



Ministry
of Justice

Lord Bellamy

Parliamentary Under Secretary of
State



Department for
Business & Trade

Lord Offord of Garvel CVO

Minister for Exports

**Department for Business and
Trade**

Old Admiralty Building

Admiralty Place

London SW1A 2DY

The Baroness Drake CBE
Chair, Constitution Committee
House of Lords
London
SW1A 0PW

13 March 2024

Dear Baroness Drake,

Post Office (Horizon System) Offences Bill: House of Commons Introduction

Since the 2019 Group Litigation High Court case, the Government has been working hard to right the wrongs of the Post Office Horizon scandal, which began in the 1990s. The Government has been processing full, fair and final claims for financial redress as quickly as possible. The Horizon Shortfall Scheme, which was set up in 2020, has paid out £107 million, and initial offers have been made to all of the main group of claimants. The Group Litigation Order scheme, launched last year, has paid out £34 million, which includes interim payments. For those postmasters whose convictions were overturned by the courts, £38 million has been paid, and since October last year, claimants have been able to access £600,000 in a fixed sum award. This is part of our plan to tackle the Horizon scandal, one of the biggest miscarriages of justice in British history.

On 10 January, the Prime Minister announced a major step forward in response to the Horizon scandal. He confirmed that the Government would introduce new primary legislation to make sure that those convicted as a result of the Horizon scandal, are swiftly exonerated and compensated. I am pleased to announce that the Bill, to deliver on this commitment, will be introduced to the House of Commons today.

The Post Office (Horizon System) Offences Bill sets out a clear set of objective criteria which identifies the convictions which are in scope. Individuals whose convictions meet the criteria will have these convictions automatically quashed at Royal Assent, without any action on their part. Records such as the Police National Computer will be amended and individuals will be notified and invited to apply for financial redress. Only if we do not already have information about their convictions will individuals need to act to have their records updated. All convictions within scope will be quashed on Royal Assent whether or not we have identified the individual at that point.

The legislation will apply on an England and Wales only basis. We have been working closely with colleagues in the Scottish Government and Northern Ireland Executive to progress their own

approaches to quashing convictions and wish to see equitable outcomes for postmasters delivered across the whole of the United Kingdom.

The Government recognises the constitutional sensitivity and unprecedented nature of this legislation. The Government is clear that given the factually exceptional nature of the scandal, this legislation does not set a precedent for the future relationship between the executive, Parliament and the judiciary. The judiciary and the courts have dealt swiftly with the cases before them, but the scale and circumstances of this prosecutorial misconduct demand an exceptional response. We are keen to ensure that the legislation achieves its goal of bringing prompt justice to all of those who were wrongfully convicted as a result of the scandal, followed by rapid financial redress.

With the will of both Houses of Parliament, it is the Government's intention that the Bill will secure Royal Assent as soon as possible before Summer Recess.

Financial redress for those with quashed convictions

Financial redress is not in scope of this legislation, however once this legislation has been passed, we will provide a route to full, fair and rapid financial redress for quashed convictions. This will be paid on the same basis across the UK, regardless of where or how the conviction was quashed. I am also pleased to confirm that the Financial Secretary to the Treasury will be introducing secondary legislation to ensure the monies received are exempt from tax.

The Government can also confirm that this new scheme will be delivered by the Department for Business and Trade, rather than the Post Office. Department for Business and Trade officials are engaging with the Horizon Compensation Advisory Board and claimant representatives on the design of the scheme.

Those whose convictions are overturned will be able to choose between accepting a fixed-sum award of £600,000, which will be paid quickly, or having their losses individually assessed.

I can confirm that Post Office have started work on preparing for disclosure of documents they hold on claimants. Whilst I recognise concerns around Post Office involvement and the Government is keen to keep it to a minimum, given the data Post Office hold there is a need for them to be involved in disclosure.

Progress on existing financial redress schemes

For the Group Litigation Order scheme, we are mindful that claims are not being submitted as swiftly as we would like, so it is taking us too long to get help to claimants. To remedy that, at least in part, I can announce that we will top up compensation to £50,000 on receipt of a full claim if the claimant has not opted for the fixed sum award of £75,000. If an initial offer is not accepted and independent facilitation is then entered, we have committed to paying postmasters 80% of the initial offer, to help ensure that claimants do not face hardship while those discussions are completed.

In January, the Government announced that it would introduce an offer of an optional £75,000 fixed sum award for participants in the Group Litigation Order scheme. The fixed offer means that claims are dealt with promptly, and some people will get more than they asked for. The fixed offer also has had a helpful effect on other claims – it substantially reduces the effort to be invested in small claims by claimants' lawyers, making more resource available to progress larger claims quickly. I am therefore pleased to announce today that this policy will be extended to the Horizon Shortfall Scheme to ensure equal treatment across the schemes. Those who have already settled

their claim below £75,000 will be offered a top-up to bring their total redress to this amount. Over 2,000 postmasters will benefit from these top-ups.

We will work closely with the Post Office to ensure these payments can be made as early as possible. The Financial Secretary will be introducing legislation to ensure these further payments are made exempt from tax.

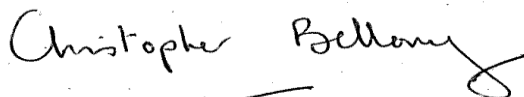
For postmasters whose convictions were overturned by the courts, they can now top up their interim payment to £450,000. Of course, if they have opted for the £600,000 fixed sum award, they will get that instead.

This Government is continuing to work hard to right the wrongs of the past and ensure swift exoneration and financial redress for victims of this scandal.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Malcolm Offord', with a horizontal line underneath.

Lord Offord of Garvel CVO
Minister for Exports
Department for Business and Trade

A handwritten signature in black ink, appearing to read 'Christopher Bellamy', with a horizontal line underneath.

Lord Bellamy KC
Parliamentary Under Secretary of State
Ministry of Justice