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Candace Ho ACA CFE (Ms)
Investigations Officer
Conduct Department
Professional Standards

T [REDACTED] GRO
E [REDACTED] GRO

July 3, 2024

Dear Ms Ho

Re Case reference: 074941/MATT

I understand that ICAEW has opened an investigation into Mr Staunton based on press reports relating to the so-called investigation by a lawyer appointed by and paid for the Post Office. That investigation was prompted by a complaint I had lodged with the Post Office regarding the way the Chief Executive of the Post Office behaved towards me as the sole woman in the senior management team, although the manner in which it was conducted and the conclusions it is reported to have reached have raised serious questions about its governance, process and the reliability of any conclusions. As a former colleague of Mr Staunton, and a witness to the events that I believe are the basis for your investigation, I believe that I can shed important light on these matters that need to be taken into consideration .

Background

By way of background, I am an experienced human resource professional with what I would like to think is a distinguished career working in senior roles for a number of public companies including Wincanton, Galliford Try and McKesson Corp where I was a statutory Board Director. I am currently employed as Chief Human Resources Officer for Travis Perkins. I held the post of Group Chief People Officer, at POL for 7 months from December 2022 to June 2023. My roles have involved supporting the Board and Senior Management teams of these companies on a wide range of complex issues including managing large scale change programmes, merger integration and culture change more generally. They have also included putting in place and promoting diversity policies and diversity education. I am therefore fully conversant with the issues of race, gender and diversity in the workplace, indeed it is a passion of mine

I joined POL in December 2022 with a mandate to tackle deep-seated cultural problems within the organisation and prioritise redress for the victims of the Horizon scandal. I genuinely wanted to give back to both the Postmasters and POL employees, the returns, remuneration and benefits they deserved, as well as 'wean' POL off the government purse strings. I was convinced I could help POL achieve this. However, from the first day, I found a Chief Executive who was obsessed with his pay, to such an extent that it was a huge distraction from me establishing myself in my new position and performing the duties that were set out in my job description.

I wanted in this letter to explain:

- Why I am happy to vouch personally for Mr Staunton's character and assert categorically that Mr Staunton is in no way racist or misogynistic in his attitudes or conduct
- Why, as a witness to the incidents that have been reported in the press, I can testify to the exact nature of what occurred and why these are not, in my view, reliable evidence of racist or misogynistic conduct or attitudes
- Why the Post Office has, in my view and the view of others', serious questions to answer not only in matters of misogyny and racial discrimination in the workplace, but also about the handling of my complaint against the CEO, such that the so-called investigation that followed and the way it was "spun" in the press subsequently, ought not to be relied upon in any context whatsoever and certainly not as a basis on which to judge and condemn a man of the integrity of Mr Henry Staunton.

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Mr Staunton's Character

I worked closely with Mr Staunton whilst at the Post Office. I saw how he dealt with colleagues at all levels. He was always professional, courteous and considerate, but he could certainly be robust with senior colleagues where he felt they were out of line.

I never saw any problem with his attitudes to women in the workplace or with colleagues of ethnic minority heritage. Quite the contrary. I know that he had an excellent working relationship with the CEO Kate Swann, when he was chairman of WH Smith. He was an advocate for putting more talented women and people of ethnic minority heritage on the Post Office Board. In fact, his attitude to female and ethnic minority colleagues was light years away from what I encountered elsewhere within the organisation. Indeed, it was Mr Staunton, alone among the senior echelons of the Post Office, who took my complaints about bullying seriously and he was an important source of advice and moral support in how to tackle those issues. I have also seen personally his willingness to take up the cudgels on behalf of the postmaster non-executives when they had to endure abuse and intimidation, some of it of a racial nature, from the Post Office's own staff. He was also instrumental in appointing a talented black businessman Andrew Darfoor, to the Board, and it was his insistence on pushing Andrew's candidacy for the role of Senior Independent Director on the Board, as well as his willingness to tackle the CEO over his tolerance of racist and misogynistic attitudes within the organisation which precipitated the clash with the Post Office legal director and the shareholder which appears to have been instrumental in his downfall.

The Incidents in Question

I would like to stress, first of all, that I was not shown a copy of the lawyer's report or its findings, either in part or in whole, either during, or after, the investigation. My assumption is that it was not independent, nor can I therefore know what was said about the incidents that were reported in the press and I believe you are treating as the basis for your investigation.

As I said in my letter to the Business and Trade Committee about the investigation, my "Speak Up" complaint, which I was given to understand had prompted the investigation, was about Nick Read and Nick Read alone. I had no complaint against Henry Staunton, nor had anyone else for that matter, and Mr Staunton was not mentioned in my complaint or the supporting documents.

I had referred to these incidents in a completely different context in the documents I submitted in support of my complaints against Nick Read. The reference to "women being pains in the arses" was my characterisation of Nick Read's attitude towards women in general and me in particular. It so happened that Mr Staunton had also quoted that expression in another context, by way of illustration that tensions between senior managers can be difficult to manage. He was at the time quoting by way of example, a remark by a woman whom he had worked with in the past who was talking about her own issues with other senior woman, without endorsing in the slightest that view or the use of that expression.

Regarding the incident concerning the use of the word coloured. I was present at a meeting where candidates were being put forward for a NED role. Andrew Darfoor was one of those candidates, along with a woman of South Asian heritage. I understand Mr Staunton who was keen to bring more women and ethnic minorities into senior positions, had been confused about why this particular candidate was being presented at someone who fulfilled those diversity criteria. However, the way in which he framed his question was by his own admission unfortunate, but clearly clumsy rather than anything else. When after the meeting, I pointed out that the use of "coloured" as opposed to "of colour" is now regarded as offensive, he was mortified and immediately apologized.

It is important to note that during the meeting he was very keen on this particular candidate's credentials and insisted on her being asked back for further evaluation and being shortlisted as one of four candidates for the vacant post. She was then interviewed by an independent panel which included me and the chairman. She performed extremely well against the criteria. However, in the event and a choice having to be made between two very good candidates, Andrew Darfoor was judged the stronger candidate of the two and was therefore appointed. However, Henry Staunton, who remained an enthusiastic advocate for the candidate in question, raised the possibility with the independent panel of bringing that candidate back in another senior advisory

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capacity because he felt her skill set was so valuable. This is the feedback she would have got from the head-hunters at the time. A role of that kind would have certainly been found for her, but for other pressures. At the time, the priority was to complete the process of recruitment of non-executives, hence it was decided to come back to the issue of finding a senior role for her later in the year.

What the incident did flag up to me was the need to put in place proper diversity training and that everyone within the organisation, including the chairman, needed to be given the appropriate tools to understand diversity issues including the nuances of language, and where infelicitous use of language could cause offence even if not intended as such. My purpose in referencing this incident, without mentioning names, was to give an example of why I had advised the CEO to take diversity education more seriously and why the fact that he had not followed through on that advice was indicative of the lack of priority he attached to culture issues as opposed to advancing his own personal campaign to improve his pay.

Post Office Investigation into my "Speak Up" complaint

I have spelled out my broader concerns about the investigation in a letter to the Business and Trade Committee which is a public document. As it is protected by parliamentary privilege, I have been able to be more candid about my issues than I can here. The Post Office has shown itself to be extremely aggressive and litigious with regard to any public statements with which it disagrees, and I need to be mindful of that in what I share with you. I would further point out that I am still considering my position regarding my rights under Employment Law, and should I pursue a case, it will be on the basis of advice I have received that the Post Office's handling of my "Speak Up" complaint would not stand up in open court.

The Post Office, for reasons I am unaware of, deliberately turned what I wanted and expected to be an investigation into Mr Read's conduct towards me, into an investigation into the chairman, Mr Staunton. Moreover, far from being treated as the victim and accorded the appropriate protection, I was treated as though I was the accused and having to mount my own defence. I have described the treatment meted out to me via that investigation as tantamount to a continuation of the bullying I was alleging Mr Read had engaged in towards me. I protested through my lawyers at the way the Post Office repeatedly presented the investigation to the outside world as an investigation into the chairman rather than into allegations of bullying and misconduct by the CEO. Getting nowhere, I also wrote to the Business and Trade Committee, who have indicated to me that they share my misgivings about the conduct of this investigation. The Committee has already found that Mr Read has misled them on two counts. It has yet to opine on the investigation but is clearly unhappy at what it has so far been told.

Conclusion

For those reasons, I have contested and continue to contest those conclusions and as the author of the original complaint, and an individual who should have been well placed to understand the serious problems with the Post Office culture, I believe the investigation and the way it was weaponised by senior Post Office management is indicative of the deep cultural problems within that the organisation. Those problems are at the root of what caused the Horizon IT scandal, why the Post Office remains in denial about the damage it has caused, and continues to cause, and why it is still failing to do what common sense demands needs to be done to make amends. I believe that I and Henry Staunton are collateral damage in the Post Office's institutional failure to address these issues. I am further convinced that no good can come out of an ICAEW process that whatever its intentions, ends up validating those gross failings and perpetuates the persecution of someone I regard as fundamentally a good man.

Yours

Jane Davies