

# Volume 1 of the Post Office Horizon IT Inquiry's final report

## Redress (compensation) and the human impact of the Horizon scandal

### Summary of the Inquiry

The Horizon scandal is often described as 'one of the most widespread miscarriages of justice in British legal history', where hundreds of Post Office postmasters, managers and assistants were wrongly accused of theft and fraud due to faults in the Horizon IT system.

The Post Office Horizon IT Inquiry is an independent public statutory inquiry, which was established to gather a clear account of the implementation and failings of the Horizon IT system at the Post Office over its lifetime.

Since it began, the Inquiry has held 226 days of hearings, 298 witnesses have provided oral evidence, plus around 274,604 documents have been disclosed.

Through these investigations, the Inquiry has examined:

1. **Development and implementation of the Horizon IT system** - How the Horizon IT system was created, tested, and rolled out across Post Office branches.
2. **Technical issues and bugs** - The extent of known errors in the Horizon system and how these affected branch accounts.
3. **Handling of reported discrepancies** - How the Post Office responded when postmasters reported accounting shortfalls.
4. **Legal proceedings against postmasters** - The prosecution strategy used by the Post Office, including evidence gathered and presented.
5. **Knowledge and governance** - What senior Post Office and Fujitsu executives knew about system problems and when.
6. **Human impact of the Horizon scandal** - How individuals were treated by the Post Office when shortfalls were identified and how it impacted them and their families.
7. **Compensation schemes** - The adequacy of redress schemes established to compensate victims.
8. **Institutional culture** - The organisational culture at the Post Office and if/how that contributed to the scandal.
9. **Government oversight** - The role of government departments in their capacity as Post Office shareholder.

# Key findings and recommendations

Sir Wyn Williams has published Volume 1 of his final report, which examines the "disastrous" human impact of the Horizon scandal and the issue of redress (compensation).

This builds on Sir Wyn's interim report, which was published in July 2023.

## Human impact

### Examining the real-life impacts of the Horizon scandal

Through 17 first-hand accounts, Sir Wyn Williams details the scale of the suffering endured by those affected by the Horizon scandal.

He recounts how some people became seriously ill, struggled with mental health problems including alcohol addiction, and faced financial impacts including bankruptcy.

He details how some people experienced reputational impacts or sadly passed away before receiving compensation.

He also outlines how some people were held liable for a small amount of money allegedly lost to the Post Office, while others were wrongly imprisoned, describing the ordeal as "disastrous".

## Redress (compensation)

### 1. Providing a response to recommendations

The Government and, where appropriate, the Post Office and Fujitsu should provide a written response to the following recommendations by **10 October 2025**.

## 2 and 3: Defining and delivering 'full and fair financial redress'

The Minister and Department for Business and Trade (DBT) together with the Post Office should make a public announcement explaining what is meant by 'full and fair financial redress'.

Decision-makers involved in the various compensation schemes should ensure that an agreed definition of 'full and fair' is used when deciding the amount of compensation to be given to claimants.

## 4. Legal advice for Horizon Shortfall Scheme applicants

Anyone claiming compensation through the Horizon Shortfall Scheme (HSS) should be entitled to legal advice, funded by the Department for Business and Trade (DBT).

This will help claimants choose whether to accept the Fixed Sum Offer or to have an assessment to decide their amount of compensation.

A Fixed Sum Offer is when you choose to accept a specific, set amount of money as a settlement instead of having a full assessment of your financial losses.

## 5. Option to take the fixed sum offer after receiving first assessed offer

Anyone applying for a compensation scheme who has chosen to have their claim assessed may decide to take the Fixed Sum Offer instead up to three months after receiving their first assessed offer.

## **6 and 7. Appointing a senior lawyer to the Horizon Shortfall Scheme and giving them powers**

A senior lawyer should be appointed to the Horizon Shortfall Scheme who will take actions to make sure that compensation offers are delivered as soon as realistically possible.

This lawyer should be given powers, so they can take appropriate actions to ensure that offers are full and fair.

If needed, before deciding the appropriate powers, there should be discussions with the Horizon Compensation Advisory Board (HCAB), Dentons, Sir Gary Hickinbottom, Sir Ross Cranston and claimant's representatives and their advisors.

## **8. Compensation offers under the Horizon Shortfall Scheme (HSS) should not be lower than the amount recommended by the Independent Advisory Panel**

The Post Office should be required to make, and the Department for Business and Trade (DBT) required to approve, compensation offers under the Horizon Shortfall Scheme (HSS) which are no less than the offer recommended by the Independent Advisory Panel.

The Independent Advisory Panel are a group of independent experts. Their role is to assess and recommend to the Post Office a fair outcome for eligible claims made to the scheme for shortfall losses and consequential losses.

## **9. Appealing acceptance of a Fixed Term Offer in the Horizon Shortfall Scheme**

The Department for Business and Trade should urgently consider whether Horizon Shortfall Scheme (HSS) claimants who have accepted a Fixed Sum Offer should be given the chance to appeal their acceptance of an offer.

## **10. Explanation of the 'best offer' principle in Horizon Shortfall Scheme Appeals (HSSA) process**

The Department for Business and Trade (DBT) will publish an extra document or announcement explaining the meaning and purpose of 'Best Offer Principle' in the Horizon Shortfall Scheme Appeals (HSSA) process, providing examples if needed.

## **11. Best Offer Principle to apply to those claiming through the Group Litigation Order scheme**

The 'Best Offer Principle', which is found in the Horizon Shortfall Scheme Appeals (HSSA) process, should also apply to those appealing their claim for compensation through the Group Litigation Order (GLO) scheme.

## **12. Amend the Group Litigation Order (GLO) scheme documents to give claimants the right to make oral submissions to support their claim**

The Group Litigation Order (GLO) scheme documentation should be amended. It should give claimants or their legal representatives the right to make oral submissions to the Independent panel at any hearing where a binding determination can be made.

The length of time given to claimants to make an oral submission at the hearing should be the same as that offered to claimants under the Horizon Shortfall Scheme Appeals (HSSA) process.

## **13. The Dispute Resolution Procedure should be closed once everyone who is currently in the Horizon Shortfall Scheme Dispute Resolution Procedure has settled their claims or opted to have their claim transferred to the Horizon Shortfall Scheme Appeals (HSSA) process**

The Dispute Resolution Procedure is a process set up within the Horizon Shortfall Scheme that allows postmasters to challenge and appeal decisions about their compensation. It should be closed once everyone has either settled their claim or been transferred to the Horizon Shortfall Scheme Appeals (HSSA) process.

#### **14. Post Office should engage in mediation with anyone who wants a mediated settlement of their claim**

Anyone who is eligible to appeal through Horizon Shortfall Scheme Appeals (HSSA) process has nine months to make an appeal from 31 May 2025 or, for those currently in the Dispute Resolution Process, from the date they receive correspondence providing the option to do so.

During this period, the Post Office should engage in mediation with anyone who wants a mediated settlement of their claim.

A mediated settlement is an agreement reached through a facilitated negotiation process where an independent third-party mediator helps the parties (typically the claimant and the compensating body) resolve their dispute.

#### **15. Horizon Shortfall Scheme to close**

No claims for financial redress from the Horizon Shortfall Scheme will be accepted after midnight 27 November 2025.

#### **16. Explain differences between schemes for assessing financial redress**

In March, the Department for Business and Trade (DBT) announced that the Horizon Convictions Redress Scheme is set to merge with the Overturned Convictions scheme. The Department for Business and Trade (DBT) will explain if there are any differences for assessing financial redress between the newly merged scheme and the process currently in place for the Overturned Convictions scheme.

#### **17. Create a public body to administer and deliver financial redress schemes**

As soon as reasonably possible, the Government will establish a standing public body which will create, administer and deliver schemes for giving financial redress to people who have been wronged by public bodies.

## 18. Provide financial redress to close family members affected by the Horizon scandal

The Department for Business and Trade (DBT) will create a process for providing financial redress to close family members of those most negatively affected by Horizon. They will be eligible for redress if they have suffered serious negative consequences because of their family relationship with the person affected by the Horizon scandal.

## 19. Fujitsu, Post Office and Government should set out plans for restorative justice

Fujitsu, Post Office and Government should either together, or separately, publish a report by October 2025, outlining an agreed programme of restorative justice or any actions they've taken to produce this programme. Restorative justice is the process of bringing together people who have caused harm and those affected by it, so they can discuss the impact, take responsibility, and work collaboratively on making amends.

## Definitions

- **Fixed Sum Offer:** A fixed sum offer is when you choose to accept a specific, set amount of money as a settlement instead of having a full assessment of your financial losses.
- **Independent Advisory Panel:** The Independent Advisory Panel are a group of independent experts and their role is to assess and recommend to Post Office a fair outcome for eligible claims made to the scheme for shortfall losses and consequential losses.
- **Dispute Resolution Procedure:** The Dispute Resolution Procedure is a process set up within the Horizon Shortfall Scheme that allows postmasters to challenge and appeal decisions about their compensation.
- **Mediated settlement:** A mediated settlement is an agreement reached through a facilitated negotiation process where an independent third-party mediator helps the parties (typically the claimant and the compensating body) resolve their dispute.
- **Restorative justice:** The process of bringing together people who have caused harm and those affected by it, so they can discuss the impact, take responsibility, and work collaboratively on making amends.

