



Department for Business & Trade

Blair McDougall MP
**Minister for Small Businesses &
Economic Transformation**
Department for Business and Trade
Old Admiralty Building
Admiralty Place
Whitehall
London
SW1A 2DY

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

T: +44 (0) 020 4551 0011
E: mcdougall.correspondence@businessandtrade.gov.uk
W: www.gov.uk/dbt

20 July 2026

Dear Liam,

Thank you for your letter dated 15 July regarding interim payments in the Horizon Convictions Redress Scheme (HCRS). As of 26 June 2026, 501 full and final HCRS claims have been settled. This includes claims that transitioned into the HCRS from the Overturned Convictions scheme in June 2025. Including the full and final claims, a total of 536 initial interim payment claims have been received, and all 536 of these have accepted the initial interim payment.

The HCRS pays interim payments according to set criteria, rather than any specific timescales. The initial interim payment (£200,000) is paid upon confirmation of eligibility for the scheme, validation of identity and confirmation from the applicant that they are applying for redress due to issues with the Horizon IT system and Post Office's associated misconduct in its prosecutions.

The second top-up interim payment applies to those seeking full assessment of their claim. A top-up to £450,000 is paid upon submission of a fully particularised claim. Payment of this top-up is subject to a check that sufficient documentation has been submitted to assess the full claim. The Department had been paying the top-up to £450,000 swiftly as light-touch checks on the claim information were sufficient, which may have set expectations with legal representatives about a timescale.

However, in progressing claims, the Department has identified that a small number of claims have been submitted where the evidence does not support the claim that the prosecution was related to issues with the faulty Horizon system. For example, where there is evidence that the prosecution related to pension fraud, which is completely unrelated to the Horizon system. Assessing these claims according to the HCRS Assessment Framework and applying the principles consistently with other claims, the Department has been unable so far to establish that losses were suffered due to the Horizon system or Post Office's misconduct. In discharging its responsibility to ensure the appropriate use of public funds, once the Department is aware of this issue, it is obliged to seek assurance that a claim is properly supported before releasing further payments. I should stress that this is not a review of eligibility to apply to the scheme, but a standard financial assessment of the losses that have been put forward by claimants.

For this reason, the Department is completing the part of the assessment which addresses the issues mentioned above before paying the top-up.

This issue has only arisen in a small number of claims. However, the Department has received a relatively limited number of fully assessed claims so far, with the majority settling for the fixed sum. The Department's view is that this is the right approach to properly manage taxpayer funds, particularly given that more full assessment cases are expected to be submitted to the HCRS over the coming months. In seeking further information from the applicants in relation to these claims, the Department is doing so to enable it to assess them swiftly and fairly in accordance with the HCRS Framework.

The Department recognises the widespread historical misconduct of the Post Office and the sheer number of victims of the Horizon scandal. We are keen to avoid any unnecessary delays or actions that could add trauma to victims. Accordingly, the Department is keeping this approach under constant review while it seeks to understand whether these cases are anomalies or whether these issues are resolved swiftly through further engagement with the applicants.

Yours sincerely,

A handwritten signature in black ink, reading "Blair McDougall". The signature is fluid and cursive, with the first name "Blair" and last name "McDougall" clearly distinguishable.

BLAIR McDOUGALL MP

Minister for Small Businesses and Economic Transformation
Department for Business and Trade