



# Business, Energy and Industrial Strategy Committee

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The Prime Minister  
10 Downing Street  
London SW1A 2AA

3<sup>rd</sup>

March 2020

*Dear Prime Minister,*

Part of the BEIS Committee's remit is scrutiny of the Post Office and last November the Committee in the previous Parliament published a Report which noted the important role that sub-postmasters play in our local communities across the UK. We drew attention to the difficulties that many sub-postmasters face in earning a living and the need for effective scrutiny of the Post Office's decisions to ensure that they support rather than undermine the Post Office Network and the services that it provides.

The Committee did not consider the long running dispute between many sub-postmasters and Post Office Ltd regarding problems with the Post Office's Horizon IT system, as it was then subject to a case in the High Court. As has been widely reported, many sub-postmasters began reporting significant shortfalls on the Horizon system but were not believed and in many cases faced either being accused of fraud or resolving such discrepancies with their own money. This was despite an independent review by forensic accountants hired by Post Office Ltd finding significant flaws in the system; a review that was subsequently scrapped by Post Office Ltd. Many sub-postmasters went to jail, some faced bankruptcy, while others suffered relationship breakdowns and mental health issues.

However, as you will be aware, in December 2019, the High Court found in favour of the sub-postmasters and the Judge who presided over the case was scathing in his criticism of Post Office Ltd's management and Jujitsu, who developed the Horizon IT system. After the judgement, Post Office Ltd agreed to pay £58 million in compensation to affected sub-postmasters, while it has been estimated that the Post Office has so far paid £15 million in legal fees.

Horizon raises many questions which still need to be answered. These include the plight of sub-postmasters, especially those who may have been wrongly convicted of fraud, and whether the compensation offered by Post Office Ltd will adequately address the hardships that they faced. The case raises serious concerns about Post Office management culture, its relationship with sub-postmasters and what support and guidance the latter were given when faced with accusations of fraud. The case also highlights the role of BEIS Ministers and officials and UK Government Investments in providing oversight of the Post Office, both in its decision-making and effective use of public money.

I was therefore pleased that last Wednesday at PMQs you appeared to commit to a public inquiry into the Post Office and the Horizon IT System. Please can you confirm that you will launch a full independent public inquiry and, if so, when that is likely to be? Can you also confirm that such a public inquiry will include a consideration of the issues outlined above?

Yours,

Rachel Reeves

**Rachel Reeves MP**

**Chair of the Business, Energy and Industrial Strategy Committee**