



Department for
Business & Trade

Kevin Hollinrake MP
Parliamentary Under Secretary of State

Department for Business and Trade
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All MPs

10 January 2024

Dear colleagues,

Addressing the Post Office Horizon Scandal

I know you will all be aware of the Post Office Horizon scandal that emerged in the late 1990s and the terrible impacts it had on people's lives. You and the public have been rightly asking what the Government can do to both speed the flow of compensation and to address wrongful convictions. I can now write to lay out what the Government intends to do.

Overturning Convictions

As you know, so far 95 of the over 900 convictions have been overturned. However, some postmasters have been reluctant to apply to have their convictions overturned, having understandably decided that they have been through enough.

The Horizon Compensation Advisory Board has recommended that we should legislate to overturn the convictions of those postmasters who were prosecuted in the Horizon scandal. I am sure you share their, and my, desire to ensure justice for the hundreds of postmasters who had been convicted of offences as part of the scandal. However, you will equally note that this would involve unprecedented action by Parliament to overturn Court verdicts and risk some unjust acquittals.

Ultimately, we have decided that the importance of the clearing the names of the innocent is higher than the risk of some guilty people being unfairly acquitted, or even compensated. We have today announced that the Government intends to bring forward legislation to overturn the convictions of all those convicted on the basis of Post Office evidence during the Horizon scandal. This approach may lead to the overturning of some convictions that were rightfully brought, but we will work up safeguards to mitigate the risk of those individuals defrauding the taxpayer. The Government will also consider whether this blanket exoneration should apply to the small number of convictions which have been upheld by the appeal courts. While I accept this is by no means a perfect solution, I hope you will agree it is one which will go some way to help those postmasters whose lives have already been so unfairly affected. The legislation will apply to England and Wales only. Conversations with other UK jurisdictions remain ongoing.

Group Litigation Order Upfront Offer

In order to speed the flow of compensation for those in the Group Litigation Order scheme (who were part of the High Court Group Litigation Order), the Government has announced today that we will now make an upfront offer of £75,000 which will save them from having to go through a full assessment. If they believe they are entitled to more, they are welcome to continue with the full assessment.

Not only will the upfront offer on Group Litigation Order scheme allow the Department to focus its resources on the larger cases, it will allow claimants' lawyers to do the same. The pace at which we can get claims into the scheme is the key constraint on how quickly we can settle them. In November, we announced a similar £600,000 upfront offer for claimants with overturned convictions, which has already made a real difference. The Group Litigation Order offer is smaller due to this cohort's claims being generally smaller.

Administration of compensation payments

The Government will also consult the independent Advisory Board on the approach to compensation payments, to see if there are further steps we can take to hold the Post Office to account and speed up payments for everyone impacted by the scandal.

Yours ever,

A handwritten signature in black ink, appearing to read 'Kevin', written in a cursive style.

KEVIN HOLLINRAKE MP

Minister for Enterprise, Markets and Small Business

Annex: Q&A

What will happen in Scotland and Northern Ireland?

- There were 24 convictions related to the Post Office in Northern Ireland and 77 in Scotland.
- We recognise that justice is devolved in Scotland and Northern Ireland and so we are engaging with the Scottish and Northern Irish administrations to discuss convictions in their jurisdictions.
- Compensation is available UK-wide.

Why is the Government getting involved, instead of leaving it to the judiciary?

- This decision should not be taken as a criticism of the judiciary. Their original decisions on convictions were taken in good faith in the understanding that prosecutions were properly conducted and that assertions about the robustness of the Horizon system were true.
- The Courts' judgments in 2019 and 2021 were fundamental in establishing the facts about the Horizon issues and bringing justice to affected postmasters.
- If the Government had time, we would be happy for the courts to review these cases individually. But we recognise that the postmasters have already been burdened with unjust convictions for years, and so want to remove this as soon as possible.

Why is this happening now?

- The Government is working hard to process full, fair and final claims as quickly as possible, and has been for years.
- Government set up the Post Office Horizon IT Inquiry in 2020 to get to the bottom of what went wrong and intends to do further work according to its recommendations to ensure justice is delivered.
- Government has been providing funding for compensation to victims since 2021, including making interim payments available to members of the Group Litigation Order scheme and those with overturned convictions while their full claims are being processed. All of the main group of Horizon Shortfall Scheme claimants have already had initial offers.
- We have been monitoring the situation carefully and considering all options to ensure no stone is left unturned in the pursuit of justice.

How much will this cost?

- The final cost of Horizon compensation will depend on the circumstances set out in individual claims. We are promising fair and equal treatment of postmasters, not a set amount of money. The amount we spend will depend on the claims which are submitted.
- The Government has to date committed a maximum of just over £1bn to ensure postmasters are compensated fairly. That is not a forecast: it is an estimate of the maximum Government funding which could be needed for compensation, which we have made in response to our obligation to make subsidies transparent.

What is the Group Litigation Order Scheme?

- The Group Litigation Order Scheme is an ex-gratia claims-based scheme for postmasters who were part of the action *Alan Bates and Others v Post Office Ltd* pursued under a Group Litigation Order, and who do not have a Horizon-related conviction. The scheme will be delivered by the Department of Business and Trade (DBT, formerly BEIS).

What is the Horizon Shortfall Scheme?

- The Horizon Shortfall Scheme is claim based scheme for current and former Postmasters who believe they experienced shortfalls related to previous versions of the Horizon system.