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Paul Scully MP  
Minister for Small Business, Consumers &  
Labour Markets and Minister for London  
Department for Business, Energy and Industrial Strategy  
1 Victoria Street  
London  
SW1H 0ET

5 March 2021

Dear Paul,

**Compensation for Postmasters with quashed convictions and Post Office vision for 2025**

As I look ahead to the Court of Appeal's deliberations commencing Monday 22 March, and the convictions already quashed at Southwark Crown Court, I would like to share my thinking about how best to meet the needs of those rightly pursuing further justice, and those of current and future Postmasters and their customers.

Since taking up my post in September 2019, I have spent a significant proportion of my time instituting wide-ranging reforms designed to prevent any possibility of recurrence of the issues that affected too many Postmasters. This is clearly the right thing to do.

At every stage, I have worked closely with your officials, in both UKGI and BEIS, to navigate the volume and complexity of the requirements for us as a business as we seek to put matters right. While I understand completely the need for appropriate controls in the management and spending of shareholder money, in the context of the criminal cases I believe that there is a more efficient alternative to a model in which Post Office devises and administers a scheme for redress but which the shareholder funds.

A scheme similar to Historical Shortfalls Scheme (HSS) for those successful in their appeals of criminal convictions is unlikely to work, not least because the lawyers representing a significant number of the appellants have already indicated that they will not participate in such a scheme. The merits of each claim will be also be harder to assess than those in the HSS.

Given that the funding of the compensation will inevitably have to be met by the shareholder and that, quite rightly, the shareholder accordingly expects to exercise a tight control of that expenditure, I consider it to be more appropriate for the shareholder to administer the process of settlements directly.

This will, in my view, make the process more efficient for those seeking compensation and would allow Post Office to place more of its focus on enabling current Postmasters to thrive and serve their customers well in a retail environment that is changing dramatically in response to the pandemic.

Having considered the matter carefully, I am of the view that it is only by acting decisively to resolve these legal and compensation issues that we will be able to break from the past and start realising a positive future for the Post Office.

On that subject, as the new financial year approaches, I will shortly set out [to Postmasters and colleagues] a vision for the Post Office in 2025. This vision will focus on the traits of a successful franchise which operates for the mutual benefit of Post Office Limited as franchisor and Postmasters as franchisees. Most importantly, the vision will emphasise how local Post Offices can be the retail anchor on high streets and help sustain communities through the essential services they provide. I hope that this is a vision you will support in Parliament, providing the appropriate counterweight to the scrutiny entailed in achieving justice for Postmasters affected where things went wrong in the past.

Our next meeting is scheduled for Monday 15 March, with an agenda already focused on the closure of Directly Managed Branches and the future size and shape of the Network. I would be pleased to speak to you sooner to discuss compensation for appellants with quashed convictions and the vision for the Post Office to 2025.

Yours sincerely,

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

Nick Read  
Group Chief Executive Officer