

Witness Name: Mr Guy Vinall
Statement No.: WITN0205_01
Exhibits: None
Dated: 15 January 2022

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR GUY VINALL

I, MR GUY VINALL 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. I can confirm that I have been informed that a false statement verified by a statement of truth constitutes contempt of Court if made without honest belief in its truth.
2. I am now 59. I have three children. Before becoming a subpostmaster I worked with Trust House Forte and was the youngest ever hotel manager. I later set up a successful catering business. Amongst my clients were Princess Diana and Margaret Thatcher.

BACKGROUND

3. My father ran a post office for approximately 20 years. He was getting older and he suggested to me that I come and take over the post office from him, to keep it in the family. I discussed this with my wife, and we decided that we would, as we felt that running the post office would allow us to be closer to my parents and to have a life that allowed us to spend more time with the children. I was also very much interested in playing an active role in the community in the village where the post office was the only real outlet or service for the community.
4. My father initially remained as the subpostmaster and employed me as his manager. I worked as the manager for 5 years. I then applied to become the subpostmaster and, as a result of the family connection and my work as manager, my application was accepted very quickly.
5. I was a subpostmaster of Main Road, Funtington, Chichester, West Sussex PO18 9LJ from 2004 to 2009. I had worked at the branch from 1999 and took over from my father as subpostmaster in 2004. I also live in linked residential premises.
6. I operated a retail business from the premises providing a full retail outlet for everyday needs. I employed one assistant in the post office during 2008/2009 for about a year. I sacked this assistant due to the alleged shortfalls. My wife assisted me in the branch from time to time and particularly after I suffered an accident.
7. It is important to highlight what a vital part the post office and shop played in the village and for the surrounding villages. There were no other post offices or shops nearby. As such, our post office was the hub and heart of the village and for nearby villages.
8. Oddly, as a condition of my appointment as a subpostmaster, I had to sign a Non-Disclosure Statement, pursuant to the Official Secrets Act 1989. I do not understand

why I was required to sign this, and Post Office Ltd requested that I did so again on 16 July 2007.

TRAINING AND SUPPORT

9. I recall having two days of training at a hotel. I received a further two days' training in the branch where a Post Office representative simply observed my work. I found the training to be wholly inadequate, and I felt that I was thrown totally in at the deep end, despite having worked in the branch for 5 years prior to this.

HELPLINE

10. I contacted the helpline approximately 2-3 times per month. I believe that I made up to about 200 calls to the helpline. I rang the helpline almost every, if not every, time I experienced a shortfall, which was on numerous occasions.
11. The knowledge of the staff on the helpline was fundamentally flawed. They were simply not trained enough to answer the questions I posed. It seemed that they did not have knowledge of the system and they were reading from a computer generated script.
12. On a number of occasions I was told by the helpline that they would call me back, which they rarely did. I was also told on a few occasions (when I called to report a shortfall) to put the shortfall into the suspense account so that I could balance and open up the following day. I remember on one occasion the representative said something along the lines of "*don't worry about it, it will sort itself out when you come to do your final balance*". This was the helpline's standard line, and it was never true.
13. On the occasions that I had held money in the suspense account, I rang the helpline for assistance at the end of that week. On one occasion, the representative simply said to me something along the lines of "*you must have made a mistake Mr Vinall, you will have to put the money back in yourself*", before they had even investigated the matter.

14. No one at the helpline ever told me that other subpostmasters were experiencing similar problems, so I was led to believe that it was just me.
15. The situation deteriorated when an ATM machine was installed. I recall ringing the helpline about 15 times on this issue alone. I even asked the Bank of Ireland (who provided the machines in a partnership with Post Office) to investigate the problems, including a £6,120 credit, but the problems were not resolved.
16. I explained to David Shotten of the Post Office (my area manager) that I was experiencing problems. I remember Mr Shotten telling me that other Subpostmasters had experienced problems with the ATM machines, which was a surprise after what the Helpline had previously said. However, he did not mention anything about potential problems with Horizon.
17. I also contacted the helpline when I had a serious accident on my hand at home which left me unable to work. The helpline simply said that I would need to get my wife to run the branch in my absence, and offered me no further assistance. I was not offered any relief or sick leave, but effectively just told to get on with it. This was unacceptable, given that we were handling large sums of money.

OUTREACH WORK FOR POST OFFICE

18. While I was working as a subpostmaster, the Post Office approached me and told me that another subpostmaster had been suspended for alleged shortfalls. They asked me if I would step in two days a week to provide interim outreach support for this post office. They approached me because they obviously trusted me as a person and as a person who would undertake this task diligently.
19. I therefore ran my own post office and another post office, at the request of Post Office Ltd, for approximately a year.

20. I knew this subpostmaster's family well. They told me that his suspension affected him very deeply and that his health suffered greatly. In their view he died early, in large part due to the treatment he received at the hands of the Post Office.
21. This experience should have rung alarm bells for me.

SHORTFALLS

22. 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.
23. I am only able to give approximate figures, although I do have a clear recollection of payments having been made by me, approximately £100 - £300 every two to three months during my appointment. These regular medium sized sums are separate to the larger losses, which I detail below.
24. I recall that Post Office Ltd changed the computer tower system in the branch, as they said it was broken. Post Office Ltd removed this from the branch and replaced it with another tower. They did not carry out a balance before or after this change-over.
25. With hindsight, I wish that I had asked for the hard drive of the old equipment as this would have provided me with some evidence to demonstrate that the Post Office's system was faulty.
26. Shortly after the replacement of the equipment/system, I began experiencing shortfalls. I was sure that the shortfalls were caused by the new equipment/system. However, in light of what the helpline had been saying to me (detailed above) I believed that I had no choice but to make up the alleged shortfalls from my own money, which I did.

27. The two largest shortfalls were:
28. **Shortfall 1:** £2,500 in or around 2006. I repaid the Post Office for the apparent loss from my company's account. I repaid the money immediately and it was therefore shown as cash in the accounts.
29. **Shortfall 2:** £28,298.54 in or around October 2009. My father and son both had to take out a loan to repay the Post Office the full amount, which I still owe to them.
30. The Post Office forced me to sign off the alleged loss in the auditor's report.

AUDIT AND INVESTIGATION

31. I believe that I only had two audits in the whole time I was in position at the branch, which took place on around 10 January 2009 and October 2009.
32. Regarding the audit in October 2009, I carried out my accounts one evening, which balanced. The following night, a shortfall of approximately £11,000 was showing. I knew that this must have been an error because I had balanced correctly the night before and there had never been, in the history of my time at the branch, an occasion when so much cash was being turned over at the branch in one day.
33. Further, I was only permitted to hold £6,000 of cash and £5,000 of stock in the branch.
34. I rang the helpline at about 7pm. The helpline representative said that they knew it must have been an error, as it had not shown up in the daily figures, and they confirmed that they would reverse the alleged shortfall. They said that they would access the system remotely, but that I had to actually input the necessary steps to action the reversal myself.
35. I followed the instructions being given to me on the phone by the helpline official carefully, and suddenly the shortfall exactly doubled to £22,000.

36. I would emphasise that the shop was closed at this time, and no transactions were taking place.
37. The helpline staff said something along the lines of "*I don't know what's happened there. I'll call you back*". I did not receive a call back.
38. The following morning the Post Office auditors arrived and they had been notified of the £22,000 shortfall, despite the fact that no one called me back to assist me the previous evening. The auditors said that they were there to do a full audit, but not to help me get to the bottom of the problem.
39. The auditors subsequently reported a 'loss' of £28,298.54.
40. I have seen no evidence of any adequate investigation. I was provided with no evidence or data which would have allowed me to independently review the auditors' findings.
41. The finding was obviously nonsense, and I told the auditors this and described my call with the helpline the previous night. I urged them to check with the helpline to confirm that the shortfall was obviously a computer error.
42. Given that the Post Office would not investigate the problems, I asked the bank (Bank of Ireland, who owned the machines) to investigate the ATM machine, including a credit of £6,120 as I detail above.
43. I could not determine the cause of the alleged £2,500 shortfall detailed above, and I therefore sacked my assistant, despite her assurances that she had not stolen the money.
44. I now feel confident that my assistant had not made a mistake or been dishonest, but that the Horizon System was deeply flawed.

45. I greatly regret the fact that I believed the Post Office and its Horizon System, and that this led to the dismissal of a good, hardworking and decent person.
46. I was invited to a formal interview with Ms Carol Ballan of the Post Office. Part of this interview was recorded.
47. This was an entirely one-sided meeting in which the Post Office applied pressure on me to make admissions and to agree to repay the shortfall. I was not given the opportunity to tell my side of the story at all.
48. It was clear that Ms Ballan had pre-determined then outcome and that she believed that I was guilty before I even attended the interview.
49. When I explained about the £11,000 doubling following the helpline's instructions, Ms Ballan said something along the lines of *"well, the auditors went through it and didn't pick it up, it can't be a computer error. It must have been a human error"*.
50. I remember my father, who was present, said to Carol Ballan *"in English law you are innocent until proven guilty"* and she replied something along the lines of *"well, the figures don't match"* and *"the figures don't lie"*.
51. Ms Ballan said that an investigation manager was reviewing the discrepancies. However, she concluded during the interview that I was guilty, despite no investigation having been completed. I was therefore found culpable without any investigation.
52. Ms Ballan said something along the lines of *"you will need to pay the money back or we will prosecute you"*. Carol Ballan did not tell me that anyone else was experiencing difficulties like mine.

SUSPENSION AND TERMINATION

53. I received a phone-call from the Post Office later in October 2009, informing me that I was suspended while they conducted their investigations. They had closed my post office on the same day as the audit.
54. The Post Office put a temporary subpostmaster in position about a week after my suspension.
55. I was not allowed in the branch and could not access any information so I had no opportunity to investigate the matter myself or to have a chance to prove my innocence.
56. I stress that at no time was I provided with any opportunity or the means to investigate this matter myself or to get an independent auditor to do so.
57. My contract was terminated by the Post Office by letter dated 5 January 2010 in relation to the alleged shortfalls and various other alleged breaches.
58. I was not given any notice of termination, I was terminated with immediate effect. I appealed my termination, but this was not upheld.
59. The Post Office closed the branch temporarily. This was the main asset of the business, which meant that I was not able to sell the shop either.

CIVIL AND CRIMINAL PROCEEDINGS

60. The Post Office did not pursue criminal or civil proceedings against me for recovery of the alleged shortfalls. However, in my formal interview it was stated that I might be subjected to criminal prosecution. As such, I lived under the threat of criminal prosecution throughout.

LOSSES

61. I paid the Post Office at least £33,500. I am certain that those sums were not in fact shortfalls, but created by computer error. For example the shortfall I detail above where an obviously erroneous £11,000 shortfall, suddenly doubled (while I was on the phone to the helpline) to £22,000.
62. I lost my business. I invested about £200,000 in buying the branch (£100,000 by way of a loan, which I am still repaying, and a further £100,000 from my savings).
63. I also invested heavily in the branch by building a five bedroom residential property above the shop, I invested significant sums into the business and was planning to add another counter at the time of my termination. The branch was an extremely profitable one, making about £60,000 of profit per annum.
64. I lost my earnings of approximately £7,500 during the period of my suspension, based on my average monthly remuneration of £2,500.
65. I lost my income in the period in which I would have expected to be given notice; i.e. 3, 6 or 12 months' notice. I would have been due £7,500 based on three months' notice. Alternatively £15,000 for 6 months or £30,000 for 12 months' notice.
66. I had taken this post office over from my father. I would have worked in it until retirement and then passed it on to my son, in the same way as I had taken it over from my father. As such, during this time I would have expected to earn in the region of £540,000 from my Post Office in salary and £252,000 in net profit from the retail business.

HUMAN IMPACT

67. As I have said, I suffered serious problems with the Horizon system including very serious shortfalls. I was threatened with prosecution by the Post Office due to £28,000 unexplained shortfall.
68. The impact on me of the treatment the Post Office subjected me to has been immeasurable. The mental stress was so great for me that I had a mental breakdown and turned to alcohol as I sunk further into depression.
69. I attempted suicide on several occasions and was admitted to a mental health institution twice.
70. My marriage also broke down, as my wife was no longer able to cope with my depression.
71. Also my sense of dignity was destroyed. I was a central person in our community, very much part of the hub of the community. I took great pride in my roll and work within my village and the surrounding villages. I was very well known in this rural area. My role, my life and my place within the community was taken away.
72. I cannot ever be fully compensated for what the Post Office has done, they have literally ripped the life out of me, my family, my friends and the local community.
73. The post office and shop that I and my family ran has been permanently closed, which means that my community lost its post office and shop and has therefore lost its heart.
74. It is my hope that this Inquiry will recognise the harm that has been done to decent law abiding people like me and direct that full compensation for the financial elements, the emotional stress and for the loss of a life I and other subpostmaster loved and lost.

75. I still cannot get over the occasion of the most serious shortfall. It was evening time after the post office has closed. I was on the phone with the helpline trying to sort out the unexplained shortfall of £11,000; a sum that simply could not have arisen in my small post office. The helpline had so little knowledge of the system that by the time the call had finished, the amount of the shortfall had doubled.
76. Just one call from the Post Office auditors to the helpline, or even the most simplest of investigations, would have confirmed that this shortfall was obviously a computer error.
77. For whatever reasons, the Post Office did not investigate this obvious fault in their system. Their refusal to take the most basic investigatory steps, ruined my life.
78. At no time was I allowed to see the data on which this ridiculous sum was based. I was convicted without investigation or trial.
79. I was told, by the Post Office, in no uncertain words, that unless the shortfall was made good I would be sent to jail.
80. I was told that I was the only one who was experiencing these problems with the Horizon system, I later discovered that not only was this was not true, but that the same problems were occurring across the UK.
81. As I have said, I had a formal interview with a Post Office investigator called Carol Ballan. My father accompanied me to that meeting where she gave us to understand that I was the only subpostmaster experiencing these problems. This was untrue.
82. I could not afford to pay the £28,000 that was demanded by the Post Office. My elderly father, who had accompanied me to that interrogation, agreed to find a way to pay this money in order to keep me out of jail.
83. My elderly father and my son both had to take out loans to pay this money to the Post Office to stop me from being prosecuted.

84. My father stated that his agreement to meet this demand was no admission of guilt. My father agreed to pay this money, which he did not have, to keep me out of jail and for my mental health; as I was at my wit's end at this time.
85. It was and is wrong that my elderly and retired father and son had to borrow this sum to save me from the threat of prosecution and jail, when I had done nothing wrong.
86. It was humiliating for me to have to accept money from my father and my son to pay this money to the Post Office.
87. Accepting this charity destroyed my standing within my family. I felt that my family doubted me. For example, at one stage my parents even thought I must have been gambling away the post office money.
88. The impact on the happiness and trust within my family was massive. I felt that I had let my parents down. At their time of life, I felt that I should be caring for and providing for them, instead they had to mortgage their retirement to protect me from jail. The sense of failure I felt was immense.
89. Also, because the post office and shop closed, this ripped the heart out of the community. Everyone in the village and surrounding villages knew that the post office had been closed, and people believed that I had done something wrong. There was no hiding from this.
90. After the post office closed, my friends shunned me, and people crossed the road so as to avoid me. This still happens now.
91. I used to attend rugby matches with a number of locals regularly. After my termination and the closure of my post office I was never invited again.
92. As I say, my mental health suffered dreadfully. I fell into decline and turned to drink. I would lock myself in the house with the curtains closed and would not go out for days on end.

93. The impact on my family of all of this was immense. My wife left me, because I had turned to was drinking to drown out my despair. My children doubted my innocence as did my extended family, my friends and the community.
94. I felt like a pariah. It wrecked everything in my life. I had no friends, no life, nothing. I still now wonder if I would have been better off dead.
95. My life got so bad that even my dog was taken away from me for its safety. This was almost a killer blow.
96. I attempted suicide a number of times. I was admitted to hospital after attempting suicide by taking tablets and on another occasion when I attempted to hang myself.
97. My children suffered deeply also. My daughter contacted me urgently and repeatedly on one occasion, as she had heard of someone committing suicide and thought it had been me.
98. It would be almost impossible for someone who had not been a subpostmaster to understand what it was like to go through these problems with the Post Office, and the loss of your life, livelihood, business and place in the community.
99. I finally found a way to come back up out of the deep dark place that I was in. My GP was a huge help and supported me greatly. I also found a new partner who has given me hope in my life again.
100. My former wife and children now understand that I did not take money from the Post Office, and that in fact I was let down by the Post Office.
101. I am slowly making my way back to living again.
102. However, I remain effectively destitute, in debt by £250,000; I have no family home, no pension; nothing.

103. We had a good business, which was hard work but essential for a community. It was a valuable asset for all. It is gone and lost to the community forever.
104. As such, the Post Office not only ruined my life but took the heart out of my village community and the surrounding villages.
105. I want justice for myself, my family and my community.

CONCLUSION

106. What happened to me, happened to hundreds if not thousands of other decent people, who were subpostmasters or post office managers. What was done to me and others is a disgrace that is beyond my ability to put into words.
107. I was threatened with prosecution and was financially broken. However, no one within the Post Office has been held to account, no one at Post Office has been confronted and made to realise the consequences of what they have done or allowed to be done.
108. Subpostmasters need to be repaid for our losses and compensated for what was done to us.
109. However, we also need those responsible held to account publicly.

STATEMENT OF TRUTH

I believe the contents of this statement to be true.

Signed.....
Guy Vinall

GRO

Dated..... 15/01/2022