to ensure that HSS claimants have the full opportunity to receive fair redress and reflects a recommendation from the Horizon Compensation Advisory Board.

Department for Business and Trade (DBT) will deliver the appeals process. The central goal, and the overarching principle, of the process is to deliver compensation to eligible postmasters that is full and fair, restoring them to the position they would have been in had it not been for the Horizon-related actions of the Post Office.

This page sets out the underlying principles that will govern the assessment of any appeals under the process and provides guidance in relation to such appeals.

Eligibility

To be eligible for the HSSA process you must meet one of the following criteria. You must have either:

- settled your claim in the HSS without entering the Dispute Resolution Process (DRP)
- rejected your initial HSS offer without entering the DRP
- settled your claim in the DRP before mediation stage without legal advice funded by the Post Office, other than for reasonable allowances to consider your offer
- be within the DRP – with or without legal advice – but not have requested or be awaiting a mediation meeting, upon scheme opening

You cannot appeal if you have accepted the £75,000 Fixed Sum Offer (FSO). By registering with the HSSA process you will not be able to later accept the FSO.

If you have not yet submitted an HSS claim, or received an offer, [read the HSS guidance on the Post Office website](https://www.onepostoffice.co.uk/scheme) (<https://www.onepostoffice.co.uk/scheme>).

If you are currently in the DRP, and you have not yet agreed to or arranged a mediation meeting, you will be contacted and asked to decide whether to remain in the DRP or to transfer to HSSA. If you decide to remain in the DRP, you will not be eligible to transfer to HSSA.

When the scheme launches, the following timescales in Table 1 will apply to registering and making an application to the HSSA process. We encourage you to make your appeal as soon as possible, after seeking legal advice.

Table 1

| Eligible group | Timescale |
|--|---|
| Settled your claim in the HSS without entering the DRP | You will have 9 months to make an application, starting on either the date of settling your HSS panel offer, or from May 2025, whichever is later. After this time you will not be able to launch an appeal. |
| Rejected your initial HSS offer without entering the DRP | You will have 9 months to make an application, starting on either the date of rejecting your HSS panel offer, or from May 2025, whichever is later. After this time you will not be able to launch an appeal. |
| Settled your claim in the DRP before mediation stage without legal advice funded by the Post Office, other than for reasonable allowances to consider your offer | You will have 9 months to make an application, starting on either the date of settling your claim in the HSS DRP, or from May 2025, whichever is later. After this time you will not be able to launch an appeal. |
| Within the DRP – with or without legal advice – but not have requested or be awaiting a mediation meeting, upon scheme opening | You will have 9 months to make an application, starting on the date of your invitation letter, after which time you will no longer be eligible for HSSA and will remain within the DRP. |

You, or your lawyers, must submit all relevant information and evidence related to your appeal within these timeframes. If for any reason there are

issues with these timelines being met, contact hssappeals@gro.gov.uk to discuss further. If DBT do not hear back from you or your lawyer after expiry of this period, then your appeal will not be taken forward to assessment. DBT will write to you at this point to inform you of this, and you will not be able to re-enter DRP or HSSA.

You can apply on behalf of a postmaster if you have legal authority to act on their behalf. For example, if you are an executor, personal representative, attorney or deputy of the person on whose behalf you are making the application. Note that you will need to provide proof of this legal relationship.

If you were a shareholder or a director of a company or a partner in a partnership which has ceased to exist, you can make an appeal as a linked individual. If appropriate, an offer of an ex-gratia payment will be made to you and any other shareholders and directors of the company or partners of the partnership, who may have a legitimate interest in that payment. It is your responsibility to seek an agreement with them as to who will be the recipient of the payment and how it should be split between yourselves. If the company or a partnership has ceased to exist, it will not be necessary to restore it except in a limited number of circumstances, for example, when the company was set up as a community interest company.

If you are unsure whether you are eligible for the HSSA process, contact hssappeals@gro.gov.uk

You do not need to have any new information to submit an appeal, but DBT will accept any new information you wish to submit within the timescales set out in Table 1.

If you are participating in more than one redress scheme, the principle that you cannot claim twice for the same loss applies.

The process operates on a 'best offer' principle, and by entering the scheme there is no risk of receiving less redress than offered in the HSS Panel Stage. If you are in the DRP, there is no risk of receiving less redress than the best offer received during the DRP.

Parties involved

The [Horizon Compensation Advisory Board](https://www.gov.uk/government/groups/horizon-compensation-advisory-board) (<https://www.gov.uk/government/groups/horizon-compensation-advisory-board>) advises ministers on how best to manage delivery of the HSSA process. It will not have any role in individual cases, but will monitor the overall progress of the process, ensuring that it is working well and identifying any blockages.

DBT has appointed:

- Addleshaw Goddard as external legal advisors to advise DBT on individual cases
- Dentons as the Independent Panel and Reviewer Secretariat who will support the progress of disputed appeals and seek a final and fair settlement

Dentons (the 'Secretariat') will subcontract:

- an Independent Panel comprising legal, accounting, medical and retail experts (the 'Independent Panel'). The composition of the Independent Panel appointed in respect of individual claims will depend on the nature of the claim. See the 'Referral to Independent Panel' section for an explanation as to the role of the Independent Panel.
- a 'Reviewer' – an independent senior lawyer, expected to be a retired or semi-retired judge or King's Counsel (KC), who will undertake exceptional review of cases. See the 'Review process' section for an explanation as to the role of the Reviewer.

Overview of HSSA process

How to apply

If you are not currently legally represented, you are strongly urged to engage lawyers as soon as possible. Certain legal firms have agreed not to make any charges directly to postmasters for work on the entire HSSA process: they will be paid by government at rates agreed with them, which are set out in a tariff of reasonable costs (<https://www.gov.uk/government/publications/horizon-shortfall-scheme-appeals-hssa-tariff-of-reasonable-legal-costs>). Other firms can access the same rates. Firms should contact DBT at hssappeals@hssappeals.gro to discuss this further and to carry out appropriate assurance checks. This legal advice will be funded by DBT and will not be deducted from any redress you receive.

You should not engage any firm which asks you for money now or later, or which offers a 'no-win, no-fee', conditional fee or litigation funding agreement. Firms instructed on this basis will not be paid.

If you are eligible and wish to appeal against your HSS redress offer, your lawyer should complete the registration form (<https://www.gov.uk/government/publications/horizon-shortfall-scheme-appeals-hssa-registration-form>).

This should then be emailed to hssappeals@hssappeals.gro, or sent by post to:

Horizon Shortfall Scheme Appeals

Post Office Team
Department for Business and Trade
Old Admiralty Building
Admiralty Place
London
SW1A 2DY

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

ID verification and eligibility check

When you submit an HSSA registration form, your lawyer will need to provide DBT with:

- 1 piece of photo identification
- 2 proof of address documents

If you are unrepresented, then you will also need to provide verification of your identity from a third-party counter signatory.

If you have legal authority to act on behalf of an applicant (see '[Eligibility](#)' section), then you will also need to provide documentation to prove you are legally authorised to act, along with your 3 forms of ID.

See the [full details of the ID and verification documentation required](https://www.gov.uk/government/publications/horizon-shortfall-scheme-appeals-proving-your-identity) (<https://www.gov.uk/government/publications/horizon-shortfall-scheme-appeals-proving-your-identity>) in different circumstances.

Once your identity has been verified, DBT will use the information provided on the registration form to check with Post Office that you meet the eligibility criteria for entering HSSA. DBT will inform your lawyer whether you are eligible for HSSA and ask for confirmation that you wish to continue with the process.

If you are deemed to be ineligible, but you believe you meet the criteria, then your lawyer should email hssappeals **GRO** asking for a review of this decision.

For DRP transfer cases, once eligibility has been confirmed, you will be transferred over to HSSA and DBT will request information relating to your claim by a secure method from Post Office. For all other eligible postmasters, once eligibility has been confirmed, DBT will ask you to confirm that you wish to continue with the application process and will only

request information relating to your claim from Post Office once you have confirmed your wish to continue.

DBT will minimise the amount of information that postmasters need to submit – so you will not need to resubmit any information that has already been submitted to Post Office. Secure disclosure of information relating to your claim from Post Office is in line with our data sharing agreement. A [privacy statement \(https://www.gov.uk/government/publications/horizon-shortfall-scheme-appeals-hssa-privacy-notice\)](https://www.gov.uk/government/publications/horizon-shortfall-scheme-appeals-hssa-privacy-notice) will also be sent to you.

The information received will be made available to you and your lawyer. For eligible postmasters not already within DRP, your lawyer will then be invited to fill out a full application form.

Submission of an appeal

Your lawyer will submit your full application form. This should then be emailed to [hssappeals@](mailto:hssappeals@gro.gov.uk) **GRO** or sent by post to:

Horizon Shortfall Scheme Appeals

Post Office Team
Department for Business and Trade
Old Admiralty Building
Admiralty Place
London
SW1A 2DY

Only if you choose to represent yourself should you fill in and submit your own application form.

Your lawyer will need to confirm if you do not wish to submit any additional evidence as part of your application.

For the purposes of clarity, all eligible postmasters not already within DRP will need to provide information to explain why you wish to appeal your offer or settlement. You can appeal the whole settlement, a singular head of loss, or multiple heads of loss. For DRP transfers, DBT will assume your dispute is on the same basis as the one you raised in DRP unless otherwise stated in your application form.

You are requested to provide all relevant information to support your appeal, or confirm if you do not wish to submit any additional evidence, within the timescales set out in Table 1. If DBT do not hear back from you or your lawyer after expiry of this period, then your appeal will not be taken forward to assessment. DBT will write to you at this point to inform you of this, and you will not be able to re-enter DRP or HSSA.

Assessment of your claim

For consistency, the main principles and types of loss within the HSS Consequential Loss Principles and Guidance (on the Post Office website) (<https://www.onepostoffice.co.uk/scheme>) will also be applied to HSSA. They set out the underlying principles that will govern the assessment of any appeals for Consequential Loss under the process.

In addition to the application of these principles the process will also consider what is fair in all the circumstances.

Appeals will initially be considered by caseworkers in DBT, with advice from Addleshaw Goddard as the contracted legal casework adviser. Your lawyer will receive regular updates regarding your claim via DBT.

DBT may ask your lawyer for further information which would help the assessment of your appeal. However, DBT expect that these requests will be minimal, as cases will have already been assessed. Where new documentation relevant to a claim cannot be obtained without a fee, for example where current property valuations or forensic accountancy analysis is required, your lawyer may request that DBT reimburse the reasonable costs of obtaining that new documentation as per the HSSA tariff of reasonable legal costs (<https://www.gov.uk/government/publications/horizon-shortfall-scheme-appeals-hssa-tariff-of-reasonable-legal-costs>). DBT will not reimburse costs that are not pre-approved.

DBT will also set out further information and guidance for expert reports, which will ensure that any documentation relevant to a claim provides the appropriate evidence to support your appeal.

DBT will make a fresh assessment of your case. If that assessment concludes that your HSS offer was too low, DBT will send a fresh offer to your lawyer with an explanation, including the reasons for any difference from the amount claimed. Alternatively, the DBT caseworker will inform your lawyer that DBT agrees with the original HSS offer.

DBT aims to issue such a response in 90% of cases within 40 working days of submission of a substantially complete appeal (or your full response to any request for further information).

If you wish to dispute part or all of any fresh DBT offer, your lawyer should write to DBT to explain why as soon as possible. DBT will then carry out settlement discussions directly with your lawyer in an attempt to resolve the disagreement and avoid escalation. During these discussions, DBT will consider whether a revised offer could be made in accordance with these guidance and principles.

Referral to Independent Panel

If those settlement discussions do not lead to agreement within a reasonable amount of time – and no more than 2 months – the Secretariat will have discretion as to whether a case should be referred to the Independent Panel.

The Secretariat is unlikely to refer a case to the Independent Panel in any of the following circumstances:

- if there is not a substantial difference between the last claim and offer exchanged by the parties
- further evidence is required
- there is no issue on which it would be helpful to obtain the views of the Independent Panel, for example, if the only areas of disagreement between the parties relate to a principle which the Independent Panel has already determined

Cases in which DBT has decided not to make a fresh offer will be automatically referred to the panel.

The Secretariat will put a case to the Independent Panel for assessment.

If your claim is referred to the Independent Panel, you will have the option to make an oral statement, limited to one hour, to the Independent Panel before it makes its decision. The Independent Panel may ask you further questions in relation to your claim during the oral statement session.

The Independent Panel will apply judgement to individual cases, guided by considerations of fairness and legal principles. It may recommend a specific award or request further evidence or analysis.

If the Independent Panel considers that an eligible claim requires further evidence to allow it to recommend an outcome, the Independent Panel can recommend further evidence is sought in accordance with the procedure set out in the terms of reference. The Independent Panel's binding assessment – including its reasoning – will be recorded in writing and made available to you and your lawyer.

The Independent Panel may make an award which is less than any earlier offer made by DBT for your appeal. DBT will be bound by the Independent Panel's decision and once the Independent Panel has made its final decision on the offer, you will not be able to return to this earlier offer. However, you will never receive any less than your HSS or DRP offer.

Review process

You can make an application to refer your case to the Reviewer for exceptional review if you believe one of the following criteria apply:

- if you have arguable grounds that there has been a manifest error, procedural irregularity or substantive error of principle in the Independent Panel's assessment of the appeal
- if the Independent Panel's assessment is substantially inconsistent with the Guidance and Principles (the 'Review Criteria')

If you are not currently legally represented, you are strongly urged to engage lawyers as soon as possible.

DBT will have the same right to seek exceptional review of a case. This power would allow DBT to challenge the Independent Panel's assessment if it believed that the Independent Panel had departed from the established framework for assessing appeals which is intended to achieve consistency and fairness when making offers to postmasters.

Any such application must be made within 15 working days of the communication of the Independent Panel's assessment. Any case submitted for the review should be made using the form 'Template Review Application' provided by the Secretariat.

If the Reviewer concludes that a prima facie case exists and there is sufficient evidence in support of a review, The Secretariat will notify you and DBT accordingly and will invite you and DBT to prepare written submissions. The review application will then be referred to the Reviewer for consideration.

The Reviewer will consider the Review Application alongside any comments on it which they may invite from the Independent Panel and the parties' written submissions.

The Reviewer may uphold the Independent Panel's assessment or, in the event of finding that the review criteria apply, make a revised award of compensation. The Reviewer's decision will be sent to you and your lawyer and to DBT and Addleshaw Goddard, together with a written explanation. The Reviewer will aim to provide their decision within 2 weeks of receiving instruction from the Secretariat to review the appeal. The Reviewer's finding will be the final stage to determine your appeal. DBT will not consider any further offers or changes to the offer after this.

Acceptance of the offer

DBT will pay you the amount of redress that is agreed or determined by the Independent Panel or the Reviewer once one of the following has occurred:

- the parties have agreed in writing on an amount of redress for some or all heads of claim
- the Independent Panel has issued an assessment and you have not referred it for exceptional review within 15 working days
- the Reviewer has issued a decision

If it is determined that you should have received a higher amount than offered in your original HSS claim, one payment will be made to you.

DBT remains committed to making payment under those processes as quickly as possible. Any previous payments already made by the Post Office for your HSS settlement will be deducted before the DBT payment is made. Payments will be made directly to you, after your payment details have been provided by you and verified by DBT.

Transparency of progress of the process

Information about the progress of the process will be published each month on the GOV.UK website. It will include statistics about the number of appeals submitted, offers made and acceptances, as well as the total amounts paid.

Taxation

No Income Tax, Capital Gains Tax, National Insurance contributions, Corporation Tax, or Inheritance Tax will be payable by any party in respect of any payment through the HSSA process. Interest applied to claims will not be subject to any tax deductions.

These exemptions only apply to the HSSA process – for advice and guidance about taxation under the HSS, refer to the [guidance published by Post Office \(https://www.onepostoffice.co.uk/scheme\)](https://www.onepostoffice.co.uk/scheme).

When considering whether to transfer to the HSSA process you may wish to take legal advice about any implications of transferring.

Interest

If it is decided that you are due more redress, then compound interest will be applied in relation to shortfall claims at a standard rate of 3.45%. You do not need to calculate the interest in your application form. DBT will calculate the interest to every offer made.

Interest will only be paid for payments on which you have not previously had interest applied during your original HSS claim.

Additionally, if the decision is that that no further redress is due, compound interest will not apply.

Interest on specific heads of loss will be applied from the starting points in line with those currently used in HSS.

Further information

If you have a query or need more information you can email the HSSA team hssappeals@GRO

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