

No. 116/2020

11th March 2020

Dear Colleagues

POST OFFICE: HORIZON SCANDAL – BEIS SELECT COMMITTEE INQUIRY – FIRST ORAL EVIDENCE SESSION & WESTMINSTER HALL DEBATE

Further to LTB 104/20 dated 4th March 2020.

The first evidence session of the BEIS Select Committee Inquiry into the Horizon scandal Chaired by Rachel Reeves MP, took place on Tuesday 10th March in Westminster. Giving evidence to this session were the following:

- Wendy Buffrey and Tracy Felstead, former Postmaster and Post Office worker respectively
- Alan Bates, former Postmaster, lead claimant in the Group Litigation and founder of the Justice for SubPostmasters Alliance
- Andy Furey, CWU
- Calum Greenhow, Chief Executive Officer of the NFSP
- Ron Warmington and Ian Henderson from Second Sight Forensic Accountants, who were hired six years ago by the Post Office to look at the Horizon system and investigate Postmasters' complaints.

The Committee heard firstly from the former Postmasters/Post Office workers who had been prosecuted by the Post Office. Wendy Buffrey was accused of theft by the Post Office and despite no evidence being found, was eventually pressured into pleading guilty to false accounting (rather than face a custodial sentence for theft). Wendy was convicted of this charge and was forced to do 150 hours of community service. She had to sell her home (at a much reduced rate compared to its value) to repay the missing £36,000 the Post Office had accused her of stealing.

Visibly moved by relaying her story, Wendy informed the committee she had been spat at as she walked from her court conviction. Astonishingly, Wendy also told the Committee she received no help or support whatsoever from the NFSP, despite being a member. Although she made a number of phone calls to them she was told that because she had been suspended, she was no longer considered a Postmaster and therefore would not receive any representation or support from what was then her Trade Union (the NFSP was struck off as a Trade Union by the Certification Officer in 2013 and is now a Trade Association).

Tracy Felstead, former Post Office worker was accused of stealing £11,500 and at the age of 19 was sent to Holloway prison where she served 3 months of a 6 month sentence for theft. This is despite the fact her family clubbed together to find the money to repay the Post Office the £11,500 she didn't take in the first place.

Alan Bates, who took the initiative to set up the Justice for SubPostmasters Alliance because of the lack of support from the NFSP, told the shocked members of the Committee that Post Office had acted "*as judge, jury and executioner. They always have done, in a very high-handed way.*" He also said that Postmasters were "*abandoned*" by the NFSP.

Calum Greenhow, the current CEO of the NFSP, when questioned by one of the Committee members yesterday as to why Wendy had not received the support she required, after deliberating, informed the Committee he was not aware of a policy which would have prevented the NFSP supporting accused Postmasters such as Wendy due to their suspension. However, he said he would need to check on this and get back to the Committee as this happened prior to him becoming CEO (he became CEO following the departure of George Thomson back in 2018). It should be noted though that Calum had a prominent role in the NFSP for a number of years.

What is clearly evident is that the NFSP failed to provide the support and guidance to Wendy she needed so desperately. This is typical of the experience of many of the hundreds of Postmasters who supported the Group litigation and the JFSA and is one of the reasons we're calling on the Committee to recommend the CWU has **total recognition for representing Postmasters including collective bargaining so that Postmasters have strong collective representation through an independent trade union.** This is also necessary as Postmasters' remuneration levels have deteriorated significantly over a number of years.

In giving his evidence, Andy Furey commented "***We need a judge-led independent inquiry...*** *The culture of the Post Office was to defend Horizon at all costs and should be held to account. The Post Office should hang its head in shame*".

A recording of the Inquiry can be accessed via the following link:

<https://parliamentlive.tv/Event/Index/9a73af32-a8d7-4ead-ad17-dc92f2d9f131>

Press & Media Coverage

The inquiry received significant media coverage. Tom Witherow, reporter for the Daily Mail, Tweeted the following comments from the debate:

Strong final statement from @AndyFurey_CWU

AF: No-one has been accountable, no-one has lost their job, no-one's been dismissed from the PO board. It's so fundamentally important to get this judge-led independent public inquiry. The scale of this is horrendous. The vast majority of the people who operate in the PO are public servants, they are part of the fabric of society.

This is a national scandal, it has impacted on their reputations and the PO

needs to be held to account.

There were also stories in the New Statesman, Computer Weekly, Daily Mail and on the BBC which can be accessed via the following links:

<https://tech.newstatesman.com/public-sector/horizon-it-scandal-judge-led-inquiry>

<https://www.computerweekly.com/news/252479794/MPs-told-to-hold-to-account-those-responsible-for-Post-Office-Horizon-IT-scandal>

<https://www.dailymail.co.uk/news/article-8098003/Post-Office-acted-judge-jury-executioner.html>

<https://www.bbc.co.uk/news/uk-politics-51817918>

In addition, a Union web story has been published today:

<https://www.cwu.org/news/post-office-bosses-shamed-by-powerful-testimony/>

Second Session of the BEIS Select Committee Inquiry – 24th March

At a later evidence session scheduled for 24th March, the Committee is expected to question the current Post Office CEO, Nick Read, the former CEO, Paula Vennells, Fujitsu, a BEIS Minister and a representative from UKGI (UK Government Investments). A further LTB will be published following this meeting. In the meantime, any other developments will be reported.

Westminster Hall Debate on the Post Office Network – Tuesday 10th March

Also taking place yesterday was a Westminster Hall debate secured by Marion Fellows MP (SNP) on the Post Office Network. During the debate, Marion Fellows made the following points:

Communication Workers Union officials have also queried the wisdom of closing Crown post offices - those directly managed by Post Office Ltd - given that the company is profit making. The union notes that franchising causes people to leave the service because jobs advertised by firms such as WH Smith, which holds a very large number of franchises, are lower paid than those at the post office.

I asked the previous Minister for postal affairs for an independent review into postmaster pay. I know I have said this already, but I will keep saying it: we want a review. Will the Minister commit to one?

The Minister was in the Chamber last Thursday, when the hon. Member for Telford (Lucy Allan) led the debate on the Horizon scandal and its impact on postmasters and post office workers. We heard of appalling cases of injustice in which victims were imprisoned, were given community service, or lost homes, businesses and reputations. Victims were pressurised into paying money to Post Office Ltd to avoid criminal charges, even when they knew they had done nothing wrong. Post Office Ltd covered up what it knew about the Horizon system and recklessly spent public money trying to avoid blame. The Minister's response to all of this was lacklustre.

Victims of the Horizon scandal must be recompensed. Will the Minister meet Post Office Ltd to ensure that those who run and work in our post offices will not be the ones who pay the price for this scandal?

Gill Furniss, Labour MP and Shadow Minister for Post Offices stated:

In the fight for justice for wronged sub-postmasters, we must not lose sight of the rest of the network. Ensuring that it is properly funded for the future is key. It is clear, even before we understand the full impact of the trial on the finances of Post Office Ltd later this year, that the network is hugely reliant on the network subsidy payment. The legal and compensation costs that the business will bear will make the Post Office hugely reliant on Government support.

The Government are hiding behind the idea that the Post Office is an independent commercial business, but the need for public support at critical moments means that the Government can and must play a far greater role in shaping the future of the Post Office, rather than simply providing credit and monitoring basic targets. In truth, since the separation of Post Office Ltd and Royal Mail, the Government have not taken their strategic role seriously. We have not had a comprehensive statement of strategic direction for that vital service since 2010, and we have reached the point where the long-term future of the network is at stake.

By contrast, we have a clear vision of the future of the post office network. First, the network would receive far greater protection if it were reunified with Royal Mail in public control. The disastrous decision to split the two and to sell off Royal Mail threatened both businesses. As high streets and the postal market develops, we have missed great opportunities to unify the management and services of those businesses. Working together, post offices and Royal Mail delivery offices could provide a much more comprehensive network of local points from which to send and pick up parcels, driving growth and delivering sustainability for the Post Office and Royal Mail. Britain's post should be public.

Will the Minister commit to bring forward a comprehensive strategy for the Post Office? I know that she will not agree with every element of the plan I have laid out, but the House and the public must be able to see and scrutinise the Government's plans for the future. Will she also set out what steps she will take to address the governance of the Post Office to ensure that sub-postmasters and the public are assured that the management of the company is able to take the network forward into the future with openness and transparency? Any strategy must identify the desperate need for fair remuneration of sub-postmasters....

The post office network is a national gem, valued by many up and down the country. It can provide a bulwark against a retail downturn and essential protection for the digitally excluded, but it must have the correct vision and investment to achieve that. In recent weeks, the Post Office has faced great challenges. The Government must react and lead the Post Office forward for the future.

Amanda Solloway MP, Under-Secretary of State for BEIS standing in for Paul Scully MP, the Post Office Minister responded to the debate and included the following statements:

BEIS has challenged the Post Office and, in fact, the new CEO and the chair personally to strengthen their relationship with postmasters and to take on board the lessons learned from the recent litigation. They have provided assurances that they will do so. BEIS has established, and chairs, a quarterly group with the National Federation of SubPostmasters and the Post Office.

Let me reassure hon. Members that improvements at all levels of the organisation are well under way, reflecting the lessons learned from the past. The Minister has already spoken to the Post Office's newly appointed chief executive, and has been assured that a major overhaul of the Post Office's engagement and relationships with postmasters is progressing.

The Government will continue to monitor and proactively challenge the Post Office leadership and will hold it to account on its progress. The Department for Business, Energy and Industrial Strategy is looking at what more needs to be done, and it will outline the next steps in due course.

Marion Fellows closed the debate by adding:

I do not want the Minister to take this personally, because I could have said it innumerable times to many other Ministers, but we do not just want to hear kind words from the Government. We do not want the Government to say, "We will press Post Office Ltd"; we want the Government to tell us what they are going to do. That was missing quite a bit from the Minister's response.

I want to pick up on one thing. It seems as though where the Government find that Post Office Ltd is making a profit, that is fine—everything in the garden is lovely; we are moving forward and the Post Office is doing really well, because it is making money—but how much money will the Post Office be making when the full cost of the Horizon scandal hits? It is not just about the people who have been taken to court and whose cases are going through the criminal court review procedures; it is about the people who paid the Post Office money because they did not want to be prosecuted, and who were harassed and harangued into doing that. It is about the cover-up. The Government cannot sit back and let the post office network flounder because of the great cost coming down the line for the Post Office as a result of Horizon.

That does not even cover things such as franchising. Franchising is not good. It has been proven, especially where Crown post offices are franchised, that franchising leads to expertise being lost: people leave, there is a reduction in the services provided and everyone loses out. I honestly hope that the inquiry that the Business, Energy and Industrial Strategy Committee is carrying out prods Ministers into effort and deeds, instead of kind words. Post offices need to be kept, and they need to prosper. We need them to support our communities.

A link to the full debate can be accessed via the following link:

<https://hansard.parliament.uk/commons/2020-03-10/debates/C15938E1-712B-4764-97B0-5D280106D773/PostOfficeNetwork>

Criminal Cases Review Commission

The CCRC is currently considering the cases of more than 50 former Postmasters who have been convicted (including imprisoned in some cases) due to accounting irregularities relating to Horizon. CCRC commissioners can refer cases to the Court of Appeal if they believe there is a real possibility that the convictions in question should be quashed where there are obvious grounds of a miscarriage of justice, bearing in mind that Horizon has now been exposed to have flaws and could be remotely accessed which wasn't known at the time of the convictions. We understand the outcome of the CCRC's deliberations will be communicated this month.

Finally, we would like to thank Rachel Reeves for calling this Select Committee Inquiry into the Horizon debacle and to the members of the Committee for their input and questions. It is clear that there is cross-party support for a judge-led independent inquiry to be held into this absolutely appalling scandal which has affected the lives of so many hard working innocent Postmasters.

Yours sincerely

Dave Ward
General Secretary

Terry Pullinger
Deputy General Secretary (P)

Andy Furey
Assistant Secretary