

Witness Name: Ms Susan Hazzleton
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Exhibits: None
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THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MS SUSAN HAZZLETON

I, MS SUSAN HAZZLETON WILL SAY as follows:

INTRODUCTION

1. I am grateful to the Chair to be invited to provide a “human impact” statement, concerning the physical, psychological, emotional, reputational and financial consequences to me and my family of being held responsible for shortfalls shown by the Horizon IT system and Post Office Limited’s actions toward me and my family. The initial paragraphs below provide a brief summary of my background, and provide context to the detail of the human impact of the Horizon scandal on me and my family. This statement does not reflect a full account of my experiences or those of my family and if necessary or required I will provide further witness statement evidence.

BACKGROUND

2. I am from Barnsley South Yorkshire. I now live in Essex with my partner of 42 years, **GRO**
3. Prior to moving to Essex, **GRO** and I lived in Australia for 11 years. Our twins were born in Australia and we moved to Essex when they were 1 years old.

4. I have always done secretarial and receptionist roles, I like doing them, I have found it interesting work. I like people, I like typing and the admin process. In Australia I was a receptionist at GIO Insurance and also at QBE Insurance.
5. We moved from Australia to Essex when our twins were born as we were drawn to family ties in the UK. My partner's father had died and left us some money, we decided that with that money we would like to have a business together. We looked around and that's how we ended up with a village post office.
6. The village was in the right position; there was a great school up the street, a hospital 5 minutes away, the house was a 500+ year old grade listed building in a beautiful village, a pub nearby and the city of Chelmsford was only 10 minutes away. It seemed a nice friendly village and good village to bring up our children. It was somewhere to settle down and raise a family. We are still here 30 years later despite what happened with the Post Office.
7. We were attracted to the Post Office because it was something that we that felt we could do and it didn't seem too hard to learn. When we moved my children were 2 years old and we thought that we could run the post office together whilst still caring for our children. We thought that it was something that could be passed on to our children or give them a start in life with jobs when they needed it.
8. We were looking for something we could do together, expand on and leave for our children. We hoped this could be a family thing that we could continue until our retirement and beyond with us taking on more of a managerial approach than hands on.
9. When I thought of the Post Office I thought it was a household name and I trusted the brand and the name. I thought we would be in safe hands.
10. We wanted to offer the Post Office our skills, loyalty, and work as a team with the Post Office. I felt that it was a partnership, that we would be giving value and be a good representation for the Post Office. We wanted to offer people a good service that we were proud of operating.

11. I had hoped that I would have a comfortable life. I would run the Post Office and **GRO** would run the general store. It seemed do-able for us and worked around out family. It seemed to fit the bill.

12. We bought the Post Office business for £46,000 and **GRO**
GRO

13. I was a Subpostmistress of **GRO** Little Waltham, Chelmsford, **GRO**
from 1 March 1995 to 30 March 2001 **GRO**

14. I operated a small village shop from the premises. I did not employ any assistants. The shop was a general store and sold newspapers, milk, tinned goods, selections of deli meats, birthday and greeting cards, the basics. We were licensed, and had a small selection of alcohol. The location was in the heart of the community and we knew everybody in this village.

TRAINING AND SUPPORT

15. When the Horizon system was introduced, I received some initial training from the Post Office. I paid in the region of £3000 for this initial training. I was asked to pay this by the Post Office, it was not optional and I just assumed that this was normal practice therefore, I did not question the amount or the requirement to pay the money.

16. I attended a two-day course (about 12 hours in total) relating to Horizon at a venue in the Margareting area in Essex. The course was inadequate. It was not tailored for people like me who had never touched a computer before. I felt the course instructors were quite pleased with themselves that they were computer literate and went at too fast a pace. I felt quite left behind, as there were younger people who were picking it up faster.

17. In those days not everyone had a computer at home, we did not have one. Half the class struggled to understand the course. During the course we asked to go back or to wait until we had done the bit we were looking at before moving on to the next session/learning piece, I was not the only one asking those questions.

HELPLINE

18. On one Saturday the Post Office asked me to leave the computer switched on for updates, after this things started to go wrong. It was no longer a few pounds out but now hundreds out of balance. I could find nothing that I was doing wrong manually. This is when I started contacted the Helpline weekly.

19. I contacted the Helpline approximately once a week. They were unable to offer much help as they were learning about Horizon just as I was. They seemed no more qualified or experienced than me in dealing with the issue. I think they were out of their depth, I felt that they were inept or incapable of helping as they didn't have the knowledge to help.

20. Their stock answer was *"it'll probably resolve the following week"* when the weekly balance was done. However, the shortfall snowballed each week. They would never give me steps to resolve my issue or offer to investigate it.

21. Eventually I was instructed by a helpline operator to put the shortfall amount in a suspense account. You were only allowed to leave the shortfall amount in a suspense account for 6 weeks and then it would need to be paid because it was my responsibility to make good shortfalls, I took this seriously. There was no help, at end of 6 weeks the Helpline said *"you're responsible you have to make them good"*, whereas before they were saying it would resolve itself.

22. The Helpline told me that I was the only one with this issue. This was reinforced on several occasions. I felt it was me that was at fault. It made me feel like I was incompetent, that it was me doing something and making these huge errors. I felt out of

my depth. The manuals were not for people who were not technically minded, they were for those computer literate.

23. It was just a verbal helpline, no IT helpline for computer issues. I found it odd that there was no IT backup when they put in a big IT system.

SHORTFALLS

24. In this section, I set out in very brief detail my experience of shortfalls arising from deficiencies in the Horizon IT System, and Post Office Limited's actions as a result. This is only a brief introduction to those matters, in order to provide necessary context for the explanation of the human impact which follows.

25. In October/November 2000 I had a shortfall of £6,000 after we were told by Post Office to leave the computers "on" on Saturday. A shortfall appeared and snowballed for 3 months.

26. I asked for assistance from Post Office several times but there was a sheer unwillingness to assist. I made approximately 6 to 8 calls to either Angela Reed (an auditor who had audited me a few times) or Tony Newman (the Area Manager) and the office of the Post Office Area Manager to report the amount of shortfalls.

27. The Post Office's response was that the issue was noted but no guidance was provided. They refused to consider that there could have been a problem with the computer system. I said that I thought there was a problem with computer, but they closed down and said that I was responsible for shortfalls. It was a lack of saying something rather than what they said.

28. In February 2001 the shortfall of £6000 was reduced by Error Notices to £4300. I was told by Angela Reed or someone at Helpline that I had to pay the £4300. I reluctantly paid the sum and informed Angela Reed that I required, on my return from vacation, a full audit of the system to investigate the alleged shortfall of £4300.

AUDIT AND INVESTIGATION

29. Audits took place about once a year.
30. After my calls to Post Office regarding the first shortfall in or around end 2000/early 2001, the Post Office sent a subpostmaster in the Chelmsford area to watch me do my balance on Wednesday to check that I was doing it correctly and to check my manual records and paperwork were in order. He confirmed that these were all in order. He pointed out to me that there had been problems with the system including Giro Bank deposits.
31. In or around March 2001, upon my return from holiday, the Post Office audit team came to my post office unannounced and closed my office. An auditor who I think was Angela Reed found nothing missing and told me there had been problems with pension allowance and Horizon.
32. The Post Office investigators, who were 2 men, came into my house and questioned me for 4 hours. It was traumatizing for me and at the end they said "See you in court", "you could go to prison for this".
33. It was all so sudden and they were accusing me of shortfalls and questioning me. They questioned me on my own and no one was allowed to be with me, even **GRO** my partner, wasn't allowed to be in the room with me. The men were intimidating, one was seated and the other remained standing. They accused me of doing something wrong with pensions and allowances but I had not done anything out of the ordinary.
34. There was no investigation of what really happened despite my requests for help from the Post Office.

SUSPENSION AND TERMINATION

35. I was suspended on 30 March 2001. The Post Office accused me of submitting fraudulent Pension and Allowances vouchers amounting to £300.
36. When the Post Office investigators came into my house and questioned me for 4 hours they removed all my stocks, books, records my computer and even my personal bank statements from the office.
37. Approximately 2 months following the removal of records by the Post Office, the two Post Office audit investigators returned to the office with two police officers, 1 policeman and 1 policewoman.
38. It was terrible, they were opening drawers and my wardrobes and I didn't know what they were looking for, it was awful. They wouldn't let me pick children up. My hair was wet and they wouldn't allow me to go upstairs and put bra on, this made me feel vulnerable and uncomfortable as a woman sitting in a room.
39. They said that I could not collect my children from school but that they could come and wait at police station. I did not want my two 10 year old children in a police environment. luckily I have a very good friend who picked up my children and looked after them until I came back
40. I was taken to the police station at 2.45pm and detained in police cells for 8 hours until 10.45pm. The Post Office accused me of submitting fraudulent Pension and Allowances vouchers amounting to £300.
41. They questioned me about this for hours and refused to talk about the money £4300 that they had taken from me. They were making accusations that I fraudulently made claims of £300. I told them that I paid them £4300 for their problems; I said that there are two parts and you are accusing me whilst refusing to discuss the £4300 that I had to pay. They showed no evidence for the £300 or the £4300. I was questioned by the Post Office auditor at the police station, the policeman supervising them and only said a few things.

42. This made me question why the police were able to be involved with no evidence.
43. I did not have my appointment formally terminated by Post Office in the sense that they did not send me anything in writing to that effect.
44. My appointment was suspended on the basis that the Post Office accused me of submitting fraudulent Pension and Allowances vouchers of approximately £300 and the alleged shortfall of £4,300.

CIVIL AND CRIMINAL PROCEEDINGS

45. The Post Office did not pursue civil proceedings against me for the recovery of the alleged shortfalls.
46. The Post Office pursued criminal proceedings against me for theft. I pleaded not guilty. At the Post Office's request the hearing was deferred on three occasions over a period of 18 months. The Post Office did not present any evidence in the proceedings.
47. In September 2002, having been given an ultimatum by the court, the Post Office withdrew the case at 6pm the evening before the hearing.
48. After the incident I contacted Tony Newman (my area manager) and told him what had happened. He said that I should not have paid the £4,300, which was quite the opposite of what the Helpline had told me to do.
49. I felt that the Post Office would not even consider that anything could be wrong with the Horizon system and refused to discuss the issues properly to resolve it, when it is my belief that they must have known something was wrong with the Horizon system.

50. The Post Office accused me of submitting fraudulent Pension and Allowances vouchers of approximately £300. I strongly deny such allegation and the Post Office have failed to show any evidence.
51. I have previously asked the Post Office for a detailed explanation by Post Office Limited of all evidence analysed by Post Office Limited in support of its conclusion that shortfalls had arisen. In particular, I have asked for a detailed audit trail substantiating the "loss" alleged to have arisen during the period November 2000 to February 2001.
52. I have also asked for details from Post Office Limited of all updates and maintenance undertaken in relation to the Horizon system (to the extent they may have affected my terminal) during the period June to December 2000.
53. I have also asked for details from Post Office Limited of any report or other documents submitted by or prepared in relation to the subpostmaster who undertook the check or review of my bookkeeping and working procedures. None of these were forthcoming by the PO. Instead they wrongly branded me a thief without any proof at all.
54. After the criminal case was withdrawn by the Post Office, I received a letter from the Post Office demanding payment of £1,800 allegedly owed by me. They did not provide any proof or justification that any such sum was owed by me.
55. I showed the letter to my solicitor and was advised to respond to the Post Office. I responded to the Post Office stating essentially that the Post Office had not shown any evidence that I owed the sum demanded or any other money, and that if the Post Office pursued it the court would take a dim view of the Post Office's case given that they had not produced any evidence in the criminal case and had discontinued the case after being given an ultimatum by the Crown Court Judge.
56. The Post Office responded to me by a letter dated 20 August 2004 which stated that they have decided not to pursue it.

57. I was led to believe that I had no alternative but to pay the shortfalls. I reported the problem with the alleged shortfalls and it was not properly investigated by the Post Office nor would Post Office discuss it in a proper way. At the end of the year 2000, Angela Reed had told me that there had been problems with the pension allowances. But in March 2001, when the Post Office audit team and the Post Office investigators accused me of submitting fraudulent Pension and Allowances vouchers, the Post Office refused to accept that there was anything wrong with their system.

58. I reported the problem with the alleged shortfalls to the helpline because I was asking for help to solve it and it was not properly investigated by the Post Office nor would the Post Office discuss it in a proper way.

59. I believe that the Post Office did not have any evidence whatsoever to prosecute me for theft or any other criminal offence, and I believe that the Post Office brought the proceedings maliciously.

60. I paid the alleged shortfall of £4,300 as the Helpline said that it was my responsibility to pay the alleged shortfall. I thought that if I didn't pay them they would shut my post office down and it would be the end of my business. I had asked for the audit to find out what was going on because I wanted my money back, we needed it. However, they never gave me one.

LOSSES

61. I repaid £4,300 paid to the Post Office.

62. I lost the value of the business. The branch premises were purchased in 1993 for £46,000. These premises, have since my suspension in 2001, been unoccupied and only have value now if converted to form part of my home. The building work would cost at least £25,000 but could be higher.

63. I lost my earnings during my suspension, £972.33.
64. I lost my earnings after I was suspended. My income of £11,668 per annum dropped to £9,000 per annum.
65. It was a traumatizing ordeal, not only for me but my family as well. The conduct of the Post Office was heavy handed, aggressive and unwarranted.
66. The local newspaper carried a section with my name saying that I had been accused of theft.
67. People in my village avoided me and talked behind my back. There were rumours, gossip. My friends told me that I was the talk of the village. My friends would defend me and it was hard for them. I could hear people at the door trying to open it and hear others gossiping. I would shut my curtains or go out in the car so I did not have to see people.
68. I have asked Post Office for a written apology but this was not forthcoming.
69. The shortfall in the family income resulted in the repayment mortgage being unaffordable. Consequently, the mortgage was converted to payment on an interest only basis. This resulted in the mortgage being repaid more slowly than would otherwise have been the case. I estimate that the duration of the mortgage has been extended by 10 years. Interest payable on that mortgage for 10 years more than would otherwise have been the case at a cost of approximately £70,000. Our mortgage period is up and we will be forced to sell the house to repay bank the mortgage as we haven't been able to catch up with payments that have fallen due. We should have been able to retire here.

HUMAN IMPACT

70. I suffered serious problems with the Horizon system including shortfalls. The result of which led to me being investigated by the Post Office Fraud Team for a £4300 shortfall. The investigators came to my home before I was subsequently questioned at a police station.
71. I was awaiting trial for 18 months. The date of trial changed on three separate occasions before the prosecution was ultimately dropped due to lack of evidence.
72. This was an exceptionally upsetting and stressful time for me and my family. I was not party to the mediation in 2013 but I was party to the group litigation against Post Office Ltd, as a result, I am excluded from the Historic Shortfall Scheme.
73. As a result of being required to make good shortfalls, our finances took a plunge. The Post Office took everything that belonged to them and we couldn't fully stock the private part of our business and therefore people stopped coming and takings were severely hit.
74. It felt like my life was unravelling and that nothing was in my control. It felt that everything we were working hard for was being taken away.
75. When I was accused of being responsible for the shortfalls I was in disbelief. The system had been showing discrepancies, which were snowballing each week. Each week I reported them to the badly named 'help line' who were no help at all, they just casually said to put them in the suspense account. The Area Manager, Tony Newman, was hardly ever available and was equally unhelpful.
76. Tony Newman, the Helpline and the Post Office investigators all told me that these shortfalls and discrepancies were not happening to anybody else. It made me feel incompetent and that I was the one who was making the alleged mistakes

77. The consequences of being held responsible for shortfalls and discrepancies were devastating. My office was closed without any discussion or notice. We were left without an income, and in a state of shock.
78. After a few months we did get jobs that fitted around the children, but they were not well paid. We had to change from a repayment mortgage to an interest only mortgage, and we have never been able to catch up. So at 67, I still work 4 days a week, and we will probably have to sell the property which is also our home to pay the bank the sum outstanding. My partner **GRO** is unwell at the moment so is unable to work.
79. Being accused of committing a criminal offence was demoralising, confusing and frightening, I felt totally helpless to do anything. I had to take time off from my jobs to go see solicitors and lawyers to defend myself against the false allegations.
80. I wasn't convicted of a criminal but it was an unbearable 18 months of several court dates being made and cancelled before the Post Office withdrew the case due to lack of evidence the evening before I was due to go to court.
81. In the lead up to the court date, I was very anxious and sick every day. I kept thinking cannot be sent to prison when I have done nothing wrong. But it had got this far without anybody stopping it, all the while knowing I hadn't done anything wrong and nobody proving that I had done anything. I wondered what dirty tricks the Post Office had.
82. When they told me that I could go to prison and kept cancelling my court date, I wanted to make sure my children were prepared and had homemade food so I filled up the freezer with homemade food for my family. I prepared as best I could for what might happen.
83. I was the talk of the village, people would cross the road to avoid me. We tried to keep the private side of the business open, but only a handful of people came in, so we had to close.

84. As in a lot of small villages, the post office is attached to our house and I could hear people trying the door and gossiping outside. I was anxious to go out and kept the curtains closed so that I did not have to see people.

85. My young children were taunted at school. Kids would say *"your mother's been stealing"* and *"it's your mum's fault we don't have a post office"*. My children were pushed and mildly bullied. They had to defend me and themselves.

86. My children were upset by it, I had to sit them down and tell them that would hear stories about me but I assure you mummy has done nothing wrong and that the stories were untrue and they should ignore them. This was a hard and upsetting conversation for me to have with my children, all I wanted to do was reassure my children.

87. I also spoke to my children's school as well; it was very unpleasant for a number of weeks.

88. I was shocked and upset by people. Some people put cards through our door and my core group of friends were and still are true friends.

89. My partner knew that I had done nothing wrong but suffered the same as I did. Some people made comments about me to **GRO** that I was a thief and that he must have known.

90. My family always had true belief in me and we are still a very close family.

91. There was an article in the local newspaper saying I had been charged with theft. This made me feel so bad. A friend in the village rang me and asked if I had seen the Essex Chronicle, I was traumatised.

92. My son has gone on to develop **GRO** that I believe could have been started by this time in his life. Whenever my son has been to see a **GRO**

GRO professional they always want to know about his childhood and it makes me wonder if something happened during that period that rocked him as the rest of his childhood was normal with no other upsetting incidents.

93. My children remember the time but we do not dwell on it.

94. After my post office closed, we read in a subpostmaster's magazine that someone else in Essex was accused of something similar and I thought it was not just me. I remember going with this Indian chap to an Employment Tribunal in Stratford for support. That was the first I thought this was no just me.

CONCLUSION

95. It was a very hard time and even though 20 years have gone by it still upsets and angers me.

96. As a result of what the Post Office did I had to change to an interest only mortgage, so now when should be retiring I will have to sell my house whereas I should have been sitting comfortably with a village shop which would have been something for our children.

97. I hate the Post Office. I hate what they stand for because they must have known that there were problems and they have hidden them, hidden behind government money because they can. I hate that they took money from us and that I do not know what they have done with that money. I hate what they have done to lives including mine. I think without the group litigation and the inquiry what the Post Office did would have been swept under the carpet.

98. I would like transparency and for the Inquiry to find out what went on and who knew what. I would like to know what happened to the money.

99. I would like a big newspaper headline apology from the Post Office.

100. I would like financial compensation.

STATEMENT OF TRUTH

I believe the content of this Statement to be true.

Signed... **GRO** Dated... *12/1/22*

Susan Hazzleton