

WITNESS: KAREN WILSON

STATEMENT NUMBER: WITN0168_01

EXHIBITS: 0

DATED: Jan 11, 2022

POST OFFICE HORIZON IT INQUIRY

FIRST WRITTEN STATEMENT OF KAREN WILSON

THIS STATEMENT IS PROVIDED IN RESPONSE TO THE RULE 9 REQUEST OF
THE PUBLIC INQUIRY DATED 29/10/2021 TO ADDRESS THE HUMAN IMPACT OF
THE FAILINGS OF THE HORIZON IT SYSTEM

I, MRS KAREN WILSON, of

Date of Birth will say as follows: -

PERSONAL BACKGROUND

1. I am 67 years of age. I make this statement as Personal Representative of and in support of my late husband Julian Wilson who was a Sub-Postmaster.
2. Julian passed away on the 26 August 2016. We got married on the 13 July 1985 at the local Registry office and then we had a big reception and we watched Live Aid as it was on the same day. We had a very happy marriage for over 31 years.

3. Julian has a grown-up daughter [GRO] years of age. I am very close with my stepdaughter having been in her life since she was 4 years old. [GRO] lives in Hampshire which is around 2.5 hours away. Julian and I also had a good relationship with [GRO] and her husband.
4. Julian was a company Director prior to owning the Post Office. He worked in electronic signage and lighting. He tended to work in Spain, France and Germany. He would often be working away Monday to Friday.
5. It gave us a good life and allowed us to have long three and a half week holidays abroad every Christmas. We had a good balance but in the end, he decided he was fed up of all the travel. He decided he wanted to buy a business and make money for himself.
6. He considered a couple of businesses and decided that the Post Office was a good venture. I was happy to support Julian. I did not mind him working away but I knew he had really thought his career change through.
7. I am currently employed. I work for a Hospital Trust doing clerical work. I deal with patients undergoing x-rays and scans. I also greet patients and assist with appointments. I am contracted to work 30 hours, but I often work 40 hours a week. I started this role after Julian passed.
8. Prior to Julian buying the Post Office and me joining him there, I was a police officer for three years and then worked in the Courts and for the Bailiffs, I went into debt recovery, then international debt recovery. I then started to work for HMRC which was my last role prior to working at the Post Office with Julian.

POST OFFICE HISTORY

9. Julian came home after working away one weekend and decided he had had enough of been away from home and was going to look for a new challenge. He was going through the Dalton Weekly and saw the local Post Office and shop were up for sale. He had investigated different properties, but he really investigated this more. He did a business plan for the Post Office. He said I could join him, but I said no initially. I was working at the HMRC and enjoyed what I did.
10. Julian became Sub-Postmaster of the Atwood Bank Post Office in Redditch, Worcester on the 2nd November 2002. Julian's position with the Post Office was terminated on the 11th of September 2008.
11. He had worked out that if he ran the business for 10 years, it would be his pension and we would be able to retire and live a comfortable life.
12. The Post Office already had three members of staff, which we could keep on to help us, as they had the experience. It was in a small village, where everyone knew each other, and we thought it would be perfect for us.
13. We got the money together by releasing equity from our home to buy it; Julian had the interview and was successful.
14. After about 12 months, the business was increasing so Julian asked me again if I wanted to come into the business, as he was not able to have a day off to go and play golf, so he was missing his hobbies. I agreed to come and run the shop and that would mean that we could both have time off.

CRIMINAL ALLEGATIONS AND ANY PROCEEDINGS/CONVICTION

15. Julian always said the Horizon system was wrong.

16. I had no experience at all, so Jane Robinson, Julian's employee and Julian trained me in the Post Office, and we employed **GRO** to come in 1 day a week to assist me when Julian was on his day off.
17. When Julian took over the role as Sub-Postmaster, he attended a two- or three-day induction course at Worcester Crown Post Office. The training was provided by the Post Office representative, Barry Hopkins.
18. There were no Horizon computer systems in the training room, so Julian did not receive any training on Horizon. Given the Horizon system was not working, the trainer gave them a book, rather than any practical training. He got this when the Post Office opened.
19. Julian took over the branch on the 6th November 2002 and Mr Hopkins provided on the job training but only Monday until Wednesday to cover the balancing off with the assistance of Jane Robinson. He also returned the odd day the following week but that was all he could do as he was stretched.
20. Jane had been there over 20 years. She was a big help. Another employee was an ex-bank manager and she often commented on how bad the system was.
21. The Post Office supplied manuals every week, but these were not straightforward and the three of us understood it differently, which did not help.
22. Julian did not receive any further training after that.
23. Every Wednesday was balancing day, and Julian would shut the Post Office, but I would still be working at the shop as the lottery would need to stay open. The only involvement I had with the balancing is that I would count the cash for him. It was a nightmare. It was not too bad at first, but it got worse and worse.

24. Julian would duplicate his records and bring them home as he was quite methodical.
25. There was a Helpline that was available to Julian, as and when he got stuck, and initially he called them weekly.
26. I came in one night and he was unable to find a cheque for £900. He was so frustrated that he could not find it and called Jane to see if she could help, as she often came back in to help.
27. Julian once contacted the Helpline and advised he would not open the Post Office until the problems with the system were sorted, to which he was told he would be in breach of contract and they would sack him.
28. The Helpline was only open at certain times. On a Wednesday at 8pm, if we had an issue whilst doing the balancing, it was always difficult to get through. We often left messages for call backs which happened the following day. This left the branch not balancing so we had to rollover and make good any losses, which initially were small amounts.
29. Julian kept a log of the balance discrepancies between 2002 – 2007. On a Wednesday he would always tell me what the loss or gain was, and I would give him the money from the shop till.
30. We told Barry we were doing this, but he told us not to do that and that we should put all gains in an envelope in the safe to then minus the losses against, but Julian did not want to do that, so he carried on doing it his way and keeping records all the time.
31. The branch line manager, Paul Fantuzi came to the branch once, I was with Julian when he came in, and we asked him to look at the figures. He also could

not identify any obvious error or reason behind the discrepancies, and he told us not to worry and that it would resolve itself.

32. Julian also had another two area managers come to the branch, Keith, and Steve. They did the same as what Paul did and came to the same conclusion.

33. The Post Office never made us aware that others were having the same problems. Julian did speak to about half a dozen other Sub-postmasters that we knew from training we had attended, but I cannot remember exactly when that was.

34. We had previously been audited by the Post Office in 2003. Julian never got another one and he actually requested them, but we were advised they audited behind the scenes, so Julian thought they must see the minuses and pluses.

35. The next audit we had was on Thursday 11th September 2008, which was Julian's day off. The telephone rang early, and it was GRO calling to say the auditors had arrived, so he went into the branch.

36. Julian was relieved as he hoped this would get the balancing issues sorted. He went to the Post Office and handed them the figures. He was pleased and hoped this may help resolve the problems with the system. I did not go in that day.

37. The audit took all day and there were three people there doing the audit. I cannot say what went on during that time as I was not there.

38. Julian was suspended that day. They took the keys from Julian, but I still had the key for the shop.

39. Following the audit in September 2008, a shortfall in the sum of £27,911 was found.

40. On 15th September 2008, two men came to our home. Their names were Gary Thomas and Graham Brander. They were from the Post Office Fraud Team. They searched our home, including my personal belongings. I did tell Julian to ask for warrant, but I do not think he did. I only stayed for 5 minutes before I had to go to the shop. Julian confirmed he had nothing to hide.
41. They took various items of paperwork about our finances like our bank statements. I put marking in to see whether they looked at them and they came back in their entirety, so I know they had not looked at them.
42. Later that day Julian was interviewed under caution by the investigators. This took place at Atwood Law. Julian told me that the investigators said that he had been false accounting. He told them that Horizon left him no choice but to enter incorrect figures to continue trading. Julian felt that they were not interested in what he had to say, and that all they wanted was the money repaying. I believe he was charged at this point.
43. The Post Office sought to prosecute Julian for Theft & False Accounting. I cannot remember exactly when Julian received the summons to attend court but it must have been the early part of 2009.
44. From what I can remember, Julian attended Worcester Crown Court around six times in total. We had specialist criminal law legal representatives and when we got there we expected to see a Post Office barrister but it was just a locum. It seemed that they just picked up the file that day.
45. Julian's QC was called Peter Hanton. Initially Julian told him he did not want to plead guilty. I remember the Post Office being told that Julian had kept his evidence and their faces fell.

46. They then dropped the theft charge but said he would go to prison unless he pleaded guilty to False Accounting. The Barrister said “you cannot fight them” and recommended pleading guilty.

47. The day of the sentencing was 9th July 2009, Julian packed a bag as he was told he may go to prison.

48. Julian was convicted of False Accounting and ordered to do 200 hours of community service, pay £3,500 towards the Post Office’s prosecution costs and pay £33,000 to the Post Office for the shortfall.

49. Julian’s conviction was overturned on 23 April 2021.

THE HUMAN IMPACT

50. The human impact which the failings of the Horizon IT System have had and continue to have upon me and my family are set out in the remainder of this statement. The section headings follow the particular questions posed by the Inquiry.

WHAT WERE THE CONSEQUENCES OF BEING REQUIRED TO MAKE GOOD APPARENT SHORTFALLS SHOWN BY THE HORIZON IT SYSTEM?

51. As shortfalls occurred, we would make these good with money from the shop till.

52. The day after Julian was suspended, I went to open the shop at 5am and then the agency turned up to open the Post Office. They told me that I would need to help run the Post Office, and they paid me £5 per hour. I ran it for 6 weeks; I did not receive any training either.

53. During that time even the agency was also finding discrepancies, but nothing was done.

54. In 2008 we had to default on the business loan. Lloyds were very heavy handed at the time.

55. We barely had money for food.

56. I sold all my jewellery and equestrian belongings. I even sold my engagement ring, which still upsets me to this day.

57. I worked three jobs when Julian was suspended. I worked at the HMRC on evenings, as well as Post Office and the shop. The agency who took over the Post Office wanted me to work for 21 hours a week for £5 an hour. I was eventually running the Post Office. I could not believe it given they were investigating Julian.

WHAT WERE THE COSTS OF MAKING GOOD ALLEGED SHORTFALLS SHOWN BY HORIZON?

58. In order to pay the initial smaller shortfalls before the suspension, Julian took money from the retail profits. When the amounts were larger, we had to use our savings.

59. I cannot recall what was paid in total, but in the end, we had nothing left to pay the shortfalls with. It ranged from £25 to £1,000 in any shortfall amount at any one time.

60. At one point, Julian did have some discrepancies with Giro's and a cheque that went missing after it left the branch. On this occasion the Post Office took £900 from Julian's salary.

HOW WERE YOU AFFECTED WHEN ALLEGED TO BE RESPONSIBLE FOR SHORTFALLS OR DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

61. I remember initially telling customers that Julian was not very well. However, when it went into the newspaper, Julian told the whole village at a meeting at the village hall. No one questioned him at all. Everyone supported him in the village.

62. Julian then hibernated.

63. Julian told me how intimidated he felt when he had the interview and was charged. I waited for him in the stock room in the shop.

WHAT WERE THE CONSEQUENCES OF BEING HELD RESPONSIBLE FOR SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

64. Julian's position with the Post Office was terminated on the 11th of September 2008.

65. Julian was initially charged with Theft and False Accounting.

66. At the second hearing he was told that he may end up with a custodial sentence and told to take a bag in case he went to prison.

67. Julian was ordered to do 200 hours of community service and pay £3,500 towards the Post Office's costs.

68. Following his sentencing, Julian was assigned a probation officer and worked for the Council cleaning graves. He did his hours in approximately six weeks. He always said he was with real criminals doing the jobs. He was honest about why he was there.

WHAT WERE YOUR FINANCIAL LOSSES CAUSED BY ACTION TAKEN AGAINST YOU IN RELIANCE UPON HORIZON DATA?

69. On the 17 December 2008 we received the Confiscation Order. We asked Graham, the individual who had signed the Confiscation Order for the Post Office how we were meant to live, and he told us that we could live on the money that we stole.

70. As mentioned below, we were forced to put the business and house up for sale. Julian lost his income.

71. We had to pay £33,000 to the Post Office for the alleged shortfall following the audit and their costs of £3,500.

72. I couldn't believe it when a Post Office agency called me after Julian was convicted and asked me to work in our own Post Office for 20 hours a week for £5 an hour. They told me they had no staff to work there. I had to continue working in the shop to keep it going and I also worked 4 evenings a week for a legal company in Stratford.

73. The Post Office had asked us to sell the business but told us to try and not devalue it, which was so frustrating because we couldn't afford to keep the shop going as we had previously done.

74. We took the house off the market, my mum and dad lent us some money so we could get back on course with the mortgage. With the jobs I worked we were able to get back on track.

75. After Julian was ordered to repay the shortfall and the Post Office's costs, we borrowed £5,000 from Julian's daughter and Julian's ex-wife also lent us £5,000. Julian's eldest brother [GRO] paid WHSmiths every week to help keep the business ticking over. This amounted to £10,000. When we sold the

business we paid some of this back but when my parents passed away we paid everyone back.

76. I also had a Post Office Credit Card which we never used previously but we had to use this at the cash and carry. Filling the cigarette gantry itself was around £5,000 to £6,000 per week. A gentleman at the petrol station in the area also helped and covered some of my bills at the cash and carry. I paid him back with my inheritance. He was very kind.

77. The Confiscation Order led to the retail side of the business failing as we could not stock it. The Post Office refused three buyers, and, in the end, we sold it for £69,000 for a gentleman who had a convenience store. This was a lot less than we bought it for as the purchase price was £125,000. We paid the full amount back to the Post Office and family members that we had borrowed money from.

78. I lost my parents a few years later in 2013 and used most of my inheritance to continue to pay people back. Julian was upset and said that is not what my inheritance money was for. I did not pay Lloyds back as we needed some money to live on, as Julian could not get a job. We had savings and we took some equity out of our house.

79. Thankfully I have managed to get the mortgage cleared. We have a second charge on the house which is the balance of the business loan. I am hoping to pay it soon once I have a redemption figure.

80. During our financial struggles, I car booted all of our house, including my jewellery and engagement ring. Julian didn't know and when I told him he just cried.

81. We did notice an increase in insurance premiums after Julian's conviction. I cannot remember by how much, but I remember we had to declare his conviction.

WHAT EFFECT DID IT HAVE TO BE ACCUSED OF COMMITTING CRIMINAL OFFENCES AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

82. Following Julian being suspended and me taking over, it turned out that the Post Office were not paying us. They were paying the agency and because we had no money, I had to let the staff go as I couldn't afford to keep them on.

83. Julian's health declined. He was diagnosed with diabetes and thereafter glaucoma and required injections in his eye. He lost a lot of weight. He also started to smoke again, after giving this up for years.

84. Due to his resulting mental health difficulties, our GP was really supportive to Julian and offered counselling.

85. There was one instance when Julian packed his suitcase and went to stay with his brother as he was struggling to cope and we did not speak for a week. Thankfully he came home.

86. I recall him crying on the conservatory floor saying he wanted to end his life but I said we won't let them beat us.

87. I had an incident in which I cut off all my hair. I had so much misplaced anger and seemed to take it out on my hair. Julian called the doctor and he said I was entitled to have a meltdown. I am not an emotional person, but this tested me.

88. Julian had to stay at home whilst I was working.

89. Julian had by now been in contact with a lot of other Sub Postmasters. He had kept his documents and all his paperwork.

90. He found out that there were other Sub Postmasters that had been suspended so he started to investigate it.

WHAT WERE THE CONSEQUENCES OF BEING CONVICTED OF A CRIMINAL OFFENCE AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

91. Julian was ordered to do 200 hours of community service and pay £3,500 toward the Post Office's costs.

92. He cleaned graves for his community service.

93. This had a profound impact on Julian. It changed him.

94. Julian was unable to gain employment and his physical and mental health were both impacted.

95. He was forced to resign from his position. He was told to sell the house or the business and pay the shortfall back. So, we put the business up for sale.

96. Our lives were turned upside down but I am grateful we had such supportive friends and family to help us at that very difficult time.

97. Julian was Chairman of Astwood Bank Operatic Drama Society. He had to resign his position.

98. I have been in our home 33 years, and I am pleased I have not had to sell it.

99. Julian stayed in the house for about a year, he did not socialise with anyone. He started struggling with his health, he had diabetes and struggled with his mental health. There were occasions when he could not sleep. I went down

and found him in the conservatory and he was suicidal. I talked him round and tried to regain some positivity.

100. Before his convictions he was into theatrics and was such an outgoing person, At the end of 2009/2010 he decided he would hold a meeting at the local village hall. He wanted to tell his story and explained what had happened, this was a huge step for him, but he did it and things seemed to turn a corner.

101. Julian started to work in the shop, he got back into the community, not like he had been before, but it was a great improvement on what he had been like since his conviction.

102. Between 2010 - 2016 I went back to the HMRC. Julian got his state pension and things started to even out. I was looking after my father, so I also had a carer allowance.

103. On 22nd August 2016, Julian unfortunately passed away due to cancer and I have continued his fight to clear his name. I attend every hearing I can and I take with me his tie so that I feel he is with me, which is a great comfort.

104. Had the whole affair with the Post Office not occurred, we would have carried on working in the Post Office branch and shop. When we sold the business, we immediately lost a large annual turnover, together with Julian's salary as a Sub-Postmaster.

WHAT EFFECT DID THESE ISSUES HAVE UPON YOUR RELATIONSHIPS WITH YOUR FAMILY, FRIENDS, COLLEAGUES AND LOCAL COMMUNITY?

105. Both my brothers and all our friends supported us. They bought us Christmas hampers. Family members lent us money and my parents would help us also.

106. We had to stop celebrating things as we could not afford to: it was just survival.
It was very hard. We would worry about paying for the dog and horse.

PLEASE DESCRIBE THE DIRECT AND INDIRECT EFFECT WHICH THESE ISSUES HAD UPON THE MEMBERS OF YOUR FAMILY?

107. Julian and I had no children. His daughter was an adult when this happened, but the conviction impacted our family financially as they had to support us.

108. The community supported Julian and stood by him.

CONCLUDING REMARKS

109. The whole situation with the Post Office has had a significant impact on Julian's life and as he is no longer with us, knowing that he died being known as a criminal and never getting to clear his name is so unfair.

110. Julian and I had adopted and sponsored two children, a little girl called **GRO** in Mali, and a little boy called **GRO** in Brazil. We were sponsoring them until adulthood so they could eat and stay in education. It was heart breaking after Julian's conviction as we had to call them and tell them we could no longer afford to do this. These children were worse off than we were but as a result of the Post Office's actions we had to take the help away from them.

111. His self-confidence and self-esteem were also impacted and cause me so much hurt over the years.

112. I promised him before he passed, I would clear his name. I hate that he passed not knowing that his name was cleared.

113. In January 2016 when he got his diagnosis, I said we had been fighting cancer since 2008. I was angry Julian and my parents did not get the chance to see his name cleared.

Statement Of Truth

I believe that the facts stated in this witness statement are true.

Signed:

GRO

Position Or

Office Held:

Print Full

Date of signature: Jan 11, 2022

Name: KAREN WILSON

FILE REFERENCE

GRO

