



The Rt Hon Kemi Badenoch MP

Department for Business & Trade

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Dear Jeremy,

Accelerating Post Office Horizon Compensation

Kevin Hollinrake and I are both determined that postmasters affected by the Post Office Horizon scandal should get proper compensation – and that they should get it as rapidly as possible.

The three compensation arrangements are at different stages of maturity:

- The Horizon Shortfall Scheme (HSS) has issued first offers to all but 7 of the 2,417 original claimants, but there are also 303 – mainly with larger and more complex claims – who are disputing those offers and a further 167 late claimants who have yet to settle.
- Non-pecuniary compensation for the 86 people with overturned convictions is progressing well, with 56 out of 73 claims to date already paid. But progress has been slower on pecuniary compensation – only 20 claims have been submitted and 5 settled. The Post Office is introducing a more straightforward principles-based remediation process – but that in itself is taking months to stand up because of the need to consult claimants' lawyers and bring them on board.
- The scheme to give additional compensation to the GLO group (who exposed the scandal by suing the Post Office) has only recently opened. It has received 20 claims and made 4 offers – but it must compensate all 492 people by August 2024 unless our legal powers are extended.

This scandal ruined many postmasters' lives. The longer compensation goes unpaid, the more criticism we shall face – including from the Williams Inquiry. If we were to fail to compensate all the GLO members in time we would face severe criticism from all sides.

Kevin and I have therefore been looking at ways in which we could radically speed up the processes. We already make interim payments of £163k to almost all postmasters whose convictions are overturned, and we undertake only limited scrutiny of GLO claims for certain heads of loss under £10k and HSS ones under £8k. We are looking to extend these measures substantially in relation to the GLO, which has started to receive claims.

Some of the options we are considering would actually save more on the costs of lawyers or other advisors than they would cost in extra compensation. Others do have additional costs – but in my view these would be well worthwhile in the light of the non-financial benefits of accelerating the schemes. In particular, I would like us to be able to offer a £100k fixed payment to every claimant who applies to the GLO scheme. I recognise that announcing this would create significant pressure to offer the same for HSS claimants, which we should consider separately, but I believe this is the right route forward for the GLO Scheme. Such radical action would offer great advantages in terms of the speed of the process. The DBT Accounting Officer has expressed some concerns about the value for money given the repercussive risk and raised the potential need for a direction for this idea. I would welcome your views on the best approach, being mindful of value for money considerations, and whether you agree that we should pursue this.

Our officials have been keeping yours fully in touch with the progress of the schemes and our thinking about how to accelerate them. They will share specific proposals shortly. I would be grateful if you could encourage your team to give them positive and rapid consideration.

I am copying this letter to Kevin Hollinrake and to the Chief Secretary.

Best wishes,

THE RT HON KEMI BADENOCH MP

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