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Sent: 09 July 2022 18:11
To: Brightwell, Rob (Services Directorate) <[REDACTED]>
Subject: POST OFFICE HORIZON COMPENSATION: GLO

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POST OFFICE HORIZON COMPENSATION: GLO

I'm the Deputy Director leading on the BEIS Response to the Williams Inquiry, and on the development of a new compensation scheme for members of the GLO. I understand that you may be representing postmasters affected by the Horizon IT scandal and consequently may have valuable insights to offer regarding their compensation. I'm therefore writing to invite your input to that development, and specifically to a meeting at which we can discuss the key issues and the approach which we're planning to take.

You will have seen that our Counsel's submission to the Williams Inquiry made the following comments on the GLO:

As set out in the ministerial announcement on 22 March 2022 the Department's intention is that members of the group litigation will receive equivalent compensation to that available to those SPMs who were not part of the group litigation. At a meeting on 30 March 2022 between the Minister of State, the Justice for Subpostmasters Alliance ("JFSA") and Freeths LLP, it was agreed that there would be collaboration on developing compensation arrangements through weekly meetings of a working group comprising Departmental officials, JFSA representatives and solicitors from Freeths.

Those meetings began on 7 April 2022 and all four of the issues raised by the Chair in relation to compensation for the group litigation claimants are under discussion. The Minister of State will write soon to all members of the group litigation order to consult them informally on the shape of proposals emerging from the working group. Whilst no decisions have been made as at the date of these submissions being written, both sides share a strong desire to put in place arrangements and begin payments as soon as possible. The Department hopes to be able to provide a further update to the Inquiry at the hearing in July.

Our initial engagement has been with the JFSA, because it was their campaign which led to the March announcement. Freeths were of course the JFSA's solicitors for the GLO case. As a result they developed some invaluable assets including an evidence base, insights about the claimant group and a methodology for distributing the High Court settlement. As Minister Scully announced on 30 June, we are contracting with them to enable us to draw on these (but without access to personal information about individuals). However we certainly do not intend this to be an exclusive relationship so far as input to the development of the new compensation scheme is concerned. We would very much welcome your contribution too.

To that end, I would welcome your views on the issues set out in the remainder of this letter.

Process for developing the GLO compensation scheme

We envisage the following process for development of the scheme:

1. BEIS holds initial discussions with JFSA and Freeths to identify learning from the High Court case and the distribution of the associated settlement.
2. BEIS prepares options for a scheme, which are likely to draw on a mix of the approaches used in the HSS and in Freeths' distribution of the High Court settlement.
3. Discussion of draft outline open to all lawyers believed to likely to represent postmasters on compensation issues
4. Proposed outline published and sent to each member of GLO group (and legal representatives) for comment.
5. Detail of scheme developed and finalised, drawing on responses from GLO members and legal representatives.
6. Detail of scheme published and claims invited.

I would welcome your views on this process and your participation in the discussion mentioned at 3. Key issues for discussion will include the following:

- We need processes for deciding claims which are fair, rapid and trusted. Do you agree that decisions at first instance should be taken by an independent panel? What is the best approach to deciding on challenges to the panel's decision?
- What will be the most difficult heads of loss to quantify and/or evidence, and how should we address them to ensure fair and speedy solutions?
- Are there sub-sets of the claimant group to whom we need to give particular consideration and how should issues arising in relation to those sub-sets be addressed?

Arrangement for submission of claims

Members of the GLO have already invested a good deal of time and effort in preparing the claims that formed the basis of the GLO case. BEIS does not want to put them through the stress and effort which would be involved in preparing fresh claims for the new GLO scheme.

To avoid this, claims to the new scheme could be straightforwardly developed by the legal representatives appointed by GLO members to make those claims using the information provided for the GLO case. This could, of course, only be done at the claimant's specific instruction.

Aside from the saving in stress and effort for claimants, this should ensure that claims can be submitted more quickly and should ensure greater consistency of presentation, which will allow subsequent handling to be quicker and more economical.

As the Minister announced on 30 June, we propose to meet claimants' reasonable legal costs arising from their participation in the new scheme. Costs will be reimbursed in phases, the first of which will be the preparation of such claims.

Claims prepared in this way plainly cannot take account of developments since the conclusion of the GLO case in 2019. There may also be some heads of loss where full information was not gathered for that case or may be new due to passage of time. We propose to allow these elements of claims to be submitted later: in the meantime we will press ahead with considering the elements which are submitted in the first wave.

I would welcome comments on these proposals.

Interim payments

You will have seen that on 30 June the Minister also announced that we would be making interim payments to GLO members. As you know, we already have arrangements for postmasters convicted of Horizon-related offences to claim interim payments once their convictions are quashed. We will divide an additional £19.5 million amongst remaining claimants in line with the distribution of the High Court settlement. I would be happy to address any questions about this and how it may impact on claims to the new scheme.

Next steps

I propose to arrange a discussion of these issues amongst addressees of this email, with online access available. I would welcome comments in writing in advance of that. Please let me know whether you would be interested in such a discussion: if so, we'll be in touch with your offices to arrange a mutually convenient date.

Rob



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