



House of Commons
Business and Trade Committee

Post Office and Horizon redress: Instruction to deliver: Government Response to the Committee's Third Report

Fourth Special Report of Session
2023–24

*Ordered by the House of Commons
to be printed 7 May 2024*

Business and Trade Committee

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Fourth Special Report

The Business and Trade Committee published its Third report of Session 2023–24, [Post Office and Horizon redress: Instruction to deliver](#) (HC 477) on 7 March 2024. The response was received from the Department for Business and Trade on 26 April 2024: that response and a cover letter from the Minister for Enterprise, Markets and Small Business are published as an Appendix to this Report.

Appendix: Government Response

Letter from Kevin Hollinrake MP, Minister for Enterprise, Markets and Small Business, Department for Business and Trade, dated 26 April 2024

Dear Liam

The Horizon IT scandal has had a devastating effect on people’s lives, which is why Government is taking action to ensure that swift and fair redress is made available to the postmasters impacted. As of 24 April 2024, approximately £196 million has been paid to over 2,800 claimants across the 3 Post Office Horizon schemes.

The Government thanks the Committee for its report. Our responses to the recommendations made in your report are set out in the Annex below.

I would like to thank the Committee for all its continued engagement and hard work on this issue.

Kevin Hollinrake MP

Minister for Enterprise, Markets and Small Business

Government Response

1. *The Government must immediately remove the Post Office from any involvement in delivering redress for sub-postmasters and the Government should set out to the Committee how it proposes to deliver swift and effective redress for sub-postmasters, and in what legally binding timeframes. We repeat the Committee’s recommendation that the Government set up a properly resourced independent intermediary to assist sub-postmasters seeking to overturn convictions and seek compensation across all redress schemes. This intermediary should provide claimants with access to forensic accountants and legal experts who can offer advice to help ensure that claims are robust as possible, that offers take account of all the losses suffered and that claimants do not suffer significant detriment because records have not been kept by the Post Office or other relevant organisations.* (Paragraph 8)

Decisions on redress cases in all three schemes are already independent of the Post Office.

- In the Horizon Shortfall Scheme (HSS), decisions are made by an independent panel comprising a KC, an accountant and a retail expert. There is also a dispute resolution process which includes independent mediation.
- Decisions on the non-pecuniary aspects of redress for people with overturned convictions are made in line with guidance provided by retired Supreme Court judge Lord Dyson in his Early Neutral Evaluation. Where agreement cannot be reached with a postmaster, decisions on the pecuniary aspects of a claim can be referred to an independent panel chaired by former High Court judge Sir Gary Hickinbottom.
- The Group Litigation Order (GLO) scheme is delivered by the Department for Business and Trade rather than Post Office. If redress is not agreed bilaterally, decisions are taken by an independent panel (similar in composition to that of the HSS). Challenges to the Panel’s decisions are resolved by Sir Ross Cranston, also a former High Court Judge.

As Minister Hollinrake announced on 13 March, the new scheme to deliver redress to sub postmasters whose convictions are overturned by the forthcoming Bill will also be delivered by DBT and will ensure that redress is provided on the same basis whether a conviction has been overturned by a court or through legislation.

Setting up a new body to replace these arrangements would take months and cost millions which should instead be spent on redress for postmasters. If the Post Office were “immediately” removed from the process, no postmaster would receive redress for months. That is not acceptable.

Postmasters claiming redress are already entitled to help from lawyers and other experts, such as forensic accountants and medical experts. Evidence from claimants – whether in the form of documents or of their personal recollections – is already given full weight in compiling offers, especially where Post Office or other records are incomplete.

2. To correct the abject failure to deliver timely redress for sub-postmasters, the Government must include in its forthcoming legislation legal timeframes to deliver redress to sub-postmasters. Those targets should include binding timeframes for each stage of a compensation claim, with financial penalties awarded to the claimant for failure to meet those deadlines. To accelerate the submission of claims, the Government must review and radically simplify the evidential requirements of the claims process, especially in relation to medical impact, consequential loss and repetitional damage. (Paragraph 14)

The Government is providing very timely responses to claims for redress by members of the GLO. As of 24 April, 177 claims had been submitted and 146 of them had been settled. Only 10 claims were awaiting offers. Initial offers are already made in respect of 90% of claims within 40 working days: most are dealt with much more quickly.

The Government is, however, concerned about the pace at which claims are being submitted.

For GLO, the key stages of the redress process are as follows:

- Post Office disclosure. Post Office have 57 staff deployed on this work and expect to complete it by June 2024. It has already completed about 80% of

its anticipated work. Post Office is disclosing materials more quickly than claimants' lawyers can process it and so financial penalties would not speed up the overall process.

- Forensic accountancy or medical advice. These advisors are commissioned by claimants' lawyers on behalf of their clients in cases where they believe that this would be helpful to their case. The threat of financial penalties might well cause advisors to withdraw from this work, which would slow down redress rather than speeding it up.
- Completion of the claim by postmasters' solicitors. Again, the threat of penalties might unjustly penalise solicitors for issues out of their control.
- Consideration of the claim by DBT with the support of Addleshaw Goddard. The pace of the scheme is constrained by the slower pace of submission of claims, not by the rate at which offers are produced. Addleshaw Goddard have currently assigned 15 staff to the scheme because that is the number required to deliver prompt advice on the claims being received. They have a large number of additional staff on whom they can and will call when necessary.

In short, financial penalties would have no positive effect—and possible negative effects—on the pace of the scheme. Claimants already receive compensation for the time taken to deal with claims, in that interest is paid on most aspects of claims in accordance with standard legal principles: the amount payable therefore increases over time.

Instead, Government is taking practical steps to accelerate the scheme including:

- The £75,000 fixed offer, which has already secured prompt redress for 138 people;
- Working with claimants' solicitors to reduce the level of expert evidence required to substantiate a claim;
- Commissioning regular reports on the progress of the scheme from the independent case managers; and
- Publishing monthly transparency data on GOV.UK¹ on the progress of claims across all schemes.

Government is continuing to support Post Office to speed up delivery of redress for postmasters with overturned convictions. In most cases, interim payments of up to £163,000 have been made to those postmasters within 28 days, except in complex cases where a postmaster has sadly died or was made bankrupt. Good progress has been made in settling non-pecuniary claims quickly in line with the guidance provided by Lord Dyson. Setting aside the claims which have already settled in full, Post Office has so far received 39 non-pecuniary claims and has made offers to 34 of these.

Progress has been slower in reaching full and final settlements, but the £600,000 fixed offer has been successful in boosting the number of full and final settlements to 40, a significant improvement.

1 <https://www.gov.uk/government/publications/post-office-horizon-compensation-data-for-2024>

Government recognises that preparing complex pecuniary claims can be stressful for claimants, and time consuming for legal representatives, and this is reflected by the fact that Post Office has only received pecuniary claims for 10 of the 63 outstanding claims. To encourage early submission of full claims, Government has announced that it will provide top-up payments up to £450,000 to eligible claimants upon receipt of a full pecuniary claim. We will continue to review the process to ensure it is moving as quickly as possible and encourage claimants to bring forward their claims as soon as they are able to, or to accept the £600k fixed sum should they wish to. Sir Gary Hickinbottom is working with claimant representatives to ensure that there are no undue delays in the process of pecuniary claims through to an ultimate conclusion.

3. ***To ensure that offers of redress are fast and fair, the Government must:***

- a) ***Require full disclosures by the Post Office of the information needed to submit full and fair claims within legally binding timeframes;***
- b) ***publish a standardised tariff of damages to help sub-postmasters claim the full amount to which they are entitled;***
- c) ***remove the cap on legal expenses for sub-postmasters to contest their claims;***
- d) ***allow those who have already settled under the Horizon Shortfall Scheme to revisit their claims to ensure that they have received fair redress; and***
- e) ***introduce a legally binding independent appeals mechanism.*** (Paragraph 16)

Taking these points in turn:

- a) This is covered in the response above to recommendation 2;
- b) Many of the postmasters' claims are understandably complex. The most substantial tend to relate to financial impacts such as the loss of a retail business connected to the Post Office branch, or loss of earnings. Any tariff for such losses would lead to outcomes which were grossly unfair to some postmasters. The Guidance and Principles for the GLO scheme already includes bandings for some heads of loss to guide claimants' solicitors. In the Overturned Convictions scheme, non-pecuniary claims are calculated in line with the framework provided by Lord Dyson as part of his Early Neutral Evaluation. All three schemes also use more generally applicable material such as the Judicial College Guidelines for the Assessment of General Damages in Personal Injury Cases. These have proved helpful. The Department continues to have regular and very constructive discussions with claimants' solicitors about how to improve the schemes. It is entirely open to creating further bandings if claimants' solicitors believe that would be helpful in the development of claims and will be exploring this as the redress scheme for Overturned Convictions is developed. Within HSS, the process had been designed to be simple and to not require legal support at claim stage, although some may do so; each claim is considered by the Independent Advisory Panel who take into account that a postmaster will likely not have claimed for every consequential loss in the way a lawyer would, and make appropriate awards based on the holistic claim information.

- c) There is no such cap. Instead, on the GLO scheme and for those claiming the fixed £600k settlement on the Overturned Convictions scheme, there is a tariff for legal expenses which was agreed with claimants' solicitors. It provides them with certainty as to costs and reduces the need for negotiation which could slow down settlement on simple claims. It was agreed on the mutual understanding that whilst some cases would cost more than the tariff, others would cost less, giving a result which was fair overall to the claimant's lawyers. Individuals submitting a fully assessed claim for Overturned Convictions redress are able to recoup all 'reasonable' legal costs. This arrangement is more appropriate for more complex cases where costs are more variable and a standardised tariff would not be suitable. In HSS, funding is available to support the reasonable costs of obtaining legal advice on an Offer and during the dispute resolution process.
- d) and e) The Government is considering this proposal and will respond fully in due course.