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The Rt Hon Liam Byrne MP
Chair, Business and Trade Committee
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Dear Liam,

Thank you for your time at the evidence session with the Committee on Tuesday 7 July. I was pleased to have a chance to outline the work and achievements of my Department.

I welcome the Committee's continued engagement on these issues and the contribution it makes to the wider debate on how we can best support businesses and workers across the UK, and unlock economic growth.

You raised a number of questions during the session which I committed to follow-up on in writing. I also wanted to address certain other points that came up during our session and provide further detail.

1. **Post Office redress – payments and timetables**

The Committee clearly expressed its view on the importance of resolving Horizon redress claims in full and final settlement as swiftly as possible. The Department is fully committed to paying full and fair financial redress for victims of the scandal, whose lives have been so profoundly impacted, and is proud of the progress we have already made.

As of 26 June 2026, approximately £1,628 million has been paid to over 12,900 claimants, with approximately 80% of claims across the Horizon scheme having been settled. Further details can be found here: Post Office Horizon financial redress data as of 26 June 2026 - GOV.UK. So far this year (January 2026 to July 2026), the majority of monthly reports show a greater increase in claims settled than claims received, across the Horizon schemes (excluding the newer HSS Appeals process).

It is difficult to commit to a deadline of when we will resolve 100% or 95% of the claims, as you suggested, given our commitment to avoid putting further pressure on victims (a number of whom have still not yet submitted a claim). However, at current application and settlement rates, we remain on track to settle the vast majority of claims in the existing Horizon schemes by the end of this year.

The Committee also raised questions about our approach to the Horizon Convictions Redress Scheme (HCRS). As you are aware, there are two options for reaching a settlement in that scheme. First, the £600,000 fixed sum offer, which was introduced specifically to achieve settlement quickly. This has, importantly, allowed a large number of postmasters to achieve settlement and so go some way to rebuilding their lives. The majority of applicants have chosen to settle via this route. This has freed up capacity for legal representatives and the Department to deal with the remaining, more complex, high-value claims.

The alternative route is for applicants to opt for a detailed assessment of their claim. This route is specifically for applicants who have, unfortunately, suffered more significant financial and non-financial damages.

When designing the HCRS, we considered learnings from other schemes. In the Post Office "Overturned Convictions" process, we observed the challenges of getting to the point where applicants were ready to put in claims for detailed assessment. In some cases, applicants received multiple large interim payments, yet no full claim had been submitted for assessment. A key policy aim for the Department was to encourage applicants to move through the process and help them towards a fair final settlement. The Department decided to standardise the interim payment approach in HCRS, topping up to £450,000 upon submission of a full claim, designed as an incentive to bring claims forward.

Further to this, we found in the Horizon Shortfall Scheme (HSS), where interim payments at 100% of the offer are made, that this resulted in some applicants disengaging from the scheme and ultimately slowed down final settlement. Therefore, the Department considers that it is important to retain the two distinct routes to settlement: either fixed sum or full assessment. Paying an interim payment at £600,000 would remove that distinction and elements of scheme design which encourage applicants to make a choice and move through to settlement.

Pursuing a detailed assessment is naturally a more detailed and involved process for applicants, their lawyers and the Department. This is only right given the level of taxpayer money involved. Maintaining the £600,000 as a route to settlement should help encourage applicants where the decision is clear for them – with the benefit of legal advice and no time limit – to decide whether to opt for it and achieve quick settlement. This means only borderline cases or higher value claims need to go through the more involved detailed assessment.

Addressing immediate hardship and providing early access to funds is important, which is why the Department makes significant interim payments. However, it is also important for all involved to remain focused on achieving final settlement and closure for the victims. Learning from the experience on the Overturned Convictions process and HSS, paying the £600,000 as an interim payment would work against this aim.

2. Post Office redress – resourcing

The Committee also requested information about resourcing levels for the redress schemes.

During the month of June, the combined total of staff and contractors working for DBT on redress was c.220. As the Committee would expect, overall resource numbers vary according to the need of the redress programme. Annex A provides a more detailed breakdown of the total number of staff currently working on Horizon redress-related cases across the Department and contractors, with a breakdown of roles by scheme.

3. Post Office redress – financial settlement with Fujitsu

The Committee also raised questions about Fujitsu's contribution to the costs of the scandal. As Minister McDougall explained in his letter of 6 July, we would of course welcome any decision by Fujitsu to make an interim payment. However, our focus is on reaching a final settlement with the company. Discussions to that end are underway: as I said at the Committee, I expect final agreement to be reached after the publication of Sir Wyn Williams' final report. An update was issued by Sir Wyn on 9 July here: Progress Update from Sir Wyn Williams | Post Office Horizon IT Inquiry.

4. Post Office redress – Horizon Family Members Redress Scheme

Finally, I wanted to mention my colleague Blair McDougall's written ministerial statement of 14 July where we announced that registration will open for the Horizon Family Member Redress Scheme on 16 July (Written Ministerial Statement on Horizon Family Members Redress Scheme: Registration Opening). This will allow prospective applicants to provide information to support their eligibility for the scheme ahead of case processing starting later this year. Applicants who register now will be first to have their cases considered, but there will be no disadvantage to those who choose to register later other than having their case considered slightly later. The form is designed to be as simple as possible, and I encourage anyone who is eligible to register.

5. Royal Mail – service levels and takeover undertakings

You requested our assessment of whether Royal Mail's debt arrangements and recent dividend payments breach the takeover undertakings.

In negotiating the Deed of Undertaking with EP Group, now the owners of Royal Mail and International Distribution Systems (IDS) its parent company, the Government's priority was to ensure that Royal Mail Group (RMG), the UK's designated Universal Service Provider, continued to have access to the resources required to carry out that role. Accordingly, many of the financial provisions of the Deed are designed to ensure that RMG itself, rather than the IDS Group, receives the investment and retains the network it requires to deliver the Universal Service Obligation. Key to these objectives was a commitment from the owners that value could not be extracted from RMG if it is heavily leveraged or if its delivery performance has not improved.

The Deed also commits EP Group not to allow RMG to assume liability for the debt associated with the acquisition of IDS, while acknowledging that RMG could continue to service existing IDS debt as would have been the case before the takeover (as made clear in the Press Release announcing that agreement on the Deed had been reached: Royal Mail remains based in UK in deal to bolster key services). In addition, the Deed also reduced the pre-takeover financial burden on RMG further through the now realised commitment to capitalise the significant inter-company loan that RMG had been servicing before the takeover.

EP Group have confirmed to Government that no contributions towards debt payments from RMG specifically have been made to service acquisition debt, in line with the terms of the Deed of Undertaking. However, I am expecting a routine compliance report in the coming weeks following the publication of IDS's Annual Report and Accounts from the appointed independent monitor, as set out in the compliance monitoring requirements of the Deed. Given the Committee's interest, I can update further once we are in receipt of that report should that be helpful.

On the prioritisation of parcels, I note that Ofcom, as the independent regulator, has confirmed in their response to the Committee's report on postal regulation that they will be considering the question of parcel prioritisation as part of their investigation into the company's failure to meet its delivery targets for 2025-26.

6. **Procurement – DBT targets**

During the session you raised questions about Government procurement from SMEs, suggesting that DBT has failed to meet our own targets here. However, the source of the data used by the Committee was not quoted, whereas the official published Government figures show that we are already meeting this target.

As part of a cross-government exercise led by the Cabinet Office, DBT has an agreed target of allocating 18% of procurement spend to SMEs by 2028. The latest data for DBT shows that 18.1% of this spend went to SMEs (2024/25), meaning that, according to the latest published data available, DBT has met the target level ahead of schedule.

In addition to our percentage spend target, DBT chose to go further by introducing a separate target based on the proportion of contracts awarded to SMEs. Under this, the Department has committed to achieving 55% of contract volume with SMEs by 2028, reflecting our strong ambition to widen opportunities for smaller businesses to access public procurement.

7. **Trade Strategy – success criteria**

You also enquired about the publication of the Trade Strategy success criteria. As mentioned in the session, detail was due to be made available in the Annual Report and Accounts which has now been published online: Annual report and accounts 2025-26 (web accessible) (p.22).

8. **Responsible Business Conduct – next steps for the review**

You pressed me on the status of the Responsible Business Conduct Review and what action the Government is taking to combat forced labour in UK supply chains. As I underscored in the session, this is an important priority for me. The Review has concluded, and the Government will publish this and set out our plans soon.

I greatly value the role the Committee's scrutiny and challenge plays in strengthening accountability and improving delivery. I hope the additional information set out in this letter assists the Committee in this vital work.

Yours sincerely,

RT HON PETER KYLE MP
Secretary of State for the Department for Business and Trade
President of the Board of Trade

Annex A: Post Office Redress Staffing Levels

Table 1 – DBT staffing levels across all redress schemes

Please note that:
- The GLO Scheme and Horizon Shortfall Scheme Appeals process are managed by one team, so the figures are combined.
- The Horizon Shortfall Scheme is delivered by the Post Office. Data included here only relates to DBT staffing.
- Staff delivering the Capture redress scheme are included, as Horizon and Capture redress are managed as a single programme, with resources flexed across schemes where needed.
- The table shows the total number of staff working across redress schemes as of 10 July 2026 and excludes current vacancies.

	GLO & Horizon Shortfall Scheme Appeals	**Horizon Convictions Redress Scheme**	**Capture**	**Across Redress Schemes**
Caseworkers	11	9	5	-
Policy & Delivery	8	5	5	-
Project Management Office	2	1	1	4
Analysis	3	1	2	5
Finance	-	-	-	4
Government Legal Department	5	4	2	1
Total no.	**29**	**20**	**15**	**14**

Table 2 – Staffing levels at key redress scheme delivery partners

Please note that:
- In addition to DBT-based teams, staff employed by Addleshaw Goddard, Dentons and their contractors also support this work. The table below shows the number of people in those organisations who worked on Horizon redress-related cases on behalf of DBT during June 2026.
- Please note that the numbers set out in the table fluctuate month on month depending on the level of cases submitted, so these numbers are intended to be indicative.

	Total
Addleshaw Goddard (fully assessed cases casework team)	61
Dentons (Alternative Dispute Resolution team)	79