

POST OFFICE HORIZON IT INQUIRY

APRIL 2023 SUBMISSIONS ON COMPENSATION FROM HUDGELL SOLICITORS

1. Hudgell Solicitors represent:
 - (i) 125 Claimants under the Historical Shortfall Scheme;
 - (ii) 71 persons whose convictions have been overturned; and,
 - (iii) 4 persons involved in the Group Litigation Scheme.

2. By way of email dated 23 March 2023, the Inquiry invited CPs to provide further written submissions on the following issues, as they relate to compensation:
 - (i) **Bankruptcy**; and,
 - (ii) **Taxation**.

3. In addition, Sir Wyn Williams requested:
 - (iii) **Factual progress update on the Historical Shortfall Scheme and Overturned Historical Convictions Scheme; and,**
 - (iv) **Factual progress update on the implementation and administration of the Group Litigation Scheme**

4. We take each in turn.
 - (i) **Bankruptcy**

5. As the opinion from Katherine Addy KC makes clear, the position is complex.
 - a. **Overturned Historic Convictions**

6. Matter are progressing well in relation to the issue of bankruptcy as it appears in Overturned Historical Conviction cases conducted by Hudgell Solicitors.
7. The Official Receiver has relinquished all interest in Overturned Historical Conviction cases being dealt with by Hudgell Solicitors.
8. As was pointed out in Hudgell Solicitors' December 2022 Submissions in respect of compensation (the December Submissions) three cases involving bankruptcy were with *Moore's*. They remain there but at the request of POL, the non-pecuniary loss claims have all been settled with substantial payments to the Trustee. Those payments were required because the persons affected had assigned a proportion of the benefit of their claims against POL to the Trustee as part of the GLO *ex gratia* payments process. All that now remains in respect of the bankruptcy issues with the three cases is to ensure that POL meets its agreement to reimburse the Claimants for those payments as part of their pecuniary loss claims. As matters stand, Hudgell Solicitors have no reason to believe that POL will not reimburse the Claimants in that way but, given the substantial sums involved, it would give peace of mind to the Claimants if POL was to now confirm agreement to the actual payments made.

b. Historic Shortfall Scheme

9. The bankruptcy issue in respect of HSS cases is more complex but some encouraging progress is being made.
10. There are ongoing discussions which may mean that Hudgell Solicitors are able to provide greater clarity closer to the hearing of 27 April.
11. For the moment, the insolvency expert instructed by Hudgell Solicitors is working closely with the Official Receiver to devise a formula for dealing with cases involving bankruptcy where POL (or POCL) was responsible for the bankruptcy. The proposal is to first establish what is needed to pay off the bankruptcies and from there 'gross up' the proposed settlement to ensure that the Claimant is restored to the position they would have been in had they not suffered losses from *Horizon* unreliability.

12. In the early part of this year, there was a change of approach to HSS by POL. As can be seen from the ‘Table of General Damages for HSS Bankruptcy Claims’ (Appendix 1) general damages are now being awarded for the stigma attached to bankruptcy. Previously, they were not and the latest cases in Appendix 1 can be contrasted with, for example, the widely publicised case of the client of Hudgell Solicitors, Mr. Francis Duff¹. Moreover, in more recent offers, POL has made helpful concessions as to its responsibility for any bankruptcy. With that change in approach, we ask that earlier offers where bankruptcy has been an issue be revisited.
13. Additionally, interim payments are now being made for losses which it is agreed could not form part of the bankrupt estate - that is for general damages (see §18 of the December Submissions) - whilst the complex picture around each bankruptcy is analysed and resolved. However, absent payments for stigma relating to bankruptcy, such interim payments have been modest in the context of the size of the overall offer. Plainly, revisiting the earlier offers would assist those such as Mr. Duff whilst matters are resolved.
14. Overall, many of the advances that have been seen around claims involving bankruptcy have followed the airing of these issues in the hearings the Inquiry has devoted to compensation. The CPs represented by Hudgell Solicitors are grateful to Sir Wyn Williams for providing the forum for the ventilation of these issues.

(i) Taxation

15. An important issue has arisen in respect of taxation of compensation paid to postmasters applying to the HSS.
16. The Inquiry may be aware that HSS awards are paid net of income tax.
17. As the Inquiry will expect, compensation for some heads of pecuniary loss (for example, loss of remuneration) will relate to losses sustained over a number of years.

¹ See the Daily Mail article of 16 February 2023 <https://www.dailymail.co.uk/news/article-11745221/Postmaster-lost-Horizon-scandal-forced-hand-322k-compensation.html>

As an example, a person may have lost £30,000 a year for 10 years. Income tax would ordinarily have been paid at basic rate on that figure. However, if a lump sum of £300,000 is paid that attracts income tax at a higher rate. This potentially produces significant unfairness for HSS claimants.

18. For many months, Hudgell Solicitors have been requesting that Government provide a tax exemption to bring the HSS into line with other schemes. At page 3 of the update of Mr Hollinrake MP (Parliamentary Under-Secretary at the Department of Business and Trade), he states that *“On tax, the Post Office and Government want to see fair compensation for all victims and are looking at issues raised so that if any unfairness is identified in individual cases, this can be addressed”*.

19. The absence of a tax exemption produces extra work and expenditure for HSS Claimants if they are to get what they are entitled to. Many HSS Claimants do not have income which exceeds their personal allowance. Given that HSS payments are made net of tax, those Claimants may be entitled to a tax rebate. In order to receive that rebate, they must submit a tax return and such a return is inevitably complex and costly. An exemption would remove that hurdle to fair compensation.

(ii) Factual progress update on the Historical Shortfall Scheme and Overturned Historical Convictions Scheme

20. Taking each in turn:

a. Historical Shortfall Scheme

21. Hudgell Solicitors represent 125 clients. These include 26 bankrupt clients and 12 out of time/late applications.

22. There are some encouraging matters to report.

23. In previous submissions on compensation, we explained how the lack of interim payments in HSS cases impacted Claimants. We are pleased to say that interim

payments are now made on a regular basis, and at a level of up to 80% of the overall offer.

24. There had been a delay in agreeing a costs matrix including provision for expert fees. However, that delay now appears to have been resolved and a matrix similar to that provided for under the Group Litigation Scheme (but based on reasonable costs and not fixed costs) is close to being formally adopted.
25. Hudgell Solicitors had previously expressed concern that expert evidence, such as a medical report, was not available to HSS Claimants due to lack of funding. (see §22 of the December Submissions). The current position is that all cases are now able to benefit from appropriate analysis by relevant experts.
26. Despite weekly meetings between POL and Hudgell Solicitors, not one of the 120 plus cases is currently capable of settlement. They are cases of complexity which require significant investigation and negotiation. Inevitably, this raises concern over whether the earlier cases where Claimants were unrepresented were prematurely settled at a level which did not reflect their true value. (We are mindful that the Inquiry will be returning to that topic in Stage 5 and we say no more on the issue at this stage). It is hoped that these cases will be resolved in the course of this calendar year, but that cannot be guaranteed.
27. In submissions on compensation provided to the Inquiry in December 2022, Hudgell Solicitors remarked on the delay of the HSS in deciding whether late applications would be accepted (See §11 of the December Submissions). Some progress is now beginning to be made. Four such applications have been accepted in the past week, two of whom were Claimants who were cautioned². At the time of writing, there remain eight cases still awaiting decision.

² On page 2 of his update, Mr. Hollinrake MP explains that 170 late claims have been received which are currently being processed. He also suggests that 11 offers have been made. No offers have been made to the four represented by Hudgell Solicitors referred to above. There has simply been confirmation that their claims have been accepted for consideration.

28. Many of the concerns that were expressed in the December Submissions (see for examples §§4 and 23 of the December Submissions) remain but we are conscious that they will be returned to in Stage 5.

b. Overturned Historical Convictions Scheme

29. The compensation claims for those Hudgell clients whose convictions have been quashed are not part of a scheme.

30. Since the December compensation hearing, there has been significant progress made in respect of non-pecuniary loss claims.

31. The current position is as follows:

- 53 cases have been settled and paid (the total was 15 at the December Compensation Hearing);
- 2 cases are subject to negotiation following the making of offers; and,
- 12 cases are yet to be presented (these largely concern recently quashed convictions).

32. So far as pecuniary loss claims are concerned:

- 2 cases have been settled³;
- 4 cases are in negotiation following offers;
- 3 cases have been submitted in full with offers awaited; and,
- The remaining cases are yet to be presented.

33. These cases have been subject to unacceptable delay. In Appendix E to its December Submissions, Hudgell Solicitors provided details of the delay in progress of four cases which were being used as a pilot for future cases. It was expected that those cases

³ Two further cases where POL had rejected claims for interim payments have now been settled following mediation.

would provide a basis for principles proposed by POL for dealing with future cases. Since then, delays have continued and the summary position for each case is as follows:

Case 1 - A Schedule of Loss was submitted on 20 June 2022. A request for further information was made by POL on 8 September 2022 and a response was provided by Hudgell Solicitors on 30 September 2022, along with further documentation. A full response and offer from POL was not received until 17 March 2023. There was thus a period of five and a half months between the last evidence being submitted and an offer being advanced.

Case 2 – A Schedule of Loss was submitted on 20 June 2022. A request for further information was made by POL on 8 September 2022. A response was provided by Hudgell Solcitors on 3 October 2022. A full response and offer was not received from POL until 2 March 2023. There was thus a period of five months from the last evidence being submitted to an offer being advanced.

Case 3 – A Schedule of Loss was submitted on 5 August 2022. A request for further information was made by POL on 8 September 2022 and a response from Hudgell Solicitors was provided on 30 September 2022. A full response and offer from POL was not provided until 10 February 2023. There was thus a period of five months from the last evidence being submitted to an offer being advanced.

Case 4 - A Schedule of Loss was submitted on 20 June 2022. A request for further information was made by POL on 8 September 2022 and a response from Hudgell Solicitors was provided on 11 October 2022. An additional request for further information was made by POL on 2 November 2022, with a response provided on 8 November 2022. A full response and offer was not received until 10 February 2023. There was thus a period of three months from the last evidence being submitted to an offer being advanced.

34. Draft principles were finally received from POL on the evening of Friday 31 March 2023. Hudgell Solicitors are considering the proposed principles and will revert expeditiously.
35. The delay in POL making offers in the above pilot cases, and providing proposed principles for dealing with remaining cases, has meant that more pecuniary claims have been unable to be submitted.
36. There are also delays in case-specific disclosure. It is still incomplete in many cases.
37. Nevertheless, progress is being made and we repeat what we said at §40 of our December Submissions: there is no reason why these claims realistically will not be resolved in 2023.

(iii) Factual progress update on the implementation and administration of the Group Litigation Scheme

38. Hudgell Solicitors represent four Claimants; each of whom is a relative of a client who pursues a claim pursuant to an Overturned Historic Conviction.
39. There is a general concern (reflecting what was said at §37 of our December submissions) that, in the absence of a significant escalation of resources for the panels, the complexities of the cases to which this scheme is devoted precludes any prospect that full and proper compensation will be paid by August 2024.
40. The guidelines and tariffs for this scheme have recently been issued. Widespread concern about those guidelines and tariffs has been expressed. There was little meaningful consultation with lawyers acting for Claimants under the scheme. The provision that has attracted most public attention, namely the tariff for stigma damages, was not the subject of any discussion with the Claimants' lawyers.

Conclusions

41. In preparation for these submissions, Hudgell Solicitors have canvassed each of its approximately 200 clients who pursue a claim against POL. These submissions reflect the responses we have received and we have also appended substantial written observations made by our clients (see Appendix 2 and Appendix 3).
42. Our clients are rightly concerned about delay. That delay has not been on the part of the clients or their legal representatives. Each time that the Inquiry calls for submissions on compensation, we have been able to identify delays caused by POL and/or Government. Examples of expressions of concern about delays include:

Barbara Atkins (p.10 of Appendix 2) - General Delay. I feel I have spent the last 20 years of my life trying to prove myself , from in the early days , explaining on CVs when employers ask for explanation of why i lost the post office. Trying to explain over and over that I had done nothing wrong but no matter what I say there is always an element of doubt in their faces . I lost my mums house during this process , she had lived there for 42 years , was disabled and 76 years of age . Imagine how it hurt her, something that haunts me every day. we both ended going bankrupt, imagine the stigma on her a proud woman... What are the Post office excuses now?Why is it delay after delay even after the result of the public inquiry, it only adds up to victims more misery, anxiety, confusion and uncertainties and more nervous breakdowns.

Margaret Smith (p.20 of Appendix 2) - The unacceptable amount of time it took to process his and other's claims. I wrote to the Historical Shortfall Compensation Scheme when John became ill as he wasn't looking at his post etc. so I lodged a power of attorney so they could correspond with me too, at John's request. That was around April 2021. I told them then John was ill but it still took over a year to process his claim. They could have offered him an interim compensation then as he was very short of money and it would have made his life less stressful and more comfortable. It would most certainly have given him comfort not just to get compensation but to get a formal recognition for himself and his family and friends that the Post Office and not him were at fault. It is an injustice upon an injustice that they have dragged this out so and not thrown more resources at sorting it out for the claimants.

43. These delays cause our clients to form the view that POL and/or Government is still dictating the narrative of this compensation process as it is perceived that they have done in previous compensation schemes. That is why last resort to the Courts is so important to them.
44. Our clients also remain concerned that Post Office has not accepted liability for what has occurred. Examples include:

Chris Trousdale: The Post Office's ongoing failure to admit liability is actively and purposefully perpetuating the harm and suffering of myself and other victims on a continued daily basis. It is prolonging the healing process and delaying the start of what will ultimately be a long recovery. I need to see restorative action from the Post Office, how can I consider an "apology" and start to 'move on' when the PO are still refusing to admit liability. I cannot put into words how excruciating and exhausting it is to have to keep paying mental anguish as a currency of dealing with the Post Office. They seem to think we have an unlimited capacity for mental distress, we don't!

Jane Kemp (p.1 of Appendix 2) - My view is that the post office need to accept that the issues caused by the faulty system had a direct impact on the lives of many sub postmasters and their families and the ongoing process to agree a fair settlement is just further stress and misery when we have not done anything wrong

Jaswinder Dosanjh (p.14 of Appendix 2): The 'Offer' has ...been covered by the caveat 'Without Prejudice' - which I understand is probably standard practice in these matters but... it also demonstrates that they are not serious about 'righting past wrongs'

45. The issues around compensation are fast moving; especially as the hearing of 27 April approaches. Accordingly, in order to assist the Inquiry, it may be necessary if permitted to supplement and/or amend the content of this document with oral submissions at the hearing of 27 April. As always, Hudgell Solicitors remain grateful for the efforts the Inquiry is making to ensure that full and fair compensation is made as expeditiously as possible in all of these cases.

Hudgell Solicitors

6 April 2023

Appendix 1

Client	Offer Letter Received	PI Offer	PI Details	D&I Offer	Pain, Distress and Humiliation caused by Bankruptcy	PO conceded they caused bankruptcy?
	20/10/2022	N/A	Depression - unclear if any medical attention.	£8,000	Nil	No
	20/10/2022	N/A	Depression resulting in mental breakdown in 2009. No medical evidence provided to	£5,000	Nil	No
	3/11/2022	N/A	Depression and anxiety - unclear if any medical attention.	£2,500	Nil	No
	3/11/2022	N/A	Lost everything and suffered depression - separated from wife and lost custody of children.	£4,000	Nil	No
	10/11/2022	£7,500	Stress related psoriasis from 2009. Letter from GP confirms due to PO stress.	£7,500	Nil	No
	10/11/2022	N/A	Anxiety and depression while dealing with stage 3 skin cancer - PO say insufficient evidence.	£5,000	Nil	No
	10/11/2022	N/A	Suffered stress due to financial hardship - became homeless - no medical evidence.	£2,000	Nil	No
	17/11/2022	N/A	Stress and anxiety - unfit for work for 7 weeks - no medical evidence provided to HSS.	£7,500	Nil	No
	24/11/2022	N/A	Mental breakdown - depression, anxiety and alcoholism following termination. PO say PI due to debt, not Horizon.	£8,000	Nil	No
	7/12/2022	N/A	Anxiety and depression due to fear of going to jail - no longer suffering with symptoms - no medical records.	£7,500	Nil	No
	15/12/2022	N/A	Continuous stress caused breakdown of marriage - PO say no diagnosable condition.	£8,000	Nil	No
	15/12/2022	N/A	Stress - lost everything - wife thought client was stealing which caused divorce.	£4,500	Nil	No
	20/2/2023	N/A	Nervous breakdown and sleepless nights. Taking anti-depressants. No medical evidence provided to HSS.	£4,500	Nil	No
	23/2/2023	N/A	Depression, anxiety, panic attacks and alcoholism from 2007. Caused loss of child. Prescribed anti-depressants. No medical evidence sent to HSS.	£12,000	£25,000	Yes
	23/2/2023	N/A	Became depressed and had fleeting suicidal ideation - no medical evidence.	£12,000	£25,000	Yes
	28/2/2023	N/A	Suffered stress and prescribed anti-depressants.	£7,500	£28,000	Yes
	2/3/2023	N/A	Stress of investigation during pregnancy caused birth complications - PO say insufficient evidence.	£10,000	£30,000	Yes
	7/3/2023	£76,000	Depression - unable to work - GP notes provided to HSS.	£12,000	£25,000	Yes
	9/3/2023	£57,500	Depression and anxiety - caused relationship breakdown and alcoholism - no medical notes available.	£19,000	£30,000	Yes
	14/3/2023	£36,960	Stress, alcohol dependency and stroke - medical records provided.	£17,500	£35,000	Yes
	16/3/2023	£75,000	Attempted suicide in 2009 and placed in psychiatric care. Diagnosed with adjustment disorder - medical records provided to HSS.	£30,000	£100,000	Yes
	16/3/2023	N/A	Stress and harm to reputation - lost baby during pregnancy - marriage broken down.	£20,000	£40,000	Yes
	17/3/2023	N/A	No info yet.	£12,500	Nil	No
	23/3/2023	£37,000	Depression following bankruptcy - 2 suicide attempts.	£32,500	£45,000	Yes
	No		Offer not yet received.			
	Yes	N/A	Stress and anxiety - lost home and disabled mother was forced into a homeless shelter.	£18,000	Nil	No

Appendix 2

[REDACTED]
Hi [REDACTED],

Our concern remains the length of time this is taking and the expectation that we will have "proof" to support our claims when it was such a long time ago.

At the time of the Horizon failure no-one knew the fault would be with that system so records of meetings, paperwork etc that could be "proof" was not kept.

Our Accountants no longer operate. My father is deceased and my mother is 89!

My view is that the post office need to accept that the issues caused by the faulty system had a direct impact on the lives of many sub postmasters and their families and the ongoing process to agree a fair settlement is just further stress and misery when we have not done anything wrong.

Sorry for the rant!

Thanks
[REDACTED]

██████████
Hi,

I still believe I only became bankrupt because of what I went through with the post office. After post office all i could find was a minimum wage job straightway which I couldn't live on with my family so I started using credit cards aswell to pay for my mortgage and bills as i wasn't earning enough to pay for just the basics.after about 3 years I had built up debt so I went in to a iva for about 2 years then talking to my creditors I eventually had to go bankrupt this was the hardest time of my life I went through feeling so depressed I really wanted to end things.i truly believe if I hadn't used my savings and the money I earned as a postmaster to keep everything in balance at the post office I never would of gone down the route which i become bankrupt in the first place.

Regards ██████████

[REDACTED]
Hello,

Thank you for your email I wasn't aware of this court date but appreciate the update in letting me know.

I think the only matter I personally am frustrated about is in the delay of things and also updates are slow in relation to this also.

I originally first started my claim on 17/02/22 until I was advised of the historical shortfall scheme in which confusion over to whom had sent what photos of my application was finally resolved from first sending them to your colleague on 24/06/22 to be finally forwarded on to the scheme on 07/11/22 so the delay is probably my only issue.

Kind regards

[REDACTED]

██████████

Good afternoon ██████, thank you for your email. Whilst I don't think we have anything specific to add to our particular case, one thing which may or may not be worth mentioning is the affect this entire debacle had on the children.

Some children went through an incredibly traumatic time, especially if they lost a parent or their home. I believe we discussed this with ██████ at one of our earlier meetings. We never realised how much it affected our children until later in life, their recollections of what happened, how we dealt with things, what they witnessed, what life could and would have been like if Horizon had worked and we hadn't uprooted and moved away.

Our children were not as traumatised as others but nonetheless it affected their lives in one way or another. No-one can put a price on what they and other children went through but perhaps this is something that the Post Office need to reflect on - Horizon didn't just affect the adults, it affected many young lives too and the people who ignored complaints and problems need to consider the impact it had.

In the scheme of things I accept it is a minor point but nevertheless it is still part of the resulting fiasco and bigger picture of the Horizon system and those who tried to cover it up.

Thank you for your kind help

Regards

██████████

[REDACTED]

Hello [REDACTED] thanks for your email. I given all facts with proofs which is true This horizon computer system made life hell for many families as ours as well. It put pressure on our life specially 2004. We couldn't make mind to carry on or buy the post office or not My wife took seriously and start getting sick and she lost her life It put pressure on my life which my blood pressure and some others I couldn't get work beacause shortage money nobody can proved. Only computer was right all postmaster was wronge We have two children in school to bringing up feed them. Good job we had some savings from our previous our business So we lost lot money maximum plus our health and happiness. Instead working happens and makeing money enjoy your life with children and relatives friends. It's hard to explain only people who gone through it I still can't explain and feel shame I believe i need fully justice as I going even now when you lost your loved one partner and money happiness. I think you understand my bitter feelings. I think I said much as could. Thanks very much

Hello [REDACTED] my main complaint is why the post office took too long to find out where was mistake Delay is big factor playing with people life misery It could save life in my case my wife and all others people pain suffering and financially saving familly lifestyle. Only who suffered they can feel it no one else. That's all I want say and I want justice to be given We can't bring back people gone or suffer. Thanks

[REDACTED]
Dear [REDACTED]

Thank you for the email. It is only points 1&2 that have my concerns.

Point 1. Significant delays, one of the last to be awarded compensation and delays in the dispute resolution process.

Point 2. I have incurred significant debts, due to the knock on effects of the Horizon issues. Debts have escalated, and accumulated from further borrowing to fend off bankruptcy. There would of been severe implications for my family if I was to be declared bankrupt, as advised by an insolvency practitioner.

I would be happy to elaborate on these points should you wish to discuss further.

Regards [REDACTED]

██████████

One of thing I would like to mention is that due to significant loss I end up have divorce with my ex wife. During that time I wasn't on the right mind due to constant loss of money on the postoffice counter side.

I strongly feel that the blunder of the computer system it did effect my life.



SEE DOCUMENT ATTACHED.

██████████
Hi ██████, I would like to emphasise how the unfair bankruptcy affected me and my family.

Because of that I had to pay the trustee £20000, I had to remortgage.

I went from paying £275 a month to £650, this adversely affected my financial and family life up to the present day. I had to go to court twice to save my family home and had to enter into an IVA all because of the consequences of this bankruptcy..

I recently had to sell my home in order to pay back the mortgage I took out due to the bankruptcy

I paid back £168000 which I feel is owed to me plus £20000 I paid to the trustee.

Plus other considerations should be taken into account if not for this bankruptcy I would have paid off my original mortgage 15 years ago and would be living in my family home.

Instead I am renting which I can ill afford and having to work past retirement age even though I am not really physically able.

I hope this helps please contact me if I can be of any assistance at all.

Many thanks.

hi thank you for your email i'm not sure if this is what you need . i will try and explain a short version of how i feel about the last 20yrs .

1/ General Delay I feel i have spent the last 20 years of my life . trying to prove myself , from in the early days , explaining on CVs when employers ask for explanation of why i lost the postoffice. Trying to explain over and over that i had done nothing wrong but no matter what i say there is always an element of doubt in their faces . I lost my mums house during this process , she had lived there for 42 years , was disabled and 76years of age . Imagine how it hurt her, something that haunts me every day. we both ended going bankrupt , imagine the stigma on her a proud woman, who because of the Postoffice terminating my contract ended up with living in homeless accommodation when the house was reprocessed ended her life in 2013 in a care home something i promised her i would never do , I can't prove it but i am 99% sure the stress helped her on her way . My father died 2018 without ever knowing for sure his daughter wasn't a thief . my brother died 2020 again not knowing the outcome and why? because the postoffice LIED about everything. They just didn't and still don't CARE . No-one who knew about this has lost their jobs they are still making profits and increased wages . They were and still are laughing at us. So you tell me how would you feel about the General Delay ?

This is what happened to me they destroyed my life.

i will answer other questions when i am calmer sorry about the spelling

1/ General Delay :

What are the Post office excuses now?

Why is it delay after delay even after the result of the public inquiry, it only adds up to victims more misery, anxiety, confusion and uncertainties and more nervous breakdowns .

2/

Bankruptcy claim :

So far the post office hasn't made any offer to compensate loss of properties and assets that i have lost despite claiming liability and i strongly feel after 17 years i should be fully compensated as the post-office now accepted liability and wrong doing and false accusation of myself .

3/

Late submission :

It doesn't matter if claims are late, the post office is still liable and people should be compensated, as these people are victims of the post-office who tried to hide the truth in a number of times .

[REDACTED]

Thank you for your email.

I am not sure what issues have arisen from my case to date. I am annoyed that the Post Office didn't award me anything regarding the purchase of the business. Initially we had a third partner but we had some issues with him and my area manager at the time told me he would have to go. We each paid one third of the purchase price each, that being £99950. We then gave our "partner" £42000 to avoid a protracted transaction, so in total we paid £108650 for the business.

The Post Office chose to ignore however much one pays for the business or "good will" as they see it, it is irrelevant to them but they need to approve of the purchaser. Under normal circumstances I can see that this is the path they take, however, these are not normal circumstances so I do not understand why they still refuse to compensate me in full. They suspended me which should not have happened, put pressure on me when I was about to be arrested to sign something which they told me was a safeguard, and that it was for someone to run the office while I was suspended.

I still think that morally I should get that money back because I lost the business through no fault of my own.

Best regards

[REDACTED]

Push to end high tax bills on postmaster scandal payouts

Mario Ledwith

Large tax bills attached to compensation payments to postmasters affected by the Post Office Horizon scandal could be cut under plans being considered by ministers.

Campaigners have called for a blanket exemption after claiming that victims were being left with smaller payouts because of "excessive" tax payments. More than 3,000 postmasters were affected by the scandal, which was caused by Horizon, the faulty software system that led to a shortfall in accounts.

Kevin Hollinrake, the business minister, told *The Times* discussions were continuing to ensure "payments and associated taxes are fair and proportionate". Officials are also considering whether changes can be retrospective. The majority of claimants under the

Post Office's main scheme have already received a payment.

Dan Neidle, founder of Tax Policy Associates, a not-for-profit think-tank, said compensation for loss of earnings was being made as a single payment, incurring tax at a higher rate. Neidle criticised the failure to offer victims tax advice and questioned why interest on payments was not exempt from tax.

Ministers have previously outlined tax exemptions for Horizon victims who claimed under two separate schemes. These involve victims who were wrongfully convicted as well as the 555 postmasters who fought a legal battle against the Post Office, culminating in a landmark High Court ruling in 2019.

But such an exemption has not been applied to the Historical Shortfall Scheme, under which there are about 2,500 claimants, making it by far the

largest scheme. It is supposed to return claimants to the position they were in before the "shortfalls" emerged but the public inquiry into the scandal recently heard reports of "obfuscation and delay" relating to compensation.

David Enright, of Howe & Co solicitors, which is representing sub-postmasters at the public inquiry being led by Sir Wyn Williams, said the government's "slow and piecemeal response" to the scandal had left an array of complex compensation schemes.

A government spokesman said: "We want to see fair compensation for all victims and are looking at issues raised so that if any unfairness is identified in individual cases, this can be addressed."

A representative for the Post Office said it was working to ensure all victims were "returned to the financial position they should have been in had the wrongs not occurred".

[REDACTED]

Good morning [REDACTED],

Thank you for your email dated 28th March 2023.

If possible, I would like you to raise the following matters please:

1) My case as it seems to be put on hold as I am not receiving any communication from the Post Office. It would be helpful if I can receive any updates available. [REDACTED]
[REDACTED]

2) Regarding the Tax due on compensations/losses. The Government are funding the past mistakes of the Post Office but then taking a substantial chunk back on tax which seems very unfair.

Thank you for your continuing assistance and if you require to talk to me then please contact me either by email or phone.

Kind Regards,

[REDACTED]

████████████████████

Thank you for your email.

I have a few comments to offer for you to consider, under Item 1:

1. General delay across all claims.

After pressing me for considerable additional information, much of it seems to have been disregarded when I received instead of a response to my 'Claim' - an 'Offer' !?!?!

The 'Offer' has then been covered by the caveat 'Without Prejudice' - which I understand is probably standard practice in these matters but... it also demonstrates that they are not serious about 'righting past wrongs' and are not looking 'to restore people back to where they would have been if Horizon and Management actions' had not devastated the lives of so many people who will never get that time back.

'Offers' are attempts to minimise the overall cost of the scheme (which I understand is also taxpayers money) but the same understanding is not being reciprocated or demonstrated by POL as this Inquiry is revealing. Even now BEIS are trying to thwart the scrutiny on the Legal Advice to POL Management and how that process to place.

The Offer covered by the caveat 'Without Prejudice' at the brush of a pen also re-wrote my marriage breakdown & divorce. Apparently unbeknownst to me, it was due to other factors. Nothing to do with the stress and humiliation and weeks of not knowing the outcome of the suspension.

Not being told when a decision would be forthcoming. Not informing me they had elected to pay ██████████ direct for 6 to 8 weeks worth of pay (which she just took and disappeared) and left me in the dark. Not appreciating that I still had business and staff commitments whilst they had penalised me financially and put me under unnecessary stress even BEFORE the outcome of their investigation had been conducted or concluded ! And then when I was reinstated further threatened that if anything else happened, they would take the Office off me ! Not understanding or trying to understand that my having to ask my ex-wife for her rainy-day money to help keep the Post Office going would cause arguments and resentment that ended up with her leaving and then pushing for divorce which in the end, I had no choice than to agree to. The result cost me the proceeds of the sale of the Office and left me financially restrained, a situation that for nearly two decades has continued. And I won't go into the personal feelings of losing your family when you've only been trying to do the 'right thing' !

It might be apparent that the use of the caveat 'Without Prejudice' has incensed me somewhat, and I'm not able to respond to the very individual who has floated such a dismissive notion under the use of that caveat !

How do you quantify drinking abuse ? To numb the emotions and stop thinking about things. How do you equate that in financial compensation terms ?

Having 'agreed' to enter the HSS all of the claimants have been constrained by the Terms set to them by the people who affected their lives so much. So I can see why we are restricted from complaining or changing those Terms but there is an element of unfairness within the Terms. Why has the interest rate been set so low ? How was that figure arrived at ?

When I searched what rate of interest would be a 'fair' rate I was surprised to discover that the Financial Ombudsman's rate is 8% !?

This is over double what the HS Scheme has 'decreed' ? How is this possible ?

How many Claimants (this is not just about me) have been comparatively short changed by this Scheme, if this rate is wrong or inappropriately set low ?

If it is low, would those who have been affected receive a balancing payment ? Unless someone can explain to me why the F'Ombudsman uses a higher rate, I think those affected should get the difference !

I hope my observations help and please excuse the rant-element.

Thanks & best regards,



[REDACTED]

Dear [REDACTED],

Regarding the above, my concerns are as follows:-

- The amount of time it has taken has just caused more stress
- The fact that the PO is only interested in compensation for the Post Masters.

They destroyed the lives of the spouses and families, who also lost their homes and businesses, plus having to see their beloved ones suffer. I feel their losses should also be considered.

Thanking you,

[REDACTED]

██████████

Good morning ██████████

Hope you're both well.

Thank you for getting in touch with my sister ██████ this week about our case going forward at the Enquiry in April 2023.

Apart from the three points you've outlined in your email below that you'll be putting forward at the enquiry, we (as a family) don't have anything more to add except for that Post Office consider our case and a compensation from their part is initiated.

I submitted all the forms and evidence last year to ██████ regarding our case and a cost figure of how much my father lost is in that document for the enquiry and hope that all evidence is investigated at the enquiry.

Do let us know the progress of this enquiry and if there's anything else we can support with this case.

Kindest regards

██████████.

[REDACTED]

Dear [REDACTED]

I would like Hudgells to question why Post Office Ltd have appointed Nick Read as CEO. He led Extra Energy into administration whilst he was CEO of that firm. Extra Energy to this day owes me money and probably many others (similarities to the Horizon IT scandal). Based on this, why should I or anyone else including Hudgell's have confidence in Nick Read doing anything honourable? Leopards don't change their spots. You may like to question Post Office Ltd on this subject and I look forward to your reply with respect to their response.

Kind Regards.

[REDACTED]

[REDACTED]

[REDACTED]

I have just had a call from [REDACTED] who wanted to raise some concerns. He said his main issue is the delay - they need to know how much they are likely to receive because they are in such financial difficulty. They are considering filing for bankruptcy.

He said the interim payments so far have not made their life any easier. They owed all of the money anyway so are no better off. Essentially, I think he is trying to say that the compensation they have been awarded is not reflective of the damage this had on their finances.

██████████
Dear ██████

I am responding to the e mail sent to everyone by ██████ yesterday.

I have already said if ██████'s case can be used to support any of the points you want to make I am very happy for you to use it as you think fit.

There are a couple of points that I feel strongly about having gone through this whole process with ██████ before he died.

1. The unacceptable amount of time it took to process his and other's claims. I wrote to the Historical Shortfall Compensation Scheme when ██████ became ill as he wasn't looking at his post etc so I lodged a power of attorney so they could correspond with me too, at ██████ request. That was around April 2021. I told them then ██████ was ill but it still took over a year to process his claim. They could have offered him an interim compensation then as he was very short of money and it would have made his life less stressful and more comfortable. It would most certainly have given him comfort not just to get compensation but to get a formal recognition for himself and his family and friends that the Post Office and not him were at fault. It is an injustice upon an injustice that they have dragged this out so and not thrown more resources at sorting it out for the claimants.

2. The award doesn't really address Loss of Reputation. ██████ was the leader of the ██████ ██████ and chair of the Chamber of Commerce and he lost everything when the American police escorted him off ██████ with guns because the Post Office auditors had made it clear to them that he had stolen money. It was unbelievable and in days before the concept of Fake News everyone believed he was guilty. It took years of working in the community to re establish trust and respect. A real waste as he could have done so much more as he was totally committed to trying to improve things for his local community.

3 Tax. It seems so unfair that the compensation paid to claimants of the other compensation schemes will pay no income tax, capital gains tax, NI contributions etc and yet the victims of the Horizon Scandal who are claiming under the Historical Shortfall Scheme have no such exemption. ██████ did try and join the early schemes but wasn't able to because of the Tomlin Order he signed, which was worthless anyway as he wasn't represented when he signed it, so he really is no different from those claimants. It is so unjust. In ██████'s case the income tax is £138,000 which is a huge claw back from the Government. They awarded an amount they felt was fair but then tax it all.

The way the tax has been calculated is also very unfair as my understanding is that it is taxed as if it is all paid together in one large amount in one tax year rather than spread over the years of lost earnings.

4. ██████'s award for lost earnings assumed he would stop work early and slow down but he had no other income until he got his pension at 66 so he would have had to keep earning money to live.

██████████ and I had no inheritance from our parents as they took out a Norwich Union Equity Release so ██████ could buy the Post office on ████████████████████. That too was a

scandal!! When they died the debt was more than the house was worth so he had nothing to fall back on. He would have had to work. It was also for us another twist in the tale.

I hope this is of some help. I wish you well with your written submissions and thank you for your continuing support for all the victims of this dreadful scandal.

Best wishes



[REDACTED]

Dear All,

Thank you for all your efforts and email. In addition to the matters raised, I would like to bring up that not only has this Historical Shortfall scheme caused such a loss to myself and my family mentally it has caused a knock on effect financially. My husband and I had to remortgage our house to buy the post office for 15 years thinking that we would be able to repay it off however due to the issues faced by the Post office, till now I am struggling to only pay off the interest. We are having to remortgage again, this is a huge loss for me. Since losing the Post Office I work two jobs and am still struggling to match the salary I had back then with the Post Office & have forfeited having an adequate Pension.

Due to the closure of the Post office, we had a major loss in sales in the shop in front causing us to borrow £50,000 from our friends. In order to pay them back we ended up getting a 20 year loan, of which we are still paying. This was solely due to the forced closure of the Post Office.

The mental stress and trauma associated by this is truly unexplainable. This led to almost two years of unemployment. As a mother of two young children at the time it was a huge burden for me.

I appreciate the help you all have come across in dealing with this matter. Thank you and I look forward to hearing a positive outcome from the upcoming Inquiry.

Kind regards

[REDACTED]

[REDACTED]

Hi [REDACTED],

Thank you very much for your updated response. I would be concerned in relation to your bullet points No 2, (Concerns are captured in three discrete areas). We did note in our previous submissions our supermarket business was pushed into receivership due to funding our Post Office shortages from the supermarket over a period of 5 years.

Two concerning points for us, 1st point, we would be concerned our overall post office's losses would not be fully compensated for. 2nd point we sacked our Post Office Manager wrongly for failure to manage the post office shortages, costing us £10000.00 +.

Our solicitors [REDACTED] from year 2000 until 2010 can quantify our total loss.

Hopefully this helps how your concerns are captured and most importantly address our concerns.

Kind regards.

[REDACTED]

Thank you for the email [REDACTED]. This email was very hard for me to put together as I have been away working and I am still away now. On top of that I have not stopped thinking about home much I have lost as a result of what the post office have done. To put this into words is even harder as to refer to the 3 points that you have asked me to refer to.

Since my son reached out to your firm and I have been in contact I have not seen a delay in your response. If you are referring to the post office and there delay, then this is years over due! For them to accept responsibility for the damage they have caused me and the losses that I have faced since this happed.

I have not declared myself bankrupt, however I lost 1 commercial property and my residential home when this all happed in 2009. Myself, my husband, my daughter, and my son were all made homeless as a result of this. As I lost my income and my husbands business was not enough to cover all of the cost. I lost an income of £87,000 a year! When they sacked me. You have to take into account all of the expenses that I would have incurred during this time. With the dismissal on my record it was so hard to find employment as this would come up on ever background check as I was also given a suspended sentence. You cannot imagine what that was like for me for several years of lost income and emotional damage that this caused is still affecting me to this current day! As a result of all of this we were forced to move in with family and friends back in London as this was our only option. We moved in to rented accommodation in 2012 and I was working for cash in hand jobs and minimum wage for a long time before I got a break with W H Smith in 2015 at the airport this was a big help but this doesn't take into account the amount we all had to put in to pay for Rent and bill to live in London! Rent was £1250 a month and bills would be £450. Given my age it was impossible for me and my husband to get a mortgage in our names as this would not be affordable nor could we save enough paying so much in rent and bills. In 2019 just before the pandemic my I moved to [REDACTED] with my son and have lived with ever since I still to this day do not have a home of my own!

If you are asking me to put a number on it my the commercial property with a flat above I lost is now worth £420,000 according to my online research. Where as my residential home is valued at £583,000. That is just the value in todays market. If you add all the rest on I do not even know how much that would be!

I am not sure what this means?

Appendix 3

ON A MATTER OF FULL AND FAIR COMPENSATION

Dear Sir Wyn

Speaking as a victim of the Post Office Horizon scandal may I first of all thank you sincerely for all the hard work you and your team are doing in relation to the Public Inquiry. I am sure I speak for all my fellow victims when I say I could not be more reassured that the Inquiry is in safe hands.

Having only just had my conviction quashed by Southwark Crown Court a few months ago, I have now agreed to be a Core Participant as I wish to do my bit for the Inquiry and thus I hope to soon be entering my case into evidence.

My reason for writing to you today is that I have a deep concern that the Post Office and its 'agents' appear in public to be doing the right thing in regard to settling claims for compensation, but behind the scenes they are behaving 'dishonourably'. That is that the Post Office is using every litigation tool in the book to more than halve the amount of compensation they really should be paying. I do not think that any compensation offer made as a result of these actions could be considered 'full and fair'.

As this issue I suspect is at the very forefront of the minds of all the victims of this scandal, it was very encouraging when I discovered that you are also concerned about this very same issue and indeed made it known in your progress update last August.

The Post Office Horizon IT Inquiry: Progress Update on Issues relating to Compensation August 2022 Sir Wyn Williams

Conclusions

The commitment given by BEIS and the Post Office to provide compensation which is "full and fair" is not the traditional stance taken by a Defendant in our adversarial system of civil litigation. In the courts, Claimants are entitled, within proper legal limits, to maximise their claims and Defendants (within such limits) are entitled to minimise the amount they have to pay, if found liable. Negotiations to settle a claim are usually conducted with those parameters very much in mind. However, all those who are entitled to claim compensation from the Post Office for wrongs they have suffered as a consequence of Horizon are entitled to expect that the offers made to them will be a genuine appraisal by the Post Office of what is full and fair compensation.

Of course, there are bound to be cases in which the applicant and the Post Office have genuinely different views about what constitutes a full and fair settlement. The commitment by the Post Office to reaching a full and fair settlement does mean, however, that the Post Office should never attempt to reduce a claim to a sum below that which they regard as full and fair. Put more crudely, the normal negotiating tactics often found in hard fought litigation in the courts should have no place in the administration of the schemes for compensation already in being and the scheme about to be brought into effect.

I welcome the commitment within the Scheme to providing fair compensation. The provision which allows fair compensation to be paid, even if that means ignoring legal principles usually applied in civil litigation, is a clear indicator that the mantra “full and fair compensation” is not just a form of words but a genuine commitment. In Phase 5 I will be able to judge whether the actions of the Post Office correspond with the words they use.

I could not agree more Sir. But it appears that the Post Office in agreeing to settle out of court are now using the same 'legal mechanisms' that would/could be applied if they had lost the case in court and been ordered to pay compensation? But this matter is indeed being settled out of the jurisdiction of the courts (supposedly in good faith), so I don't understand how or why any litigation apparatus should apply or be applied. Everyone thinks I am crazy by suggesting that this specific 'process' is actually 'significantly different from anything that has gone before', and should be treated as such by all parties to keep the good faith? Protracted and aggressive litigation in this case is not in anyone's best interest other than Herbert Smith Freehills who are earning a fortune by auditing victims and reducing compensation on behalf of the Post Office. I fear that the lawyers will once again do better than the victims and that cannot be right. Why on Earth would the Post Office wish to spend an estimated fifty million pounds in litigation fees (to date!) when the compensation they are paying out has been gifted by the Government? Would/will those funds not have been better spent compensating the victims?

IN REGARD TO PECUNIARY DAMAGES

I understand that the Post Office are 'entitled' in principle to offset pecuniary damages against my 'duty' to mitigate losses, and indeed they are rigorously doing this. Although the Post Office are 'technically' able to do this they are surely not 'obliged' to do this, so I consider this specific action to be 'unfair' and thus in bad faith.

The Post Office might argue that as compensation is being paid using 'public money' that every penny must therefore be carefully accounted for and justified. But it is not my fault that the taxpayer (which ironically, I am one!) is having to foot the bill for the sins of the Post Office. The Post Office have been gifted a 'billion pounds' by the Government (BEIS) so that full and fair compensation can take place. There is thus no obligation or expectation whatsoever to penny pinch, other than to ensure that the pot does not run dry before all the victims have come forward. However, the fund in place should be capable of covering full and fair compensation for every victim, including all those yet to step forward. If it does not, then it must be added to until it is. It is not fair that I and others should be audited in any way and at best only receive half the pecuniary compensation we feel would be 'full and fair'.

As you are doubtless aware Sir, my duty to mitigate my losses is not actually a duty or obligation at all in law. It is a 'principle' that might be applied by a Judge and or Jury (and litigators) had the Post Office been found guilty in a court of law of Malicious Prosecution or simply oppose the actions brought against them. But this matter is not being heard within any court and the Post Office are not a Judge and Jury, although they seem to think they are and indeed they have done so from day one. I certainly do not consider my doing the 'impossible' and getting a job with a criminal record, as mitigating my losses. Rather, preventing my daughter and I starving or freezing to death or becoming homeless.

Indeed, I wonder if it is 'fair' for the Post Office to expect me (or indeed anyone) to have mitigated my losses by getting a job, when by their malicious actions they themselves made me unemployed and unemployable. Surely when a claimant is given a criminal record via a malicious prosecution by the defendant and is thus 'unable to mitigate their losses', then such a duty in principle should not or need not apply (or be applied) in such cases? Even if some losses are eventually and painfully mitigated. Especially when the matter is supposedly being settled out of court in good faith.

I desperately applied for many jobs, but with my criminal record received no replies whatsoever. Finally, I was eventually employed by an equally desperate 'out of hours' call centre service. Initially on a part time zero hours Christmas contract on minimum wage. I had to work sometimes seventy hours a week to earn a living wage. I lived in constant fear that my employer would 'notice' that I had a criminal record and would ask me about it. I would have told them the truth and been immediately dismissed. I could not apply for any promotions as these would require a CRB check, so I had to remain in the call centre, staying in the shadows, having to work, evenings, nights, having to work on Christmas days, Boxing days, New Year's eves, family times I should have spent with my daughter, days I will never get back. When the stress became too much, I decided to work for myself as a domestic cleaner, a job that I still do to this day. Ten hours a day, seven days a week, with no holidays. A hard and physically brutal job for an intelligent woman with an honours degree in foreign languages and literature. Were it not for the actions of the Post Office I have no doubt that I would have had a successful career at the Post Office or similar organisation. I therefore believe that I should not be financially 'punished' by the Post Office for the above, but that the Post Office should take into consideration what I had to suffer (and still suffer) to earn a living wage. Therefore, as a gesture of good faith decide to forgo their option to litigate and not to deduct my earnings from my pecuniary compensation in 'fair' recognition of this fact.

Pecuniary compensation for the tort of Malicious Prosecution is I believe supposed to be restorative, and thus restore a claimant to the financial position they would be in had they not been prosecuted and dismissed. But I would also consider that to mean (within this specific process) that I be paid my loss of earnings from the Post Office in full and not have the Post Office prosper from any arrangement by keeping most of my back-pay for themselves. I cannot see how any compensation offer could be considered full or fair if the Post Office are profiting financially as a result of their non-obligatory litigations, specifically in respect to historical loss of earnings.

Compensation awards for historical loss of earnings will (I assume) come out of the Government fund. But that means that all deductions (back-pay not paid) are (remain) separately Post Office funds (savings). Indeed, the millions of pounds the Post Office did not pay in wages to the Horizon victims remain in the Post Office coffers. Even if the Post Office have spent those funds, as a victim, I consider this in principle as the Post Office profiting from my misfortune. Every penny of back pay I do not receive back is technically a penny kept specifically by the Post Office. I wonder if the Post Office are relying on this principle to pay their litigation fees as I believe (hope) the Government fund is not being used to pay for these. In any case, I would ask that the Post Office pay back all back-pay due to all victims in full, as this would not cost the Post Office a penny and would remove any concerns we victims have about profiteering actions making compensation offers not full or fair.

The Post Office might point to the fact that it has been arranged (by BEIS) with HMRC not to have tax applied to any compensation payments, including lost earnings. This is most welcome, and a clear display that the Government (BEIS) at least are taking this process seriously and considering it something very different from anything that has gone before? BEIS are clearly willing to go to extraordinary lengths to ensure full and fair compensation, even to pass specific tax legislation! This might on the face of it appear that the Post Office themselves are being generous. But I suspect that when the Post Office were 'negotiating' this deal along with BEIS they reassured HMRC that many claimants will receive no back-pay whatsoever* as since leaving the Post Office they have earned more than they lost! And that the rest of the claimants would mostly only receive less than half of their entitlement once offset against all income. With lost and future earnings making up the majority of any final compensation offer, all of a sudden the deal appears a little less generous, with many victims receiving in relation to lost earnings, a lump sum of nothing, tax free!

*I have been told that many victims who eventually managed to rebuild a career will indeed receive no compensation in regard to back-pay whatsoever, as they have earned more over the last years than they 'lost'. Not only is this incredibly unfair but it would also mean that they are missing out on the tax relief currently on offer having no doubt paid full tax on their earnings to date. This issue also will surely need to be addressed.

IN RELATION TO NON-PECUNIARY DAMAGES

In relation to non-pecuniary losses, both sides have in principle signed up to the Dyson Report. This is, as you are aware Sir, a litigation tool formulated by Lord Dyson for the purposes of this specific process. Based upon previous (precedent) litigation cases and current compensation scales, the Dyson scale would appear on the face of it to be quite generous. Certainly, most of the heads of loss on the Dyson Scale offer more scope than current standard litigation scales and are in excess of what the Post Office and indeed the Courts would offer. However, as a conciliatory gesture (to the Post Office) they are also significantly less than the victims were hoping for. The Dyson scale also has quite a broad range of compensation for each specific head of loss allowing once again for protracted litigation and mitigation to take place, and indeed it is. Victims' most personal, intimate and private information (our medical and tax records) are being pawed over by the Post Office's litigators in order to make as many deductions as possible. As a result, victims are having to evidence their 'level of suffering' and fully justify any compensation request. Coldly referred to by the litigators as 'schedules of loss'! I personally consider this is not only unfair and unjust but obscene! None of this should be taking place under a commitment to be full and fair. With the greatest respect to Lord Dyson, his report was authored with the intention (and instruction) of it being an updated litigation tool for both parties, specific to the Post Office Horizon settlement. It is however just that, a litigation tool, that perhaps has no real place in this 'unique' process. Again, the Post Office might argue that this process is essential to stop the pot running dry. But should the pot indeed run dry as a result of issuing full and fair compensation, before all the 700 or so victims have come forward*, then BEIS will need to refill the pot. The one billion pounds in the pot is after all just an arbitrary figure, that should not be considered full or final or a compensation cap.

*Lord Dyson estimates that only 300 victims will end up receiving compensation for overturned cases.

IN REGARD TO LEVERAGE

I strongly believe that the Post Office is acting in bad faith by using said litigation tools so bluntly. Perhaps even more seriously they are using the fact that we victims are generally not inclined to pursue a court case, as 'leverage' in order to apply their audits and deductions without serious challenge. Both these actions I feel should be totally unacceptable.

Using 'guidelines' set out by Lord Dyson, The Post Office are making seemingly 'generous' compensatory offers with taxpayers' money to all former employees affected by this scandal. I suspect all of which, like myself are in such a dire financial quagmire we have little choice but to gratefully accept any compensation offered to us. But in doing so we would once again at the behest of the Post Office be expected to sign away all our hopes for 'justice' and be unable to have our day in Court without putting our financial security (compensation offer) at risk. I, like all other victims, feel we have the right to receive a little justice and full and fair compensation. In reality it would seem, we shall receive neither!

In my original case (and many others) the Post Office denied me justice by threatening to send me to prison if I did not accept their offer of a plea and attempt to take my case to Court. Now once again I am to be denied justice this time by suffering severe financial penalties if I do not accept their offer and attempt to pursue justice in the courts. I wonder how I am supposed to feel about that?

The Post Office will at some stage seek to remind me how it is in my best interest to settle out of court. By taking my case to Court I risk severe 'financial penalties' that is, I could end up with considerably less than the Post Office are offering and have to pay legal costs. I would also risk being denied any form of justice as the Post Office might possibly plead guilty to all charges, so no person specifically gets their 'day in court'. Also, if I were to bring my case to court it might cause so much more damage to the Post Office that the business might not recover, putting the jobs of thousands of innocent hard working Post Office employees at risk. I have to concede that these facts are very relevant and form a powerful and persuasive argument that alas I not only have to consider carefully but yield to. It is indeed not in my best interest to pursue this matter in Court and therefore I will not be pursuing this course of action.

I must however stress that even though these considerations are not specifically the 'fault' of the Post Office, I do consider that the Post Office is using, indeed relying on these factors in order to lessen the amount of compensation they offer. Generally, in most out of court settlements it is the fear of legal action by both parties that drives the process to a 'fair' conclusion. Particularly in respect to the defendant. Thus, if the defendant is not fearful of being taken to court, or less fearful than the plaintiff, then the defendant has a significant advantage when it comes to the business of litigation. This indeed appears to be case here. I therefore have to conclude these factors are being used as leverage by the Post Office, and that this is unacceptable in the context of a commitment to make a settlement that is full and fair.

What should not be overlooked in this process (but is) are the many very good reasons why it is very much in the best interests of the Post Office (and others) to settle this matter out of court.

1. To prevent the Post Office suffering further serious reputational damage with historical cases that expose the sheer contempt the Post Office had for the law and its victims to a depth to which the 'public' are not currently aware. And this new and startling evidence coming to light amid a Public Inquiry and possibly becoming part of that Public Inquiry.
 2. To prevent contemporary reputational damage to the Post Office and its incumbent officers by having them attempt to defend the indefensible in Court, and to be seen trying to do so. I doubt anyone currently working for the Post Office (or any of its agents) would want any involvement in a court action, and not wish to touch it with a barge pole.
 3. To prevent the Post Office having to fund their defence using their own money. The Post Office's current board of directors would have to seek to justify spending huge sums of Post Office money defending cases that are indefensible and not in the public interest. Nor would it be in the Post Office's interest to do so.
 4. Having to ask the Government to pick up the bill for legal services. For political reasons alone the Government would not only refuse to be involved in any legal cases in any way, but would certainly not even consider using more taxpayers money to fund such matters. Not when they have given one billion pounds of taxpayers' money to prevent such matters ever reaching the courts. The Government would for political, financial and moral reasons have to hold Post Office executives and agents to account if legal action ensued.
 5. There would be no kudos or financial reward for even winning any such cases. Legal costs and penalties would unlikely to be burdened upon the claimant as they would not be able to afford them. And the Public would just see the victory as the Post Office using their weight to get their own way.
 6. The Post Office stand little chance of winning most cases, and the consequences of losing the cases would only serve to compound the aforementioned points, with serious ramifications for all involved.
 7. The Post Office might be left little choice but to plead guilty to all charges. Although this would spare the guilty Post Office officers from appearing in Court and having to explain their actions, such a scenario would still cause serious further reputational damage. It would also set a legal precedent in which the Post Office would admit liability and causation that might lead to further Court action and even Criminal Prosecutions by the CPS against the Post Office and specific individuals*.
- *Specifically (and ironically) but not exclusively under the same section of the Fraud act 2006 as the Post Office prosecuted me. Section 4. Abuse of Position, with the intention to cause a loss (to employees). With the addition of Section 12 covering corporate abuse.
8. The Post Office as a business might not survive the above. The Post Office business is clearly under huge financial and logistical pressure at the present time and can ill afford to be burdened further by financial, reputational, and personal losses and more scandal. A case like this could be the straw that breaks the camel's back.

Of course, it would never be my intention to 'coerce' or 'leverage' the Post Office into settling my claim by 'threatening' the Post Office with damaging legal action. I am simply pointing out that I am very much aware of the reasons why the Post Office would not want to defend or admit liability for this matter in Court and consider all of them examples of the Post Office evading justice and its consequences. **The Post Office to date have strongly resisted all calls to admit causation and liability.** It is this evasion of justice that I (and every other victim) would also wish to be specifically compensated for, if we are to consider accepting a 'full and fair' out of court settlement.

The Post Office might consider compensation in lieu of justice as not a binding or recognised 'requirement'. This might be so, but once again the Post Office would be wrongly suggesting that this matter is no different to previous litigation cases. The principle could easily be accepted by the Post Office as a gesture of good faith and fairness. I would like to point out that I do not consider the global award offered in regard to Exemplary Damages as in any way in part or wholly compensation in lieu of justice.

Given all the above I think that the 'technical', legal and moral advantage in this matter actually rests with the victims. That means we should not be coerced by the Post Office (again) into an agreement that does not leave us entirely satisfied that justice has been accounted for and full closure attained. And that our compensation for the appalling events that have befallen us, the consequences of which remain with us to this day, are fully and fairly acknowledged and addressed by the Post Office.

NET ZERO LITIGATION

Given all the above you might think Sir that I am suggesting that the Overturned Historical Convictions Compensation Scheme be devoid of any litigation or mitigation whatsoever. But would that be such an inappropriate suggestion? Of course, each specific case is quite different in its various aspects and it is these differences that are being focused upon. For example, some victims had to endure a custodial sentence, others did not. Some victims like myself suffered appallingly at the hands of the probation service, others did not. Some victims like myself had to take anti-depressants and receive counselling, others did not. But I believe that the Post Office is perhaps missing the point in relation to full and fair compensation. Every victim of this scandal has suffered terribly as a result. Trying to quantify that suffering and place a specific monetary value on it is actually quite offensive and disrespectful to all the victims as a whole. Suffering is suffering and losing everything is losing everything.

I believe the Post Office (or even better a totally independent body) should consider only three criteria when formulating an offer of non-pecuniary compensation.

1. Was the claimant a victim of a malicious or unsafe prosecution and conviction?
2. Was that conviction quashed by the courts?
3. Did the claimant suffer at all as a result of the prosecution and conviction?

If the claimants meet all three of these points, then the Post Office should pay a 'standard' lump sum award for non-pecuniary damages that is considered by everyone (including the public) as so full and so fair that there can be no argument that it is not appropriate. I certainly cannot ever imagine we victims squabbling amongst ourselves because we feel we suffered more than another and should therefore have received more. Especially if the payment is considered full and fair and generous and is significantly more than would be received under the current protracted litigation process.

A second lump sum could then be awarded to cover pecuniary losses that should reflect loss of earnings and loss of future earnings without offset deductions or any kind. A standard industry multiplier could be applied to calculate future earnings.

Of course, if a new scheme for paying compensation to victims was to be introduced at this 'late' stage, then the Post Office might argue that it has just wasted 50 million pounds on needless litigation! Alas, this would be true. But it would also save a further 50 million pounds in needless litigation that will take place between now and the end of the Inquiry! It should be noted at this point, that it might not be the fault of the Post Office that protracted litigation ensued from day one. All parties involved allowed this to occur as it would appear no other process was put forward or even considered. Once again, everyone involved were and are litigators, so it was only natural that they started a litigation process. Of course, any new scheme that usurps the current litigation model would have to be up and running almost immediately so that victims are not forced to suffer further delays in receiving interim and full payments. Still, all of this would cause severe disruption, and a move from protracted litigation scheme to a scheme with no litigation at all could be very problematic.

Of course, it is not my place to proffer a compromise, but having raised the issue I feel obliged to make some sort of suggestion. My solution would be to re-engage the services of Lord Dyson, but this time ask his Lordship to do that which with respect he should have been asked to do in the first place. That is to put together an interim group compensation package (global award) similar to my idea stated earlier, that results in a single lump sum payment that includes all non-pecuniary heads of loss. For the sake of argument let us say one million pounds per claim*. The Post Office and the victims must then agree that this figure is full and fair compensation. The figure is (and would need to be) more than the Post Office has currently offered to victims. Added to this would be a pecuniary payment based on the victim's salary at the time they were dismissed and multiplied by an industry standard future earnings calculator. Once this system has been agreed, all litigation should stop and all victims should immediately be paid all their compensation in full. Victims who have already received payments will have those payments topped up to the new award. Any victims unhappy with a global award offer or none litigation process may of course opt out and return to the litigation process at any time or take their chances in court.

*If one million pounds seems excessive, I would suggest it is not. In fact, it might even be considered a little on the low side considering it is compensation for lives and careers utterly and totally devastated and destroyed by a malicious action. The difference between what the Post Office will offer victims under the current litigation scheme and any global award, could be partially made up from the 50 million pounds the Post Office will spend on litigation by the end of the process and or the Public Inquiry. The award could also be increased once the Inquiry has concluded.

I was of course hoping that some comment on your original conclusions in regard to litigation might have been made at the Update Hearing on December 8th. Curiously but perhaps not surprisingly no mention was made of your concerns whatsoever by any party! I suspect this could have something to do with the fact that all those concerned are indeed litigators (including my own amazing team at Hudgell's) or in the employ of litigators. To expect a group of expert litigators to argue in favour of a non-litigation process (open to all without the need for a litigation team) or even a reduced litigation process would in all fairness be a lot to ask for or expect. Litigators litigating on the level of litigation! It would seem therefore that perhaps only we victims and yourself Sir, are in a position to consider this matter without prejudice and possibly press the issue. At the very least I would have expected the Post Office to be asked to explain why it continues to pay Herbert Smith Freehills top dollar so their team of (internationally headhunted) top litigators can go head-to-head with our homegrown litigators in order to aggressively thrash out a deal!* A litigated and mitigated deal that will inevitably result in victims receiving a compensation offer that is neither full nor fair. Unfortunately, this is the inevitable result of allowing the Post Office to be fully in charge of the remedial process. An issue that I believe Sir, you have also quite rightly previously expressed a concern.

On the 10th of January 2023 I read with interest Sir your update and conclusions in regard to the December 8th submissions on compensation issues. I have to say I was disappointed and concerned that you also made no further comment on the continuing protracted litigation process. I realise Sir, that you might now be of the opinion that the litigation process is so far down along the road that it would be a waste of time and money to consider interfering with the process. You might also think that as we victims and our litigation teams have 'allowed' this process to develop thus far, that perhaps we are all in agreement that litigation is the best and only way forward in this matter. I note from your recent update report that you are concerned about the lack of progress in regard to compensation payments, and doubtless share my concern that 'meddling' with the current system may cause further painful delay.

Although you are quite right Sir to be concerned about all these issues, I implore you not to abandon this most important matter. I can assure you Sir, that none of the victims would wish to continue with any process that will see us receive less than half the compensation that we feel would be full and fair. Most of us are financially desperate, but that does not mean that our situation should be taken advantage of. No compensation offer made before the end of phase V or indeed the Inquiry as a whole can possibly have any credibility. Until everyone has the full picture on exactly what happened and your Inquiry report is presented, then no compensation offer could or should be regarded as full, fair or final.

*In respect to the Post Office hiring the big guns of the litigation world to represent their interests. Firms representing the victims have from the beginning of this process asked for extra funding in order to level the playing field a little. Thus, we are in danger of a litigator arms race ensuing, that will swallow up more precious funds. Though I fully support the firms involved and agree that they must be assisted in this area, I cannot help but think that perhaps the best solution to this problem is not an escalating arms race at all but a complete disarmament process? Net zero litigation! When two sides build up their armies it is because they are expecting a war, and usually a war is what ensues, with casualties on both sides. But the two sides in this process are not at war.

The war is supposed to be over, peace is supposed to be upon us. We are all about reparations, with one side having been attacked and devastated and the other side admitting 'responsibility' or at least offering to make things right within a full and fair restorative process. Thus, I ask the Post Office to put away its guns and start breaking bread. This is after all what they said they would do.

Sir, it is a very real concern that if the issues raised in this letter are once again brought to the attention of the Post Office, that the Post Office might suspend all current and ongoing litigation, pending review or the entire process to date. This would be disastrous for all victims as it would seriously impact on initial payments and final resolution payments. It might indeed therefore be 'prudent' to wait for Phase V of the Inquiry to investigate and address these issues. By which time there should be ample evidence available to show whether or not the Post Office and BEIS are honouring their commitment to be Full and Fair or not. Of course, by Phase V many victims might have accepted full and final offers made by the Post Office. Perhaps therefore there should be some mechanism put into place that would allow such 'agreements' to be 'revisited' in the light of any recommendations you make Sir, as a result of Phase V evidence and indeed as a result of the Inquiry as a whole.

I must point out that just because victims have accepted a full and final offer does not mean that they consider the offer full and fair. Offers are being accepted by victims because they are financially desperate. I estimate that the Post Office might offer me a settlement in the region of seven hundred thousand pounds. That is a seriously large amount of money that I would almost certainly feel 'obliged' to accept. Especially if by not accepting it I will prolong the process and might end up getting less!

But seven hundred thousand pounds is less than half the compensation that I would consider full and fair, given that my life and career have been totally destroyed.

The question of what constitutes full and fair compensation is of course at the very heart of this matter. I suspect that the Post Office and Herbert Smith Freehills have a very different figure in mind to the one I and indeed all other victims have. I do however think this matter could be simply resolved by asking key Inquiry core participants representing the Post Office and BEIS, one vital question...

If you had worked for ten years in your chosen profession for a company, and that company maliciously prosecuted you for a crime that you did not commit. And, as a result of that prosecution and conviction you were made unemployed and unemployable and your life unbearable. If you lost everything as a result, including any prospect of a meaningful career and had to spend the next thirty years of your life as a domestic cleaner, scrubbing other people's toilets for a living. And, if you were left with significant psychological trauma. Would you accept less than a million pounds as full and fair compensation? What amount of compensation would you accept as full and fair?

This is of course the question that I would like everyone involved in the Inquiry to answer, as it is specific to my case. The question could of course be simplified and generalised to include all victims and using an average compensation award figure.

I wonder what figure would finally be reached before the executives and litigators answering the questions could actually look their victims in the eye?

I suspect at some stage the Post Office will consider my case and suggest to me that my career aspirations are speculative and unrealistic. But I would point out that I had ambition to follow a career path within the Post Office hoping to move into an assistant manager's position, then eventually a manager and then area manager. I also had ambitions to join the Post Office's banking arm (or another financial institution) possibly in international corporate relations or account management as at the time I was fluent in five languages, English, Russian, German, Italian and Spanish. I considered myself an intelligent, capable and ambitious woman with an honours degree in foreign languages and literature. My career with the Post Office was curtailed and so my chance of ever working and progressing within this or a similar organization again was also curtailed. Even now with my prosecution quashed I am still unable to pursue a meaningful career in a similar organisation as I no longer have the relevant work experience over the last ten years. Had I stayed in position I would have had to date twenty years of continuous service with the Post Office on my CV. Nor do I possess the confidence to even make an attempt at starting a meaningful career. I am also fast approaching fifty years old, too old to start working my way up a career ladder.

Sir, I fully appreciate the fact that it might not be 'right or proper' for you to intervene or comment on matters of individual claims for compensation. But as all these matters affect all the victims, I would be very grateful if you might give this issue some further thought and possibly revisit your conclusions in regard to this matter, made in your Progress Update on issues relating to Compensation last August.

With grateful thanks

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18/01/2023