

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

8 April 2025

Dear Liam,

Horizon Shortfall Scheme Appeals Process Update

I wrote to the Committee in September to inform you that the Government is establishing an independent appeals process for the Horizon Shortfall Scheme (“HSS”), HSS Appeals (“HSSA”), in line with previous recommendations from your Committee.

I am pleased to let you know that today we have published the Guidance and Principles for these appeals (www.gov.uk/guidance/horizon-shortfall-scheme-appeals-process-guidance-and-principles), and by the end of this month we will begin to accept applications from eligible postmasters who are currently in Post Office’s HSS Dispute Resolution Process. The Guidance and Principles set out the underlying rules that will govern the assessment of appeals. They also provide information to help postmasters and their legal representatives in making their claims, such as the eligibility criteria. We have developed them in consultation with the Horizon Compensation Advisory Board, claimants’ lawyers and representatives from postmaster organisations.

Later this month we will begin writing to the legal representatives of potentially eligible postmasters currently in the Post Office’s Dispute Resolution Process, inviting them to transfer their claim into the new HSSA process. Where postmasters do not have legal representatives, we will write to them directly. And shortly after this, we will open the scheme to all other eligible postmasters.

The Government will aim to respond within 40 working days of submission of a substantially complete appeal in at least 90% of cases. We will strongly encourage all postmasters entering the process to engage legal advisors, and we will meet their reasonable legal costs through a tariff that we have agreed with claimants’ lawyers.

In addition, postmasters will not have to pay a penny of income tax, Capital Gains Tax, National Insurance contributions, corporation tax or inheritance tax on any redress they receive through the new process.

I would like to take this opportunity to thank the Committee once again for their engagement on this critical issue. I hope that you will agree this is a step in the right direction towards our goal of providing full and fair redress for postmasters impacted by the Horizon-related actions of the Post Office.

I will respond to the Committee's further report in the near future.

Yours sincerely,

A handwritten signature in black ink that reads "Gareth Thomas". The signature is written in a cursive style with a large, sweeping 'G' and a distinct 'T'.

GARETH THOMAS MP
Minister for Services, Small Business and Exports
Department for Business and Trade