

## POST OFFICE HORIZON: EX GRATIA PAYMENT SCHEME

### Introduction

1. This note supplements the letter of 2<sup>nd</sup> September 2022 to all postmasters in the GLO, which described two options for the scheme which we propose to deliver further compensation to that group. This note provides further detail about option 2. It is intended for the legal representatives of GLO postmasters, but we would also welcome views from the postmasters themselves.

### Level of compensation

2. The option aims to use established legal principles as the basis for assessing compensation in a way which makes it as easy as possible for postmasters to apply for it. It draws on our experience in relation to the HSS and the arrangements for overturned historic convictions.
  - Compensation for losses such as Horizon shortfalls, suspension pay and legal fees in response to legal action by the Post Office would be based on actual amounts. We recognise that many postmasters have limited evidence of shortfalls. The scheme would adopt the approach to this issue used for the HSS, which is described, with examples, in [BEIS's response](#) to the Select Committee's recommendations 14 and 15.
  - Compensation for loss of appointment and notice would be based on a standard number of months of remuneration, again in line with HSS practice.
  - We would establish a number of benchmark cases for losses for stigma and damage to reputation, personal injury, bankruptcy and harassment, again drawing on HSS experience. The amounts for further cases would be based on comparability with these benchmarks.
  - Claims for loss of income on the open labour market would be considered on their individual facts against established legal precedent. Claims for malicious prosecution on behalf of individuals who were prosecuted but not convicted would be considered in the same way. Those who were convicted already have access to separate compensation arrangements as those convictions are quashed.

### Reasonable legal fees

3. Unlike HSS claimants, GLO members already have developed and evidenced claims, which were prepared for the High Court case. Claims made under the scheme drawing on such pre-existing information should achieve a better evidence base and be more consistent in their approach. As well as reducing the effort and stress on postmasters of preparing claims, this will make it quicker, easier and cheaper for Government to respond to them. To maintain that quality and consistency it is to the mutual advantage of the Department and claimants that the Department should meet the reasonable legal costs to claimants of engaging in the process, as Minister Scully announced in June.
4. Under option 2, the amount paid in respect of legal costs for each case would reflect its complexity. The best proxy for that will be the final value of compensation paid, adjusted for whether the case involves specific factors such as a bankrupt claimant.

We propose to establish a number of bands related to compensation levels, with a costs allowance for each band. We anticipate that it should be possible to settle many cases without recourse to expert evidence or a Counsel's opinion. However, in those cases where the independent case facilitator has been unable to resolve a difficult issue, s/he may ask the independent panel to approve an additional costs allowance for the use of such specialists. This will include the costs of instructing them and reporting their findings. We will take the advice of costs draftsmen in settling these costs allowances.

5. Where a case is subject to exceptional review, it will be for the independent senior individual who reviews the case to decide issues of costs.
6. Legal costs will be paid in instalments linked to milestones reached in connection with the progress of the case. Instalments will reflect the lowest band into which the case might fall. The first instalment will be paid on submission of a claim, and so will necessarily be based on the lowest cost band. Each time that the parties agree that a case will be in a higher band, previous instalments will be adjusted accordingly.