HOUSE OF COMMONS

Business and Trade Committee

Oral evidence: Post Office Horizon scandal: fast and fair redress, HC 341

Tuesday 5 November 2024

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Watch the meeting

Members present: Liam Byrne (Chair); Antonia Bance; John Cooper; Sarah Edwards; Alison Griffiths; Sonia Kumar; Charlie Maynard; Gregor Poynton; Mr Joshua Reynolds; Matt Western; Rosie Wrighting.

Questions 45 - 85

Witnesses

II: Dr Neil Hudgell, Executive Chair, Hudgell solicitors; James Hartley, Partner, Freeths; David Enright, Partner, Howe & Co.

Examination of witnesses

Witnesses: Dr Neil Hudgell, James Hartley and David Enright.

Q45 **Chair:** Welcome to the second panel in today's inquiry into fast and fair redress for the sub-postmasters. I am very grateful to our group of lawyers, who have worked incredibly hard for many wronged sub-postmasters, for coming and giving evidence today. Because you are lawyers, we are going to have to read the sub judice resolution to give you the protections that you need.

There are relevant active legal proceedings relating to Horizon before the courts. In December 2022, Mr Speaker exercised his discretion in respect of matters sub judice to allow references to those proceedings, as they concern issues of national importance. That waiver is ongoing and applies not only to speeches made by Members on the Floor of the House, but to remarks by both Members and witnesses at today's oral evidence session. Nevertheless, Members are urged to exercise caution in what they say and to avoid referring in detail to cases that remain before the courts. Members are also urged to bear in mind that Sir Wyn Williams's Post Office Horizon IT inquiry is ongoing.

Neil Hudgell, perhaps I could start with you. We have just heard a series of problems that bedevil all of the compensation schemes. I do not think we can say that any one of these redress schemes is in good shape. Could you give us a sense of how the experience you have heard compares with the experience of your clients?

Dr Hudgell: The two clients of mine who spoke today, Dewi and Jill, are pretty representative of the 400 or 500 personal stories that I have heard before. Each case is very tragic on its own circumstances. These are very humble, generous people. You heard Dewi talk about how he felt fortunate. That really resonates with everyone. It is all the more crippling when they come to a compensation process that actually heaps more injury on them. I think we have discussed this before.

Chair: You think that the redress schemes as they are designed today are heaping injury on injury.

Dr Hudgell: I don't think it is just me who says that. We have obtained significant volumes of medical evidence, which the Post Office and Government have seen, that talks about the process of compensation as actually making people unwell. It is a really big thing for us—this whole issue of trying to simplify the process and trying to kick it on.

Chair: We have the biggest miscarriage of justice in British history. We think there may be at least 3,000 people who have still not had their claims for redress met. At the moment, the redress schemes are making them ill, rather than providing them with the redress to which they are entitled.

Dr Hudgell: Yes, and as I say, that is validated by formal medical evidence. There is another thing to say as well—there is so much to talk about here. In terms of things like the burden of proof and being put to election on heads of loss, they actually think that again they are being cross-examined and disbelieved on matters: "You have advanced this claim that is 20 years old. You have no documents, but you have no documents because we seized them and never gave you them back." They are actually placed in a very invidious position. We cannot revisit history, but we can go from today and try to simplify things so that these really good people can rest a little bit easier.

Chair: Mr Hartley, is that your experience? Is this the experience of your clients, too?

James Hartley: Yes, I am sorry to say that it is. We have acted for 419 of the postmasters of the original 555 that we acted for in the High Court proceedings. Unfortunately, yes, there are elements of similarity between what they are going through now and the legal process that they originally went through to defeat Post Office. We have obtained 242 medical reports, almost all of which have identified medical conditions that our clients have suffered as a consequence of what Post Office did. These are real human issues. I will give a couple of examples in due course of the sorts of situations that can add to the stress.

Chair: Mr Enright, what about your clients?

David Enright: Before this meeting, you sat down with a group of postmistresses who have flown all the way from Northern Ireland to attend this Committee. During that meeting, they wept as they spoke to you, describing not just the financial losses but the loss of dignity and their good name, which burns within them to this day. They sit behind me. During that meeting, I also read you an email sent to me at 2 am last night by Mr Mark Kelly, who has travelled from Swansea today. He spoke of his head spinning, having received one of these "request for further information" letters very late in the day, stopping the clock on his GLO offer that is supposed to be done in 40 days, at a late stage, and asking him all sorts of ridiculous questions that he is incapable of answering and that the Post Office have the answers to.

Mr Byrne, you and many members of your Committee understand only too well the utter devastation that has been caused in every single community in this country. All of us know a victim of this scandal, because all of us have a postmaster or a postmistress a few hundred yards up the road from our homes.

Chair: Thank you for helping to set the stage. We are going to go into each of the schemes now in a little bit of detail, because we need your help in developing recommendations for Ministers about where the problems still lie. Could I have the first slide on the GLO scheme? I will ask Matt Western to lead the questioning.

Q46 **Matt Western:** Mr Hartley, I understand that when you were previously before the Committee, you spoke about areas in which you felt that the offers were not fair. I wonder what improvements you have seen since then.

James Hartley: 213 of our 419 claims have settled, so that is good news. Within those are the £75,000 claims, which were more straightforward. The vast majority of those 213 clients are happy with the outcome. They feel, in all the circumstances, that it was fair. However, we still have another 206 to resolve, most of which are highly complex claims involving medical evidence and accountancy evidence. Those, as Sir Alan mentioned, are the more difficult ones that will take time.

The GLO scheme, which is the only scheme we are involved in at present, can deliver fair outcomes. However, the other side of the coin is that unfortunately we are seeing not only delay, which we will come to, but offers that are not fair. Sir Alan mentioned his concern that fairness appears to have become the secondary factor, behind forensic legal analysis and detailed requests for further information. That is our experience in quite a few cases, with detailed requests for further information, which also manifests itself in the levels of offers on particular heads of loss, which we feel are too low. There is more to be said about that. There is potential for fairness and signs of fairness, but we still have concerns.

Q47 **Matt Western:** How do the first offers compare with what the claimants perhaps were expecting? Perhaps Mr Enright can come in as well.

James Hartley: On the figures we have in relation to the claims we are handling in the GLO scheme, 27% of the first offers made were for less than half of the sum claimed.

David Enright: We may touch upon this again, which is the benefit of the doubt issue. A client of ours, I think almost a month to the day, received his first offer under the GLO scheme from DBT. A whole range of heads of loss suffered by him were reduced by 30% on the basis that there was evidential uncertainty as a result of gaps within the supporting evidence. There are two points about that.

First, we had assisted Mr Worsfold—that is his name—in getting a forensic accountant, who put forward his losses. That forensic accountant, within that report, discounted the amounts claimed, on the basis that the forensic accountant themselves could not satisfy themselves in entirety to be able to support the claim. Then DBT itself double-discounted what is being offered by coming back and saying that there are gaps in the evidence as a result of absences of evidence. Of course there are absences of evidence, because, as Dr Hudgell and Mr Hartley have said, this is 15 years on since he was forced into penury and when he had to take on credit cards and remortgage his home, et cetera. How could any one of us here find the evidence 15 years on to demonstrate those types of thing? He is being double-punished and being given double the lack of benefit of the doubt. That needs to be brought back into this.

Q48 **Matt Western:** Mr Hartley, when you were previously before the Committee, I think you said that in terms of Post Office disclosure, there was a degree of inefficiency and incompetency. Has that improved since you were last before the Committee?

James Hartley: That is less of an issue now, because we have moved on from that. We eventually received the disclosure that we needed from Post Office, but that was only as recently as June 2024, so there were significant delays along the way. The current state of the position is that that is not holding things up.

David Enright: In terms of hold-ups, we can look at the process spreadsheet. The first blue point in the central block states, "Claimant applies in full. A named case facilitator from Dentons is appointed to manage case." Now, what really happens is that we formulate the claim and submit it to Dentons, which is effectively a highly paid post box. They post it on to DBT's lawyers, Addleshaw Goddard. Why do we need that layer?

What has happened, for example, in just the last two weeks? What has happened for Mr Keith Macaldowie and Mr Harry, clients of ours? They have put their claim in and Dentons have not sent it on. They are supposed to get an offer within 40 days. We chase up Dentons. They say, "We missed that. We lost that."

Matt Western: It slows the process down.

David Enright: It is a highly paid post box that does not really work.

Q49 **Matt Western:** That is interesting. This is a question for both of you. Mr Hartley, I think you suggested that DBT should give sub-postmasters the benefit of the doubt at the evidence-gathering stage. Does this actually happen?

James Hartley: In many cases, no. I can give one recent example. Yesterday, we received a three-page letter from Addleshaw Goddard, DBT's solicitors, in response to a claim. We had produced a psychiatric report, a medical report, which we had obtained for the client. The letter said that they felt the psychiatric report—this is an expert consultant—was vague and lacking in detail.

This is a report in which the medical consultant had expressed the opinion that, on the balance of probabilities, the postmaster had suffered a condition of anxiety and depressive disorder. The medical consultant gives a view on the balance of probabilities, which in fact is the legal test in this scheme. We then get a letter making that comment, which is then followed up with two pages of questions about this person's prognosis and their prior symptoms, addressing the question of whether in fact this was caused by Post Office's actions. That is not giving the postmaster the benefit of the doubt.

This links directly into the point about how fairness should be assessed. Indeed, the provisions are within the guidelines and principles of the scheme if they are used properly. The guidelines for the independent panel expressly say that the panel—and the panel's approach should be the same as DBT's—should approach cases with a holistic approach, in other words by looking at the case and the postmaster's situation as a whole and then arriving at a fair result based on legal principles.

DBT will of course say that to arrive at a fair result, one has to follow established legal principles of evidence, causation and so on, to which we say, "Yes, but in the relatively large bracket of legal opinion on a particular head of loss, you"—DBT—"should be offering at the very top of that bracket on cases, by giving the benefit of the doubt and not taking an overly forensic legal approach." To get to that result, DBT, we say, needs to instruct its lawyers to take that holistic approach.

Matt Western: Have we seen that medical submission, the two-pager?

Chair: No, we have not seen it.

Q50 **Matt Western:** It would be useful to see. Mr Enright and Mr Hartley, in your dealings with Addleshaw Goddard and Dentons, have you had any positive experience? If not, why not?

James Hartley: I will deal with Addleshaw first. Yes. It has, for example, picked up the phone to us to have a discussion about a particular case, rather than setting out details in what can be very stressful letters that the client then sees, questioning as per the sort of example I gave you. Yes, there absolutely have been positive instances, so it is not all negative. Of course, as a firm of solicitors, Addleshaw must follow the instructions of their client, DBT, so all roads lead back to DBT, in fact. If DBT instructs Addleshaw or any other law firm to set the bar in a different way on evidential requirements, that is what that firm needs to do.

As for Dentons, we may talk more about this, but we do not feel that Dentons has been deployed by DBT in the way that we envisaged at the beginning of this scheme, which is to take a very proactive approach to finding the middle ground between the parties and finding a mutually acceptable resolution, which is precisely what the scheme guidelines and principles say Dentons was instructed to do. We do not feel that that has happened, and we do not know why it has not happened, but we can only assume that DBT has not given instructions to Dentons to operate in that way. I feel that there is a big opportunity still for Dentons to take a significant role in resolving cases quickly and fairly.

David Enright: Mr Hartley has touched on the core of the problem. A lawyer or solicitor is professionally bound to act in the best interest of his client. For example, if they are representing someone who has to pay out compensation, that is to try to pay out as little as possible. In circumstances such as this, you need a strong client. DBT needs to be a strong client and direct its solicitors to act fairly towards a fair outcome. DBT needs to be the driver, to say, "You might be able to argue the pennies here. We do not want you to. We want you to take a fair and generous view on it and drive towards a settlement." A strong client is what is needed. DBT needs to be a strong client.

Q51 **Matt Western:** Are you surprised that it is not a strong client?

David Enright: The *Guardian* reported on 24 August that Post Office etc had spent £250 million on lawyers. Certainly we did not see much of that. They are hemmed in by walls. We have two sets of City lawyers, Dentons and Addleshaw Goddard, representing the GLO. Why do you need two sets of City lawyers? How about one?

James Hartley: DBT, I suspect, will say to the Committee later this month that as the guardian of taxpayers' money, it cannot simply take a view and look at the claims through the lens of fairness from the postmaster, because it has to somehow apply some rigour to deployment of money. I think everybody understands that as a factor that needs to be borne in mind, but that, in our view, does not prevent DBT from making offers at the top end of a sensible, justifiable range in the way I described. That is entirely consistent with responsible spending of public money, in our view.

Q52 **Matt Western:** According to the financial redress data, I think DBT is still outstanding something like a couple of hundred claims. When do you expect them to be submitted?

James Hartley: Are you referring to claims still to be submitted to it?

Matt Western: Yes.

James Hartley: Speaking from our perspective, we have 69 claims still to submit because there has been a lot of work going on, on medical and financial reports. There are 69 still to go in from us, Freeths. We have committed to DBT, and we can confirm this to the Committee now, that we will have submitted the vast majority of all the claims by Christmas.

Q53 **Matt Western:** Is the vast majority 90% or 95%?

James Hartley: It is 90% or 95%.

Q54 **Chair:** We have 209 outstanding claims. You think that that is going to come down close to zero on the GLO scheme.

James Hartley: I can only speak for the 69 that we have outstanding. Of those 69, over 60 will be submitted by Christmas. There may be the odd one where individual postmasters have particular vulnerabilities or challenges, or other reasons why a handful may take a little bit longer.

Q55 **Charlie Maynard:** Good afternoon. Sir Alan has called for all claims on the GLO scheme to be completed and paid out by March 2025. Do you think that deadline would be helpful? If not, why not? If that date is picked, have you any recommendations for the steps that need to be taken to hit it?

James Hartley: On the GLO scheme—I have discussed this with Sir Alan—my own view is that for all offers to be made by the end of March 2025 by DBT is realistic. Offers are a different perspective from resolving all claims by the end of March.

David Enright: I agree, for the same reasons. There are some individuals who are extremely vulnerable. Those cases may take a little longer.

Q56 **Charlie Maynard:** Are there other targets that could be set to help accelerate the speed of redress?

David Enright: Yes: the 40-day time limit for an offer under the GLO scheme. Recently, we have been seeing that a claim is submitted and, 34 to 36 days into the time-limit period, the DBT or Addleshaw Goddard raises RFIs—requests for further information—and restarts the clock. Those RFIs should be identified on day one, two or three.

Q57 **Charlie Maynard:** Coming into this cold, or relatively cold, everything seems to start at the claimant's end. A lot of onus is on the claimant to put bundles of information together. I just want to double-check this: how much visibility do you now have, in terms of full transparency of all the information the Post Office has?

James Hartley: Again, starting with the GLO scheme, Post Office is not involved in that scheme at all, so it is DBT.

Q58 **Charlie Maynard:** I understand that DBT is administering the scheme, but they were postmasters with the Post Office. In terms of seeing inside its systems about what it has on its register for Horizon per postmaster, do you have full visibility of all that information?

James Hartley: We do not need to, in the GLO scheme. We have all the information we need.

David Enright: I would just add—and we discussed this with the Chair—that 18 months was missed at the start. The ex gratia scheme was announced on 30 June 2022 and did not actually become fully functioning, really, until Christmas 2023. If we had not lost the 18 months, all the claims would have been over by now.

Q59 **Chair:** I want to make sure that I have completely understood this. From our process map, you think that there is some delay creeping in from Dentons and there is an excess of rigour that is creeping in at the Addleshaw Goddard process, and that is slowing things down.

David Enright: If you look between the last two blue bars in the centre, there is the RFI point. That is where they come back with requests for further information.

Chair: You have a problem there, which is that the clock is getting restarted once that is triggered.

David Enright: It gets restarted.

Chair: We have to get through that as well.

James Hartley: There is excess rigour in looking at each head of loss, but also the first offers appear, in many cases, to be at the bottom end of the acceptable range.

Q60 **Chair:** How clear are we about the discrepancy in the range of offers? We have all been struggling to get this information. Some of you are beginning to build this information. Is there an inconsistency in the unfairness?

James Hartley: Every claim is different, of course. Every claim includes different heads of loss. They are all complex. There is no formula that can be applied that can give any clarity on that, because it is all about legal advice and legal judgment on the appropriate level for damages for any given head of claim. For example, a postmaster might say, "I had intended to invest in a buy-to-let property, but I was not able to, so I have lost the profit that I would have earned over X years."

Chair: It would be unique.

James Hartley: It can be quite a complex, subjective issue as to what that should be valued at. There are numerous examples of that kind of thing.

Q61 **Sarah Edwards:** I want to ask about the requests for further information. Could you say how many times they have been applied? For example, are they using it once or are they then coming back again?

David Enright: I will have to consult for a moment.

James Hartley: While Mr Enright is doing that, from our perspective in the GLO scheme it tends to be only once, but it tends to be quite a comprehensive "once".

David Enright: It is normally once, but in some cases it is more than once.

Q62 **Sonia Kumar:** Mr Enright and Dr Hudgell, have you any concerns about how the HSS is progressing? Could you outline what they are?

Dr Hudgell: Where to start? There are a number of fundamental concerns. The first is about the raw numbers. At the minute, there are about 1,400 outstanding claims that have passed the eligibility test and are waiting for an offer. Offers are made by the independent panel.

Presently, they are sitting twice a week, eight to 10 times a month. Through each sitting, they get between five and 10 cases determined. On those numbers alone, before we layer on top of that the cases that come back for reassessment, it will take the best part of 18 months just to process those numbers. That is the first point to make.

The Government hope to wipe a lot of that away with the £75,000 fixed-sum offer. My concern there is that they are going to wipe away a lot of legitimate claims that are worth considerably more. You heard Jill saying that before she came to us, she thought it was a fair offer. People do not know what fair offers are until they get proper advice. Simon Recaldin, the director in charge at Post Office, was giving evidence at the inquiry today and yesterday. We made reference to one of our cases that started with an offer of £4,000.

The Post Office's position on all that is "We settle the majority of the claims off; they are small claims; we do not need to be worried about them." That makes dangerous assumptions. The original scheme was framed as the historical shortfall scheme, so people claimed shortfalls. They did not think about claiming consequential losses, but what follows from a shortfall is suspension, dismissal, loss of employment and loss of your home.

To come back to the example that we came up with yesterday, the initial offer was £4,000. The revised offer was £133,000. That offer is still nowhere near good enough. The problem with the £75,000 package is that it may sweep away a lot of cases, because those cases will not be eligible for the appeal mechanism that is coming down the line. You sign away the appeal right. The other problem is that you are not entitled to legal costs for advice on the £75,000 offer. There is a real mix of issues around that.

Beyond that, your very helpful diagram demonstrates the process, but there is wholesale deviation from the process. That has been done at the Post Office end of it. Rather than going from the offer from the panel into dispute resolution, they have decided that the majority of claims that are resubmitted go back through panel re-flow. The net effect of that is that we are waiting for revised offers for periods in excess of six months.

Q63 **Chair:** It is worse than that, though, is it not, Dr Hudgell? People are having their offers stepped down if they go back to panel.

Dr Hudgell: No, they are not. There is a jeopardy issue that I will touch on, if that is okay, but no: routinely, every case that we have put back through panel that has come back for reassessment has had upside, very often significantly. Again, this is referred to in evidence we submitted to the inquiry this week. One case went from £46,000 to £140,000, which is still not enough. One case went from £363,000 to £649,000; that is enough. One went from £21,000 to £172,000.

Chair: These are huge revisions.

Dr Hudgell: It is still not enough. There is the whole issue of jeopardy. This goes to the same point in the new scheme, HCRS. If you do not take the fixed compensation, you could end up with less. If you do not take £75,000 and you fully articulate your claim, you could end up with less. If you do not take the £600,000 and you fully articulate your claim, you could end up with less. Again, it is an example of duress being placed on very vulnerable and damaged people. That is a serious worry.

David Enright: I hope that the Committee is able to benefit from the excellent analysis prepared by Dr Hudgell on the HSS. It is a really fine piece of work and I will not repeat it.

One thing I would focus on is a built-in nine-month delay. There is no funding for legal advice at the start, so you must do it yourself. Lay individuals, postmasters, apply to the scheme. They have to complete a 28-question questionnaire, which is very detailed. About six to nine months later, the HSS comes back with a request for further information again, which will contain somewhere between 50 and 150 further questions, many of which could only be answered by an expert accountant or a doctor.

Chair: Just say that last bit again—underline for the Committee how many additional questions there are.

David Enright: Six to nine months later, the HSS will return to the lay, unrepresented person and ask them some 50 to 150 complex questions, some of them multi-layered, which could only be answered by a doctor or a forensic accountant.

We believe that this scheme is designed to wear people down. The person will do their best and put it in. As Dr Hudgell says, lay people will miss out head after head after head. The HSS will come back and say, "Take £75,000. How about that?" Of course, at that stage, you have already had years. You have already had another year of wearing through this. You are afraid of lawyers. You think, "Any money I get will be swallowed up by lawyers". Of course, it will not be in this scheme, but you can only get legal representation at the time when you are challenging the initial decision, rather than getting the initial decision right on the first occasion.

Spend a little bit of money at the start on expert legal representation. There is a very small pool of lawyers involved. In fact, you are looking at three of them here. We represent pretty much all claimants. We work together extremely well and have been involved in the design of all the schemes as best we can. Spend that little bit of money at the start to help people make the applications. Let us try to get away from being compelled to go into the appeals process or, as Dr Hudgell has said, many people being under-settled, saying, "I will take the £75,000 and walk away now, because I cannot take this any more."

Q64 **Sonia Kumar:** Do you feel that having the £75,000 sum is speeding up the redress? From what you are saying, it sounds as if some vulnerable people—especially those from ethnic minority backgrounds who may not have English as their first language, those with disabilities or those with quite severe mental health problems—may find it difficult to access. They may opt for the quick fix.

Dr Hudgell: We do not know the extent of the problem either, because a lot of these letters go directly to the applicants and are simply signed off by them. The big point is that those poor people are not best placed to take a view. In some instances, £75,000 is generous; it is a windfall and is more than they lost. There are those cases, because everything is very much case-specific, but there is a huge danger, particularly when you look at the statistics around settlements without legal advice. A YouGov poll has demonstrated that where there is legal representation, offers double. That speaks for itself.

Q65 **Sonia Kumar:** How long do you think it takes for a claim to be reassessed by a panel?

Dr Hudgell: It is case-specific, but on average about six months.

Q66 **Sonia Kumar:** The terms of reference say that the aim is to convene on a weekly basis. Do you feel that that is happening?

Dr Hudgell: The panel is meeting weekly. The problem is that the panel can only scratch the surface of the volume of work that is needed. I do have a solution, and it is a solution that I have shared. The scheme should stick to the rules. The rules do not provide for panel re-flow. They provide for dispute resolution.

Our experience of dispute resolution, on the whole, is positive. You need to get a sub-postmaster in the room with the right people. It is important to give credit where it is due. There are some people within the Post Office organisation who want to help and want to reach a resolution. You get two sides in the room and you can achieve so much more. Unfortunately, the process, as it is drafted and as it is implemented at the minute, is too adversarial and does not give that opportunity for the sides to get together and reduce the areas of dispute.

You find that most sub-postmasters who want to put things behind them are happy with a valuation. They do not have to squeeze the pips and get every penny. If they get to a certain position where they feel that they can move on with their lives, that is where they want to get to. Abide by the rules. Forget the panel re-flow and resource up the ability to mediate or go through another form of escalation or roundtable meeting.

Q67 **Sonia Kumar:** How many cases have moved to that external mediation? Are there any concerns at that stage?

Dr Hudgell: I cannot give you a specific number, but I can tell you that it would be an incredibly low number, like 10, 12 or 15.

Q68 **Sonia Kumar:** How many claims have moved to civil proceedings?

Dr Hudgell: None have reached that stage.

Chair: That is really helpful. We have a couple of bottlenecks. One is the lack of advice at the front end, which is creating some problems. Then we have this problem at the panel stage, where the flow-through is nowhere near fast enough to get us to resolution. Thank you.

Q69 **Alison Griffiths:** You have probably answered some of this, but if there is anything else, please add it. What else could be done to ensure that the HSS is running smoothly and fairly?

Dr Hudgell: It is about resource and getting enough sets of eyes in the right place, assessing the value of claims, making offers and then getting into a simplified process that reduces the legal confrontation. It is time and resource.

Q70 **Alison Griffiths:** You have mentioned mediation. Is enough emphasis being put on the mediation stage, notwithstanding what you have said about going in at the front end?

Dr Hudgell: I am talking about mediation in the broad sense. It does not necessarily have to be a formal mediator.

As I said, there are some good people at the Post Office. We have had instances where we have been in a room with two or three people from the Post Office and they have heard the story of the sub-postmaster. That is incredibly powerful, and very often the information that is elicited gives them the opportunity to say, "Do you know what? This person does deserve the benefit of the doubt on X, Y and Z that they have not been able to document, and that the panel has thrown out because of the lack of documentation."

At the end of the day, in any proceeding, credibility is usually assessed in the witness box. There is no opportunity to do that in this process. That is a really strong, powerful way to cut through, because it is all very dehumanised on paper. It is so powerful to hear from these badly injured, damaged people about what they have gone through. They are honest in what they advance.

Q71 **Alison Griffiths:** I really appreciate that. Do you think the new independent appeals process will ensure that sub-postmasters at least get given fair offers?

Dr Hudgell: Are we talking about the HCRS?

Chair: We are talking about the mediation at the end of the process. There is an outcome that can go to a dispute resolution procedure right at the end.

Dr Hudgell: We have never got to a formal mediated position at the end of the process.

Chair: So we just do not have cases that have gone through to that stage.

David Enright: There is discussion of an announcement of a new independent appeals process under the HSS, but it is just a discussion. There is no shape to it. If I could just add something that might help, Sir Gary Hickinbottom, a very senior former High Court judge, sits in an independent capacity over the original overturned conviction scheme for people who had convictions quashed in court. He has a firm hand upon the tiller and it is doing well, because he is well able to case-manage.

We may get on to Sir Gary Hickinbottom in relation to the HCRS, the new quashed conviction scheme, which for some reason Sir Gary is not going to oversee at the moment; it seems that Dentons are. Why can we not have someone with the standing of Sir Gary Hickinbottom, who is well used to case-managing large volumes of litigation, as he did for many years, overseeing the HSS? It would be someone of standing, someone we can respect, whom you can call before you and who can speak to the whole scheme, rather than the amorphous, uncontactable organisation that we have at the moment. That is one further point: there is no telephone number you can ring or email you can use to contact the HSS to say, "Where is my case in the chain?"

Chair: Thank you very much. We are going to move on to exactly that scheme now: the HCRS.

Q72 **Gregor Poynton:** Dr Hudgell and Mr Enright, as of September our understanding is that 1,030 Horizon-related convictions have been identified and quashed by the legislation, yet it is also our understanding that only 335 of those eligible claimants have been contacted. I am keen to get your take on that. What can be done to inform those claimants of their right to financial redress for their quashed conviction?

David Enright: The primary problem is that the Ministry of Justice, the Department for Business and Trade and the Post Office do not know how many beneficiaries of the Act there actually are. They have no idea. At the time the Act was being passed, they estimated that there were 900 individuals who would be affected, but they just do not know. They are currently saying—in their 3 October quashed conviction management information, which is available online and which may be updated shortly—that there are approximately 500 individuals who may be affected by this Act.

If you do not know the size of the problem, you cannot solve it. You cannot monitor it. The first thing is they need to pick up their musket and do the work needed to identify who this Act was supposed to benefit. Secondly, even using the unreliable figures that we have, we know that at a minimum there are 124 people who have not been written to at all. It may be far higher than that, from their own figures. It may be hundreds.

We know that they have written to 335 individuals. How many have contacted them back? How many of those people are dead? How many of those people have moved? Let us get the number: "How many letters did you send out? How many came back? Then, whatever the difference is, where are they and what is being done to identify the hundreds of individuals across this country who at this moment in time have been vindicated, but have no idea that they have been vindicated and no idea that they are entitled to very timely and substantial compensation?"

Dr Hudgell: My team have weekly meetings with the DBT. They are quite frustrated as well, I understand, by the timing and the processing of the letters. There is a lot of missing information in many instances. It is fair to say that the speed of the letters going out has been slow. My concern is that that is not going to improve. The recent trend I have had is of letters that have asked for more information in relation to potential exonerees. I do not know how many more, on top of the 335, are going to get clean letters of exoneration.

The obvious concern is that this has all been in the public domain for more than six months. People have had convictions quashed in July and still, in many instances, do not know that they are free and exonerated.

Q73 **Gregor Poynton:** You have talked about picking up the musket and getting to work. Are any data sources available? Is it just that they have not chosen to rigorously pursue that data, to find who these people are, where they are and get communication out to them, so they can begin to be part of this process?

David Enright: We have had meetings on this issue, and we have been very clear. By way of example, the Post Office have retained the services of a team of senior retired police officers to undertake investigations arising from the inquiry. We have said to them, "Why do you not use that team of senior police officers to track down these people? How about we use the police, the ones that you actually have? Why is there not a national online campaign to identify these people?"

Let us be clear. The interested people in this room understand what is going on in Westminster, but ordinary people who are trying to pay their gas bill are not monitoring the proceedings in this room. They do not know. We need to find ways to reach out to these people, because it is a terrible burden to carry for years a wrongful conviction. As Mr Byrne knows from the weeping people he met earlier, it is a terrible burden to have their reputation in tatters and not to be able to hold their head up high in public.

Q74 **Sarah Edwards:** Picking up on some of that, you may not have the perfect figures—I am sure you could send those through—but could you, Mr Enright and Dr Hudgell, give us some idea of the proportion of clients on the Horizon convictions redress scheme who you think will take up the £600,000 fixed sum?

Dr Hudgell: I can give some statistics from the core of clients we have. It moves by the day but, in broad terms, we have had 160 exonerations, of which approximately 120—three quarters—are taking the £600,000.

David Enright: It is a similar number for us.

James Hartley: It is similar for us as well. We have a number in that scheme, and that aligns with our experience.

Q75 **Sarah Edwards:** Do you think this is in line with the other overturned conviction schemes? If it is not, do you have any thoughts as to why not?

Dr Hudgell: It is higher. I am dredging back through my memory now, but of the 80-odd exonerees we had in the first phase, the number was below 50%. It is much higher. One reason behind that is that people just want it done and have probably seen and read the experience of people who have gone before. You heard Dewi: "I am not getting into any of that nonsense for multiple years. I will just take the £600,000 and I will get on with my life." There is quite a strong element of that.

David Enright: I would add that we share a concern that people under this scheme may be more liable to take the fixed fee, because they are, frankly, afraid.

Q76 **Sarah Edwards:** Thank you. My next question was going to be whether fear played into it, because you touched earlier on the pressure that people are under. Do you think a higher proportion are being impacted by that?

Dr Hudgell: Yes, very probably. That fear goes to this side of the fence as well. They are fearful of any professionals. They have been so badly let down over so many years that they fear anybody in a suit, including claimants' own representatives.

Q77 **Sarah Edwards:** Have any of your clients progressed to the first stage offer yet under that scheme? If so, could you describe some of their experiences or your own interpretations?

Dr Hudgell: Do you mean to have the claim fully assessed?

Sarah Edwards: Yes. Have they progressed to that first stage under those schemes?

Dr Hudgell: Lots of people have had the interim payment. A number of people have had final payments, but at the moment nobody has entered into the full assessment, because we need to get the full history. Remember that there is jeopardy at play here. Documents trump memory. Someone might think, "I earned X, Y or Z," but when you get the documents, the numbers are significantly different. We have to be really careful and make sure we do some sort of assessment. At the end of the day, it is the client's decision, but we would advise them that it is premature to elect, because you are rolling the dice. We cannot properly advise on how the true numbers look.

David Enright: Can we end on a positive?

Chair: We have a couple more questions.

Q78 **John Cooper:** Mr Dewi Lewis told us very movingly about his experience. He said that although he submitted his claim in August, it took his appearance here, perhaps coincidentally or perhaps not, to trigger money arriving. Of course not all of your clients are here, but how common is it for your other clients to have quite lengthy delays before they see any redress?

Dr Hudgell: It is more common than not for there to be delays. Everything can be truncated and shortened.

Q79 **John Cooper:** Have you any sense of why that might be? I presume you are in the dark—you have no idea why it takes so long. Is there any reason that you can see or any common theme that you might have picked up?

Dr Hudgell: **O**ne of the big things is putting enough people in the right places to blitz it. At the minute, as I say, the Government's eggs are in one basket, hoping that this £600,000 package cures all ills and takes away as many claims as possible.

Q80 **Charlie Maynard:** In the Budget, the Chancellor has announced £1.8 billion for Post Office financial redress. How do you think that money should be spent to ensure fast and fair redress?

Dr Hudgell: I am making the same point repeatedly. The Post Office has spent £250 million in legal costs. That does not look like value for money to me. It would be a false economy not to commit resource now to tooling up, to blitz through what is there over the next three to six months, particularly for HSS. Chair, if you remember, you asked me and James last time, "How long are we going to be here?"

Chair: You said a couple of years.

Dr Hudgell: We said a couple of years. I am now of the view that, for HSS, that is optimistic.

Q81 **Chair:** How many years would you now estimate?

Dr Hudgell: I would add at least one. I would say three years at the current run rate.

James Hartley: On GLO, in answer to the question about the spending of money, we have talked about increasing the level of offers. That is one way in which the money should be spent. We have talked about our views on a significant increase in the deployment of Dentons. That will cost money. There is a real opportunity there—and a real need, incidentally.

If that does not happen, there is a very great risk of a large number of GLO claims going to the panel for a determination. That is not a means of resolution; it is a determination, which would bring an end to the claim but might not be a satisfactory end for the postmaster. There is a real risk that a large number of claims may go to panel unless there is the Dentons-type intervention we talked about.

Q82 **Charlie Maynard:** Finally, we are going to be meeting the Minister soon to discuss this. Do you have any broadbrush recommendations to them that have not been covered already?

Dr Hudgell: I spoke to the Minister earlier about issues around the HSS. I will put on your radar today—I am conscious that time is tight—that some of that budget needs to be allocated to scoping out potential redress for Capture-related victims. At the moment, there is no redress. There are reports that suggest it is a problem of similar magnitude, in some respects, to Horizon. Lessons need to be learned so that there is a proactive management of a process, not a reactive one. It is a conversation in itself, but I am just putting it on the table for you to have in mind when you meet the Minister.

Chair: Thank you very much indeed. That has been some fairly horrifying evidence. You have told us that we are spending about £250 million on Post Office legal fees, and yet the time that you estimate it will take to resolve the matter at the current pace has just gone up by about a year. You have given us some very helpful evidence about where in the processes for these schemes there are things that can be done. It sounds as if, as you put it earlier, all roads lead back to the DBT, and a different set of instructions are going to be needed.

James Hartley: May I just clarify something?

Chair: Please do.

James Hartley: I am conscious that a lot of our clients will be listening to every single word of this. You were talking principally about the HSS, were you not, in terms of the timescale for resolution?

Dr Hudgell: Yes.

James Hartley: On GLO, when I was last here, I said between one and two years. The midpoint of that is 18 months, which would take us through to August 2025. If a lot of the things happen that we have talked about today, full resolution of all the claims, or the vast majority of the claims, by August 2025 should be possible.

Q83 **Chair:** That is an optimistic note on which to end—you were keen for a note of optimism on which to end, Mr Enright. Let me just put this question to you. With good will, some forensic reporting from this Committee and the acceptance of those recommendations by wise Ministers, how much can we compress the timescale for getting justice delivered?

David Enright: The point I made earlier about a strong client is crucial; I noticed your colleague noting that. If the strong client, be it the Post Office or DBT in the different schemes, directs its legal team to be generous and settle at the top end of the band, we can drive through this very quickly. Secondly, if we have a firm hand on the tiller in each of the schemes—someone we can trust, someone you can call before you—these schemes can be delivered efficiently and cost-effectively. That would look like someone like Sir Gary Hickinbottom.

Q84 **Chair:** What do you think should be the target date?

David Enright: I am with Mr Hartley on the GLO: I think we can get almost all of the cases with offers by March 2025. There are some clients who are so vulnerable that you simply cannot push them too hard; you have to work at their pace.

Q85 **Chair:** What kind of date should we be aiming for with the Horizon shortfall scheme?

Dr Hudgell: We should be aiming for considerably sooner. The difference, of course, is that there are still claims coming in. There is no cut-off date, so it is a bit more difficult. I do not see why we cannot have a resolution for anything that is currently on the books within 12 to 15 months, including the new ones that are still to be offered.

Chair: That is the note on which we shall end. Thank you very much indeed for sparing the time to come and give evidence to us today. The Committee is hugely grateful to you. Thank you for the work that you are doing on behalf of the victims of the Horizon scandal.