



Rt Hon Liam Byrne MP
Chair of the Business and Trade Committee
House of Commons
London
SW1A 0AA

23 April 2024

Post Office Ltd
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Dear Mr Byrne,

Post Office and Horizon: Ensuring full and fair redress

Thank you for the opportunity to give evidence to the Business and Trade Committee on 27 February 2024.

During the session, I committed to following up with the Committee on two points: first, to consider the matter of 'tariffs' for the Horizon Shortfall Scheme (HSS) to help Postmasters with the application process; and second, to provide the Committee with a further update on our ongoing investigations in the Capture system.

I wanted to write to you in order to address these two matters in turn:

Update on Tariffs within HSS [Q517-519]

You requested that we consider publishing some tariffs within HSS and we have carefully considered this suggestion. Whilst in principle we have no objection to doing so, we do not want to create any impression for applicants that there are 'caps' or fixed amounts for particular losses, or that there is an exhaustive list of the types of losses that can be claimed. The Scheme's outcomes each follow individual consideration by a panel of independent experts, who then reach a conclusion based on the facts of a given case. The panel also operates a 'fairness principle', enabling them to take into account any matters they consider will produce a fair outcome. This process does not therefore lend itself well to a standardised set of tariffs for each Head of Loss.

Nevertheless, in the interests of transparency and supporting the work of the Committee, I have provided below the average amounts of financial redress within the Scheme by key Heads of Loss as this may go some way to help applicants to the Scheme. We currently publish the average offers made under the HSS on our corporate website, however moving forward we will now start to include averages for Heads of Loss in light of your feedback. I hope this illustrates our intention to listen to a range of stakeholders, including the Committee, and be open to suggested improvements to redress schemes.

On the matter of HSS, I would like to use this opportunity to provide a wider update on changes we are making. We continue to listen closely to all feedback about the Scheme – from the Select Committee, the Horizon Compensation Advisory Board, as well as from applicants themselves and their legal representatives – all of which is extremely valuable as we seek to reduce complexities and make payments faster. As you know, some of this feedback has indicated that the application form is too complex and we have taken this feedback on board.

In light of the Government's welcome announcement that all HSS applicants with a valid claim will shortly be able to accept a fixed minimum offer of £75,000 if they wish –



replicating the amount offered under the GLO Scheme – we are producing a revised application form. The intention of this revised application form is to make access to the fixed offer of £75,000 for redress as simple as we can for those who choose this option. This will mean that those applicants who want to take up that offer may do so with provision of limited amounts of information and therefore the subsequent process will be shortened, with swifter payments to these applicants.

For those who want to make a fuller application, we have sought to simplify the application form as far as possible, but also need to balance this with obtaining their own account of events. We hope this will come as welcome news to many applicants. Any applicants that have already settled their claims for a lower amount will be topped up to the £75,000 figure. We are working closely with the Department for Business and Trade and hope to be live with this shortly.

Data below based on end of March 2024.

Head of Loss	Offered (£m)	Number of Claimants Offered	Average (£)
Shortfall	61.9	2,683	23,066
Loss of earnings	38.7	388	99,712
Distress & Inconvenience	6.7	1,413	4,739
Personal injury	4.9	84	58,861
Other*	13.1	391	33,503
Tax Top Up	16	2,222	7,222
Total	141.3	2,694	53,535

**Other Heads of Loss includes Termination, loss of Retail business or reduced capital value of that business, loss of property and others.*

Update on Capture System [Q499-501]

Our investigation into the Capture software package, in use during the 1990s, is continuing, as we gather more information and material from various internal and external sources. As you will be aware, Capture was launched in late 1992 and was in operation as a back-office software package, which allowed the user to input all transactions manually rather than having to write them on manual forms, until Horizon was introduced.

We continue to actively investigate a number of lines of enquiry, and we are keeping the Department updated with findings. To date, we have been made aware of the details of more than 20 cases where Capture was potentially used and we have contacted those affected to update them on our investigation, where appropriate. Given this concerns events of 30 years ago, we are very grateful for the help and information we have received to date, in particular from Kevan Jones MP and from former Postmasters and their families, as we build our understanding of Capture.

In particular, we are pleased that the Department has accepted our recommendation to appoint an independent forensic expert to review information obtained to date and that any additional work required is then undertaken so that it can be independently determined whether Capture may have been a cause of detriment. This is a welcome

step, and we look forward to supporting the Department so that we will be able to provide further information for past users of Capture as soon as we are able.

Looking ahead, the Department have started to undertake interviews with former Postmasters or their families who claim to have suffered detriment and believe Capture was a contributory factor and we have asked to join these meetings, with their permission. Meanwhile, we are reviewing the branch files of Postmasters who have been referred to us by Kevan Jones MP and Hudgell Solicitors for any relevant information, while also working with our criminal law solicitors to review historic prosecution files from 1991 for any mention of Capture. We have also been sent an example of a Capture update potentially creating a false shortfall by a consultant working on behalf of some Postmasters and we are planning to meet the consultant soon to learn more.

I hope this update is helpful to the Committee. I trust you will appreciate that this is an ongoing process of understanding more about the past, that is of course running alongside Sir Wyn Williams' statutory Inquiry. Alongside our ongoing support to the Inquiry, we will continue to update the Committee with further updates when appropriate.

Yours sincerely,



Simon Recaldin

Remediation Unit Director