

Rt Hon Paul Scully MP
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London SW1H 0ET

BY EMAIL AND RECORDED DELIVERY

Our ref: DE/JS/POHITI

6 December 2021

Dear Mr Scully

Compensation and redress for subpostmasters

We act for 150 subpostmasters in the Public Inquiry being conducted by Sir Wyn Williams into the Post Office scandal.

We seek an urgent meeting with you as our victim clients want concrete commitments from you that:

- (i) your department has commenced work on an holistic reparations scheme for subpostmasters and other persons affected by the Horizon IT scandal;
- (ii) if your department has not commenced that work, that your department will start the work immediately to establish a reparation scheme to adequately compensate subpostmasters;
- (iii) your department commits to providing a meaningful sum of interim compensation to all affected persons, within 28 days of application, in line with the scheme for interim payments for those criminally convicted, and who have had those convictions overturned;
- (iv) that any future holistic compensation scheme will not exclude claimants who participated in the High Court Group Litigation of *Bates and Others v Post Office Ltd*; and
- (v) your department will commit to paying to the claimants subject to the the Group Litigation Order in *Bates and Others v Post Office Ltd* the legal and funding costs they incurred in order to bring that claim to a successful judgment that exposed the scandal

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To assist you, we attach to this email (and enclose with the hard copy letter) our letter to Nick Read (CEO of Post Office Limited) of 22 October 2021; Post Office Limited's response of 4 November 2021; our letter of 10 November 2021; Post Office Limited's response on 19 November 2021; our letter of 25 November 2021; and Post Office Limited's response of 2 December 2021.

The letter of 2 December 2021, sent on behalf of Post Office Limited, succinctly summarises Post Office Limited's current position:

'[it] is willing to consider the position of your clients [as detailed above] and, as we confirmed in our letter of 19 November, it is in discussions with the Government in relation to your clients' position. However, POL's position is that it is reliant on Government funding for any further compensation arrangements and so it is ultimately in Government's hands in that respect.'

In these circumstances, the responsibility lies with your department and your government to immediately, comprehensively and finally address the consequences of what you and the Prime Minister have described as "...one of the biggest miscarriages of justice in our history."

As recently as 1 December 2021, in correspondence directly with at least two of our clients, you have stated that:

'I understand the serious impact that issues arising from faults with the Horizon IT system and the Post Office's management of these issues, have had on affected postmasters' lives and livelihoods. The Government recognises the distress that postmasters and their families have suffered since faults with the Horizon system began, with some having their livelihoods and businesses taken away and some convicted of crimes which we now know they did not commit. The Post Office has accepted that it got things wrong and has apologised. However, Government has been clear that this apology must only be the start of a process that leads to real and fundamental change in the Post Office.'

*'I recognise that you were part of the Group Litigation Order (GLO) against Post Office Limited. In December 2019, Post Office Limited and claimants in the GLO reached a substantive settlement of £57.75m. Post Office Limited also issued an apology and this concluded the civil case against the company. I understand the strength of feeling by postmasters like yourself who only received a portion of the £57.75m settlement paid by Post Office. **However, a full and final settlement was reached between the claimants in the GLO and the Post Office. There is nothing further the department can do at this time.'***

It is untrue that there is nothing further that your department can do. Given that you accept '*the serious impact that issues arising from faults with the Horizon IT system and the Post Office's management of these issues, have had on affected postmasters' lives and livelihoods'* and that '*The Government recognises the distress that postmasters and their families have suffered since faults with the Horizon system began, with some having their livelihoods and businesses taken away and some convicted of crimes which we now know they did not commit'*, it is incumbent on you, your department and your government to compensate subpostmasters and their families for the losses and harms suffered as a result of the actions of the company wholly owned by your department and over which your department exercises oversight.

Neither you nor your government's hands are tied by the settlement in the group litigation. It is entirely open to your department and your government to acknowledge the widely-accepted fact that claimants in the Group Litigation performed a vital public service. Without their action, for which they paid a very high price, the greatest miscarriage of justice in British legal history would never have been uncovered.

We would remind you that this issue has been raised with you previously by many Members of Parliament and in the Lords. For example, Jerome Mayhew MP, in his question to you on 27 April 2021 raised the following:

"The group litigation of 2019 performed an enormous public service by bringing this miscarriage of justice to light, but although successful, those involved paid an enormous price for that public service, because most of their compensation was diverted away into legal fees, leaving just £15,000 per victim. That is grossly unfair. The Minister has referred a couple of times to the full and final settlement that has been reached for them, and it is true that that is the contractual position, but it is open to the Government to look behind the contractual position and actively compensate these people in full. Is that something that the Minister will consider?"

We remind you that you in your statement to Parliament on 27 April 2021 recognised that "...the Court of Appeal decision represents the culmination of years of efforts by those postmasters"; that is to say in very large part the efforts of the Group Litigants.

It is for this reason, the enormous public service in bringing this miscarriage of justice to light, that there is a clear moral obligation on your department and your government to pay the legal and legal funding costs of the Group Litigation.

Your company (Post Office Limited) indicates that it is sympathetic to this course of action, but states that it has neither the means nor the authority to do so. Post Office Limited states that resolution of this matter is in "government's hands".

Please confirm that you will now commit to paying the full legal and legal funding costs of the Group Litigation, so that the funds can be fairly distributed to the victims affected by the scandal and in recognition of the extraordinary and vital public service performed by the claimants in that case.

Urgent interim compensation and an holistic compensation scheme

In your letter of 1 December 2021 to our clients, you expressly acknowledge the "serious impact that issues arising from faults with the Horizon IT system and the Post Office's management of these issues, have had on affected postmasters' lives and livelihoods [...] with some having their livelihoods and businesses taken away".

We will not repeat the urgency of the financial needs of our clients. This has been set out fully, for example in our letter of 22 October 2021, and as a matter of public record in our clients' counsel's

oral submissions to the Post Office Horizon IT Inquiry's Preliminary Hearing on 8 November 2021, at which your department was present and was represented.

You, your department and your government have made repeated public statements as to your commitment to righting the wrongs caused by Post Office Limited's actions. The imperative is on you to act, and act now.

We seek a commitment from you that you will immediately announce an interim compensation scheme which will provide the urgently needed and immediate financial relief to subpostmasters who were harmed or placed in harm's way by Post Office Limited.

We also call on you to confirm that you have commenced, or that you will immediately commence work, on developing and implementing a holistic, full, fair and final compensation scheme for subpostmasters.

Conclusion

We have been pressing the officers of your company (Post Office Limited) for a meeting with you and your department to discuss the matters addressed in this letter for over 6 weeks. Post Office Limited have stated that this is in your hands. The solution is in your hands as is the moral imperative to act.

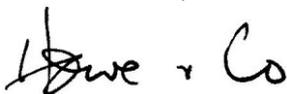
The matters raised in this letter will come as no surprise to you. As such, please provide dates for a meeting (to be held within the next 14 days) to discuss and agree the matters above, and to obtain from you concrete proposals for immediate action on each point.

For the avoidance of doubt, this is an open letter, and may be raised with the Chair of the Post Office Horizon IT Inquiry.

Given the urgency of the matter, and that you have no doubt been made aware of our clients' position in relation to these matters, we ask for response by return.

Please contact our David Enright by email at partners@howe.co.uk.

Yours sincerely

A handwritten signature in black ink that reads "Howe + Co". The signature is written in a cursive, slightly stylized font.

Howe + Co