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Dear Darren,

Your committee has always taken a strong interest in all issues relating to the Post Office and in relation to the issues associated with the Post Office Horizon IT system in particular. I am also aware that your Committee has an open Inquiry in relation to Post Office and Horizon. Consequently, I wanted to take this opportunity to write to you as Chair of the BEIS Select Committee with a short update.

As you are no doubt aware, on 23 April, we saw another important step forward in affected postmasters' fight for justice with the announcement of the Court of Appeal's decision to quash the convictions of 39 postmasters. This is in addition to six convictions quashed by the Crown Court in December 2020. I have informed the House of this development via an Oral Statement to Parliament earlier today and have also written to all Members of Parliament with an update.

It was clear from the 2019 Group Litigation that there were failings with the Horizon IT system and in the way the Post Office dealt with postmasters who encountered problems or raised complaints in relation to Horizon. The Court of Appeal's judgment last week served to underline this. The impact this ordeal has had on affected postmasters, their lives and livelihoods cannot be overstated.

Post Office has rightly apologised for its past failings and is taking action to right the wrongs of the past. This includes overhauling the culture, practices and operating procedures throughout every part of its business. For instance, Post Office has recently appointed two serving Postmasters as Non-Executive Directors to the Post Office Board to ensure that in future, postmasters have a strong voice at the very highest level in the organisation. The Historical Shortfall Scheme, one of Post Office's commitments made as part of the 2019 settlement, is making progress and the first payments have been made by the Post Office. Although these are positive steps in the right direction, the Government is clear that there is still more to do.

There are many more postmasters who have been prosecuted by the Post Office; the validity of whose convictions has yet to be determined. The Criminal Cases Review Commission and Scottish Criminal Case Review Commission are continuing to consider applications from affected postmasters to have their convictions quashed.

Postmasters whose convictions were quashed last week will also now be turning to the question of appropriate compensation. The Court of Appeal judgment last week will require careful consideration by all involved and the Post Office will need to consider the next steps and the best process for fairly compensating these postmasters.

Many postmasters and their families have suffered issues and distress since faults with the Horizon system began, with some having their livelihoods and businesses taken away and some convicted of crimes which we now know they did not commit. Government is clear that a situation like this must never be allowed to happen again.

That is why Government has set up the Post Office Horizon Inquiry. The Inquiry will continue to work to understand and acknowledge what went wrong in relation to Horizon, obtain available relevant evidence to establish a clear account of the implementation and failings of Horizon and ensure that failings should not be repeated and that where improvements have been made these are sustained. I look forward to receiving Sir Wyn's report this Summer.

A handwritten signature in blue ink, appearing to read 'Paul Scully', is centered on the page.

PAUL SCULLY MP
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