



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

11 February 2025

Post Office Ltd
100 Wood Street
London
EC2V 7ER

Dear Mr Byrne,

First report – Post Office and Horizon Scandal Redress

Thank you for your Committee's recommendations for Government on redress in your report dated 1 January 2025. I can confirm that, since the last evidence session, redress paid out has now increased to £405.5m across the Post Office redress schemes (£325.7m in the Horizon Shortfall Scheme (HSS) and £64.9m in Overturned Convictions (OC)). The volume of applications received in HSS has also increased substantially as a result of our recent mailouts, with 95% of new applicants choosing the Fixed Sum Offer (FSO) option. We are currently processing these within 46 days but are aiming to process within c. 30 days. We are exploring further use of automation and increasing staff numbers to help speed up the process.

Post Office continues to believe that, in order to increase trust in the integrity of the redress schemes, they would be better owned and delivered by Government and we are pleased to see you recognise the importance of removing the redress schemes from Post Office administration in your recommendations.

In the meantime, as we continue discussions with our shareholder on taking on more aspects of redress, there is still more we can do to improve the current process for applicants to ensure the right outcomes and swift payment of redress. For example, we have listened to your Committee's and others' concerns and we are in the process of transitioning our legal advisors while ensuring this does not slow down swift redress for applicants. To support your Committee's ongoing work, and without intending to pre-empt or contradict the Government's own official response, I would like to set out Post Office's response to your recommendations and provide a progress update following my last letter in December 2024.

Removing Post Office from Redress Schemes

Post Office fully supports your recommendations that the business should be removed from administering redress, including your recommendation regarding the transfer of complex HSS cases to Government.

Post Office is currently exploring with the Department for Business and Trade (DBT) whether it will take on more aspects of HSS and, as you note in your report, Government will run the HSS appeals process. An update on this was provided to the House by Minister Thomas on 30 January and Government expect to be able to invite eligible postmasters to transfer their case to the HSS appeal process in Spring this year.¹

We are also having similar conversations on the possibility of the Overturned Convictions (OC) process transferring across to Government colleagues, and have received strong indications that this could also be achieved in Summer this year. As per your recommendation, Post Office will continue to update your Committee on the process of transferring further aspects of redress.

¹ <https://questions-statements.parliament.uk/written-statements/detail/2025-01-30/hcws399>

Offering up-front legal advice

Post Office supports your recommendations (including in relation to the HSS) on claimants being offered up-front no cost legal advice, but we acknowledge this is ultimately a policy matter for Government to decide on. As I wrote in my previous letter, and said during the evidence session in November, “Post Office has made it very clear to Government that we believe the up-front legal advice should be made available for people’s applications.”

At present, Post Office offers to pay reasonable legal costs for applicants after an offer is made. Reasonable legal costs incurred in the HSS dispute resolution process will also be reimbursed by Post Office. Government has, to date, declined to fund pre-offer advice on the HSS both in respect of fully assessed claims and the FSO (points that Post Office has repeatedly asked Government to consider).

Speeding up redress

Post Office is completely committed to delivering redress as swiftly and as fairly as possible and is happy to consider any measures or proposals to improve and speed up redress while conversations continue with Government to take on more aspects of its administration. Post Office is taking several steps in this regard. These include the automation of a number of processes, to ensure more efficient processing of claims; setting up more regular dialogue with applicant representatives and Government to understand concerns and collaboratively seek solutions and more proactive case management of dispute cases.

DBT will continue to scrutinise Post Office’s performance, and trusts your Committee, the Advisory Board, applicants and their representatives will do the same. To that end, Post Office will continue to publish redress statistics on our corporate website for public scrutiny and will further improve this reporting to provide visibility of progress across the Post Office administered schemes. We will share a link to the new statistics as soon as this is published, anticipated to be in the coming weeks.

Introducing independent adjudicators

Post Office strongly supports your recommendations to introduce an independent adjudicator into the schemes, including introducing a similar role as currently held by Sir Gary Hickinbottom in OC into the HSS. We are currently exploring the proposal to appoint someone with case management responsibilities to support the HSS and will engage with DBT and applicant representatives on our proposals.

Giving clear legal instruction and benefit of doubt

Post Office supports any action that can simplify the schemes and deliver the right outcomes to ensure that redress is swifter and fairer. Although Post Office’s external lawyers have always been instructed to accelerate redress while applying fairness and giving claimants the benefit of the doubt, we understand your Committee’s concern to ensure that lawyers are abundantly clear about our priorities. Since the last evidence session and your report last month, we have repeated those instructions to Post Office’s external lawyers currently instructed on the schemes and have drawn their attention to both the last evidence session and your Committee’s report. We have also asked our lawyers to consider any areas where we can make efficiencies to improve outcomes for applicants and increase the speed of redress while ensuring fairness.

As I said during the last evidence session, Post Office is confident that the processes in the HSS give applicants the benefit of the doubt and that the independent panel in particular ensures this.

Regarding your recommendation that offers should be made at the top of the range for each category of loss, I would like to reiterate what I said during the last evidence session: there are of course a range of applicants claiming for different amounts based on their individual experiences, so not all offers can be made at the top of the range.

To be clear, when Post Office makes Requests for Information (RFIs), these are made to enable applicants to put forward their best case for redress and are not designed to reduce offers of redress or reject claims outright. Post Office will continue to give applicants the benefit of the doubt and do what we can to support applicants to make their offer as full as possible.

Moving disputed offers straight to mediation

Post Office already meets your recommendation to move disputed first offers straight into external mediation, whenever an applicant requests this. Nevertheless, we will continue to work on improving the dispute resolution process with input from applicant representatives to give reassurance to applicants utilising this process.

Independent Panel capacity

Finally, I would like to clarify the position around the number of cases expected to go to the HSS independent panel, which is the basis for your recommendation that it should be resourced to meet full time until the majority of first offers have been issued.

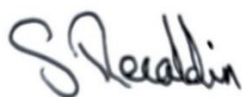
Post Office's current working assumption is that c. 30% of the applicants contacted in the recent mailout will be eligible for the HSS. Of these, it is anticipated that c. 95% will take the FSO. As such the volume of claims anticipated to go through Panel will be in the 100s, rather than 1000s. We are advised that there is capacity for the Panel to sit more frequently to meet this increased demand.

Additionally, we are proposing changes to the Dispute Resolution Process, including immediate progression to mediation (as detailed above), where this is in the applicant's best interests, which will result in a reduction of post offer Dispute Resolution claims going to Panel.

I hope you find this update helpful in supporting your Committee's work to push for redress to be removed from Post Office and for improvements to be made in processes to ensure victims of this horrendous scandal receive redress quickly.

As we await the publication of Government's formal response to your report, Post Office remains committed to listening to your Committee, to victims and to their representatives to make changes to the redress schemes and I repeat our undertaking to keep your Committee informed on progress on a regular basis.

Yours sincerely,



Simon Recaldin

Remediation Unit Director
Post Office Limited