

Business, Energy and Industrial Strategy Committee

Oral evidence: Royal Mail and the Post Office, HC
1045

Tuesday 17 January 2023

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Members present: Darren Jones (Chair); Alan Brown; Ruth Edwards; Jane Hunt;
Mark Jenkinson; Andy McDonald; Charlotte Nichols; Mark Pawsey.

Questions 89 - 119

Witnesses

[III](#): Nick Read, Chief Executive, Post Office.



Examination of witness

Witness: Nick Read.

Chair: We welcome Nick Read, who is the chief executive of Post Office Ltd. Mr Read, good morning.

Q89 **Charlotte Nichols:** Good morning, Mr Read. According to Citizens Advice analysis, one in three rural post offices are now provided as part-time outreaches, and in the last 10 years the number of permanent branches has reduced by more than 1,000. What impact do you believe that this is having on Post Office's ability to serve people in vulnerable circumstances, and those who rely most on the network and its role as a social and economic hub?

Nick Read: It is a fair question. Let me start by saying the targets were set by the Government, which are access criteria. We should have 99% of the population within three miles of a post office and 90% of the population within one mile of a post office. There are a series of other metrics that are specific to vulnerable, rural, isolated and urban degenerative areas where we have post offices in place. Over the last three years we have succeeded in delivering against those targets.

I recognise and acknowledge that the physical infrastructure of a post office is not always possible, particularly in rural areas. We do our best to provide an outreach service, which is what we use especially in rural and extremely rural areas, where we actually go out and visit vulnerable, isolated communities or individuals. We establish post offices, mobile post offices, or they can be post offices in libraries or post offices in pubs or community centres. It is a way of ensuring that where it is not viable, and I use the word advisedly—so where there is not the customer demand or the social demand to have physical infrastructure or a post office within a convenience store or another retail outlet—we have the opportunity to produce outreaches and have an outreach service.

You are right: the outreach service has increased, but I would stress that for the overall access criteria—and I know that last week when Minister Hollinrake was in the Westminster Hall debate he made it very clear that the 11,500 was a target for post offices that he wanted to ensure remained, and we are looking forward to working with him to ensure that is the case—as of today we still have 11,671 post offices up and running.

Q90 **Charlotte Nichols:** We have been made aware of a number of instances where post office branches have been temporarily closed but have never reopened, which has effectively meant permanent closure of branches without consultation with local communities or, indeed, their workforce. Is that a deliberate policy and in what circumstances would Post Office consider reopening branches that have closed temporarily?

Nick Read: I know that we and Citizens Advice have had a number of conversations around what exactly is a temporary closure, and it is a little disingenuous as a term. Just to be very clear on this topic, Post Office is



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not obliged to automatically replace a like-for-like post office if it closes or, indeed, open another post office in the immediate area. Clearly we would want to. That is our objective. The standard set for us is that we have access criteria and that we have 11,500 post offices.

The situation we have with temporary closures is that we invariably want to open a post office in the same location when it closes. It is not always possible, primarily because 99% of our estate is run by franchisees, and sometimes they go bust, sometimes postmasters retire, and sometimes they are just simply not viable. We get little or no warning as to when they are going to close. We had the example earlier of McColl, where 55 of the post offices have shut. Clearly, that is something we then have to run fast to address and try to replace.

We are speaking with Citizens Advice about the term “temporary”. It is a little misleading. We want to make sure that we are all agreed on what “temporary” means and when we replace post offices. I would reiterate that this year we have had less turnover in post offices than we have done for eight years—the churn, as we call it, in terms of post offices. We have had only 168 this year that have churned, which we are very pleased about. It is a reflection on the fact that we are working hard to make sure we are serving rural and urban communities as best we can.

Q91 Charlotte Nichols: I am particularly interested in constituencies like mine that do not have a single banking branch within them, so there is much greater reliance on the post office for banking facilities. Again, we have referred to rural communities already and you have referred to the three-mile radius. Of course, for certain rural communities, despite being fairly close in proximity to their nearest town there is not public transport available between that community and the town, meaning that they might not be very far on a map but it is very difficult for people to get between them, particularly people who are elderly and disabled. What will Post Office do to provide these communities with access to postal services?

Nick Read: It is a very reasonable question. I will pick it up in two parts. We have a banking framework with the 30 largest banks in the country, where we provide withdrawal facilities, deposit facilities, the ability to cash cheques and do bank balances. That is something that we feel is extremely important. Access to cash in this country is extremely important. Some 8 million people use it every single day. We know that there are 2 million who are unbanked who do use and need cash and access to cash.

We know that a third of bank branches have closed since 2015, and we have made a very strong play to the Government—and, indeed, to the banks themselves and particularly the FCA—that there should be legislation to ensure that, when a bank branch closes, there is suitable and appropriate opportunities for customers, particularly vulnerable customers, to have access to cash. That is a role that we want to play.



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You will be familiar with banking hubs that we are starting to open. We have 25 in the pipeline. That clearly does not reflect the number of bank branches that are closing. We have to close that gap because otherwise, as you say, there will be cash deserts, and that is something that we are desperately keen to avoid.

I mentioned that we have the mobile outreaches. That is what we use, particularly in our rural locations, to get out to vulnerable customers. As I mentioned before, we are meeting those access criteria, but you are quite right to be concerned. Bank branches are closing more quickly than banking hubs—or access to cash—are opening.

Q92 Charlotte Nichols: How are you determining where these banking hubs are being opened? As I said, in my constituency we do not have a single bank branch but we are also seeing closures of Post Office facilities, which is creating exactly the kind of cash deserts that you referred to. I am not aware of any plans by Post Office to be opening up banking hub facilities or, indeed, more post office facilities within the constituency. How are you determining which communities are getting these banking hubs?

Nick Read: The banking hubs are run by UK Finance and they have their own operating company, so we provide the operational service for them. It is not our decision. I know that UK Finance and LINK can determine from their geospatial measurement where it is appropriate to put a banking hub and where a banking hub is needed, but we do not have influence over that. What we have is a contract to run and operate banking hubs as they are established. We do not have an enormous amount of influence over where they go; we have just said that we are keen to run them on behalf of UK Finance. That is absolutely the case.

Going back to your question about post offices, we have a very clear set of criteria. The access criteria are extremely clear. We know where we have to provide postal services and where we have to provide access to cash. As I say, we are fulfilling the six core access criteria the Government have set out for us, as well as the 11,500, which sits over, on top of and above that metric.

Q93 Charlotte Nichols: You have referred to viability of branches. When you are making decisions about branch closures, do you not take into account what bank branch facilities are available in the local area and prioritise those branches for being kept open?

Nick Read: As I say, we have a number of criteria that we use to ensure that we are delivering our access criteria and supporting customers and communities. It is imperative. We have a unique role to play because we are a commercial organisation as well as a social organisation, and we take our public service ethos extremely seriously, but we also have to be realistic about what it is that is viable and whether customer demand is there.



Where customer demand is high and strong, of course we will be opening post offices and trying to ensure that we can find a franchisee to do so, but, to your point, we do not own the post offices. We franchise the post offices. We need to encourage and motivate different people to come forward to run them. As I mentioned before, we are in the middle of a very difficult cost of living crisis, but we are finding that the churn and the turnover of postmasters is surprisingly low, which is a good thing. We think that will become more difficult as the year progresses, but at the moment it is in control.

Q94 Charlotte Nichols: In terms of Post Office plans to overcome the increasing number of part-time outreaches and the decline in full-time permanent post offices, does the slimmed-down drop-and-collect model form part of your plans to fill these gaps?

Nick Read: The drop-and-collect model, for those who are not familiar, is the first new format that Post Office has introduced in about 10 years. In essence, it provides a service for prepaid parcels and prepaid postal services. That would include Royal Mail Click & Drop, Labels to Go and Parcelforce Worldwide. It is a collection service that we have identified for our inner-urban areas where we are underrepresented and where we want to make sure that we capture the parcel market. It is absolutely not a substitute for rural services. As I say, it only provides postal services, so it is part of our strategy to make sure that, where we are underrepresented in large and inner urban areas, we have the opportunity to capture some of that market.

It is important to put it into context. It is probably a 10th of the cost of establishing a local post office. It is easy to train, it is easy to use, it is low cost and it is efficient. Our postmasters—those who are operating, and we have 140 of them now—really like what it does, because it provides the opportunity to capture some of that prepaid parcel market that is out there. It is not a replacement for outreaches or a replacement for any of our flexible models that we use in rural areas.

Q95 Chair: Can I just check about the temporary closures issues to understand if there is something that we might be able to help with? I am grateful to the Member for Merthyr Tydfil who is in the public gallery today, who wrote to us about the Treharris post office in his constituency as an example, where it seems to have been temporarily closed now for more than two years. There are local people who would like to become the postmasters of that office to have it reopened for their local community, but there is no way for them to engage with you to do that. Apparently there has been no advertising around it and there has not been a consultation on its permanent closure. How can post offices be closed temporarily for more than two years? It is not temporary, is it?

Nick Read: No, I agree. I am surprised to hear the detail that there has not been any consultation. We are obliged in the first three months, if we decide that a particular post office is to reopen, to have a consultation. From three months on it is an engagement with the community, as it is



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called. As I said at the very start, this notion of “temporary” is confusing and it is not particularly helpful for everybody. We obviously want to, and we have a team of 50 colleagues who are out there provisioning, looking for franchisees to take on and run post offices in those areas where we may have literally been given six weeks’ notice that a particular site might be about to close.

Of course, it is not always possible to open in these particular areas, but we do advertise and we have a team that supports the advertising of where we want to open a post office. I am surprised, but I will look into the Merthyr Tydfil issue and get back to you on why that is the case.

Chair: That would be great. If you could dispatch someone to have a look it would be much appreciated.

Q96 **Jane Hunt:** Thank you very much for coming today, Mr Read. I want to talk about the vision for the network short and long term, but also about markets. I have an example in my constituency in Barrow upon Soar where unfortunately the post office closed down perhaps a year or so ago. I have had significant help from Post Office in trying to reopen it; indeed, I have written to every shop in the village asking if they would take on a post office, but we still have not been able to find anywhere, yet you have a market there. What else could we do to help get you a market in places like Barrow upon Soar, where you do have the ability to take on more if only somebody would take on the business?

Nick Read: It is a good question. Are we doing a good enough job advertising what it is that Post Office does? I suspect we could do a better job. I am very clear from a long-term vision perspective that the mails and parcels market has a huge, huge opportunity for us as an organisation. The cash and banking market does too. We have an amazing travel business. We obviously provide great bill payment services. We think we have four very core parts of this commercial organisation that are going to develop and to grow.

If I particularly think about the parcels business, you have obviously heard from Mr Thompson and others today. We are looking to expand and to become the first mile and the last mile for parcels in particular. We want to be an aggregator where we go out and use Amazon, Evri, DHL, DPD, as well as Royal Mail Group, to make sure we maintain that role as a community hub. We think that is very viable and is a very realistic proposal and proposition for us.

With cash and banking, it is exactly the same. We see ourselves as providing the cash infrastructure for the country. We want to play that role, as we see an acceleration in bank branches closing, and to be there for the vulnerable, for the isolated and for those in the cash-only society who still are very important, particularly in more rural communities, which is something that we have observed.



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We think that from a proposition perspective we have a great proposition. I am not familiar with your particular site, but we will look at that and try to understand how we can better sell what Post Office does and the role it plays. This is the interesting part. Yes, we are a commercial network. Yes, we are a commercial business, but certainly from a governmental perspective it is recognising the social role that we play.

Particularly, it is the role that we played during the pandemic and the role we are playing at the moment, whether that is with energy relief schemes, council tax rebates or what we started yesterday in Northern Ireland in terms of making sure we are getting cash to the 75% of the nation in Northern Ireland who prepay their energy bills. That is not something any other infrastructure could possibly provide. It is incumbent upon this Committee and the Government to recognise that we have a really crucial social role to play, as well as making it commercially viable. That is something that we will be striving to do.

Q97 Jane Hunt: Indeed. I could not agree with you more about the social aspect of it. The tricky bit is that, if you do not have an outlet there, there is a market but you cannot get to it. It is an interesting thing. While I was the Minister for Small Business I visited Belper and saw your Co-Op site. You had a post office within a Co-Op that then became a banking hub, and that could be a good way forward. You have referred to some of the services there. What else is Post Office looking to do to turn itself into a universal hub for all sorts of services, which could then create a vision and a more developed network, perhaps even more than the 11,671 outlets across the country, in the short and the long term?

Nick Read: In the short term, we are focused very extensively on our mails and parcels business. That is just under 50% of our total revenue and turnover, somewhere in the £330 million range. It is so important that we have a very robust relationship with Royal Mail Group, but more importantly that we explore opportunities to do more. We have a non-exclusive relationship with Royal Mail now, and, as I say, we have brokered deals with Amazon, Evri, DPD and DHL. We are selling Evri product in 50 post offices for the first time. For the first time in our history, we are selling non-Royal Mail mail and parcels products.

Getting that piece right—the first mile and the last mile—for customers in the parcels market is hugely important, but let us be very clear: the industrial action that is going on at the moment is threatening that business. We had a very difficult Christmas and postmasters had a very difficult Christmas as a consequence of the strike action. It reduced our trade by 26%, and that is something that postmasters will be deeply concerned about. We have a vested interest in making sure that Royal Mail and the CWU settle their dispute, and that we can get on and build our business both with Royal Mail and with the other carriers, which we see as our role.

From a vision point of view, that is where we are spending our time. From a cash and banking point of view, as I say, we want to offer those



banking services. It is really important that we do that. We think it is a huge role to play, but we are also what we call a platform market. The postmasters themselves have done an enormously good job, particularly through the pandemic and beyond, of building a great brand. We can use that brand online and we are using it online, so our financial services business online has been hugely successful this year.

We see that as the ability to trade off a diversified business. You have a diversified business that is generating profitability online and we have a postmaster population that is struggling as a consequence of the strike and the strike action. We are looking for ways to use the brand that we built physically with what we are gaining online to make sure that we can measure and balance for our postmasters. That is something we are trying to do at the moment so that profitability is more broadly shared.

Q98 Mark Pawsey: Mr Read, you just said that you are a commercial business but with a social role. You have spent a working career in the commercial sector and now find yourself running an organisation that is accountable to the Government. How does that differ?

Nick Read: It differs massively. We have a public sector ethos. We have talked a little bit about what the infrastructure of this country is about, and we see Post Office as a hugely important brand. We are underplaying our potential role. Everybody is seeing what is going on in the high street, with shops and retailers closing, and we see ourselves as being a core part of communities up and down the country. That is something that we know we want to reinforce, so we need to look at what the new model is for the high street. We need to look at what role the post office can play as part of a community hub, whether that is part of a café, a food store, a convenience store or a retail store. How do we make the post office more flexible to do that? That is something that I am finding out.

Mark Pawsey: In terms of accountability you are not accountable to shareholders, for example. You are accountable to BEIS.

Nick Read: I have a single shareholder, which is the Government.

Q99 Mark Pawsey: Do they interfere? Do they let you get on with doing whatever you want to do? How does that relationship work?

Nick Read: It works very well. We have a collaborative relationship. I have had a number of Postal Ministers this year, as you will probably be aware. It is collegiate and collaborative, but, like any shareholder, they place their demands on us as well.

Q100 Mark Pawsey: What would happen if there was a difference of view—if you wanted to take the organisation in one direction and Government perhaps got a slightly different priority? How would that work?



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Nick Read: I would be speaking with the Postal Minister and with the Secretary of State, as I do quite regularly, about the direction of travel and where we want to go.

Q101 **Mark Pawsey:** Are there any disputes about the direction of travel?

Nick Read: There are no disputes about the direction of travel.

Q102 **Mark Pawsey:** Are there any disputes at all?

Nick Read: There are funding issues, as you have in any business, and it is important to recognise those funding issues. There are a lot of pressures on Post Office at the moment. As you are fully aware, we are in the middle of a public inquiry. We are obviously trying to fix and right the wrongs of the past. We are trying to address compensation and we are battling, like all other retail businesses, in a very difficult market. I recognise that there are funding pressures right the way across Government.

Q103 **Mark Pawsey:** Are there are features of your business that you want Government to support you financially on, or are you able to do what you want to do largely through your own resources?

Nick Read: One of the challenges for any Government-owned organisation is that it has a single source of funding. That single source of funding is the Treasury. From my perspective, I am looking to identify different sources of funding so that we can borrow to do different things. That is a conversation that I am having as we speak with BEIS and with my colleagues in the Department, to see if there are ways that we can diversify our funding so that we can capture markets.

Q104 **Mark Pawsey:** Is that with a view to making yourselves more self-sufficient?

Nick Read: Yes.

Q105 **Mark Pawsey:** Is that working? Are you heading in the right direction?

Nick Read: We are having those conversations. It is fairly early doors at the moment in terms of what we are doing, but clearly those conversations are wrapped up in some of the more challenging conversations that we have around making sure that we run a very efficient network and, at the same time, capturing those commercial opportunities so that we can continue to play a social role.

Q106 **Mark Pawsey:** Does the social obligation prevent you from being as commercial as you might like to be?

Nick Read: No, I do not think it does. It is very difficult to separate the commercial and the social. It is part and parcel with a public sector ethos of what Post Office stands for and what Post Office is, and that is the strength of the brand. That is why we have such great trust. It is why, for instance, we can be as successful online as we are at the moment.



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In terms of Post Office Insurance, our foreign exchange business and how we do business online, that is built on the fact that people know that we are Government owned, that we have a clear mandate, and that we have a very trusting network that helps build that brand. That is a very important characteristic that we lose at our peril.

Q107 **Chair:** I have a quick question on the financial performance of Post Office. I can see that you have had trading profits now for a couple of years, which is a positive turn of events compared to previous trading years, but you still have overall statutory losses of £597 million in 2021 and £300 million in 2020. A huge percentage of that is obviously compensation for the Horizon scandal, but if you take out the Horizon scandal costs Post Office overall is still loss making. Is that right?

Nick Read: It is, but it is important to separate out where the subsidy is that the Government give us, which is to run the uncommercial elements of the network. Again, clearly that is part of it, but at a trading level, yes, you are right. We made £86 million in 2018-19; then clearly in the years of the pandemic we dropped down to £35 million and £35 million. We will perform better this year as we emerge from the pandemic. As I mentioned before, different parts of the business can respond to the market in different ways. It will be less successful, unquestionably, in terms of the physical infrastructure of Post Office, in that our bricks and mortar business will be less successful than our online business, but, to my point before, we will make a trading profit bigger than we made in the previous two years. We are looking at ways to make sure that we use that profit efficiently and effectively to support our postmasters out on the physical high street.

Q108 **Chair:** Earlier today it was suggested that your salary has recently doubled. Is that true?

Nick Read: My salary has not doubled, no. Yes, I got a bonus this year, but I have not actually had a pay increase for three and a half years, so that is not strictly true.

Q109 **Chair:** This is just a bit of a theme of questions for me. I am interested to hear how executives get bonuses when companies are loss making. How is your bonus performance assessed?

Nick Read: My bonus performance is assessed on three core criteria. First and foremost is fixing the past and making sure that we make the necessary changes to the organisation such that nothing like this can possibly happen again in terms of the inquiry. There is an element of making sure we fulfil our social obligations in delivering the access criteria and making sure 11,500 branches are on the high street. Certainly an amount is due to profitability, but I have made it very clear that I am putting postmaster trust at the heart of my business. Again, that is something I am measured on as well in terms of how postmasters feel the organisation is being run. That is the basis of the remuneration.



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On top of that, this year we are trying to migrate off the Horizon system. As you will be fully aware, it is a 20-plus-year-old system, and it is very important on a number of levels: first, so that we can be commercially more efficient; and, secondly, it is appropriate, given the nature of what has happened in the past, that we make a clean break from that system. Making sure we execute against that is part of it as well.

Q110 Chair: We also heard earlier that there are sub-postmasters who are paying themselves below the equivalent of the national minimum wage and struggling to make ends meet. Do you recognise that? If so, what can you do about it?

Nick Read: As I mentioned before, we are very concerned. When I look at the state of the estate, potentially 50% of the Post Office estate is earning and generating less than £5,000 of profit. On energy alone, we know that from speaking to our postmasters they are likely to see an increase of between £6,000 and £8,000 this year, which is why we lobbied very hard to the Government. If they believe they are keyworkers, they should be ring-fenced accordingly.

I would emphasise again that that is extremely important. We were disappointed when we were not given that keyworker status last week when the energy bills support scheme was reduced to £400. That is a challenge for us. I will be taking it up with Government, because we need to ensure that postmasters are acknowledged.

Q111 Chair: Just to finish off my questions here, it was suggested that you have refused to enter into direct negotiations with the trade union.

Nick Read: I find that a bit curious. Mr Furey wrote to me on Friday inviting me to attend. I have never refused to meet the CWU. Of course, we have been in negotiation with the CWU fairly regularly. It was unfortunate that the meeting at ACAS was postponed last Wednesday, but we are open to talk. Of course we are.

Chair: You will talk with him.

Nick Read: Yes.

Q112 Ian Lavery: You said you had not had a pay increase for three years. What is your salary?

Nick Read: My salary is £415,000 a year.

Q113 Ian Lavery: What were the bonuses you have had in the last three years?

Nick Read: I had a £400,000 bonus last year; I did not take a bonus the year before; and I took a 50% voluntary reduction in my bonus the year before that.

Ian Lavery: Did you say a £400,000 bonus?

Nick Read: That is correct.



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Q114 **Ian Lavery:** In 2020-21 Post Office made a profit of £35 million. In 2021-22 it was £39 million, with bonuses to management totalling somewhere in the region of £2 million. You have offered a fantastic workforce who provide a fantastic service 2%, 3% and then 5%. It still has not been concluded. Will there be an improvement in that offer to this fantastic workforce?

Nick Read: As I said before, we are very keen to talk to the CWU. We want to get ourselves in a position where we can obviously settle. That would be imperative. I have made a very clear offer that we will backdate the pay to 1 April at 5% plus a £500 supplement for energy. We want to make those payments. I am happy to make those payments now and not jeopardise in any way people's ability to strike, if that is what they want to do. I am keen to make sure we bring a resolution to this issue.

Q115 **Andy McDonald:** Mr Read, you referenced the Horizon scandal. Some 95% of applicants to the historical shortfall scheme have now received compensation. Can you tell us what the status is of the remaining new claims, and how Post Office is ensuring that offers are made as quickly as possible?

Nick Read: I can, yes. You will be aware that 2,374 people came forward within the HSS, as you identified. This time last year when I was here I said that we would endeavour to get to a situation where 95% had had offers made to them by the end of the calendar year, which we managed to fulfil. Offers were made to the tune of £74 million. Some 88% of those individuals have accepted their offers, and we have paid out to the tune of £47.5 million so far. Obviously we will make up the difference.

The last 5% will be more complicated. There is no doubt about that. Some of those are late applicants, some of those are insolvencies and some of those are bankruptcies. They will take a little more time, but I am very hopeful. We have set ourselves a target to try to complete these by the end of March, and we are getting on with doing just that. My hope is that we will have completed the entire historical shortfall scheme by the end of March.

Q116 **Andy McDonald:** Stepping back and looking at compensation more broadly, some of these postmasters have lost everything. Some have gone to jail and have lost their liberty. Their lives have been completely ruined. When somebody sustains such a trauma they usually recover their losses, both past and future—their pension losses—and they are compensated for that grave insult to them in terms of their loss of liberty and the psychological damage. Whatever schemes are produced here, there is going to be a massive shortfall opposite the true extent of the losses that these individuals have sustained. If you or I were in that position we would want full compensation.

We talk about full and fair. It should be for everything that they have lost. Do you not think that is where we should be in properly compensating these postmasters who have suffered the gravest of insults



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and had their lives totally ruined?

Nick Read: I could not agree with you more. I have been consistent in the three years since I joined Post Office to address these issues. The first task I had was to settle the GLO. It was the first thing that I did when I joined three years ago. I am clear that we want to make sure fast and speedy justice is delivered for our postmasters. There is no question about that at all.

There are three schemes, and you will be very familiar with them. There is the historical shortfall scheme, which we have just talked about, and we are on with delivering literally 100% of that by the end of March. The overturned convictions are a different scheme, obviously, by definition. People will be familiar that between 1999 and 2014 Post Office prosecuted 706 individuals, and it is our job to get out to those individuals and encourage them to come forward to have their cases and their convictions overturned, if they are and have been Horizon-based.

To date, we have disclosed information to 153—only 153—and I recognise that that is of frustration to the Committee as it is to us. We want people to come forward. We now believe that we have contacted all but 20 of those 706 individuals, and we have used the CCRC to help us, from an independent perspective, encourage people to come forward and have their cases reviewed by the CCRC, or, indeed, their appeals overturned.

It is of great concern to me that only 153 have to date done so, and we need support and help to do that. I can completely understand there will be many postmasters out there who simply want to put this to the back of their mind. The last thing they want to do is to come forward and revisit what was an appalling time for them. At the same time, to your point, we want to make sure that we deliver justice and we deliver it fairly. That is absolutely my objective, to make sure we do that.

We are working hard to think through with the CCRC how we continue to trace, how we continue to encourage, and how we provide the environment where people do not feel threatened and can come forward. As I say, to date 83 have had their convictions overturned and we have paid some £15 million out so far to individuals, both pecuniary and non-pecuniary in terms of the claims.

There is much more to do. It is hard work. Everybody is individual; every case is individual, but we think we are making good progress. It is very difficult to assess how good is good progress. We all want it to be quicker, be assured. I absolutely want it to be quicker. It is very difficult to get a benchmark on how quickly you can deliver justice of this nature. I spend my time looking at what other inquiries have done and how other inquiries have gone about it, whether it is Grenfell, infected blood or others, but we want to make sure that we deliver it as quickly as possible. We have, as I say, a large team disclosing information and



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making things available so that this horrible and sorry state can be brought to a conclusion.

Andy McDonald: Speed is good, but full is also important.

Nick Read: It is, absolutely.

Chair: For anybody watching proceedings today, just to reassure them, the Committee continues to engage with Ministers as well as Post Office and the CCRC to make sure that everything is being done for victims so that they can come forward and be compensated. I echo the comments of Andy McDonald about that being full as well as fair compensation paid by the Treasury.

Q117 **Mark Pawsey:** I was on the Committee that looked into this issue and we heard some absolutely harrowing accounts of people running small businesses who were accused of stealing from the organisation. It was horrible to hear their accounts. I welcome what you have said and the work you have done to compensate people and try to set the record straight.

I want to ask you specifically about the suspension pay compensation scheme, which relates to people who were not remunerated before the contracts were suspended in March 2019. The Minister wrote to us in November saying that Post Office will write to all of those people involved, providing compensation on the remuneration that they were not paid and also in respect of consequential losses. Has that been fulfilled?

Nick Read: The process has started. The first letters have gone out. We have had the first responses back. We think there are some 3,000 individuals who received no pay during a suspension period. We are contacting all of them and we are going to write to all of them. As I say, that process has begun, and we have already started receiving responses to it. We have secured the funding to make sure that we can make the appropriate changes.

Q118 **Mark Pawsey:** Do you have an estimate of the budget that will be required for this compensation package?

Nick Read: We do not know yet what that is going to look like.

Q119 **Mark Pawsey:** What will it be in the region of?

Nick Read: It will be many millions.

Chair: The Treasury has presumably committed to giving you the money.

Nick Read: That is correct.

Chair: That brings the session to an end. Nick Read, thank you for your contributions today.