

Business and Trade Committee

Oral evidence: Post Office Horizon scandal: Justice for sub-postmasters, HC 1589

Tuesday 6 January 2026

Ordered by the House of Commons to be published on 6 January 2026.

[Watch the meeting](#)

Members present: Liam Byrne (Chair); Dan Aldridge; Antonia Bance; John Cooper; Sarah Edwards; Alison Griffiths; Justin Madders; Charlie Maynard.

Questions 133-191

Witnesses

- Blair McDougall, Minister for Small Business and Economic Transformation, Department for Business and Trade;
- Carl Creswell, Director, Post Office Policy, Department for Business and Trade;
- Alex Davies-Jones, Minister for Victims and Tackling Violence Against Women and Girls, Ministry of Justice; and
- Christina Pride, Deputy Director, Criminal Appeals and Miscarriages of Justice Policy, Ministry of Justice.

Examination of witnesses

Witnesses: Blair McDougall, Carl Creswell, Alex Davies-Jones and Christina Pride.

Q133 Chair: Welcome to the sixth and final panel in today's hearings on justice for the sub-postmasters. Ministers, thank you very much indeed for coming along this afternoon and thank you, too, for your patience in sitting through the evidence. And thank you, Christina Pride and Carl Creswell, for coming along to support them.

Alex, if I may, I will start with you. You will have been fairly horrified to have heard some of the evidence and testimony that we have heard today. Do you want to give us just your quick reactions? Then, I will ask you some detailed questions about the data.

Alex Davies-Jones: Yes. Thank you, Chair, and thank you to the Committee. I was present for the last two sessions, but I have been following the Committee quite closely all day, and the direct testimony of victims in particular has been harrowing and difficult to hear. When we talk about figures and numbers, it is important to remember that we are talking about actual people whose lives have been completely up-ended and destroyed to some extent as a result of what happened to them. It is a great miscarriage of justice and one that this Government are seeking to put right.

Q134 Chair: You are a new Minister—

Alex Davies-Jones: Yes.

Chair: But the legislation has now been in place for almost two years. So far, 611 people have been identified as having at least one conviction quashed, but only 450 of them have been paid in full. Why is there such a big gap between those who have been identified as having a conviction quashed and those who have been given a full and final settlement?

Alex Davies-Jones: Under the scheme regarding the Horizon legislation quashing the convictions, the Ministry of Justice, as of October last year, had identified 1,002 individuals who are eligible and within scope of the legislation. Out of those 1,002, we have written to 574 individuals to inform them that they have at least one conviction that can be quashed by the Act.

We have written to 152 individuals who do not appear to have a conviction in scope to request further information, and we have written to a further 44 individuals to inform them that they have been confirmed as having no convictions that could be quashed by the Act.

It is important to alert the Committee that, out of the 1,002 cases, we have assessed 1,001, so we have a 99.9% completion rate, as of October. We are aware of other individuals who are self-identifying and coming forward to the Ministry of Justice, and we are assessing those on an individual, case-by-case basis.

Q135 Chair: Let me get a sense from you of this: you have sent 574 letters to

individuals telling them their convictions have been quashed, but only 498 claims have been received. What is your feeling for why there is such a big gap between those two numbers?

Alex Davies-Jones: It has been really, really difficult, as you will have heard, to trace individuals to get them to come forward—even when they are more than entitled to compensation that is, quite rightfully, legally theirs. We have had a lot of difficulty reaching a large number of applicants and claimants, given data discrepancies.

We have been using a number of agencies—whether that is HMRC, the Post Office directly, DVLA, the Passport Office or Equifax—looking at any previous information we can in order to identify them, write to these individuals and try to get them to come forward and get what is rightfully theirs, but it has been a big struggle.

Q136 **Chair:** When you were preparing for your evidence today, were you satisfied that the Department is doing everything necessary to track down the individuals whose convictions have been quashed?

Alex Davies-Jones: Yes, Chair. The individuals we have working on this are extremely dedicated in the Ministry of Justice. The caseworkers have taken this personally and to heart. We have got a brilliant and dedicated team of individuals who are seeking to right this wrong. The entire country has been captured by this grave miscarriage of justice and want to help, and the individuals working on this in the MOJ are no exception to that. They have been straining every sinew to try and reach individuals.

Q137 **Chair:** How many people are in those caseworking teams?

Alex Davies-Jones: We currently have eight full-time caseworkers on this, but that is only because we have one case left outstanding—notwithstanding any others that come forward, in terms of self-identifying. As of November 2024, there was a much larger team working on this. Currently there are eight full-time caseworkers, but we are able to scale that up as necessary.

Q138 **Chair:** I will come back to that in a moment. It has been put to us by families of some of the victims that there is an inequity in the way that the full and final offer is presented. The full and final offer is presented as £600,000, but actually when people embark on this process of seeking redress, £200,000 is paid up front. The question that is put to us is why £600,000 is not paid up front, because it could well be that there are many families who are entitled to far, far more but are feeling, frankly, under an enormous amount of psychological pressure to accept a much lower sum. Is it not time now, in the light of experience, to review the scheme design and provide for the £600,000 up front and allow those who are entitled to further redress to prosecute their claims with you?

Alex Davies-Jones: The compensation is paid from DBT; we are in charge of quashing convictions, so I will pass that over to my colleague.

Blair McDougall: As recommended by Sir Wyn, claimants now have three months to revert to that £600,000 offer if they go down the full-



HOUSE OF COMMONS

assessment route, so we are trying to remove that pressure and the feeling of jeopardy that you described.

Q139 **Chair:** Can people take a £600,000 cheque up front and continue to prosecute a claim for more?

Blair McDougall: No, they can't.

Q140 **Chair:** Okay. You accept that people may feel that they are entitled to more, but none the less—

Blair McDougall: If they do feel they are entitled to more, they can get that fully assessed claim. They then have that three months to revert to the £600,000 if they feel that that is better for them.

Q141 **Chair:** So you are satisfied that the psychological pressure that many victims have reported to us has now been relieved?

Blair McDougall: It was, as I say, also reported to Sir Wyn, and we have taken on his recommendations.

Q142 **Chair:** Okay. We will check that with them. The evidence from the Eatons this morning was, frankly, harrowing.

Alex Davies-Jones: Yes.

Chair: As I described today, it feels like there was a consideration that was in secret, a decision that was made in error and an appeal that was, frankly, in the lap of the gods. For us, a couple of issues arise from this. You said to me in the letter that you sent before Christmas that 29 people had had convictions quashed, when at first they were judged not to qualify.

Alex Davies-Jones: That is correct. However, Mrs Eaton was not included in that figure. She has now been added to it.

Q143 **Chair:** I did want to check that. None the less, that is an error rate of about 5%, so how are you going to make sure there are not more people who have been wronged in the way that Mrs Eaton was?

Alex Davies-Jones: It is an error rate of around 3%—around 30 people out of the 1,002.

Q144 **Chair:** So it is 29 over 1,002, rather than over 611.

Alex Davies-Jones: Yes, that is correct, so it is out of the 1,002—around 3%.

Q145 **Chair:** But you would accept that anything north of zero is unacceptable?

Alex Davies-Jones: Well, I would accept that one person who has had to go through the arduous issue of having to provide more information is one too many. However, as you will be aware, the requirements of the Act are quite strict and therefore quite limiting on us as the Ministry of Justice. Anyone who feels like their application has been unfairly judged is able to

provide more information, and in fact we ourselves, as the Ministry of Justice, have been seeking to find more information on individual claims.

Q146 **Chair:** But Mrs Eaton did not know her claim was judged.

Alex Davies-Jones: I am very conscious not to talk about individual claims here.

Chair: But I am talking about a witness who has given us evidence this afternoon.

Alex Davies-Jones: Yes, and I am aware of that. I did say to officials that, if the case was brought up and Mrs Eaton discussed her case, I would feel obliged to respond. Mrs Eaton's case is a prime example of how the data has failed us and we have had to get more data and evidence for the case. My understanding is that Mrs Eaton was told that her case required more information and that, if more information was to come forward, we would reassess. That is what has been done. I am pleased to say that we have finally ruled Mrs Eaton in scope of the scheme and her convictions have been quashed.

Q147 **Chair:** Two issues arise from this. First, how can we know—in particular, how do you know—that there are not more Mrs Eatons out there? You have assessed 1,002 people whose cases appear to qualify under the Act. How can you be sure that that number is correct?

Alex Davies-Jones: We can only be sure about the evidence we currently have, Chair. On the basis of the evidence that we have had available to us as the Ministry of Justice, 574 out of that 1,002 have been told that they are eligible and within scope. However, those who have been written to and told they are not in scope have not been told that that is the end of the story. The scheme remains open—there is no deadline on this—and if more data, evidence and information come to light, we would encourage that to come forward, and we will reassess applications.

Q148 **Chair:** Okay. The number that gives me bigger concern is the 205 people who have been judged not to appear to meet conditions C, D and E under the Act, and a further 25 people who have convictions only for an offence that does not meet conditions A and B. That is 230 people. What Mrs Eaton's evidence suggested to us is that those people have been judged as not qualifying, but in the letter that you wrote to me before Christmas, you said that those people were not being told that someone had taken a decision that they did not qualify.

That obviously gives rise to a significant risk that, because of the data issues that you have, judgments are incorrect, and there is no formal, established, transparent, clear and overseen appeals process that can ensure that these injustices do not arise in the future. In the light of Mrs Eaton's case, what steps are you taking as a Minister to ensure that there is a transparent appeals process for those who have been considered and judged not to meet the requirements of the Act?

Alex Davies-Jones: My understanding, Chair—I will refer to officials if this is not the case—is that these individuals have been told, but they



HOUSE OF COMMONS

have not been told that they are completely out of scope. They have not been told that they have been judged totally out of scope. All we have told them is that there is currently not enough evidence to rule them in scope. They have not had the door slammed in their face—I want to make that very clear.

Q149 **Chair:** Just before we bring in Christina, I just want to point you to the evidence in paragraph 5 of your letter to me before Christmas, which says, “We believe that it would be insensitive to write to these individuals as we believe they would know their convictions are not in scope of the Act”. Frankly, that sentence terrifies me, because it seems to imply that you have taken a decision about somebody in secret, not told them and not asked them if there is anything further that you should consider. Can you assure me and this Committee that there is an appeals process that people can lean into once you have taken a decision on their case?

Alex Davies-Jones: Yes.

Christina Pride: Yes, absolutely. If I can clarify, the only people that we are not writing to are the ones that do not have a conviction—they were found not guilty originally, or their conviction was overturned by the court.

Q150 **Chair:** That is 120 people, Christina—101 individuals who have had convictions already quashed by the courts, and 19 individuals who have only had convictions already considered by the Court of Appeal. Is that correct?

Alex Davies-Jones: Out of the 390, we have written to 196 to notify them that they have been assessed.

Q151 **Chair:** Okay. I am more worried about the 230 people who you have said in your table are individuals judged not to have convictions that meet the tests in the Act. I want to make sure that we have got an appeals process that is open to them.

Alex Davies-Jones: Yes, and we do.

Christina Pride: Just to confirm, we are writing to the 25 individuals who only have convictions for an offence which does not meet conditions A or B of the Act. We are writing to those people. We are writing to those who we understand from our data have convictions that were brought by prosecutors other than Post Office or CPS, because if they can tell us that that is not the case, we should know about it. We are writing to them, and we are writing to those who only have convictions already considered by the Court of Appeal, in case there is more information that they need to make us aware of. Those we are not writing to are only those where we have information that shows that their convictions have already been quashed or that they were found not guilty.

Q152 **Chair:** Just for the record, how many people is that?

Alex Davies-Jones: Two-hundred and five. Is that correct?

Chair: No.



HOUSE OF COMMONS

Christina Pride: That is the 205 in C, D and E. We are writing to the 25, the 28 and the 19—

Q153 **Chair:** Okay. So you are writing to the 205.

Alex Davies-Jones: Yes.

Christina Pride: Yes, but there are a number within that 205 for whom we are struggling to find a verified address.

Alex Davies-Jones: We will get you those figures, Chair.

Chair: Thank you. Ms Bance, do you want to lean in on that?

Q154 **Antonia Bance:** Can you tell us a little bit more about this appeal route? How do potential claimants and people with further information find out about it? How is it publicised?

Christina Pride: Because at no point is the decision firm—it is not a final decision—what we do is we write to them and we say, “On the evidence that we have available to us, we have been unable to rule you in scope of the Act, but if you can give us more information, we will take that into consideration.” We give them all the information about which conditions we have been unable to find information about, and we invite them to provide us with more information where we are struggling to fill those gaps.

Q155 **Antonia Bance:** Is this process of writing to these people in this table—the 205, the 25 and the 28—a new process, post Mrs Eaton’s experience? Mrs Eaton was not written to, and therefore the appeal process that you have set out was opaque to her. She could not access that process because she did not get the letter to say that she had been assessed. She was just not contacted.

Christina Pride: As soon as we assess somebody and we reach the point at which we do not have any more information, we write to that person.

Alex Davies-Jones: There is a discrepancy here with how Mrs Eaton did not receive communication, which we need to find out about, because she should have been written to.

Q156 **Antonia Bance:** She should have been written to. Under what you have said to us, she would have been included—I am not quite sure in which of these categories, but she would have been written to.

Alex Davies-Jones: Yes, that is correct.

Q157 **Antonia Bance:** But she was not.

Alex Davies-Jones: Yes.

Q158 **Chair:** We are slightly concerned that the evidence that we have taken from legal teams today suggests that there is not a clear and transparent appeal process. You are assuring us that there is.

Alex Davies-Jones: Yes.



HOUSE OF COMMONS

Chair: Perhaps in an exchange of correspondence we can just document that and make sure that the world knows about it. Anything further on that point, Ms Bance?

Q159 **Antonia Bance:** I want to be sure that there are not any people outside the 1,002 that may be eligible.

Alex Davies-Jones: There are.

Q160 **Antonia Bance:** There are?

Alex Davies-Jones: Yes, potentially, and those individuals are self-identifying. They are coming forward themselves and coming through to us, and they are being assessed individually.

Q161 **Chair:** And there is no deadline.

Alex Davies-Jones: No.

Q162 **Chair:** It is a permanently open scheme.

Alex Davies-Jones: Yes.

Chair: Right. Thank you for bottoming that out.

Q163 **John Cooper:** If I can come to the DBT team, we have heard some toe-curling evidence today about the Horizon Shortfall Scheme. It seems to be coming to the end of its natural life. It has had some success in clearing up what we might call the simpler cases—I say simple, but none the less the victims suffered horribly. Do you agree that that system is broken? If you do, why would you not take it in under your own DBT HSS appeals scheme, and out of the hands of the Post Office?

Blair McDougall: I would agree that we inherited a broken system. Where I slightly depart from some of the evidence earlier is that I think it can be improved, and I think it is being improved. HSS, over the course of the last year, went from 47% of claims paid at the start of the year to 79% of the stock having been settled by the end of the year. That is despite the Post Office walking up a down escalator, as it were, because 5,000 more cases joined that stock over the course of the year. We absolutely accept the characterisation from the legal representatives earlier that there are quite different experiences in that, perhaps between someone who has gone through the fixed-sum offer route and someone who had a more complex or contentious case. But that is exactly why we have put in HSSA as an appeal route.

Q164 **John Cooper:** In the evidence we have heard today, there have been astonishing figures on the difference between the HSS awards offered by the Post Office and the awards put forward under your appeals scheme—incredible figures. The Chair mentioned the fivefold median, which is jaw-dropping. We have a specific example, where the original offer was £101,000 in round figures, and yet the offer from you was over £1 million. It is incredible. What do you think lies behind that? Was this a deliberate attempt to make low-ball offers at the start?



HOUSE OF COMMONS

Blair McDougall: No. I think, as you say, that HSS as a system had not worked well. To pick up on something that was raised in evidence earlier, when HSSA do make payments that are significantly higher, we do a report back to the Post Office on the reasons for that, and the process behind that, which is about improving the process for those who follow.

Q165 **John Cooper:** That does not seem to be happening, does it? You are providing feedback but—

Blair McDougall: HSSA is a relatively new scheme, so we are working on that. To come back on something else that the Chair and others raised earlier on this, I know that the Chair, in particular, was concerned about the original claimants within HSS, and about those being transferred over to HSSA, which was raised by witnesses earlier. That is happening. Of the 286 original claimants who have had offers and who are sitting in HSS, 228 have transferred over to HSSA. So that is happening.

Q166 **Chair:** When was that, Minister? When were they transferred over?

Blair McDougall: I will turn to Carl for that, I think.

Carl Creswell: Over recent weeks. The scheme so far has had 315 people passed as eligible, and within that is that group of 286. We have had 80 complete claims, and we have issued 31 offers, so it is early days.

Q167 **Chair:** So these were the claims that had made, frankly, almost no progress between January and November.

Carl Creswell: Exactly. They had been sitting there unhappy with their offer, but now the appeals system is open, people are moving over. They are still able to do that; the door is still open for claimants to move out of the Post Office and into the HSSA system.

Q168 **Chair:** Are you comfortable that it is not going to take six and half years to resolve those cases, which is what their current speed would suggest?

Carl Creswell: As the lawyers said to you earlier, we are providing offers on those HSSA cases very promptly once we get them. We are doing well against our 40 working-day target. So that is correct. Once those claimants have put in a full claim—and they do require some material from Nigel Railton's team at the Post Office in order to do that—we will give them an offer.

Blair McDougall: But we have to do two things. We have to get HSSA working well, and we also have to make sure that the lessons from that are passed through into HSS so that fewer people get into the position of being unhappy.

Q169 **John Cooper:** We have heard lots of people express the hope that '26 might be the year that we finally get to the bottom of all this, but equally we hear that more cases are coming out of the woodwork. Do you have a target date for when all sub-postmasters will actually have this settled and paid?



HOUSE OF COMMONS

Blair McDougall: We are reluctant to set a target like that, not because we are seeking to avoid accountability but because we are dealing with pretty vulnerable and traumatised people. Within HSS—with the closure at the end of this month and the milestone of getting to a point where we are clearing more cases than are coming in—you can start to see the pathway on the scheme. With GLO, we are seeing quite high-profile cases settled, and more and more people moving into the panel stage. So there is a feeling that we are moving into a different phase with many of the schemes. As the Secretary of State said to the Committee just before Christmas, it is our intention to make 2026 the year that we get through the bulk of those cases.

The caveat and caution that I would put to that is that we are obviously also launching two other schemes, so there will be new claimants coming on to the stocks within the Capture and the family schemes. Again, I return to the point that not all of this is within our control and that we are dealing with very vulnerable people, who we have to be sensitive with as we try to progress, finalise and conclude these schemes.

Carl Creswell: May I illustrate that with one fact? We are still waiting for 22 full claims from those people whose convictions were overturned by the courts up to four years ago, and sometimes five. These are vulnerable people who have still not, with their lawyers, submitted a claim. Those claimants used to be managed within the overturned convictions scheme and are now within the Horizon convictions redress scheme. Similarly, with the GLO, we are still waiting for 16 full claims. It is a bit of a demand-led system, and we will respond once we have the claim, which is why it is a bit hard to say when we will—

Q170 **John Cooper:** You say that it is demand-led. Are you reaching out? I appreciate the sensitivities here, but you are obviously aware of these cases, so do you actively chase them up and try to, for want of a better word, chivvy them along?

Carl Creswell: We absolutely do. To take the GLO group as an example, we know which legal firms—the two that you saw earlier plus Freeths, in the main—are representing each of those 16 claimants, and we talk to them very regularly about where the claimants are in the process. They very often say to us that they are finding that some of the claimants are waiting until Sir Wyn produces his final report, and that some of them are very vulnerable and it is difficult to take instructions from them. But we do regularly talk to the lawyers who represent them, yes.

Q171 **Sarah Edwards:** We heard in earlier evidence that the Post Office is supportive of transferring the HSS over to DBT, but the timeframe was cited—we have about a month until the current application deadline closes. Are you in discussions? Have you decided that that is what you are going to do? Where do you sit on that at the moment?

Blair McDougall: I do not want to come across as closed-minded on this, but in the inquiry Sir Wyn looked at this issue in depth. His argument was that if you look at what the Post Office does within the Horizon [Shortfall]



HOUSE OF COMMONS

scheme, it includes identifying eligibility; no one other than the Post Office has the information to ensure eligibility. On paying out the fixed sums, I do not think anybody feels that there is a particular problem in getting that done. When you get to the decision-making part of it—the panel—that is already independent of the Post Office.

My slight concern with suggestions of wholesale moving people over to HSSA is that HSSA was set up as an appeals process for HSS. You would then lose the appeals process for HSS and have to set something else up, particularly because it is not good practice to have the appeals and the decision-making processes in the same place.

The final thing to say is that we in DBT do not have the staff or the expertise to do what is happening in HSS at the moment. It would create a significant pause in redress, at a point at which, for all of the faults within Horizon—for all that it is a broken scheme—it is delivering large numbers of redress payments. I do not want to appear entirely closed-minded on this, but the judgments we are making, similar to the judgments that Sir Wyn has made, are about getting full and fair redress to people as quickly as possible through this.

Q172 Sarah Edwards: So you are not going to take it on at all?

Blair McDougall: The complex cases, as I say, are coming through to us through HSSA anyway. That is helpful. We are taking a whole lot of other measures to make sure that HSS works better. The most significant one—identified by Sir Wyn and by the Committee—is around Sir Gary's new role as a troubleshooter to make sure that, as happens in some of the other schemes, there is someone as an independent figure there to bang heads together, drive things through in difficult, complex cases and get things done more quickly. On top of that, having HSSA there is a significant change.

Q173 Sarah Edwards: Some of the data that we have seen shows almost a tenfold difference between the HSS redress what the HSSA has concluded should have been the correct redress—say, from £100,000 to £1 million. Given that we have about 13% left of those cases that still need to be dealt with, would it not make more sense to have a different set of people? Because if you have such discrepancies, then it is sort of like, "Well, we'll continue with this, and then we're just going to move them across to the HSSA anyway." I do not quite understand the logic of saying that you are not going to review the fact that it clearly does not work.

Blair McDougall: But again, HSSA is an appeals process. If we move people over wholesale, you would need to create another appeals process. The other thing to say is that the figure should be higher when people go to HSSA, because by the nature of it, it is people who are unhappy and aggrieved with the offers that they have. Should there be as big a discrepancy as there is? Absolutely not, but that goes back to what I am saying about all the other measures we are taking to make sure that HSS works more effectively. That includes, for example, a new information service that we have put in place from last month to make sure that more

of the information is there. We are working very hard to make sure that the information is collated properly within the scheme.

Carl Creswell: May I also add that it is not the case that 100% of the HSSA offers are larger than the HSS offers? Some of the offers that have come out of HSSA are not higher than the HSS panel. The lawyers have obviously hand-picked some examples to give to you, and it is true that the majority of the HSSA offers are higher than HSS, but in some cases they have even been lower than in HSS, in which case we honour the higher amount that the victims have been offered.

Q174 **Sarah Edwards:** There is such a significant number, though, that the discrepancy suggests that the system does not quite work. The sub-postmasters have been very clear that there is a huge conflict if the person who is determining the amount of compensation to be paid out is the person who has perpetrated the entire scandal. I think there is a good reason to be questioning that system. Yes, we are quite far down, but I think we can probably say, "It wasn't great," so are we not going to sort out these final 13% or so of claims and do it the right way first time round? In which case, what pressure is being applied to make sure that that scheme is going to deliver, if you are not going to take that in-house?

Blair McDougall: As I say, we have Sir Gary there as a troubleshooter. Within Sir Wyn's inquiry recommendations, that was the single thing that he thought would make a difference. Having looked at similar roles in other schemes, they were what made the difference with the contentious cases. On top of that, the other thing that has got things moving at a high volume in terms of fixed-sum offers is improving the amount of advice and support that is there all the way through. That is really important. Again, when HSSA is making higher claims—when there has been that gap in information—it is about going back to HSS and making sure that the lessons are learned from that.

In addition to those slightly more formal things, we brought representatives of the victims into the Cabinet room, just symbolically to show that their voices were heard at the centre of Government.

Following up from that, we had a meeting together with all the lawyers from all the schemes to try to identify some of the things across schemes that were slowing things down. One of things that has come out of that, which we are working on at the moment, is a clearer set of guidance to say, "When there has been an offer that is lower than people's expectations, here are common examples of information that was lacking." That is important because it helps to make sure that the offer is better.

It is also about not re-traumatising people who already felt that they were asked questions years ago and constantly not believed. When we go back for more information, it is about trying to increase the offer to people, but that often feels like it is an inquisitorial doubting of their case, when we are actually trying to fill those gaps in information.

Q175 **Chair:** Let's try and give this one more go. There were 2,747 claims still



HOUSE OF COMMONS

outstanding at the end of November 2025. The chairman of the Post Office has just told me that they can deal with about 80% of those by summer next year, leaving about 550. You are saying today that you do not think those 550 should be transferred to DBT, but should stay with the Post Office.

Blair McDougall: Yes.

Q176 **Chair:** Okay. And is your mind now closed up on that?

Blair McDougall: My mind is not closed. We are constantly working with the advisory board and others to make sure that this works.

Q177 **Chair:** That is good, because the chairman of the Post Office disagrees with you about the best approach to that. The second issue, though, is about the HSS redress data. The total claims received was 378, but the total claims paid was one. Why are the number of claims paid through HSSA so low?

Carl Creswell: Can I give you the breakdown of those 378?

Chair: Of course.

Carl Creswell: We have had 378 registrations, or people who have come—

Chair: I have it in front of me: you have had 80 claims in, the total offers made was 31, the number of claims without offers was 49, the total offers accepted was one, the claims paid was one, and the total claims paid as a percentage was 1.25%.

Carl Creswell: Yes, but the figure you missed out was the 315 who have passed eligibility checks. Once they pass eligibility checks, we request disclosure documents from the Post Office, which enables it to put together the application form for HSSA,¹ which is what has then moved us to the 80. The 80 complete claims have followed on from disclosure that has been provided to the lawyers representing those claimants.

Q178 **Chair:** Right. You cannot be happy with that number. Minister, I think the question for you is: what are the steps that you are now going to take over the next three months to turn that 1.25% into 100%?

Blair McDougall: Well, we are working very hard on that.

Chair: I am sure you are.

Blair McDougall: It is a new scheme, and we are constantly learning lessons from it. In fairness, as the lawyers indicated earlier on, this is a step change in the culture and feel of redress schemes, compared with what has gone before.

Chair: Okay. We will supply you with further advice of our views on that. Let us now turn to the family redress scheme.

¹ The Department clarified the Post Office does not submit the applications for the HSSA.

Q179 Dan Aldridge: I am going to ask something slightly different, before we move on to that. I declare an interest as a former employee of BCS, The Chartered Institute for IT. The Horizon scandal, for many of us who work in that area of IT professionalism, acted as a bit of a canary in the coalmine, indicating future risks if we do not learn from this and implement better systems.

The private sector is owning a fast-increasing share of public risk, and IT systems and services administered by private companies are at the heart of that risk and liability. The potential fallout for core public services like the NHS or energy is quite existential, as we are seeing here in the Post Office. The culture, accountability and assurance frameworks are woefully inadequate to meet the challenges, so why—at least in areas like critical national infrastructure or significant public service provision—do we not require the higher standards of chartered professionalism, accountability and ethics, like we do in accounting, building or medicine?

Blair McDougall: I think it is a very good point that is well made. It is one of the things I feel a sense of responsibility for, as someone who will likely be Minister for the Post Office for Sir Wyn's next report, which will look at issues of accountability and how to institutionalise lessons on this—that will be my responsibility. I think the issues you raise would be a matter for Office in terms of procurement, but I am happy to go away and talk to them about how we could, through that process, enhance those ethical standards.

Q180 Justin Madders: Mr McDougall, you and your predecessors have always said that the time for calculating a portion of compensation in terms of Fujitsu's contribution will come when Sir Wyn Williams's recommendations come forth. I take it from that that you are confident that he will express them in a way that allows you to do that.

Blair McDougall: We do not know. We will have to wait and see. Just to follow on from Fujitsu earlier on, we had a constructive conversation but left them in no doubt about the need for a substantial and significant contribution, and reinforced that their reputation as a company, both within Parliament and among the wider public, would depend on that.

Q181 Justin Madders: Okay, but if Sir Wyn does not produce the recommendations in a way that gives you a nice straightforward percentage—for want of a better description—to provide to Fujitsu, have you given any thought to how you might start to construct something?

Blair McDougall: The short answer is no. I would not expect Sir Wyn to have a table with percentages of blame apportioned, but I think we will have to properly digest what he concludes in terms of individuals and institutions that have responsibility for this.

Q182 Justin Madders: But when you give the bill, for want of a better description, to Fujitsu, you are going to have to have some sort of rationale for it, so are you thinking about how that might be constructed?

Blair McDougall: We are in constant discussions about that, but I think it would be very difficult to put a precise metric on it.



Q183 Justin Madders: In terms of the figures, we obviously have the £1.8 billion compensation. I take it that is your starting point for conversations. But will there be other areas of financial compensation that you would look at—such as the millions that must have been spent on lawyers, accountants and IT experts, by all the bodies? Is that something that you would add into the mix?

Blair McDougall: That certainly is the starting point for thinking about the costs of things. In terms of the figures, there is the £1.8 billion figure. I think I am right that in the Budget there was an additional approximately £250 million, which is covering Capture and other legal costs in terms of the running and establishment of schemes.

Q184 Justin Madders: Have you looked at the overall costs to the public purse, not just to Government Departments but to outside agencies, of dealing with all this? Has there been any effort to bring that together at this stage?

Blair McDougall: The working number within the Department is around £2 billion, but as you know, the Treasury has been at pains to make sure it is clear that the amounts budgeted for this are not a ceiling—that we are going to make sure that people get full and fair redress, and that is not the ceiling on it.

Q185 Justin Madders: Moving on to Government contracts, obviously you caught the exchange that we had. My interpretation—this is for you to agree or disagree—is that when Fujitsu is bidding for new contracts that may be of a previously existing service, that is in a sense a new contract. Would you agree with that analysis, or do you think that is erroneous?

Blair McDougall: I don't think that I particularly want to dance on the head of a pin on that. We have out of necessity extended, for example, the contract for Horizon while the Post Office works on the successor system and seeks to procure on that later this year. We could get into a debate about whether that is a new contract or not, but the overall point for Government is that Fujitsu will only bid when asked by Government.

Q186 Justin Madders: So for the hundreds of millions of pounds of Government contracts that have been issued in the last 18 months, you are confident that every single one of those was absolutely necessary to be issued—the only way it could be delivered was through Fujitsu?

Blair McDougall: To take the example of the Horizon extension, if we had not done that, every post office would have to close. That is a good example of the type of judgment we are trying to make.

Q187 Justin Madders: So you are saying that that would apply to every other contract that has been issued to Fujitsu since—that it is the only way the service, or whatever it is, would be able to continue?

Blair McDougall: It is for other Departments to be accountable for the contracts that they have run. When you look across Whitehall at the systems it runs, there are Home Office border control systems and systems for communicating with submarines—things that are absolutely

critical to national security and national infrastructure. I absolutely get the discomfort around this. I get how it sticks in people's craw, but that is the context to it; these are incredibly important systems and systems that are incredibly difficult to replace.

Q188 Justin Madders: So your position essentially is that we have had to do it and there really was not any other way for all these contracts. Could I just come back to the provision that has not been made yet by Fujitsu? Are you in any way discomfited by the fact that it does not appear to have made any accounting for this so far?

Blair McDougall: When I became Minister, I was surprised that there had not been an interim payment. My predecessor had pressed Fujitsu on this, and the position was restated earlier on. I asked about that in a meeting as well, and its position is obviously that it is waiting for Sir Wyn's report.

Q189 Chair: To wrap up, we have heard some pretty disconcerting evidence about Capture this afternoon, and we have had the head of the CCRC say that it would be wise for Parliament to reflect on extending the overturned convictions schemes to include Capture victims. Minister, what is your view on the wisdom of whether Parliament should indeed reflect on this?

Alex Davies-Jones: When Parliament took the unprecedented decision to legislate to overturn the convictions following Horizon, it was because it was an exceptional situation. Over 100 cases had been overturned in the courts before Parliament took the unique position to legislate for this. It would be quite the constitutional stretch to do that again, unless it was exceptional circumstances. There have to date not been any convictions overturned as a result of the Capture system. As you heard from the chair of the CCRC, it is assessing 35 cases. It is under new leadership. Dame Vera Baird has taken the reins there, and it has a very good assessment rate: 85% of the cases that it assesses are now closed and looked at within 12 months. Given the number and given the nature of the Capture cases thus far, we do not think it would be appropriate to extend or to legislate to overturn those convictions. We feel the appropriate vehicle and mechanism is the CCRC.

Q190 Chair: And what would change your mind?

Alex Davies-Jones: Numbers or more evidence showing that that was not the case, as was the case in Horizon. As I said, over 100 were overturned by the courts.

Q191 Chair: As in numbers of overturned cases at the Court of Appeal?

Alex Davies-Jones: Yes, and to date there have been none relating to Capture.

Chair: Thank you very much indeed for being clear and candid, and thanks very much for the grip on the numbers that you have had this afternoon. That is much appreciated. We will reflect on what you have said before we send you our report in due course.