



Department for
Business, Energy
& Industrial Strategy

Alan Bates
Justice For Subpostmasters Alliance

Paul Scully MP
Parliamentary Under-Secretary of State

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Dear Alan,

Thank you for your letter dated 2 March, regarding Post Office Litigation. I am grateful to you, Deirdre Connolly and Rajinder Bilkhu for joining me on the phone on 18 March to discuss this with me and for agreeing to do so at such short notice, I appreciated being able to hear from you all about your experiences.

First of all, during our conversation I undertook to give you a definitive response to your renewed call for the Government to pay sub-postmasters £47m in respect of the court litigation. You will be disappointed, but our position has not changed since my predecessor, Kelly Tolhurst, last wrote to you on this matter. The Government was not a party to the litigation or mediation talks and the settlement agreed with the Post Office included all legal and other costs. In those circumstances Government cannot accept any further request for payment.

I would like to assure you that the Government and I believe Postmasters are at the heart of communities and I recognise the strength of feelings about the negative impact the Horizon Court case and preceding years had on postmasters and their families.

I believe the appointment of a new CEO and two new Non-Executive Directors will aid in the rebuilding of the relationship between POL and their postmasters. As such, I have challenged the Post Office CEO and Chair to strengthen their relationship with postmasters and take onboard the lessons learned through the litigation. Both myself and BEIS officials will hold the Post Office to account to deliver this, along with other reforms, and will seek clear evidence that change has taken place. I most recently spoke to Nick Read on 16 March and he assured me that the embedding cultural changes that seek to learn from the lessons of this litigation is of the highest priority. This is of great importance to me and I will monitor the company's progress closely.

Let me reassure you that the Government closely monitored the legal proceedings and judgment of Mr Justice Fraser. The Post Office has accepted it got things wrong, apologised and has said it aims to re-establish a positive relationship with postmasters. BEIS is working actively with the Post Office on this matter and will hold them to account on their progress.

As I said on our call, the Government is committed to establishing an Independent Review to look at the issues further and ensuring lessons are learnt. We will announce more details in due course, I want to make sure that the review will be effective. We will obviously need to ensure that any review does not undermine the Criminal Cases Review Commission's work or the separate Director of Public Prosecution's consideration.

Finally, I welcome the inquiry the BEIS Select Committee is holding on this important subject, and I would like to thank you for your contribution at the oral evidence session on the 10 March. Following the decision to postpone the evidence session on the 24th, my officials will liaise with the Committee on the next steps.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Paul Scully', written in a cursive style.

PAUL SCULLY MP

Minister for Small Business, Consumers & Labour Markets

Minister for London