



Department for Business and Trade

8 January 2024

Dear Minister Hollinrake,

I am writing to you regarding the events respectfully outlined in the ITV programme Mr Bates vs The Post Office. The drama has understandably encouraged an outpouring of anger from members of the public, as well as past and present Postmasters.

The NFSP writes this open letter to you as we have concerns about the overall governance of the Post Office by successive Governments who had ultimate responsibility over the years.

During the Inquiry, successive Government Ministers stated that they had received assurances as to the robustness of the Horizon system, both as it was being rolled out, and during the period covered by the Inquiry.

It is a major concern to the NFSP that successive Government Ministers were told by MP colleagues and Postmasters themselves of potential flaws with the system, yet these requests for action were denied. Indeed, in 2003 the then Postal Affairs Minister responded to Betty Williams, MP for Alan Bates, stating *"conflicts over contractual matters are issues for the sub-postmaster and Post Office Ltd – with ultimate recourse through the legal system if necessary. The Government's role in post office matters is confined to broad issues of general policy and overall financial control."* The Minister in a handwritten note then states "I am trying to find out what the dispute is here." To date no-one knows who the Minister asked and what they found out. What we do know is that Post Office Ltd continued to charge and prosecute those individuals, including those covered by the ITV

programme, which resulted in convictions for many, while others were sent to prison.

The NFSP would like to highlight that in 2018, the then Board of Post Office Ltd, which included a Government representative, agreed a strategy to defend the indefensible and ensure that the victims remained guilty. Despite the Post Office losing as badly as they did, the shareholder did not hold a single member of that Board accountable for the significant damage that strategy did to the victims, and also to the reputation of the Post Office.

Indeed, the former CEO of Post Office, Paula Vennells, stepped down just weeks prior to Justice Fraser's ruling with a golden goodbye, a CBE and a role within the Cabinet Office. This is hardly the action of a shareholder who held the Board and its CEO accountable for their actions. Indeed, the former Chair of the Board only stepped down recently, with the Chief Financial Officer and the former Interim Chief Executive Officer, still employees of Post Office Ltd and members of the Board.

The NFSP has raised concerns internally with Post Office that there are still employees of Post Office Ltd who were involved in internal discussions about bugs, defects, or errors, where directions were given for minutes not to be taken, or were part of the Investigation, Audit and Contracts departments, who hold roles that are Postmaster facing. We are not confident that the correct review has or will be taken.

It is now nearly five years since Justice Fraser's Common Issues ruling, yet the victims are still trying to gain the compensation they deserve. Questions are rightly being raised as to the length of time it has taken for these victims to receive the justice they deserve and why it takes a TV programme to encourage Government Ministers to begin to act as they should to protect individual citizens of the United Kingdom against the might of the corporate giants?

Postmasters are justly and rightly highlighting their concerns over the robustness of Horizon today, with the NFSP repeatedly calling for the system to be externally audited to ensure that nearly five years after Justice Fraser's Horizon Issues ruling, that the system is robust. Everyone, whether Postmaster, assistant, or Crown office employee of Post Office, still use Horizon today and collectively we have to have confidence that the system works as it should and does not have bugs, defects or errors that secretly affect branch office accounts. Government as the sole shareholder should be ensuring on behalf of the general public that this is the case.

The NFSP is calling for any report to be published as a matter of public document.

Given the reaction of the general public and resulting media attention, there are calls to boycott the Post Office. Whilst Postmasters understand the feelings against Post Office Ltd by the general public, they are raising their concerns that any boycott will directly impact the innocent Postmaster of today, and result in further victims of the Horizon scandal. Therefore, the NFSP is calling on Government to be

fully committed to Postmasters by providing reassurance. It is the NFSP that has stepped forward in the absence of the Post Office, to provide Postmasters with a range of material that they can use to inform customers that by boycotting Post Office Ltd, they harm the local Postmaster and their business.

It is sad to see that despite the rulings of Justice Fraser during 2019, questions remain over the way senior executives of the Post Office continue to treat Postmasters of today. As recently as last February, Post Office wrote to those whose offices were classed as Hard to Place (HtP) imposing a change of contract which results in the level of compensation they will receive being cut from 26 months to 12 months. Post Office Ltd have refused point blank any form of negotiation with the NFSP, despite numerous requests from HtP Postmasters. Freedom of Information requests have been sent to both Government and Post Office Ltd asking how the £640m of funding allocated by the former Postal Affairs Minister in 2015 has been spent. All requests so far have been denied. Sadly, some of these colleagues have passed away and others have been given the devastating news of a terminal illness, yet Post Office continues to refuse a compromise.

This attitude of imposing contractual changes has continued with those who operate around 1,900 Outreach services in very rural communities. Post Office management recently wrote to these Postmasters informing them that their services would be cut or closed, causing potential financial distress, and community isolation. This was done without the knowledge of the NFSP, which is a clear breach of the Postmaster contract. We must ensure that Post Office Ltd does not place profit and executive bonuses before the needs of rural communities and the Postmasters who so loyally serve them.

Due to the issues explained above, the NFSP is calling on the governance of the Post Office to be radically altered, and for Post Office Ltd to be placed in voluntary receivership with the Board immediately removed, and all senior management involved and who benefitted from the highly unethical and controversial Transformation Incentive Scheme, to be removed so that a new governance structure can be implemented.

The NFSP is advocating for an Oversight Committee consisting of Government, the three recognised representative bodies of those who have a contract with Post Office Ltd, plus consumer groups due to the Post Office's social purpose.

We cannot ignore that these victims and many others had to repay monies to Post Office Ltd, however the question remains, where did this money go? It is imperative that a full investigation into debt recovery by the relevant authorities is underway to determine if Post Office Ltd and other government agencies are themselves guilty of false accounting.

Finally, it is welcome that the Justice Secretary is looking into the possibility for all convictions to be quashed so that all of the victims can have their names cleared and their reputations restored. However, the Government must go further and consider the role of the Justice System in this scandal as the legal system cannot

escape the reality that solicitors, barristers, the then Queen's Council and Judges played a significant part in innocent people being charged, prosecuted, convicted, and often receiving a custodial sentence. The general public has to have confidence in the legal system so that innocent people are not convicted today, or that those who are guilty of crimes are not found innocent, denying their victim's justice.

The implications and fallout from the whole scandal are so far-reaching, that leaders within Government, the Civil Service, Industry and the British Justice system are required to take collective responsibility to ensure the British people have confidence in those who hold the relevant power and responsibility.

The NFSP urges Government to remove any delay or obstacle that could prevent the victims of the past from having their reputations and losses restored. This must include consequential losses. It is also our hope on behalf of serving Postmasters, that Government changes its view towards Postmasters and is willing to discuss its long-term vision for the Post Office network. This would help ensure that those investing in the network can have confidence in the future.

Yours sincerely,

Calum Greenhow
NFSP, CEO