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Business, Energy and Industrial
Strategy Committee

Post Office and Horizon - Compensation: interim report

Eighth Report of Session 2021–22

*Report, together with formal minutes relating
to the report*

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Business, Energy and Industrial Strategy Committee

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Introduction

Background

1. The Horizon accounting system was introduced by the Post Office in 2000, after being piloted in 1997 by both the Post Office and the Department for Social Security (DSS) to migrate benefits and to automate the Post Office counters network and record financial transactions at Post Office branches.¹ Problems with the system were first reported in 2000, with errors in some cases leading to serious shortfalls in individual Post Office branch accounts. By 2009, Computer Weekly was reporting that a number of sub-postmasters who had reported issues with Horizon had faced prosecution, bankruptcy and jail and that Post Office Ltd was failing to recognise that there was a problem with its IT system.² This led to some sub-postmasters either making up shortfalls with their own money or facing fraud accusations and subsequent prosecution by Post Office Ltd.³
2. Between 2000 and 2014, the Post Office prosecuted 736 sub-postmasters and sub-postmistresses—an average of one a week—based on information from the Horizon computer system.⁴ Some went to prison following convictions for false accounting and theft; many were financially ruined and have described being shunned by their communities.⁵ Some victims of this scandal have since died.⁶
3. After many years of campaigning from parliamentarians, on 26 February 2020, Prime Minister Rt Hon Boris Johnson MP committed to hold an independent inquiry.⁷ On 10 June 2020, Paul Scully MP, Minister for Small Business, Consumers and Labour Markets, announced the scope of the Independent Review into the Post Office Horizon IT

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- 1 The provider of this original system was ICL. In 1999, the then Trade and Industry Committee identified problems with the Horizon project citing issues around repeated delays and failures to reach important milestones in its delivery and what it characterised as its “chequered history”. ICL was partly owned by Fujitsu and was fully incorporated within Fujitsu in 2001. The system was changed in 2010 to an online version called Horizon Online or HNG-X, which is now called Legacy Horizon.
 - 2 Computer Weekly, [Bankruptcy, prosecution and disrupted livelihoods - Postmasters tell their story](#), (11 May 2009).
 - 3 See: BBC News, [Post Office IT fiasco: ‘Decade of hell’ for accused](#), (15 December 2019); Daily Mail, [Postmasters jailed and forced to pay millions after an IT glitch wrongly showed shortfalls should be repaid their money by the Post Office, forensic accountant claims](#), (27 December 2019).
 - 4 Horizon was developed by the Japanese company Fujitsu, was used for tasks such as transactions, accounting and stocktaking. Sub-postmasters complained about bugs in the system after it reported shortfalls, some of which amounted to many thousands of pounds. Some sub-postmasters attempted to plug the gap with their own money, even re-mortgaging their homes, in an (often fruitless) attempt to correct an error. For the background to the Horizon case see the BBC’s podcast: [The Great Post Office Trial](#) and Panorama’s [Scandal at the Post office](#). See also: Nick Wallis, ‘The Great Post Office Scandal: The fight to expose a multimillion IT disaster which put innocent people in jail’, (2021); Karl Flinders, [Post Office Horizon scandal inquiry announces first public hearing](#), (13 October 2021); House of Commons Library, [The Horizon Settlement and the future governance of the Post Office Ltd](#), (March 2020); House of Lords Library, [Bates v Post Office: Horizon Accounting System](#), (February 2020).
 - 5 See: BBC News, [Jailed Post Office worker: I wanted to kill myself](#), (15 December 2019); Sky News, [Depression, bankruptcy and jail: Why we sued the Post Office](#), (15 March 2019); Daily Mail, [Was pregnant postmistress jailed over £74,000 theft due to a system glitch? Bosses ‘knew about computer error but did nothing during her theft trial’, court hears](#), (18 November 2018); Daily Telegraph, [Post Office agrees to pay sub-postmasters £58m compensation over false accusations of theft](#), (11 December 2018). Sky News, [Depression, bankruptcy and jail: Why we sued the Post Office](#), (15 March 2019). Times, [Post Office scandal: I was a pillar of the community and then I became a pariah](#), (22 December 2019).
 - 6 See: BBC News, [Post Office scandal: What the Horizon saga is all about](#), (21 July 2021); Times, [Victims of the Post Office’s sub-postmaster scandal on their decade of hell](#), (9 February 2020).
 - 7 HC Hansard, 26 February 2020, col. 315.

System and Trials.⁸ On 30 September 2020, the Government announced the ‘final Terms of Reference’ for the inquiry, which would be led by Sir Wyn Williams. The Minister stated that:

Post Office Ltd.’s prosecution function, matters of criminal law, the Horizon group damages settlement, the conduct of current or future litigation relating to Horizon and/or the engagement or findings of any other supervisory or complaints mechanisms, including in the public sector, are outside the Inquiry’s scope⁹

The non-statutory inquiry, now titled The Post Office Horizon IT Inquiry, commenced in Autumn 2020; a call for evidence was issued on 1 December 2020. The first public hearing took place on 15 January 2021.¹⁰

4. The Justice for Sub-postmasters Alliance (JFSA) refused to take part in the inquiry, describing it as a “whitewash” and called for a full public inquiry instead.¹¹ This Committee supported this call for the inquiry to be put on a statutory footing. On 19 May 2021, the Government announced that the inquiry would become a statutory inquiry, and would deliver its conclusions in Autumn 2022.¹² Witnesses could now be compelled to give evidence. The Minister said he and Sir Wyn had agreed that the context of the events had changed after convictions were quashed and hundreds more were expected to follow.

5. In November 2021, Sir Wyn issued a press release which set out the full list of issues that the Inquiry would consider.¹³ This included looking at whether the “creation and implementation of the Historic Shortfall Group Scheme and the Interim Compensation Scheme provided an adequate means for affected sub-postmasters (SPM) managers and assistants to obtain financial redress for the wrongs which they have suffered”.¹⁴ This was amended on 10 January 2022 to state that the Inquiry would “consider whether all affected sub-postmasters, sub-postmistresses, managers and assistants, including the 555 Claimants¹⁵ in the group litigation of *Bates and Others v Post Office Limited* [2019] EWHC 3408 (QB), were adequately compensated for the wrongs they suffered”.¹⁶ A timeline for the Horizon Scandal can be found in Appendix 2 of this Report.

Our inquiry

6. We launched our inquiry into the Post Office and Horizon on 9 March 2020. We set out to explore the issues emerging from the Horizon IT Court cases, looking at the impact on sub-postmasters, its effect on the future viability of the Post Office, and examine the lessons the Government and Post Office Ltd have learned from a scandal.¹⁷ We heard evidence from sub-postmasters directly affected by the scandal and their representatives

⁸ HC Hansard, 10 June 2020, [cols 294 to 313](#).

⁹ HC Hansard, 30 September 2020, [Statement UIN HCWS477](#).

¹⁰ Post Office Horizon IT Inquiry, [Public hearing session: Focus Group 001](#), (January 2021).

¹¹ See: BBC News, [Post Office Horizon scandal inquiry extended after criticism](#), (19 May 2021); Karl Flinders, [Post Office Horizon scandal inquiry announces first public hearing](#), (13 October 2021).

¹² HC Hansard, 19 May 2021, [cols 717 to 730](#).

¹³ Post Office Horizon IT Inquiry, [Statement of Chair in relation to List of Issues](#), (17 November 2021). The full list of issues can be found [here](#).

¹⁴ This is issue 183 in full list of issues.

¹⁵ See paras 7-8

¹⁶ See: Post Office Horizon IT Inquiry, [Completed List of Issues](#), (accessed 11 February 2022), footnote 6.

¹⁷ This inquiry followed our predecessor Committee’s inquiry on the [Post Office Network](#).

on 10 March 2020.¹⁸ We intended to take evidence from former Post Office CEO Paula Vennells, the current Post Office CEO, Nick Read, Fujitsu, the Minister and BEIS and UKGI officials on 26 March 2020, but this was postponed because of the introduction of Covid-19 restrictions. We continued to receive written evidence and to engage in correspondence on this issue.¹⁹ In June 2020, following the Government's announcement of the scope of the Independent Review into the Post Office Horizon IT System and Trials,²⁰ we paused our oral evidence sessions until after the Review (which later became a Statutory Inquiry), would finish its work in order to avoid creating conflicts between parliamentary and legal processes.

Interim Report - Compensation

7. In the meantime, the specific issue of compensation for sub-postmasters has become a pressing issue,²¹ and in particular the position of the 555 sub-postmasters ('the 555') who won a High Court battle with the Post Office in December 2019.²² They were awarded £57.75 million, but it was estimated that £46 million was immediately swallowed up in legal fees, which were required to be paid after the case had been won.²³ This left only £20,000 for each sub-postmaster, when their losses as a result of Horizon have been estimated to often be well in excess of £100,000.

8. The injustice arising from this level of compensation was further compounded by the Government's decision to exclude the 555 from the Historic Shortfall Scheme, which was opened in May 2020 for sub-postmasters who had covered losses caused by Horizon with their own money, often to avoid prosecution and imprisonment.

9. Several Members of Parliament have raised issues about the Historical Shortfall Scheme, including the slowness of making payments and wider criticisms of the scheme itself.²⁴ Concerns have also been raised about a number of sub-postmasters who had successfully overturned convictions, but who were denied compensation.²⁵ While the

18 BEIS Committee, [Oral evidence: Post Office and Horizon](#), (HC 143; 10 March 2020).

19 We have since taken written evidence from on Horizon - BEIS Committee, [Written Evidence: Post Office and Horizon](#) and have engaged in written correspondence as follows. [Letter from Paula Vennells on Post Office and Horizon](#), (25 June 2020), [Letter from Nick Read, Post Office CEO, on Post Office and Horizon](#), (25 June 2020), [Letter from Fujitsu on Post Office and Horizon](#), (25 June 2020). We have also engaged in ongoing correspondence with the Minister, Paul Scully MP, relating to the Post Office and Horizon: [Letter on Independent Review into Post Office and Horizon](#), (25 June 2020); [Letter on Post Office: Horizon IT Inquiry access to witnesses](#), (14 October 2020); [Letter on postmasters who have overturned their convictions](#), (27 April 2021); [Update on the Post Office: Horizon IT Inquiry](#); [Letter on compensation for postmasters who have overturned their convictions](#), (8 September 2021).

20 HC Hansard, 10 June 2020, [cols 294 to 313](#).

21 See for example: Financial Times, [Pressure mounts on UK government to pay postmasters' legal bill](#), (8 November 2021).

22 See for example: Daily Mail, [MPs demand full payouts for 555 forgotten victims of Post Office IT scandal](#), (6 January 2022). See also HC Hansard, 15 December, [cols 1092 to 1101](#); HC Hansard, 19 March 2020, [cols 1224 to 1246](#). There have been a number of Early Day Motions calling for the 555 to be properly compensated. See for Example, Kate Osborne's [EDM](#) of 6 January 2022.

23 Therium Capital Management, a specialist litigation funder, agreed to back the claim in return for a proportion of any damages awarded. This was the only way the 555 could fund the case and reflected that fact that so many of the 555 had suffered financially as a result of the Horizon Scandal. See: Financial Times, [Post Office scandal shows value of litigation funds](#), (28 April 2021); Sky News, [Postmasters land funding for legal clash over Post Office IT fiasco](#), (13 February 2018).

24 See for example Nick Wallis's blog - [Post Office Horizon Scandal](#). See in particular: [Compensation, compensation, compensation](#) (updated 8 January 2022). Nick Wallis has followed the Horizon Scandal for many years and has produced various programmes on the BBC about it. See also HC Hansard, 14 December 2021, [274WH to 282WH](#).

25 See Nick Wallis, [Post Office Trial](#), (14 September 2021).

majority who had overturned convictions were paid £100k in advance of a final settlement, several were not.²⁶ A summary of the three different routes that sub-postmasters can follow to claim compensation is set out in Appendix 1 of this Report.

10. The age profile of the sub-postmasters means that this issue must be urgently addressed. Many are elderly and sadly some have already died before receiving full redress.²⁷ In November 2021, the Financial Times reported that some sub-postmasters were facing “financial ruin” and that a QC representing 150 sub-postmasters said many would “lose their homes unless something [was] done urgently”.²⁸

11. We therefore decided to take oral evidence on the specific issue of compensation and, having secured agreement from the statutory inquiry to do so, held two evidence sessions on 14 December 2021 and 11 January 2022. We heard from sub-postmasters directly affected by the Horizon scandal and their representatives,²⁹ the Post Office CEO, the Minister and officials.³⁰ Sir Wynn Williams, who is chairing the statutory Post Office Horizon IT Inquiry, confirmed that he welcomed our short inquiry on the specific and pressing issues around compensation, and noted that our evidence will be used to further inform his work.³¹ We intend to return to the broader issues raised once the Statutory Inquiry into the Post Office Ltd. has completed.³²

26 BBC News, [Post Office scandal: Government to foot bill for postmasters' compensation](#), (14 December 2021).

27 See for example: Guardian, [Former subpostmasters expected to have names cleared after court appeal](#), (23 April 2021); Daily Mail, [Compensation bill for postmasters whose lives were 'irreparably ruined' following the Post Office's Horizon IT scandal is set to run into the 'tens of millions' as victims vow to continue their fight for justice](#), (24 April 2021); Sun, [FAMILY TORN APART Post Office worker dad-of-two, 59, took his own life after being wrongly accused of stealing £60,000](#), (24 April 2021); Evening Standard, [Subpostmasters face 'imminent financial ruin', Horizon inquiry hearing told](#), (8 November 2021).

28 Financial Times, [Pressure mounts on UK government to pay postmasters' legal bill](#), (8 November 2021).

29 The representatives included Dr Neil Hudgell, who has represented and advised a number of sub-postmasters, and Alan Bates for the Justice for Sub-postmasters Alliance, who led the case against the Post Office.

30 This included: Nick Read, Chief Executive Officer, Post Office; Paul Scully MP, Minister for Small Business, Consumers and Labour Markets, Department for Business, Energy and Industrial Strategy; Carl Creswell, Director, Services Directorate, Department for Business, Energy and Industrial Strategy; Tom Cooper, Director, UK Government Investments.

31 We liaised with the Sir Wyn through the Inquiry's secretariat.

32 Sir Wyn issued a press release on 21 December which noted that he would not publish his final report by the end of 2022. See: Post Office Horizon IT Inquiry, [Statement of Chair in relation to public hearings in 2022](#), (21 December 2021).

1 The 555 Group Action Litigants

12. One of the key injustices that emerged from the evidence we received relates to the position of the 555 group action litigants (the ‘555’), who successfully took Post Office Ltd. (POL) to the High Court and proved that Horizon was defective.³³ In December 2019, the 555 reached an agreement with POL, who agreed to pay £57.75 million in compensation. However, we were told that the group action litigants had to use £46 million of this compensation to pay legal costs,³⁴ leaving around £20,000 for each litigant, when many would have been due around £700,000 in damages if they were returned to the position they were in before issues became apparent with Horizon.³⁵ This was because the 555, many of whom had lost hundreds of thousands of pounds through Horizon, could only fund the case if they won. The legal costs became very high because the legal proceedings were prolonged until Horizon was proved to be defective and after some of the POL witnesses had been severely criticised by the Judge. It was only at this point that POL decided to settle.³⁶

13. While the Government and POL considered this a “full and final settlement”, the 555 saw this as an initial settlement as they viewed the compensation to be inadequate. However, they were unable to fund further litigation because of the additional legal costs involved. As part of the £57.75 million settlement, the Government told the 555 that they could not claim additional compensation, other than if they overturned a conviction.³⁷ This means that they are currently unable to make a claim through the Historic Shortfall Scheme, which is available to those who covered Horizon losses through their own money.

14. This has left the 555 in a position where they could be in a worse position than those who are making claims through the Historic Shortfall Scheme. There is an unacceptable irony that the Historic Shortfall Scheme and the avenues available to those seeking to overturn ‘unsafe’ criminal convictions, would not have been possible without the legal action brought by the 555.

15. The POL CEO, Nick Read, told us that he empathised with “the sense of injustice”,³⁸ and accepted that it “has become apparent that the level of funding required by the 555 to bring that litigation is so significant that it has diluted the compensation they have received”.³⁹ He was exploring how POL can “go back to the 555, working with Government, to see whether there is a way that [POL] can ensure that fair compensation is derived”.⁴⁰ He was clear that “getting full, fair and final compensation for all the postmasters is essential” and without that he did “not believe the existing Post Office can move on”.⁴¹

33 For an overview of the court case and the outcome see: House of Lords Library, [Bates v Post Office: Horizon Accounting System](#), (February 2020). The full transcript of Bates v Post Office Ltd can be found [here](#). Nick Wallis, who has reported extensively on the Horizon scandal, posted a [blog](#) outlining the judgement and what it meant.

34 See: Financial Times, [Pressure mounts on UK government to pay postmasters’ legal bill](#), (8 November 2021).

35 [Q11](#) and [Q12](#).

36 [Q11](#). See also Nick Wallis, [And the winner is....?](#), (11 December 2019).

37 The POL CEO confirmed that both UKGI and BEIS were aware of the settlement agreed in December 2019 with the 555 ([Q63](#)). Tom Cooper, Director, UK Government Investments, confirmed that UKGI were involved in the discussions about the settlement agreement ([Q118](#)) and Carl Creswell, Director, Services Directorate, Department for Business, Energy and Industrial Strategy, ([Q119](#)) confirmed that that BEIS agreed the “overall funding envelope” for the settlement.

38 [Q46](#).

39 [Q58](#).

40 [Q61](#).

41 [Q83](#).

The Minister, Paul Scully MP, accepted that the 555 had “pioneered” the way for others,⁴² and told us that he had a continuing dialogue with the 555 and wanted to get “this sorted out ASAP”.⁴³ He confirmed on 11 January 2022 that he would be talking to the 555’s legal representatives in the “next few weeks”.⁴⁴

16. We are deeply disappointed that the 555 group action litigants, who took the Post Office Ltd. (POL) to court and who exposed the Horizon scandal, should be worse off than other victims of Horizon who would otherwise not be in a position to make claims. It is a perverse situation that the prolonged legal proceedings and the resulting delay to POL’s decision to settle have reduced the compensation the 555 were entitled to. Both the Post Office Ltd. and the Minister accept that this is unjust. We agree with the POL CEO, Nick Read, that it will be impossible for the POL to move forward until this issue is fully addressed. Our view is that the responsibility for addressing this injustice lies with the Government. Consideration should be given to recompense the legal fees of the 555 as an initial payment whilst full determination is considered.

17. We demand that the Government as a matter of urgency commit to ensuring that the 555 are fully compensated for all of their losses on the same basis as other victims of this scandal receiving compensation.

42 [Q86.](#)

43 [Q93.](#)

44 [Q136.](#)

2 Prosecuted Sub-postmasters and 'unsafe' convictions

18. After the successful case brought by the 555, a number of sub-postmasters started the process of overturning their convictions. In January 2020, the Criminal Courts Review Commission (CCRC) formed a group of commissioners to review sub-postmaster prosecutions for referral to the Court of Appeal.⁴⁵ On 23 April 2021, the CCRC reported that the Court of Appeal had quashed 39 Horizon convictions that it had referred for appeal.⁴⁶ Since then more sub-postmasters have had their convictions overturned.

19. Nick Read, CEO, Post Office Ltd. acknowledged that 736 sub-postmasters had been subjected to “unsafe” Horizon convictions.⁴⁷ However, he confirmed that of this number only 160 had approached POL to start the process of overturning convictions,⁴⁸ and only 72 had had their convictions overturned, with 66 of those approaching POL for interim compensation payments of £100,000 ahead of a final payment.⁴⁹ Mr Read noted that one of the challenges of dealing with the cases related to the scale and complexity of the litigation, because cases involving Horizon occurred over 20 years and relied on over five million documents including information from HMRC, the DWP, POL and Royal Mail.⁵⁰

20. While Mr Read noted that POL had made efforts to contact all 736 concerned, he admitted that 343 had not responded, 126 could not be contacted, and he could confirm that 216 had received the letters.⁵¹ This was part of larger efforts to contact all current and former sub-postmasters by sending out some 27,000 letters and employing specialist criminal lawyers to track victims in the UK and overseas.⁵²

21. A number of witnesses told us that the reason so few have come forward may be because of their inherent mistrust of POL. Mr Read accepted that many individuals wanted to put Horizon behind them and not revisit it,⁵³ while the Minister accepted that there was mistrust in the “entire process, not just with the Post Office but with the Government and with everybody, because they have had 20 years of absolute hell”.⁵⁴ Sub-postmasters and several stakeholders suggested that one possible way of encouraging more convicted sub-postmasters to come forward might be the establishment of an independent and trusted intermediary body that they can approach for emotional and practical support.⁵⁵ Both types of support are important considering the distress of being wrongly convicted and the complexity of preparing cases for litigation. There is some urgency in addressing this issue because of the age profile of many of the victims.

22. We are deeply concerned that, despite the efforts that the Post Office Ltd. (POL) has made to contact them, so few sub-postmasters have approached POL to begin the process of overturning ‘unsafe’ Horizon convictions. POL has conceded that this might

45 Karl Flinders, [Sub-postmaster prosecutions move closer to appeal](#), Computer Weekly, (28 January 2020).

46 CCRC, [39 Convictions Quashed in Post Office Cases](#), (23 April 2021).

47 [Q47](#).

48 [Q53](#).

49 [Q46](#).

50 [Q47](#).

51 [Q56](#).

52 [Q49](#).

53 [Q57](#).

54 [Q98](#).

55 Discussions with several key stakeholders, see: Second Sight Forensic Accountants ([POH0035](#)).

be to do with the trauma caused by the Horizon scandal and the Minister accepted that it might also be related to mistrust of POL and the Government. Those directly affected by the scandal and those representing them have also pointed to a clear lack of trust between themselves and POL. If this scandal is to be addressed, it is crucial that all its victims receive justice.

23. We recommend that the Government urgently set up an independent intermediary body as a trusted first point of contact for those wrongly convicted because of Horizon, in particular for the 576 convicted sub-postmasters who have not yet come forward. The independent body should be appropriately resourced to support these victims to begin the process of overturning convictions and seeking the compensation they are entitled to. POL and BEIS should co-operate fully with this body. It is crucial that, if such a body should be established, it has proper engagement with the sub-postmaster community and their representatives.

Fair, full and final settlements for sub-postmasters who have overturned their convictions?

24. Nick Read, CEO, POL told us that, of the 72 sub-postmasters who have had their convictions overturned, 66 had applied for interim payments of £100,000, of which 57 had been processed.⁵⁶ He confirmed that these payments had been made within 28 days of their convictions being overturned.⁵⁷ Carl Creswell, Director, Services Directorate, Department for Business, Energy and Industrial Strategy, said that in terms of interim payments, “good progress is being made so far”.⁵⁸ However, we are still unclear as to how long it will take for final payments to be made and how these final payments will be assessed.

25. The Government must confirm how long it expects it to take for final settlements to be made to sub-postmasters after they have received their interim payments. The Government should set out what criteria they are using to determine final payments, alongside indicative examples of what claimants can expect in terms of overall compensation, which should include compensation for consequential losses.

26. We recommend that the Government provides monthly updates on the number of interim payments made, the number of final payments made, and the range of amounts paid out to reach full, fair and final settlements. Because of the nature of the Horizon scandal, transparency on these issues is crucial to restoring trust.

Vindicated sub-postmasters who have been refused compensation

27. Carl Creswell, Director, Services Directorate, Department for Business, Energy and Industrial Strategy, confirmed that three sub-postmasters who had had their convictions overturned had not been offered interim compensation payments.⁵⁹ The Minister noted that while POL did not speak against their appeal for public interest reasons, POL did not believe that Horizon was “a major plank in the discussions around the appeal”.⁶⁰ However,

56 [Q46.](#)

57 [Q52.](#)

58 [Q96.](#)

59 [Q95.](#)

60 [Q95.](#)

he told us that these individuals would still be able to approach POL for compensation despite not being offered an interim payment.⁶¹ The POL CEO confirmed that an independent panel would “adjudicate any of the mediation that we are doing in terms of the overturned convictions”.⁶²

28. We are concerned that some sub-postmasters have been denied interim compensation payments despite having had their convictions overturned. The Post Office Ltd. (POL) and the Minister noted that this is because the reliability of Horizon evidence is not central to those individual claimants’ cases. The Horizon story has centred to a large extent on a lack of transparency and trust. It is imperative that POL decisions on compensation are scrutinised by BEIS and are open and transparent.

29. We recommend that the Government provides regular updates when compensation is refused for sub-postmasters who have had their convictions overturned, the reasons for this and if subsequent compensation is sought and awarded. The Government should ensure that POL provide us with details of the mediation for those seeking compensation after overturning a conviction, including the process, how independence is achieved, the numbers using it, and what the outcomes have been. We also recommend that BEIS explains its role in signing off this mediation process and the nature of the oversight that it and UK Government Investments (UKGI) are providing.

61 [Q95.](#)

62 [Q49.](#)

3 The Historical Shortfall Scheme

30. On 1 May 2020, POL launched an Historic Shortfall Scheme (HSS) offering redress for current and former sub- postmasters who may have experienced shortfalls because of Horizon but who may not have been convicted.⁶³ In many cases this could involve sub-postmasters using their own or family savings, taking out loans, re-mortgaging homes or using profits from other businesses to cover losses as they arose, and which could not be traced within Horizon.⁶⁴ An Independent Panel assesses such claims under the HSS and the Panel can call upon legal, forensic accounting and retail specialists.⁶⁵

31. An alternative dispute resolution scheme was also aligned with the HSS. Eligibility centred on the ability of claimants to demonstrate that they lost their own money to cover shortfalls caused by Horizon during the relevant period.⁶⁶ The HSS issued guidance on how it would judge compensation claims.⁶⁷ The HSS closed on 14 August 2020, though ‘exceptional circumstances’ applications were accepted up to 27 November 2020. As noted earlier, the 555 group action litigants were excluded from the HSS.

The Scheme’s structure and establishment

Similarities with the HBOS Reading Scheme and involvement of Herbert Smith Freehills

32. The APPG on Fair Business Banking raised a number of concerns regarding the HSS.⁶⁸ It noted that the HSS was “strikingly similar” to the HBOS Reading Griggs Review, which was “discredited”.⁶⁹ We were surprised that Nick Read was unaware of the issues associated with the HBOS Scheme considering its high profile.⁷⁰ We were even more surprised when he confirmed that Herbert Smith Freehills, which advised Lloyds in developing the HBOS Reading redress scheme, had helped POL in delivering the HSS.⁷¹

33. Both the POL CEO and the Minister told us that Herbert Smith Freehills’ appointment may be justified on the basis that they might have learnt from lessons from the HBOS scandal alongside their other experience in designing such schemes.⁷² Our predecessor

63 See: Post Office, [The Historical Shortfall Scheme](#), (accessed 17 January 2022) and Post Office, [Historical Shortfall Scheme: Questions and answers](#), (updated October 2021).

64 [Q7](#), [Q21,Q22](#) and [Q31](#).

65 Post Office, [Historical Shortfall Scheme: Terms of Reference of the Historical Shortfall Scheme Independent Advisory Panel](#), (updated October 2021).

66 Post Office, [Historical Shortfall Scheme: Eligibility Criteria](#), (updated October 2021).

67 Post Office, [Historical Shortfall Scheme: Consequential Loss Principles and Guidance](#), (updated October 2020).

68 APPG on Fair Business Banking, Submission to BEIS Select Committee: The Compensation Scheme for Sub-postmasters, (January 2022).

69 The HBOS Reading scandal occurred between 2003 and 2007, when six bankers and advisers defrauded millions of pounds from struggling business customers. Almost 200 business owners saw their livelihoods destroyed, and total losses have been estimated at more than £1 billion. The perpetrators – including Michael Bancroft, David Mills, and Lynden Scourfield – were jailed in 2017. (See: BBC News, [HBOS: A highly unusual fraud case](#), (January 2017)). Lloyds set up the Lloyds Bank customer review, led by Professor Griggs, to undertake compensation payments to victims. This process was criticised. A review carried out by retired High Court judge Sir Ross Cranston found it had ‘serious shortcomings’ as it paid out just over £100 million. See: Times, [Lloyds accused of callous attitude to victims of HBOS Reading scandal](#), (December 2020); Financial Times, [Lloyds bows to pressure from watchdog by reviewing HBOS redress](#), (May 2019).

70 [Q67](#).

71 [Q69](#).

72 [Q71](#) and [Q110](#).

Committee's work on corporate governance and corporate scandals has indicated that quite the opposite can be true and that lessons are often not learnt.⁷³ The Minister confirmed that though POL had designed the HSS, BEIS and UK Government Investments (UKGI) had signed it off,⁷⁴ and the POL CEO told us that BEIS and UKGI were providing oversight of its operation.⁷⁵

34. We are concerned that a firm involved with the discredited HBOS Reading scandal is involved with the Historical Shortfall Scheme, and that the Post Office Ltd. (POL) CEO was unaware of the issues surrounding the HBOS compensation scheme. Though Herbert Smith Freehills may have experience in establishing such schemes we are not reassured by the Minister or the POL CEO's arguments that the issues associated with the HBOS scheme do not necessarily question their role in the Historical Shortfall Scheme.

35. *In responding to this report, we expect the Government to explain how the Historic Shortfall Scheme differs from the HBOS Reading scheme and what safeguards have been built in to avoid the problems that the latter scheme experienced.*

Contractual obligations and mediation for disputes

36. The APPG explained that claimants had had to “contractually engage with the scheme (and waive further rights to action once an offer—no matter how derisory it may be—is received) prior to having any knowledge of the terms of reference, the scope or the methodology”.⁷⁶ The APPG said: “even by the low standards that we have seen in previous schemes, the APPG finds this particularly shocking”.⁷⁷

37. In response, Nick Read, POL CEO explained that the approach used by the HSS enabled POL to “make an offer to the individual that will be full and final” and if they disagreed with it they could use a “mediation process” with “independence and oversight”.⁷⁸ He confirmed that of the 777 offers made, 22 had been turned down.⁷⁹ Carl Creswell, Director, Services Directorate, Department for Business, Energy and Industrial Strategy, told us that BEIS was “closely involved in the [alternative dispute resolution] process”.⁸⁰

38. Offers to claimants should only be full and final where claimants have received independent advice and have exhausted their rights to recourse to the Historical Shortfall Scheme's alternative dispute resolution (ADR) process. We ask the Government to seek clarity from the Post Office Ltd. (POL) on the basis on which offers are made, in particular whether claimants were aware before agreeing to take part in the Scheme of its terms of reference and methodology and what rights, if any, were waived.

39. We ask POL to explain how it ensures that the ADR process is fully independent from the Scheme, how many claimants have used it, and what the outcomes have been.

73 See for instance the Committee's previous work on audit - BEIS Committee, [The Future of Audit](#), (HC 1718; April 2019). The Report noted the frequency of poor audits and their impact on corporate governance.

74 [Q120](#)

75 [Q66](#), [Q67](#) and [Q69](#).

76 APPG on Fair Business Banking, Submission to BEIS Select Committee: The Compensation Scheme for Sub-postmasters, (January 2022).

77 As above.

78 [Q70](#).

79 [Q47](#).

80 [Q107](#).

We also recommend that the Government provide us with details of BEIS and UKGI's oversight role in the Scheme's ADR process. We specifically note that 22 offers have been turned down by claimants and we recommend that the Government confirm whether these rejections ended up in the Scheme's ADR process and, if so, what the outcomes are. We recommend that BEIS explains its role in assessing those offers that have been rejected.

Lack of engagement with stakeholders and the sub-postmaster community

40. The Fair Business Banking APPG also told us that there was no meaningful engagement with claimants for the setting up of the HSS's methodology and terms of reference. In their opinion, the only engagement with the claimants in developing the HSS appeared to have been with "claimants' solicitors on three high level principles" which was "completely inadequate".⁸¹ The Minister told us that the principles of this scheme were "agreed with the steering group from the claimants of the original litigation, and it has been built on from there in full consultation with us [BEIS] and with as many stakeholders as possible".⁸²

41. **Bearing in mind the nature of the Horizon scandal—including the deep mistrust of its victims of the Post Office Ltd. (POL), BEIS and UKGI, its historical nature and issues surrounding the availability of records and a flawed IT system—we would have expected very careful engagement with those who would be expected to use the Historical Shortfall Scheme. It was imperative that those using the Scheme, often without access to legal or expert support, were put at the heart of the process.**

42. *In response to this report, POL and BEIS should provide details of who was consulted in drawing up the Scheme, what issues were raised by those consulted, and how those issues were addressed. We also recommend that POL and BEIS set out what opportunities were given to claimants to raise concerns after the Scheme was opened and how those concerns were addressed.*

Consequential losses

43. The APPG raised a number of specific faults with the Scheme's operations. They told us that the design of the consequential loss element of the scheme will "ensure that very little is paid out in consequential losses and will be a severe detriment to the claimants".⁸³

44. **It is imperative that any victim of the Horizon scandal receives compensation that puts them back in the position they would have been in had the scandal not occurred, whilst also taking accounting of the distress the scandal caused them. We are therefore troubled by the suggestion that the Historic Shortfall Scheme will pay out little in consequential losses to the severe detriment of the claimant. The Government must explain how consequential losses will be assessed under the Scheme with a range of indicative examples that draw on offers that have already been made.**

81 APPG on Fair Business Banking, Submission to BEIS Select Committee: The Compensation Scheme for Sub-postmasters, (January 2022).

82 [Q110](#).

83 APPG on Fair Business Banking, Submission to BEIS Select Committee: The Compensation Scheme for Sub-postmasters, (January 2022).

The Independence of the Scheme

45. Finally, the APPG questioned the process by which POL and Herbert Smith Freehills make an initial recommendation regarding a claim which is then reviewed by the Independent Panel. They told us that this “does not work and firmly puts the fox in charge of the hen house”.⁸⁴ The POL CEO noted the importance of the independence of the Independent Panel, and was confident with the processes in place, including the Panel’s make up of forensic accountants, QCs and some retail specialists, which “will process every single one of the individual claims so that there is genuine closure and thoroughness to it”.⁸⁵ He suggested that the Panel gave the Scheme a sense of integrity and clarity, and was ultimately confident that the Scheme would “make appropriate, fair and final payments to individual postmasters” assured by “scrutiny from BEIS and UKGI”. Specifically, he noted that the process to ensure independence and the Scheme’s underlying principles was agreed between POL, BEIS and UKGI.

46. The Minister agreed that the Independent Panel brought a “sense of independence and confidence that there is in that independence”.⁸⁶ Carl Creswell, Director, Services Directorate, Department for Business, Energy and Industrial Strategy, said that BEIS had a key role in “relation to the overall principles that are in place for the case assessors and for the independent panel to provide the assurance to Ministers that we believe is necessary”.⁸⁷

47. We share concerns about the process by which claims to the Historic Shortfall Scheme are assessed and then reviewed by the Independent Panel. Bearing in mind that the Post Office (POL) bears a major part of the responsibility for the Horizon scandal, it seems perverse that POL is making initial recommendations regarding claims.

48. The involvement of POL in any part of the Scheme is questionable because of the history of the Horizon scandal. It is worth remembering that a key criticism made of POL at the height of the scandal was that effectively it acted as judge, jury and executioner when deciding on convictions of sub-postmasters.

49. We recommend that that the Government in consultation with POL set out the reasons for involving POL in assessing claims, how this was discussed with stakeholders and how they dealt with any concerns stakeholders may have raised regarding POL’s involvement. We also recommend that POL set out what steps have been taken to ensure independence, including how robust challenge is achieved and the numbers of initial recommendations rejected or amended by the Independent Panel. We further recommend that Government explains how BEIS and UKGI are providing oversight of the Scheme with practical examples of how, if at all, it has intervened to ensure independence.

84 APPG on Fair Business Banking, Submission to BEIS Select Committee: The Compensation Scheme for Sub-postmasters, (January 2022).

85 [Q66](#)

86 [Q111](#).

87 [Q130](#).

Slowness in processing claims

50. The Scheme has been criticised for being too slow in processing claims. The POL CEO told us that 2,500 sub-postmasters had applied to the Scheme, and that POL had made offers to 777.⁸⁸ That means that so far only about 30 percent of applications have been processed, over a year after the Scheme closed. Though he claimed that “was making progress,”⁸⁹ Nick Read accepted that POL had underestimated the numbers of applicants to the Scheme, with several thousand applying, rather than the several hundred POL had estimated.⁹⁰ Carl Creswell, Director, Services Directorate, Department for Business, Energy and Industrial Strategy, accepted that the “number of postmasters who applied was higher than originally estimated”.⁹¹

51. Dr Neil Hudgell, who has advised claimants, told us that many elderly claimants were “coming to the end of their life ... working well into their 70s to make ends meet, in rented accommodation, with significant debt, still dealing with the ravages of bankruptcy and the shame that attaches to that”.⁹² He was concerned that “time will run out for a lot of people”, and that “sadly, people will die while this still hangs over them”.⁹³ The POL CEO also acknowledged the need for urgency as “the age profile of our postmaster population is relatively skewed, compared with the rest of the workforce, to the ageing population”.⁹⁴ He said that he expected that by March 2022, 50 percent of claims would have been concluded, reaching about 95% by the end of 2022.

52. The Minister hoped 100% of claims would be processed by the end of 2022.⁹⁵ He told us that the UKGI representative on the POL Board, Tom Cooper, would get the “best possible information” from the POL board on progress, while the Post Office team within BEIS would “have regular discussions with the Post Office, to hold their feet to the fire” on delivery. Carl Creswell stated that POL had doubled the size of the Independent Panel, increased the frequency of meetings and was confident that it would now “move forward well” with 2,000 sub-postmasters standing to benefit from the HSS.⁹⁶

53. We are disappointed that so few claims have been processed by the Historic Shortfall Scheme considering it was closed over a year ago. The conclusion of only 30% of claims does not represent significant progress. There is a danger that every delay will lead to many sub-postmasters continuing to suffer financially while more may sadly die before they receive justice because of the age profile of the victims.

54. The fact that the Post Office and BEIS officials admitted that they underestimated the number of potential claims is telling and indeed, troubling, and suggests that they may not have appreciated the true extent of the Horizon scandal. We acknowledge that the Post Office and the Minister expect to have processed the vast majority if not all claims by the end of 2022. The Minister and his officials have confirmed that the UKGI

88 [Q47.](#)

89 [Q47.](#)

90 [Q65.](#)

91 [Q106.](#)

92 [Q118.](#)

93 [Q118.](#)

94 [Q50.](#)

95 [Q116.](#)

96 [Q106.](#)

representative on the Post Office Board and the BEIS's Post Office Team will hold Post Office Ltd.'s "feet to the fire". Both BEIS and UKGI should be held accountable for this oversight role.

55. *We recommend that the Government ask POL to set out and share stretching monthly targets and outturns on how the backlog of claims is being addressed. We also recommend that BEIS and UKGI in their oversight role give monthly updates on what actions they are taking to ensure these targets are agreed and met.*

The levels of claims awarded

56. Dr Neil Hudgell told us that he feared that many of the claims that had been accepted so far may have been at the lower end of the compensation scale.⁹⁷ This could be a major issue because, as he also noted (see paragraph 64 below), many of those accessing the Scheme have received no legal and forensic advice or support in making claims or accepting offers.⁹⁸ This lack of advice and support is significant given the complexity of establishing losses because of Horizon - due to a lack of records, the flawed nature of Horizon itself and, as POL have maintained, an apparent lack of branch level suspense accounts to identify individual payments.

57. *It is worrying to hear that many of the claims awarded so far may be towards the low end of the compensation scale. To dispel any fears that Horizon victims are not being compensated fairly we recommend that the Government ask the Post Office to provide information showing the spread of average claims paid out so far with a commitment to sharing such details going forward to ensure transparency and trust in the Scheme. We also recommend that the Government is explicit about how BEIS and UKGI are providing oversight of the appropriateness of offers made to claimants.*

Difficulties in making claims

58. Concerns have been expressed regarding the ability of sub-postmasters to submit claims that can clearly establish losses attributable to Horizon. The first concern relates to the short window of opportunity for claimants to access the Scheme.⁹⁹ The POL CEO outlined the logistical difficulties in identifying and reaching potential claimants both within the UK and overseas,¹⁰⁰ which leads to questions on why the window to make claims was only a few months.

59. Secondly, the availability of records and information for claimants to establish their losses and the lack of access to legal and forensic accountancy expertise in making credible claims, have compounded the problem of having such a short window to access the Scheme. Dr Neil Hudgell, who has represented and advised sub-postmasters, told us that the Post Office's "paperwork is very often not there and is unavailable".¹⁰¹ He noted that in terms of claims:

97 [Q42](#).

98 Hudgell Solicitors, [Reaction to Government's BEIS Committee hearing with Post Office chief executive Nick Read and Minister Paul Scully](#), (11 January 2021).

99 The HSS ran from 1 May 2020 to 14 August 2020, with an extension to 27 November 2020 for cases that involved "exceptional circumstances".

100 [Q47](#) and [Q49](#).

101 [Q32](#).

Establishing the burden of proof in circumstances where documentation is missing is a really significant one ... so there is a raft of missing documentation across the piece, and we do not see why sub-postmasters should be penalised as a result.¹⁰²

60. Nick Read admitted that there were issues with records held by POL, especially before 2005 with some incomplete information after 2005.¹⁰³ He also maintained that any monies that might have been paid in by sub-postmasters to cover losses caused by problems with Horizon, went into a general suspense account.¹⁰⁴ This makes it difficult to track payments made by individual sub-postmasters at a local branch level. Both he and Dr Hudgell also agreed that there might be issues with historic records held by HMRC, DWP and the Royal Mail Group, that might be pertinent in establishing losses and the credibility of claims.

61. The POL CEO accepted that if information was not available, “it is going to be difficult for people to evidence what those shortfalls are”, though he maintained that the Scheme’s Independent Panel was “very clear that it will take that into consideration when making awards”.¹⁰⁵ The Minister also noted that the availability of records over a 20 year period was an issue.¹⁰⁶ Both the Minister and Carl Creswell, Director, Services Directorate, Department for Business, Energy and Industrial Strategy, agreed with the POL CEO that where information was missing the Independent Panel would take this into consideration.

62. The absence of records held by the Post Office Ltd. (POL) and other relevant organisations, such as HMRC, DWP and the Royal Mail Group, along with an absence of local suspense accounts for individual POL branches, raises serious questions as to how victims of Horizon are supposed to identify and evidence the losses they suffered. POL and BEIS told us that the Historic Shortfall Scheme’s Independent Panel would take this into account when assessing claims.

63. We recommend that POL shares details, with relevant examples, of how it takes the absence of information into account when it makes its initial recommendations for claims and how the Independent Panel reflects on such cases. We recommend that POL sets out how many claims have been refused by the Scheme or rejected by claimants, where an absence of information has been relevant. We also recommend that BEIS and UKGI confirm what safeguards it agreed when signing off the Scheme for cases where there was a lack of records.

64. We ask the Government to confirm that the burden of proof should not rest solely with the claimant, not least because POL itself hasn’t kept appropriate records, including itemisation of which postmasters paid what amounts to individual suspense

102 [Q33](#).

103 [Q75](#) and [Q79](#).

104 [Q81](#). It should be noted that the POL’s stance over its suspense accounts has been questioned by a number of stakeholders, experts and commentators involved with the Horizon Scandal. Second Sight, who conduct a forensic review of Horizon 2013 to 2015, gave oral evidence to the BEIS Committee in March 2020 and also submitted a series of [questions and answers](#) as evidence to the Committee soon after. See paras 6.1 to 7.4 for their overview of this issues, which highlights the difficulties of identifying where monies paid in by sub-postmasters actually ended up.

105 [Q75](#).

106 [Q100](#) and [Q112](#).

accounts. The fact these funds were merely added to the overall profits of the Post Office during those applicable years should be sufficient to agree that claimants must be given a significant level of benefit of the doubt when compensation is being calculated.

A lack of support for claimants

65. The Scheme is described as “user-friendly” and therefore, in terms of accessing it, the Post Office would not provide any financial assistance to help claimants.¹⁰⁷ However, concerns have been raised as to whether this is the case. Many sub-postmasters were pressurised into covering losses with their own money which makes it difficult to retrospectively prove there was a loss, especially, if, as the Post Office claim, there were no local suspense accounts and where there is a dearth of records.¹⁰⁸ Most former sub-postmasters, many of whom have suffered financial hardship as a result of Horizon, will not have the necessary resources to employ accountants or forensic experts to establish a loss, as required by the HSS. As Dr Neil Hudgell stated: “Let us not forget that these are ordinary, decent folk who sit in small communities and just about make a living. They cannot afford to spend £2,000 or £3,000 on a computer expert report. They cannot afford legal fees to do it”.¹⁰⁹ Dr Hudgell was particularly concerned that many HSS claims have been resolved with an “obvious absence of legal advice”.¹¹⁰ He has stated that the few claims he has seen have been “open to challenge or are incomplete without lawyer input” with the temptation for claimants to “accept and bank the cash rather than go through an open-ended mediation”.¹¹¹ Carl Creswell, however, told us that the terms of reference for the HSS “make it clear that it would contribute towards the costs for individual claimants, if necessary” to “provide some support and dialogue rather than a “computer says no” type of approach”.¹¹²

66. It is deeply troubling, given the historical nature of Horizon, its complexity as a flawed IT system and in many cases a lack of records, that some claimants seem to be preparing claims and accepting offers without appropriate legal and forensic accounting support. If claimants accept offers that have not fully covered their losses, this in itself is a scandal, and justice will not be done.

67. We recommend that the Government liaise with the Post Office to establish how many of the 2,500 claimants have been offered support through the Scheme, at which point support was offered, if costs were covered, how much was paid on average, and what the nature of that support was and who provided it. We also recommend that BEIS and UKGI set out what oversight they provided of any support that was given through the Scheme, how they ensured that it was independent and how it was evaluated.

107 See: Post Office, [Historical Shortfall Scheme: Questions and answers](#), (October 2021).

108 It should be noted that the POL’s stance that there were no local suspense accounts has been questioned by a number of stakeholders, experts and commentators involved with the Horizon Scandal. However, this is beyond the scope of this current inquiry.

109 [Q31](#)

110 Hudgell Solicitors, [Reaction to Government’s BEIS Committee hearing with Post Office chief executive Nick Read and Minister Paul Scully](#), (11 January 2021).

111 [Q113](#)

112 [Q113](#).

Independent legal and forensic support for Historic Shortfall Scheme claimants

68. A number of witnesses have suggested that an independent intermediary could provide support to sub-postmasters in making claims to the HSS.¹¹³ This could use the same independent intermediary we have recommended for those sub-postmasters who are seeking to overturn their unsafe Horizon convictions and then claim compensation from POL.¹¹⁴ Such a resource would help sub-postmasters in putting together claims, especially when there are missing records, and in assessing whether offers will fully cover their losses. Crucially, by being independent from the HSS altogether, such a body would be more likely to garner trust from claimants and ensure that independent advice is available at all stages of the process and not at the end after the Post Office have made a recommendation. As Dr Hudgell told us, most sub-postmasters simply do not possess the forensic accountancy skills necessary to address the specific challenges posed by the Horizon scandal.¹¹⁵ They also do not have the legal expertise to navigate the Scheme or to evaluate whether an offer adequately reflects all of their losses and distress they have suffered with reference to established legal norms and relevant precedents.¹¹⁶ Without proper advice there is a clear danger that many sub-postmasters who are not advised properly will accept offers which are not fair and which could further perpetuate the scandal and the deep sense of injustice.

69. We have recommended in this Report that the Government set up a properly resourced independent intermediary to assist sub-postmasters seeking to overturn convictions and seek compensation. We recommend that this same body should also be tasked with assisting sub-postmasters who are accessing the Historic Shortfall Scheme. This should include providing claimants with access to forensic accountants and legal experts who can offer advice to help ensure that claims are as robust as possible, that offers take account of all the losses suffered and that claimants do not suffer significant detriment because records have not been kept by the Post Office or other relevant organisations.

The cost of settling the Horizon scandal

70. When the Minister and officials appeared before us we asked them what the total cost of the Horizon scandal had been to date. Carl Creswell told us that so far costs had included the £57.75 million settlement with the 555, £153 million set aside for the Historic Shortfall Scheme and £5.7 million paid out as interim payments for those who had overturned their unsafe convictions.¹¹⁷ Tom Cooper, Director, UK Government Investments, told us that the total cost of the settlement with the 555 was in fact £100 million when POL's legal costs were added to the £57.75 million compensation.¹¹⁸ These figures indicate that to date the total cost of the scandal has been £258.7 million.

71. The Minister stated that he would write to us to let us know what the total estimated cost of the Horizon scandal would be, including a breakdown of those estimates by type

113 Discussions with several key stakeholders, See: Second Sight Forensic Accountants ([POH0035](#))

114 See paras 21 to 23.

115 [Q31](#).

116 Hudgell Solicitors, [Reaction to Government's BEIS Committee hearing with Post Office chief executive Nick Read and Minister Paul Scully](#), (11 January 2021).

117 [Q133](#).

118 [Q139](#).

of compensation, legal costs and administration costs, such as those required to set up and run the statutory Post Office Horizon IT Inquiry.¹¹⁹ We also asked the Minister to provide us with an estimate of how much it would cost to fully compensate the 555.¹²⁰ Since the Minister and officials gave evidence, we have become aware that the BEIS UK subsidy database contains a figure of £685.6 million listed as a direct grant awarded on 20 December 2021 for rescue aid to POL with the title 'Post Office Historical Matters Compensation'.¹²¹ This figure is far in excess of the costs incurred so far.

72. We look forward to receiving estimates from BEIS of the total expected cost of the Horizon scandal and a full breakdown, including any costs paid by the Post Office Ltd. (POL) itself. We also look forward to seeing the Government's estimate of how much it would cost to reach a fair settlement with the 555, which we have recommended. We were surprised to discover that in December 2021 BEIS had identified a £685.6 million direct grant to POL for the Post Office Historical Matters subsidy scheme and that this was not referenced in evidence to our Committee. *The Government must explain whether this direct grant is to cover the whole estimated cost of the Horizon scandal and whether this includes money assigned for achieving a fair settlement with the 555.*

73. Finally, we call on Ministers to keep our Committee routinely updated on the various issues raised in this report, no less than once per quarter. Whilst we will return to the wider issues associated with this scandal once the statutory inquiry has concluded, we expect to continue to monitor the performance of the compensation schemes referred to in this report on an ongoing basis.

119 [Q135](#).

120 [Q139](#).

121 BEIS, [View subsidies awarded by UK government](#), (accessed 13 January 2021). The item appears as subsidy number SC01442 and subsidy award number 1862.

Conclusions and recommendations

The 555 Group Action Litigants

1. We are deeply disappointed that the 555 group action litigants, who took the Post Office Ltd. (POL) to court and who exposed the Horizon scandal, should be worse off than other victims of Horizon who would otherwise not be in a position to make claims. It is a perverse situation that the prolonged legal proceedings and the resulting delay to POL's decision to settle have reduced the compensation the 555 were entitled to. Both the Post Office Ltd. and the Minister accept that this is unjust. We agree with the POL CEO, Nick Read, that it will be impossible for the POL to move forward until this issue is fully addressed. Our view is that the responsibility for addressing this injustice lies with the Government. Consideration should be given to recompense the legal fees of the 555 as an initial payment whilst full determination is considered. (Paragraph 16)
2. *We demand that the Government as a matter of urgency commit to ensuring that the 555 are fully compensated for all of their losses on the same basis as other victims of this scandal receiving compensation.* (Paragraph 17)

Prosecuted Sub-postmasters and 'unsafe' convictions

3. We are deeply concerned that, despite the efforts that the Post Office Ltd. (POL) has made to contact them, so few sub-postmasters have approached POL to begin the process of overturning 'unsafe' Horizon convictions. POL has conceded that this might be to do with the trauma caused by the Horizon scandal and the Minister accepted that it might also be related to mistrust of POL and the Government. Those directly affected by the scandal and those representing them have also pointed to a clear lack of trust between themselves and POL. If this scandal is to be addressed, it is crucial that all its victims receive justice. (Paragraph 22)
4. *We recommend that the Government urgently set up an independent intermediary body as a trusted first point of contact for those wrongly convicted because of Horizon, in particular for the 576 convicted sub-postmasters who have not yet come forward. The independent body should be appropriately resourced to support these victims to begin the process of overturning convictions and seeking the compensation they are entitled to. POL and BEIS should co-operate fully with this body. It is crucial that, if such a body should be established, it has proper engagement with the sub-postmaster community and their representatives.* (Paragraph 23)
5. *The Government must confirm how long it expects it to take for final settlements to be made to sub-postmasters after they have received their interim payments. The Government should set out what criteria they are using to determine final payments, alongside indicative examples of what claimants can expect in terms of overall compensation, which should include compensation for consequential losses.* (Paragraph 25)
6. *We recommend that the Government provides monthly updates on the number of interim payments made, the number of final payments made, and the range of*

amounts paid out to reach full, fair and final settlements. Because of the nature of the Horizon scandal, transparency on these issues is crucial to restoring trust. (Paragraph 26)

7. We are concerned that some sub-postmasters have been denied interim compensation payments despite having had their convictions overturned. The Post Office Ltd. (POL) and the Minister noted that this is because the reliability of Horizon evidence is not central to those individual claimants' cases. The Horizon story has centred to a large extent on a lack of transparency and trust. It is imperative that POL decisions on compensation are scrutinised by BEIS and are open and transparent. (Paragraph 28)
8. *We recommend that the Government provides regular updates when compensation is refused for sub-postmasters who have had their convictions overturned, the reasons for this and if subsequent compensation is sought and awarded. The Government should ensure that POL provide us with details of the mediation for those seeking compensation after overturning a conviction, including the process, how independence is achieved, the numbers using it, and what the outcomes have been. We also recommend that BEIS explains its role in signing off this mediation process and the nature of the oversight that it and UK Government Investments (UKGI) are providing. (Paragraph 29)*

The Historical Shortfall Scheme

9. We are concerned that a firm involved with the discredited HBOS Reading scandal is involved with the Historical Shortfall Scheme, and that the Post Office Ltd. (POL) CEO was unaware of the issues surrounding the HBOS compensation scheme. Though Herbert Smith Freehills may have experience in establishing such schemes we are not reassured by the Minister or the POL CEO's arguments that the issues associated with the HBOS scheme do not necessarily question their role in the Historical Shortfall Scheme. (Paragraph 34)
10. *In responding to this report, we expect the Government to explain how the Historic Shortfall Scheme differs from the HBOS Reading scheme and what safeguards have been built in to avoid the problems that the latter scheme experienced. (Paragraph 35)*
11. Offers to claimants should only be full and final where claimants have received independent advice and have exhausted their rights to recourse to the Historical Shortfall Scheme's alternative dispute resolution (ADR) process. *We ask the Government to seek clarity from the Post Office Ltd. (POL) on the basis on which offers are made, in particular whether claimants were aware before agreeing to take part in the Scheme of its terms of reference and methodology and what rights, if any, were waived. (Paragraph 38)*
12. *We ask POL to explain how it ensures that the ADR process is fully independent from the Scheme, how many claimants have used it, and what the outcomes have been. We also recommend that the Government provide us with details of BEIS and UKGI's oversight role in the Scheme's ADR process. We specifically note that 22 offers have been turned down by claimants and we recommend that the*

Government confirm whether these rejections ended up in the Scheme's ADR process and, if so, what the outcomes are. We recommend that BEIS explains its role in assessing those offers that have been rejected. (Paragraph 39)

13. Bearing in mind the nature of the Horizon scandal—including the deep mistrust of its victims of the Post Office Ltd. (POL), BEIS and UKGI, its historical nature and issues surrounding the availability of records and a flawed IT system—we would have expected very careful engagement with those who would be expected to use the Historical Shortfall Scheme. It was imperative that those using the Scheme, often without access to legal or expert support, were put at the heart of the process. (Paragraph 41)
14. *In response to this report, POL and BEIS should provide details of who was consulted in drawing up the Scheme, what issues were raised by those consulted, and how those issues were addressed. We also recommend that POL and BEIS set out what opportunities were given to claimants to raise concerns after the Scheme was opened and how those concerns were addressed. (Paragraph 42)*
15. It is imperative that any victim of the Horizon scandal receives compensation that puts them back in the position they would have been in had the scandal not occurred, whilst also taking accounting of the distress the scandal caused them. We are therefore troubled by the suggestion that the Historic Shortfall Scheme will pay out little in consequential losses to the severe detriment of the claimant. The Government must explain how consequential losses will be assessed under *the Scheme with a range of indicative examples that draw on offers that have already been made. (Paragraph 44)*
16. We share concerns about the process by which claims to the Historic Shortfall Scheme are assessed and then reviewed by the Independent Panel. Bearing in mind that the Post Office (POL) bears a major part of the responsibility for the Horizon scandal, it seems perverse that POL is making initial recommendations regarding claims. (Paragraph 47)
17. The involvement of POL in any part of the Scheme is questionable because of the history of the Horizon scandal. It is worth remembering that a key criticism made of POL at the height of the scandal was that effectively it acted as judge, jury and executioner when deciding on convictions of sub-postmasters. (Paragraph 48)
18. *We recommend that that the Government in consultation with POL set out the reasons for involving POL in assessing claims, how this was discussed with stakeholders and how they dealt with any concerns stakeholders may have raised regarding POL's involvement. We also recommend that POL set out what steps have been taken to ensure independence, including how robust challenge is achieved and the numbers of initial recommendations rejected or amended by the Independent Panel. We further recommend that Government explains how BEIS and UKGI are providing oversight of the Scheme with practical examples of how, if at all, it has intervened to ensure independence. (Paragraph 49)*
19. We are disappointed that so few claims have been processed by the Historic Shortfall Scheme considering it was closed over a year ago. The conclusion of only 30% of

claims does not represent significant progress. There is a danger that every delay will lead to many sub-postmasters continuing to suffer financially while more may sadly die before they receive justice because of the age profile of the victims. (Paragraph 53)

20. The fact that the Post Office and BEIS officials admitted that they underestimated the number of potential claims is telling and indeed, troubling, and suggests that they may not have appreciated the true extent of the Horizon scandal. We acknowledge that the Post Office and the Minister expect to have processed the vast majority if not all claims by the end of 2022. The Minister and his officials have confirmed that the UKGI representative on the Post Office Board and the BEIS's Post Office Team will hold Post Office Ltd.'s "feet to the fire". Both BEIS and UKGI should be held accountable for this oversight role. (Paragraph 54)
21. *We recommend that the Government ask POL to set out and share stretching monthly targets and outturns on how the backlog of claims is being addressed. We also recommend that BEIS and UKGI in their oversight role give monthly updates on what actions they are taking to ensure these targets are agreed and met.* (Paragraph 55)
22. *It is worrying to hear that many of the claims awarded so far may be towards the low end of the compensation scale. To dispel any fears that Horizon victims are not being compensated fairly we recommend that the Government ask the Post Office to provide information showing the spread of average claims paid out so far with a commitment to sharing such details going forward to ensure transparency and trust in the Scheme. We also recommend that the Government is explicit about how BEIS and UKGI are providing oversight of the appropriateness of offers made to claimants.* (Paragraph 57)
23. The absence of records held by the Post Office Ltd. (POL) and other relevant organisations, such as HMRC, DWP and the Royal Mail Group, along with an absence of local suspense accounts for individual POL branches, raises serious questions as to how victims of Horizon are supposed to identify and evidence the losses they suffered. POL and BEIS told us that the Historic Shortfall Scheme's Independent Panel would take this into account when assessing claims. (Paragraph 62)
24. *We recommend that POL shares details, with relevant examples, of how it takes the absence of information into account when it makes its initial recommendations for claims and how the Independent Panel reflects on such cases. We recommend that POL sets out how many claims have been refused by the Scheme or rejected by claimants, where an absence of information has been relevant. We also recommend that BEIS and UKGI confirm what safeguards it agreed when signing off the Scheme for cases where there was a lack of records.* (Paragraph 63)
25. *We ask the Government to confirm that the burden of proof should not rest solely with the claimant, not least because POL itself hasn't kept appropriate records, including itemisation of which postmasters paid what amounts to individual suspense accounts. The fact these funds were merely added to the overall profits of the Post Office during those applicable years should be sufficient to agree that claimants must be given a significant level of benefit of the doubt when compensation is being calculated.* (Paragraph 64)
26. It is deeply troubling, given the historical nature of Horizon, its complexity as a flawed IT system and in many cases a lack of records, that some claimants seem

to be preparing claims and accepting offers without appropriate legal and forensic accounting support. If claimants accept offers that have not fully covered their losses, this in itself is a scandal, and justice will not be done. (Paragraph 66)

27. *We recommend that the Government liaise with the Post Office to establish how many of the 2,500 claimants have been offered support through the Scheme, at which point support was offered, if costs were covered, how much was paid on average, and what the nature of that support was and who provided it. We also recommend that BEIS and UKGI set out what oversight they provided of any support that was given through the Scheme, how they ensured that it was independent and how it was evaluated.* (Paragraph 67)
28. *We have recommended in this Report that the Government set up a properly resourced independent intermediary to assist sub-postmasters seeking to overturn convictions and seek compensation. We recommend that this same body should also be tasked with assisting sub-postmasters who are accessing the Historic Shortfall Scheme. This should include providing claimants with access to forensic accountants and legal experts who can offer advice to help ensure that claims are as robust as possible, that offers take account of all the losses suffered and that claimants do not suffer significant detriment because records have not been kept by the Post Office or other relevant organisations.* (Paragraph 69)
29. We look forward to receiving estimates from BEIS of the total expected cost of the Horizon scandal and a full breakdown, including any costs paid by the Post Office Ltd. (POL) itself. We also look forward to seeing the Government's estimate of how much it would cost to reach a fair settlement with the 555, which we have recommended. We were surprised to discover that in December 2021 BEIS had identified a £685.6 million direct grant to POL for the Post Office Historical Matters subsidy scheme and that this was not referenced in evidence to our Committee. *The Government must explain whether this direct grant is to cover the whole estimated cost of the Horizon scandal and whether this includes money assigned for achieving a fair settlement with the 555.* (Paragraph 72)

Appendix 1: The different routes to Horizon compensation

Compensation route	Number of SPMs	Compensation	Issues
Group Action Litigants	555	£57.75mn settlement	<p>£46mn of the settlement was paid in legal fees, leaving about £20k for each of the 555. In many cases it has been argued that the losses suffered were well in excess of £100k</p> <p>The Government have said that this was a “full and final settlement” and prohibited the 555 from making a claim through the Historic Shortfall Scheme.</p> <p>A small number of the 555 are able to seek compensation if they were subject to an unsafe conviction as a result of Horizon (see below).</p>
Unsafe Convictions	736 (if they seek to overturn their convictions)	£100k interim payment ahead of a final settlement	<p>Some SPMs have had their convictions overturned but have not been offered compensation, though they can use the Historic Shortfall Scheme.</p> <p>Despite POL attempts to contact the 736 SPMs concerned, only 160 SPMs have so far approached POL to begin the process of overturning their unsafe convictions. So far, only 72 have overturned their convictions.</p> <p>POL have not been able to trace 126 of those SPMs with an unsafe conviction and 343 have not responded to POL letters alerting them to this fact.</p> <p>There are concerns that some are uncontactable because they may have died or left the country, or that others do not want to engage with the process because they mistrust POL and the Government.</p>

<p>Historic Shortfall Scheme</p>	<p>2,500</p>	<p>To be determined on a case by case basis</p>	<p>Eligibility for this scheme rests on SPMs evidencing losses when they paid their own money to cover losses caused by Horizon.</p> <p>In many cases paperwork and records are not held by SPMs or by the POL and other relevant organisations such as HMRC, DWP or Royal Mail.</p> <p>POL maintain that all monies paid in by SPMs to cover losses were placed in a central suspense account, with no local branch records. This means that individual transactions cannot be traced to establish individual SPM losses.</p> <p>Many SPMs who have made claims through the Scheme and who are awaiting compensation have had no forensic accountancy help to establish robust claims or independent legal advice to assess whether compensation fully covers their losses.</p> <p>Since the Scheme closed to claims in November 2020, only about 30% have been concluded.</p> <p>Concerns have been raised about the independence of the Scheme with comparisons made with the compensation scheme set up in the aftermath of the HBOS Reading Scandal, which was heavily criticised.</p>
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Appendix 2: Horizon Timeline

Horizon Timeline	
1999	The Post Office introduces a computer accounting system named Horizon. By 2013 the system was being used by at least 11,500 branches and was processing some six million transactions every day.
2000	In 2000 there were six shortfall convictions that relied on Horizon data. Problems with the Horizon system are reported to Post Office Ltd by Alan Bates, the sub-postmaster (SPM) at Craig-y-Don, North Wales.
2003	Mr Bates' contract is terminated, which he alleges is down to him raising the complaints about Horizon.
2009	SPMs, including Alan Bates, who suffer accounts shortfalls set up an action group—Justice for Sub-postmasters Alliance (JFSA).
2011	Joint BBC South and BBC Surrey investigation into issues with Horizon.
2011	85 SPMs seek legal support in claims against POL computer system.
2012	POL set up an independent inquiry to be conducted by the accountancy company Second Sight.
2013	POL admits that Horizon system needs more investigation and says that it wants to get to bottom of IT system allegations and drill down on strongest cases. It later says that the system has been fixed and is effective.
2013	POL announces Complaint Review and Mediation Scheme for SPMs who claim to have covered losses because of Horizon with their own money. This scheme was closed to new applicants later that year after 150 SPMs file claims. The JFSA argued there had not been enough opportunity for SPMs to enter the scheme.
2014	Second Sight report finds that Horizon "was not fit for purpose" in some branches. However, POL states that "there is absolutely no evidence of any systemic issues with the computer system". POL maintains remote access to Horizon branch accounts "impossible" [later retracted in the High Court on 26 Jan 2016]
2015	On 3 February 2015, Paula Vennells, then Chief Executive, POL, Angela van den Bogerd, then Head of Partnerships, POL, and Second Sight appear before the Business, Innovation and Skills Committee. Angela van den Bogerd tells the Committee that POL have provided Second Sight with the information they have requested as part of their forensic investigation of Horizon. This is contradicted by Second Sight who tell the Committee that they have not had access to prosecution files, which they needed to back up suspicions that POL had brought cases against SPMs with "inadequate investigation and inadequate evidence".

2015	POL terminates the Initial Complaint Review and Mediation Scheme without notice, according to the JFSA. POL publishes a report clearing themselves of any wrongdoing.
2015	MPs force inquiry into Post Office sub-postmaster mediation scheme.
2015	POL ends working group for IT system investigation day before potentially damaging report by Second Sight is published. The report is not published. It found that Post Office software experienced 12,000 communication failures every year, with software defects at 76 branches, as well as old and unreliable hardware
2015	Criminal Courts Review Commission is set to review SPMs' claims of wrongful prosecution.
2015	BBC's Panorama's broadcast a programme on Horizon called "Trouble at the Post Office?"
2016	POL faces group litigation over Horizon IT as sub-postmasters fund class action. The class action is funded by SPMs agreeing to pay legal fees if they win. This is the only way they can fund legal action.
2016	POL chairman Tim Parker says there would be "considerable risk" associated with changing its Horizon computer system.
2017	POL admits in court that previous assertions (e.g. to Panorama) that remote access to Horizon branch accounts was "impossible" was not true.
2017	1,000 SPMs apply to join group litigation against POL.
2017	The JFSA takes the POL Office to court through a group litigation action by 555 former employees, who were mainly ex-SPMs. Therium Capital Management, a specialist litigation funder, agree to back the claim in return for a proportion of any damages awarded.
2017	The high court judge managing the SPMs versus POL legal case over an allegedly faulty computer system tells legal teams to cooperate.
2018	Criminal Cases Review Commission forensic examination of Horizon at the centre of a legal case against the POL raises further questions.
2018	Post Office branches unable to connect to Horizon computer system for several hours after morning opening time.

December 2019	<p>At the end of a long-running series of civil cases, the Post Office agreed to settle with the 555 claimants, paying £57.75m in damages. However, of this settlement, £46mn was paid out in legal fees.</p> <p>In the subsequent judgment on the issues, the High Court ruled that the original Horizon system had not been sufficiently robust and had suffered from a number of bugs and errors.</p> <p>Nick Read, CEO of PO Ltd since September 2019, said that PO Ltd would “take on board some important lessons” as to how the organisation had treated the SPMs and was “committed to a reset” in its relationship with them.</p> <p>Fujitsu was not a party to this litigation. However, the judge in the High Court said he would refer Fujitsu to the director of public prosecutions for possible further action.</p>
February 2020	On 26 February 2020, the Prime Minister commits to holding an inquiry into the Horizon Scandal.
March 2020	The Criminal Cases Review Commission refers 39 cases linked to Horizon to the Court of Appeal.
March 2020	On 10 March 2020, SPMs directly affected by the scandal and their representatives, as well as Second Sight, give evidence to the BEIS Select Committee.
March 2020	On 26 March 2020, former POL CEO Paula Vennells, current POL Chairman, Nick Read, Fujitsu, the BEIS Minister and BEIS and UKGI officials are due to appear before the BEIS Committee. The evidence is postponed because of the Covid-19 pandemic.
May 2020	On 1 May 2020, POL launches its Historic Shortfall Scheme for SPMs who suffered losses covering shortfalls caused by Horizon.
June 2020	<p>On 10 June, Paul Scully MP, Minister for Small Business, Consumers and Labour Markets, announces the scope of the non-statutory Post Office Horizon IT Inquiry, to be led by Sir Wyn Williams, a retired High Court Judge.</p> <p>The JFSA refuses to take part in the inquiry, describing it as a “whitewash” and calls for a full public inquiry instead.</p> <p>The BEIS Committee Chair writes to the Minister and urges him to put the Inquiry on a statutory footing.</p>
June 2020	On 25 June, the BEIS Committee publishes letters from Paula Vennells (former POL CEO), Nick Read (current POL CEO), and Fujitsu on Horizon. The letters are in reply to the Committees questions following the postponement of the evidence session on 26 March 2020.
July 2020	The Criminal Cases Review Commission refers another 7 cases to the Court of Appeal.
August 2020	The Historic Shortfall Scheme closed on 14 August, though ‘exceptional circumstances’ applications were accepted up to 27 November 2020.
December 2020	On 1 December, the Post Office Horizon IT Inquiry issued a call for evidence.
December 2020	The Crown Court set aside the convictions of six Horizon-related cases, which are uncontested.

January 2021	The Post Office Horizon IT Inquiry begins taking public impact statements from victims of the Horizon scandal.
April 2021	Court of Appeal Criminal Division quashes the convictions in 39 of the 42 Post Office Horizon referrals it was considering.
May 2021	Two further convictions are set aside.
May 2021	On 19 May 2021, Paul Scully MP, Minister for Small Business, Consumers and Labour Markets, writes to the BEIS Committee and confirms that from 1 June 2021 the Post Office Horizon IT Inquiry will be placed on a statutory footing.
July 2021	Government announce that they will fund interim payments of up to £100k within 28 days of SPMs having their unsafe Horizon-related convictions overturned.
July 2021	On 28 July 2021, the Government set out the Terms of Reference for the Post Office Horizon IT Inquiry. The Government states that the "Horizon group damages settlement ... and/or the engagement or findings of any other supervisory or complaints mechanisms, including in the public sector, are outside the Inquiry's scope".
November 2021	On 17 November 2021, Sir Wyn Williams, Chair of the Post Office Horizon IT Inquiry, set out the list of issues that the Inquiry intends to investigate. There are now 217 issues grouped around six key themes: the Horizon IT system; knowledge of errors with Horizon; contractual liability for Horizon shortfalls; investigations and private prosecutions carried out by Post Office Ltd; support, representation and redress for Sub-postmasters; and, governance and whistleblowing.
November 2021	Sir Wyn Williams, Chair of the Post Office Horizon IT Inquiry, calls upon POL, Fujitsu, BEIS and UKGI to submit evidence. He announces that he is seeking a waiver of privilege in respect of legally privileged material relevant to the Terms of Reference, as carried into effect by the Provisional List of Issues.
November 2021	By November 2021, 72 unsafe Horizon-related cases have been overturned.
December 2021	Sir Wyn Williams, Chair of the Post Office Horizon IT Inquiry, sets out the Inquiry's schedule of work over 2022 and notes that he will not report before the end of 2022.
December 2021	Paul Scully MP, Minister for Small Business, Consumers and Labour Markets, confirms that the Government will make funding available to make final compensation payments to SPMs whose convictions have been overturned.
December 2021	On 14 December 2021, SPMs directly affected by Horizon and their representatives appear before the BEIS committee.
January 2022	The Post Office Horizon IT Inquiry adds a footnote to its list of issues (Issue No. 183) to note that the "Chair will consider whether all affected sub-postmasters, sub-postmistresses, managers and assistants, were adequately compensated for the wrongs they suffered. The additional footnote confirms that this includes the 555 Claimants in the group litigation of Bates and Others v Post Office Limited [2019] EWHC 3408 (QB)".

January 2022	On 5 January 2022, Paul Scully MP, Minister for Small Business, Consumers and Labour Markets, informs the BEIS Committee that the Historic Shortfall Scheme has received over 2,400 applications and that the Post Office had paid around 30% of claims.
January 2022	On 11 January 2022, the POL chairman, Nick Read, the Minister and BEIS and UKGI officials appear before the BEIS Select Committee.
January 2022	On 14 January 2022, Computer Weekly reports that the BEIS Subsidy Transparency Database includes figures set aside for the Post Office Historical Matters Compensation scheme. This includes: £685.6 million (20 December 2021); £94.4 million (22 July 2021); £233 million (11 March 2021).

Formal minutes

Tuesday 8 February 2022

Members present:

Darren Jones, in the Chair

Tonia Antoniazzi

Alan Brown

Richard Fuller

Nusrat Ghani

Paul Howell

Mark Jenkinson

Andy McDonald

Charlotte Nichols

Mark Pawsey

Alexander Stafford

Draft Report (*Post Office and Horizon – Compensation: interim report*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 73 read and agreed to.

Appendices agreed to.

Resolved, That the Report be the Eighth of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 22 February at 9:45am]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 10 March 2020

Wendy Buffrey, former Sub-postmaster; Alan Bates, former Sub-postmaster, Founder, Justice for Subpostmasters Alliance; **Tracy Felstead, former Sub-postmaster**[Q1-70](#)

Andy Furey, Assistant Secretary, Communication Workers Union; **Calum Greenhow,** Chief Executive Officer, National Federation of SubPostmasters; **Ron Warmington,** Chartered Accountant, Second Sight Forensic Accountants; **Ian Henderson,** Chartered Accountant, Second Sight Forensic Accountants [Q71-120](#)

Tuesday 14 December 2021

Alan Bates, former Sub-postmaster, Founder, Justice for Subpostmasters Alliance; **Dr Neil Hudgell,** Executive Chairman, Hudgell Solicitors; **Jo Hamilton - Former Sub-postmaster; Paul Harry - Former Sub-postmaster** [Q1-45](#)

Tuesday 11 January 2022

Nick Read, Chief Executive Officer, Post Office [Q46-85](#)

Paul Scully MP, Minister for Small Business, Consumers and Labour Markets, Department for Business, Energy and Industrial Strategy; **Carl Creswell,** Director, Services Directorate, Department for Business, Energy and Industrial Strategy; **Tom Cooper,** Director, UK Government Investments [Q86-139](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

POH numbers are generated by the evidence processing system and so may not be complete.

- 1 APPG on Fair Business Banking ([POH0034](#))
- 2 Ahmed, Munir ([POH0011](#))
- 3 Baker, Mark ([POH0008](#))
- 4 Boothman, Mr Tim ([POH0021](#))
- 5 Burke, Ms Wendy ([POH0019](#))
- 6 Communication Workers Union ([POH0033](#))
- 7 Communication Workers Union ([POH0007](#))
- 8 Craddock, Susan ([POH0014](#))
- 9 DESAI, MRS BHAVNA ([POH0026](#))
- 10 Department for Business, Energy and Industrial Strategy ([POH0006](#))
- 11 Donnelly, Mrs Christine ([POH0025](#))
- 12 Hall, (N/A, NFSP Board of Non-Executive Directors) ([POH0023](#))
- 13 Hedges, Mr David Thomas ([POH0003](#))
- 14 JOHNSTON, MR K R ([POH0002](#))
- 15 Jayakanthan, Gowri ([POH0012](#))
- 16 Joshi, Mr Nilesh ([POH0024](#))
- 17 Kelly, Mark ([POH0027](#))
- 18 McCormack, Tim ([POH0009](#))
- 19 Murray, Peter ([POH0015](#))
- 20 Richards, Mr Keith ([POH0020](#))
- 21 Second Sight Forensic Accountants ([POH0035](#))
- 22 Second Sight Support Services Ltd ([POH0031](#))
- 23 Second Sight Support Services Ltd ([POH0028](#))
- 24 Shaheen, Rubbina ([POH0013](#))
- 25 Shaikh, Eleanor (Member, Public) ([POH0032](#))
- 26 Visani, Mr Bharat ([POH0018](#))
- 27 Warmington, Mr Ron (Managing Director, Second Sight Support Services Ltd) ([POH0005](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee's website.

Session 2021-22

Number	Title	Reference
1st	Post-pandemic economic growth: Industrial policy in the UK	HC 385
2nd	Climate Assembly UK: where are we now?	HC 546
3rd	Post-pandemic economic growth: Levelling up	HC 566
4th	Liberty Steel and the future of the UK steel Industry	HC 821
5th	Pre-legislative scrutiny: draft Downstream Oil Resilience Bill	HC 820
6th	Pre-appointment hearing of the Government's preferred candidate for Chair of the Financial Reporting Council	HC 1079
7th	Decarbonising heat in homes	HC 1038

Session 2019-21

Number	Title	Reference
1st	My BEIS inquiry: proposals from the public	HC 612
2nd	The impact of Coronavirus on businesses and workers: interim pre-Budget report	HC 1264
3rd	Net Zero and UN Climate Summits: Scrutiny of Preparations for COP26 – interim report	HC 1265
4th	Pre-appointment hearing with the Government's preferred candidate for the Chair of the Regulatory Policy Committee	HC 1271
5th	Uyghur forced labour in Xinjiang and UK value chains	HC 1272
6th	Mineworkers' Pension Scheme	HC 1346