



Department for Business & Trade

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Sir Geoffrey Clinton-Brown
Chair, Committee of Public Accounts
House of Commons
London
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Dear Sir Geoffrey,

RESPONSE TO THE COMMITTEE'S RECOMMENDATIONS TO THE DEPARTMENT FOR BUSINESS AND TRADE

I am writing in response to the Committee's recommendation to the Department for Business and Trade in its "Excess Votes 2023-24" report. The Committee requested that the department provided further information on its oversight of the Horizon Shortfall Scheme, including its management of cost forecasts.

The Horizon Shortfall Scheme delivers redress to victims of the Post Office Horizon scandal who were not convicted and not part of the Group Litigation case against the company. The redress scheme is run by the Post Office, with funding provided by the department. The department oversees and has approval rights for key delivery and funding decisions related to the scheme and has put in place monitoring arrangements to measure and challenge Post Office against progress.

The Committee requested information under four headings, as follows:

- **its arrangements for monitoring with Post Office Limited the applications made under the Horizon Shortfall Scheme, with a view to ensuring that payment forecasts are fit for purpose.**

The department receives management information from Post Office on a weekly basis, which includes the latest data on the number of claims received, the number of offers made and the number of settlements achieved. These numbers are scrutinised by analysts and finance leads before being used to inform updates to the cost estimates. The department commissions Post Office each month to provide a forecast update and funding is provided on a monthly basis according to those agreed forecasts. The following month's funding is

adjusted to account for any difference between actuals and the forecast. This approach is taken to ensure that Post Office has the cash required to make redress payments at pace. The department publishes data on scheme progress each month¹ and regularly updates the Business and Trade Select Committee.

- **when it expects to have the information it needs to settle every claim.**

As the Committee has noted in its report, the scheme remains open to applications, so it is not possible to give a definitive date for when all claims can be settled.

- **by what date it will be able to present evidence to support the reasonableness of its cost estimates for this scheme.**

The evidence supporting the Department's cost estimates is regularly updated and Post Office are commissioned monthly for updates. The presentation of evidence to support the reasonableness of cost estimates for all schemes will be disclosed as part of the DBT annual report and accounts (ARA) for 2024/25.

- **how they will ensure that all the payments made under the scheme are settled as [quickly] as possible and the amount of compensation in line with the court judgements**

The government is committed to ensuring that all eligible HSS claimants receive full as fair redress as quickly as possible. It has taken steps to achieve this, including the introduction of the £75,000 fixed sum offer. It is also working with the Post Office to make further improvements, including streamlining governance and greater use of automation. The department is in regular dialogue with the Post Office and legal representatives of claimants to consider what further improvements could be made.

Claims that are fully assessed are reviewed by an independent panel of legal, retail and accounting experts. The panel considers claims against a set of legal principles, drawn from established case law. The Post Office has not made an award for a lower amount than the panel's recommendation. Ministers have also committed to introduce an appeals mechanism, which will enable those HSS claimants who are unhappy with the panel's assessment of their case to challenge their offer.

Your sincerely,



GARETH DAVIES
PERMANENT SECRETARY

¹ [Post Office Horizon financial redress data for 2025 - GOV.UK](#)