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20<sup>th</sup> March 2020

Dear Colleagues

## **POST OFFICE: HOUSE OF COMMONS DEBATE - HORIZON**

Further to LTB 139/20 dated 18<sup>th</sup> March 2020.

### **House of Commons Debate – Horizon Settlement: Future Governance of Post Office Ltd**

Yesterday, a debate took place in the House of Commons secured by Kevan Jones, Labour MP for North Durham, on the future governance of the Post Office following the Horizon scandal.

Highly critical comments were made about the Post Office leadership, including the former CEO Paula Vennells, the government and the designer of the Horizon system, Fujitsu. During the debate it was clear that MPs across all political parties (almost 20 MPs from across Labour, Conservative and SNP spoke) are united in the fact that a judge-led independent inquiry must now take place to hold those responsible to account. In addition, heavy criticism was aimed at the NFSP and there were calls for Postmasters to now be represented by the CWU as an independent Trade Union, not a staff association with a cosy and wholly inappropriate relationship with the Post Office.

The following quotations from the debate are examples of how strongly MPs feel about this whole scandal:

#### ***Kevan Jones, Labour MP, North Durham:***

*"... the first is that the National Federation of SubPostmasters needs winding up now. It is not independent, nobody joins it—sub-postmasters are auto-enrolled. It is basically an arm of the Post Office and is paid for by the Post Office. Surely if it is going to be an independent voice for sub-postmasters, it should be that.*

*If anyone saw the Business, Energy and Industrial Strategy Committee hearing last week, they will have seen the chief executive, who could not answer on how many of his members had been affected by Horizon or what his organisation had done about it. I will tell the House exactly what it did: nothing. In Tom Brown's case it just said that the Post Office must be right.*

*The organisation is a sham and it needs to be wound up now. **We need an independent organisation to represent sub-postmasters—including through the recognition of the Communication Workers Union**, which some people are members of—that can actually be an independent voice for sub-postmasters.”*

**Karl Turner, Labour MP, Kingston Upon Hull, East**

*“I do know that she [Paula Vennells] apparently earned something in the region of £5 million over a six-year period. I believe wholeheartedly that she would have had a very good inkling of what was going on at the time. This is utterly scandalous and a judge will be the person who can get to the bottom of it.”*

**Chi Onwurah, Labour MP, Newcastle upon Tyne Central**

*“...the Prime Minister, in answer to a question from my hon. Friend the Member for Jarrow (Kate Osborne), appeared to commit to a full public inquiry into the Horizon scandal. When we hear from the Minister, I hope he will be able to provide more detail on the timescale and scope of that inquiry.*

*The Government appear to be content to act as the Post Office’s parliamentary organ throughout this process, claiming that the December settlement was the end of the matter. Nothing could be further from the truth for the people who are still fighting for justice, and that is why we need a judge-led independent inquiry to take place as soon as feasibly possible.*

*I want to say a word about **the Communication Workers Union, which identified flaws in the Horizon system back in 2015 and has worked hard to secure the inquiry**. It has said that it is happy to work with us to ensure that it is timely and independent. So far, we have not seen any accountability for the lives and reputations that have been ruined. That is why securing this independent inquiry will be such a big victory for sub-postmasters, trade unions and justice...”*

**David Linden, SNP, Glasgow East**

*“Why was £100 million of public money spent defending the case when it was clear that the Post Office had no business continuing to prosecute innocent people? Why are the Government not taking more action to put things right, given all the injustices that have been laid bare, particularly this afternoon?”*

In addition, **Duncan Baker, Conservative MP, North Norfolk**, and ex Postmaster severely criticised the Post Office’s strategic direction in regards to the Crown Network in his speech which was as follows (the paragraph regarding Crowns is highlighted in bold):

*“I question whether the £58 million that has been set aside to recompense the victims will be enough. I think we probably all agree that it will not. After the lawyers take a large portion of that fund, what will be left? That is not right. The Government must intervene, as the main shareholder, to ensure that*

people are recompensed properly.

*The board of Post Office Ltd is, unquestionably, accountable for this fiasco. Action must be taken so that board members are properly dealt with for this injustice. What kind of corporate governance structures failed to allow this to happen? Those who have been jailed and who have criminal records must have them overturned.*

***I turn to the three governance issues that need to be put right. Together, these issues show the failings in the organisation. My first point is about the total withdrawal of the Crown network. It is an absolute necessity that we still have a backbone of Crown post offices in this country. We have gone from 600 a few years ago to just 100. Why is that relevant? We are talking about systems like Horizon going wrong. If you have a backbone of Crown post offices that work effectively, they are often a test bed for new products and systems. They provide continuity in the network when so many franchised operations come and go depending on the operators' success.***

***Let us also remember the staff, as an organisation is only as good as the people who work in it. It is the staff who are the real holders of long-standing deep knowledge, and they should act as the wider custodians of the network. If the Post Office had listened to its staff in the first place when they raised the flag, this perhaps would not have happened. There should be an immediate moratorium on the programme of Crown disposals to ensure that the Post Office's backbone is preserved.***

### **Details of "Independent Review" to be Announced Shortly**

The **Under Secretary of State for BEIS, Paul Scully**, responded to the debate for Government by stating:

*"I am glad that the Post Office has accepted that it got it wrong in the past on the Horizon accounting system and in its dealings with a number of postmasters, and that it has apologised...*

*Beyond the financial settlement, the Post Office committed to directly address past events for affected postmasters, so it will shortly announce a scheme to address the historical shortfalls for postmasters who were not part of the group litigation. That scheme has been designed to offer a fair, fast and transparent means for postmasters' historical issues to be resolved.*

*The terms of the settlement put the onus on the Post Office to implement the necessary cultural and organisational changes highlighted by the litigation, which means that the company should foster a genuine commercial partnership with postmasters. Clearly, it has to settle its past relationship with postmasters to look forward and ensure that postmasters can have confidence in their future relationship with it.*

*....the Government and I are determined to take the necessary steps to ensure that lessons are learned from the Horizon litigation and that past issues will*

not be repeated.

**We have talked about the independent review, which the Prime Minister mentioned a couple of weeks ago. We are looking at the best way to do it. There will be a further announcement as soon as possible in the very near future. I know that hon. Members want progress, but I want to ensure that we get it right, rather than rushing into the terms of reference and other details. I want to make sure, as I said, without hiding and without washing my hands of it, that we actually get something that means something to the affected postmasters."**

The link to the Hansard transcript of the full debate yesterday is:

<https://hansard.parliament.uk/Commons/2020-03-19/debates/03E48E18-4B5E-4A42-84C3-684E6B58495D/HorizonSettlementFutureGovernanceOfPostOfficeLtd>

## **Computer Weekly Article**

Today, 20<sup>th</sup> March, the day after the House of Commons debate, an article was published in Computer Weekly which highlighted the fact the Minister only referred to an "independent review" rather than a judge-led independent inquiry into this scandal, which the CWU along with a substantial number of MPs have called for:

<https://www.computerweekly.com/news/252480365/MP-warns-minister-not-to-parrot-civil-servants-lines-on-Post-Office-IT-scandal>

## **Paula Vennells Steps Down from Cabinet Office Non-Executive Role**

The former CEO of Post Office, Paula Vennells, was appointed to the Cabinet Office in a Non-Executive role in February 2019. Her role was described as "... *appointed for a three year period, providing independent advice, support and scrutiny. They will work with officials and ministers on official Cabinet Office business including the work on EU Exit and the running of government*"

It was reported yesterday that Paula Vennells had been forced to resign from this position. The Daily Mail reported this story in a strongly worded article which includes a quote from a Cabinet spokesperson as follows:

*"We can confirm that Paula Vennells stepped down from her role earlier this month, as part of a wider refresh of the Cabinet Office board. We'd like to thank Paula for her work as a non-executive board member."*

<https://www.dailymail.co.uk/news/article-8132739/Former-Post-Office-chief-dragged-staff-court-blunder-scandal-quits-government-job.html>

During the debate yesterday, Kevan Jones stated:

*"I am just coming on to the Cabinet Office, because lo and behold, guess where Paula Vennells also ended up? She was a non-executive member of the Cabinet Office. I am told that she was removed from that post yesterday; I do not know whether it was because of this debate. I welcome that, but why is someone who has overseen this absolute scandal still allowed to hold public*

positions.”

In addition, Chi Onwurah, Labour MP, Newcastle upon Tyne Central said:

*“I welcome the fact that Paula Vennells, the former chief executive of the Post Office who was so heavily criticised by Justice Fraser, appears no longer to serve on the Cabinet Office board, but why on earth did the Government allow that appointment to be made? Why did they not act sooner to distance themselves from those responsible for impacting the lives of so many?”*

### **Panorama Programme – Monday 23<sup>rd</sup> March – 8.30pm**

Branches are reminded that on Monday 23<sup>rd</sup> March the BBC will be broadcasting a Panorama Programme entitled **“Scandal at the Post Office”** which is expected to cast criticism at the behaviour of the Post Office and the NFSP over the Horizon debacle.

### **Postponed: 2nd Session of the BEIS Select Committee Inquiry – 24<sup>th</sup> March**

Unfortunately, due to the Coronavirus, the second session of the BEIS Select Committee, during which the current CEO Nick Read and ex CEO Paula Vennells were due to give oral evidence has been postponed. Further developments in terms of how and when this session will take place will be reported.

### **Criminal Cases Review Commission – Meeting 24<sup>th</sup> March**

The meeting of the CCRC to make a decision on whether to refer the 55 cases of wrongfully convicted Postmasters to the Court of Appeal is due to take place on Tuesday 24<sup>th</sup> March. A further LTB will be published following the outcome.

### **Meeting with Paul Scully MP, BEIS Minister – Monday 30<sup>th</sup> March**

Dave Ward, GS, Terry Pullinger, DGS(P) and I are due to meet with Paul Scully, Post Office Minister on 30th March. Mr Scully referred to our meeting during the debate in the House of Commons yesterday when he stated:

*“I will meet the Communication Workers Union, which has been referred to, at the end of the month to understand the views of postmasters—I look forward to that—and will be tracking progress at the highest levels of the Post Office in quarterly ministerial meetings with the CEO, Nick Read. Governance arrangements between the Government and all its arm’s length bodies are kept under regular review.”*

Further developments will be reported.

Yours sincerely

**Andy Furey**  
**Assistant Secretary**