Department for Business, Innovation, Science and Trade

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The Rt Hon Liam Byrne MP
Chair, Business, Innovation, Science and Trade Committee
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Post Office Redress Update

Dear Liam,

The Horizon and Capture scandals caused profound harm to postmasters, many of whom suffered years of financial, personal and reputational damage through no fault of their own. The Government is determined to right these historic wrongs by completing its pledge to ensure that affected postmasters receive the redress they deserve.

When we came to office in 2024, we promised to ensure that postmasters would be compensated swiftly. We are doing so. 87% of Horizon claims received have now been settled and, as you heard from the Secretary of State during his oral evidence to your Committee on 20 October, we have paid over £1.7 billion to more than 14,000 claimants. Redress has now been agreed for nearly 90% of the group who worked with Sir Alan Bates to bring the original Horizon legal case.

Horizon Shortfall Scheme Fixed Sum Offer Appeals

In May, the department announced that it would establish an independent process through which eligible postmasters who accepted the £75,000 Horizon Shortfall Scheme Fixed Sum Offer could seek permission to have their claim fully assessed through the Horizon Shortfall Scheme Appeals process. I can now confirm that we expect to launch that process in November.

Claimants and their representatives will have four months from the date of launch (or from the date of receipt of their Fixed Sum offer, whichever is later) to register for the process. Claimants will be encouraged to seek funded legal support and are asked to provide a short, written narrative to explain why £75,000 undervalued their claim. That will be considered by an Independent Assessor who is independent of both the Government and the Post Office. Where permission to appeal is granted, the claim will be assessed in full through the Horizon Shortfall Scheme Appeals process.

My department has engaged extensively with the Horizon Compensation Advisory Board, claimant representatives and postmaster organisations on the design and practical implementation of the process.

Further guidance, including details of how eligible postmasters can register, will be published when the process launches.

Shortfall Independent Review

In May 2026, Sir Gary Hickinbottom, the Independent Senior Lawyer for the Horizon Shortfall Scheme, published his review of Fixed Sum Offer cases where there was no (or very limited) available evidence of a Horizon-related shortfall. He recommended that, where Post Office considers there is insufficient evidence to make a Fixed Sum Offer, that decision should be independently reviewed before a claim is rejected. The Government and Post Office accepted this recommendation in full.

In response, the Shortfall Independent Review will commence in late October. Eligible cases will be referred to an assessor independent of both Post Office and Government. This means no claimant will be refused HSS redress based on Post Office's decision alone. Eligible claims will have an independent review of their case before any final decision is made to reject a claim.

Family Members Scheme

In July, we opened registration for the Horizon Family Members Redress Scheme, which allows applicants to submit information that will support the assessment of their applications once claims processing begins early next year.

A further announcement with more detail on how the scheme will operate will be made in due course.

HCRS and Capture submission deadlines

Having made significant progress in delivering redress to claimants, the Government is now providing greater certainty about the next phase of the Horizon Convictions Redress Scheme (the HCRS) and the Capture Redress Scheme. Establishing submission deadlines is an important milestone in these schemes, providing clarity on the path ahead, while ensuring eligible individuals have sufficient time and support to submit a claim.

Accordingly:

- The HCRS will close to new submissions from 31 July 2027. This will be three years since the launch of the scheme.
- The Capture Redress Scheme will close to new applications from 31 March 2027, approximately 18 months after the scheme opened.

These deadlines reflect the differing nature and complexity of the application processes under each scheme. Claims submitted before the deadlines will continue to be progressed to conclusion.

Pre-Horizon investigation

The Government has made substantial progress in delivering redress to those affected by the Horizon and Capture scandals. However, we remain committed to ensuring that no stone is left unturned in understanding the full extent of issues that may have affected postmasters.

In line with the recommendation of your Committee, we have begun the process of commissioning an independent investigation into accounting software that operated before Horizon. Consistent with our approach to the Capture software, an independent investigator will establish a fuller understanding of those software applications and their impact, providing Government with a robust evidence base to inform any future considerations.

We expect the investigation to report in Spring 2027. I will keep your committee and the House updated as this work progresses.

An update on Restorative Justice and next steps

Financial redress is an essential part of addressing the harm caused by the Horizon and Capture scandals, but our response must go further. In April, the Restorative Justice programme moved from its pilot phase into full delivery and is available to postmasters and family members impacted by Horizon and Capture who wish to take part. It offers a voluntary, participant-led process, with careful preparation and independent practitioner support from the Restorative Justice Council throughout.

The first restorative meetings have now been completed and the programme is beginning to help repair the human harm that has been caused to postmasters and their families as a consequence of this terrible injustice, alongside the financial closure which we have already delivered for so many.

Today's announcements mark an important milestone in the Government's work to address the legacy of Horizon and Capture. While significant progress has been made, we remain steadfast in our commitment to ensuring that those affected receive the redress and support they deserve.

I look forward to continuing our work together on these important matters.

Best wishes,



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