



Kevin Hollinrake MP
Parliamentary Under Secretary of State

Department for Business and Trade
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Whitehall
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Rt Hon John Glen MP
House of Commons
London
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02 November 2023

Dear John,

POST OFFICE: HORIZON COMPENSATION

I am writing in response to the Chancellor's letter to the Secretary of State for Business and Trade of 4 September on accelerating Post Office Horizon compensation.

We agree with you that we need to keep up the pressure to ensure prompt payment of compensation to those affected by the Horizon scandal.

We announced on 19 September that every Postmaster who was wrongfully convicted and has had their conviction overturned, as it was reliant on Horizon evidence, will be offered an optional sum of up to £600,000 in compensation. This is being administered by the Post Office, should save admin and legal costs and, most importantly, speed up settlements. Thank you for your support for this intervention.

I understand that you have agreed in principle to a scrutiny threshold for claimants to the Group Litigation Order (GLO) scheme, below which claims would be signed off as requested, subject to streamlined checks for fraud. This would reduce admin costs to Government, particularly relating to lawyers' fees and Post Office costs, and should speed up settlements significantly.

This agreement is welcome, but I believe that we can and should go further to accelerate this scheme. Our proposed minimum £100k payment for GLO claimants would be the best way to do that, responding to the moral imperative of getting compensation to those who have waited years. As well as saving costs on legal fees, it should ensure a high positive response rate from claimants. Since receiving your letter, we have considered the alternative of setting the payment level at £75k. We estimate that this would allow us to deliver swifter compensation for 182 of the 492 eligible claimants (compared with 228 under our original £100k proposal). We remain committed to the principle of pursuing a fixed payment for this scheme too. If you are also committed to your position on this, I would ask that you agree to a meeting with me to discuss this at your earliest convenience.

I note your comments about the challenges faced by the GLO scheme. I share your concern that we should compensate these people as soon as possible. We are committed to legislating at the earliest possible opportunity, subject to PBL agreement, to eliminate the risk highlighted by Sir Wyn Williams. Nobody should go without compensation if, despite our

best efforts, they are unable to submit claims in time to enable us to meet the August 2024 deadline.

We are also reviewing our admin costs to ensure prompt delivery of the GLO scheme and our Department will discuss that with your team in the usual way ahead of Supplementary Estimates.

I also wanted to let you know that we are exploring whether there would be any potential to recoup costs that have fallen to the Government and to the Post Office from Fujitsu as a result of their role in the scandal. There are obviously complex legal and commercial aspects to this question, but I would welcome your support and that of your team in considering the issue, which the Secretary of State and I regard as a moral as well as financial question.

Yours ever,

A large, bold, black signature 'GRO' is enclosed within a dashed rectangular border.

KEVIN HOLLINRAKE MP

Minister for Enterprise, Markets and Small Business

Annex: Strategy

1) Promotion

- promoting progress across the compensation programme more actively. Update: Monthly data now being published on Gov.uk to demonstrate progress;
- planning comms moments to publicise the compensation and encourage claims. Update: comms events planned alongside the introduction and Second Reading for the planned Post Office Horizon Compensation Bill;

2) Pace

- encouraging swift take-up of the £600k upfront offer to postmasters with overturned convictions. Update: Minister Hollinrake met Neil Huggell, the solicitor who represents the majority of claimants in this group on 26 October and we understand that at least 20 of the current group look likely to accept the offer;
- working with the Advisory Board and Post Office to encourage as many convicted individuals as possible to seek to have their conviction overturned;
- supporting interim payments across all of the compensation workstrands, even where some elements are unresolved;
- seeking approval for an upfront offer for GLO claimants, to build on the generally positive reception for the £600k for those with overturned convictions;

3) Resolution of issues

- responding positively to recommendations from Sir Wyn Williams' statutory inquiry in order to demonstrate that we are open to feedback. Update: action taken, with HMT and HMRC help, on tax top-ups and first letters have now issued;
- seeking HMT approval for additional funding for Post Office to enable them to complete their compensation and Inquiry obligations. Update: business case submitted to HMT; subsidy referral made to Subsidy Advice Unit.
- engaging carefully on areas where there is pressure for Government to undertake further action that would be well-received but would significantly lengthen the timetable for compensation (e.g. calls for compensation for family members and an appeal mechanism for the more than 2k people who have received offers from the Horizon Shortfall Scheme).