

Witness Name: Ms Louisa Powell

Statement No.: WITN0214_01

Exhibits: None

Dated: 21/11/2022

IN THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MS LOUISA POWELL

I, MS LOUISA POWELL, 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.
2. I grew up in Worcester and I moved to Dines Green when I was 17 with my husband.
3. I live with my husband; we have been married for 21 years and we live a short walk away from the Dines Green post office. I am a mother and grandmother. I have three daughters, my eldest is 25 and she lives with her son who is 6. I have twins aged 17 and they live at home with me and my husband.

Background prior to appointment as SPM

4. I have a background in retail.

5. Before I worked in the post office, I worked in the adjoining retail store for years.
6. I ran the shop under the previous owner before Linda Little took over and I loved it.
7. I am a people's person so I loved working in the shop and being involved in the community.

Decision to become a post office manager

8. I was the manager of Dines Green post office, and the subpostmistress was Linda Little whom I worked very closely with.
9. Linda has seen this statement and confirm that the content of it is true.
10. I was the shop manager; I had always wanted to work in the Post Office. It was a trusted brand and having run the shop for so many years I was used to handling money. I used to balance the tills and I was never once short. I was good at handling money and confident in my abilities.
11. When Linda took over, in 2013 she trained me in the post office.
12. Getting trained in the post office felt like the natural progression for me. It allowed me to be involved in both the shop and the post office and I became a pillar of the community.
13. This was a long-term career plan for me. I wanted to work in the Post Office up until retirement, I loved it that much, and I think I would have worked beyond retirement.

Training and Support on the Horizon system

14. I did not receive any formal training from the Post Office themselves.

15. I was trained as an assistant in the post office by the previous subpostmaster and then I received further training from Linda, the subpostmistress, when she took over in 2013.

Horizon Helpline

16. Linda Little (the subpostmistress) and I telephoned the Helpline about alleged shortfalls quite often. Most of time, Linda reported the alleged shortfalls but any time I reported them, the Helpline told me that I had to make it good and settle it by cash or centrally on the system.
17. I was given the impression by the Helpline that there was nothing they could do when an alleged shortfall arose.
18. I recall one occasion where Linda and I were told that the Helpline would telephone us back, and we waited until 11pm for this call. As it was getting late, we telephoned them, and we were informed that the Helpline closed at 9pm.
19. I do not recall ever receiving a further call back after this.
20. In the end, it became clear the Helpline would not be able to assist us in resolving the alleged shortfalls, so eventually my contact with the Helpline in relation to alleged shortfalls diminished.
21. I remember myself and Linda telephoning the Helpline about an alleged shortfall that we had settled by cheque for around £400. We understood that in making the alleged shortfall good by cheque we had to telephone the Helpline to process it through the system. We managed to get the cheque on the system, but it did not process correctly so stayed there. We stayed at the branch until around 10pm and spent hours on to the Helpline who could not work out how it was processed.

22. In the end, we managed to resolve it on the system.
23. When I returned to the branch the following day, the cheque was still showing on the system and Linda telephoned the Helpline multiple times and was told to put it back through the system which meant further shortfalls showed on the system. We settled this centrally on the system on the understanding Post Office would investigate this further.

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. I would estimate that throughout my position in the branch, I paid (or Post Office deducted) in excess of £20,000.

Shortfall 1

26. An alleged shortfall arose on the system in excess of £572.85 and after checking through the system we opted to make it good by cheque on the system so that the accounts balanced. The cheque was not processed correctly on the system and the Helpline could not resolve this. It was repeatedly processed through the system, so I believe we probably made this good about 3 times.
27. Eventually, Sue Gaffney (a Post Office auditor and trainer) attended the branch to help look into the issue with the cheque and the issues on Horizon. She came into the branch and spent a short amount of time with us. Sue told us that she would ask her colleague, Judy Boulderson to come into the branch as she would be able to help.

28. A few days later Judy came into the branch and got her laptop out next to our system. She spent a long time looking at the issue with the cheque and said that from what she could tell it should have been showing as a surplus, not a loss on the system. Judy told me that she had cleared the cheque and the alleged shortfall on the system and asked Linda to make it good by card that day. Linda did so.
29. Judy also conducted a quick cash check at the branch and she said that everything was fine, but we never received a formal audit report or anything to confirm that the issue was resolved in writing.
30. When Judy was at the branch she told me not to ring the Helpline any more with regard to alleged shortfalls, but that we should just contact her directly. I therefore took her advice and when another alleged shortfall arose on the system the following month I tried to contact her. I have sent Judy several emails and telephoned her several times to raise the issue and she did not respond to me.
31. In addition, we were never told by the Post Office that we could have alleged shortfalls investigated. The standard advice from the Helpline was that we had to make it good, so I never knew there was an option to have it formally investigated. I did think that in settling an alleged shortfall centrally on the system this would be at the very least reviewed by the Post Office, but I now understand this is not the case.

Shortfall 2

32. An alleged shortfall arose on or around May 2017 when two MoneyGram transactions were refunded amounting to £1,553.00 and £1,303.00. The customer had paid on her card, so we refunded the money to her card. When we were balancing on the system, I noticed that there was an alleged shortfall of around the same amounts showing in cash. I telephoned the Helpline and they were adamant that I must have refunded it in cash. I checked the receipt I had printed following the transaction and it said that it was refunded by card.

33. Eventually, the Helpline explained that the transactions had been processed twice and refunded three times which meant there was an issue. They told me that it would be put into the suspense account until I contacted the customer.
34. Luckily, I knew the customer personally, so I was able to contact her to check how many times the money had left her bank, and how many times it had been refunded. She confirmed both had been processed only once. I told the Helpline about this but they told me that it was our fault and we had made an error. We spoke to the Helpline numerous times about this and it was never resolved.
35. Eventually the error notice came through on the system and Linda received a letter demanding repayment of the alleged shortfall. I called the Post Office on receipt of this letter but they would not listen, and the shortfall had to be made good. I believe it was shown as a loss during this period.

Shortfall 3

36. I was having problems with the ATM and online connectivity at the branch. A customer came in and tried to withdraw £80 cash from her account. The transaction did not work correctly on Horizon system but the customer showed me that the money had been deducted from her account so I had no choice but to pay the £80 cash to her as I could see that it had come out of her account, and I thought I would have been able to get it sorted through the helpline.

Shortfall 4

37. On 27 September 2017 following an audit there was an alleged shortfall of £64,648.31 (on the audit report) but according to the Post Office's letter dated 17 October 2017 it amounted to £67,230.65. Angela Green of the Post Office verbally confirmed that this would not be recovered pending the conclusion of the investigation into the alleged shortfall, but she has failed to confirm this in writing.

This alleged shortfall was discovered at the audit of the branch, so I had not previously dealt with it in the accounts.

38. Generally, when alleged shortfalls were shown on the system when I was completing a balance, I tried to check back through the transactions and spent time re-counting the cash and the stock. I then opted to settle the alleged shortfall by cheque on the system, write it out and post it to the Post Office for it to be processed.
39. Eventually, the alleged shortfalls started becoming unsustainable, so I opted to make the alleged shortfall good by cheque on the system and write the cheque out to balance. However, I did not pay the cheque in, in the hopes that the problem might resolve itself in the following 4 weeks.
40. On some occasions, I did opt to settle the alleged shortfalls centrally and I understood that in doing this the Post Office would investigate the alleged shortfall. The alleged shortfall was then deducted from Linda's wages, and I would have my wages reduced to cover this.

Audits and investigations

41. The auditors attended the branch without notice on the morning of 27 September 2017. I panicked straight away because I knew that we had not been able to make good all of the alleged shortfalls that had arisen in recent months.
42. The auditors began conducting the audit and we were not given the opportunity to verify their findings.
43. Eventually, we were told that there was an alleged shortfall of around £5,000 in stamps. I was adamant that this could not be the case, as I knew what stock we had in branch. I pushed back on this, and they agreed to re-count it. They returned with a figure of £2,800 short. I was getting more and more frustrated and upset because

they were not listening to me. I eventually told them that I did not agree with the figure, but I felt as if we had no option but to accept it.

44. Once the audit had been conducted, we were told that there was an alleged shortfall of around £30,000 in the £20 notes. We were aware of this, so we told the auditors that this was expected.
45. However, the overall shortfall, we were told, was around £62,000. I do not recall the auditors going through the breakdown of the alleged shortfall with us in any more detail.
46. Linda received a telephone call from her contracts manager, Mr Paul Williams, later that day. He confirmed that she was suspended from the branch. Mr Williams advised Linda to seek advice and support from the NFSP Union and that he would call her again the following day.
47. I found the whole experience traumatising. I was extremely anxious and upset when the auditors were at the branch and the auditors were not sympathetic to our situation. The auditors made me feel invisible and completely disregarded our concerns about what was happening with the computer system.
48. I had asked the auditors to investigate the alleged shortfall, but they did not listen and did not try to engage with me. It felt as if they were at the branch for hours and as if they were looking for us to be at fault. I felt completely helpless, and I have not been the same since the day of the audit.
49. Linda and I have written to Post Office to demand a full investigation into the alleged shortfall, which is now stated as £64,648.31 on the audit report and £67,230.65 in Angela Green's letter to Linda dated 17 October 2017.
50. We were told by Mr Williams, the area manager that he was investigating this and that he has previously sent a substantive response to us. We have not received this

and have made several attempts to chase this from him since. He has not responded to us, other than to arrange for the branch to be defunded.

51. I have never been presented with any evidence that the Post Office have taken any steps to investigate the alleged shortfalls at the branch either before or after the branch was closed.

Suspension and Termination

52. I was not suspended, but I was told by Mr Williams that I could not be appointed as temporary subpostmistress or work in the branch. Therefore, I consider myself informally suspended.

Human Impact

53. Linda Little and I had to use the profits from the retail side of the shop to help cover the shortfalls. This made it very hard to restock the shop and in the end we had hardly any products to sell.
54. Linda and I had to take out Provident loans and Shopacheck loans in order to cover the shortfalls. I am still in debt to this day with the Provident.
55. I have to keep paying off and renewing the Shopacheck loan because the interest is so high, and I just do not have enough money to live so I have to keep renewing it every year.
56. I also had to borrow money from my mother and Grandmother to cover the shortfalls, and I have never been able to repay this as I cannot afford to do so. Therefore, my family have suffered and are also out of pocket because I was required to contribute to making good the shortfalls.

57. Every bit of spare money we had went into the post office only to end up being lost again. This had a very big impact on me and Linda. Linda had to put so much money into the post office to cover the shortfalls that both of us were left without a wage.
58. There is no money left. It took everything from us, not just money. If anything could break a person, Horizon could, and it did.
59. It was a constant battle with Horizon. I was always sad and ended up becoming very depressed. No matter how many times I called the helpline they were always useless. I was given reference numbers and would ring back and speak to someone different who would give me different advice and they always made it into a bigger problem than it already was.
60. In the end I was too scared to ring the helpline. They did not seem to know what they were doing, and it was extremely frustrating for me. I would often end up in tears in the office and this drove me to taking Diazepam to help me with the panic.
61. Customers witnessed me crying in the office going through piles of receipts trying find a mistake, I look back now and think how unprofessional I must have looked but, that's how much it affected me.
62. Not being able to get the help I needed caused me to blame myself even though deep down I knew it was not my fault. To give you an example, Linda and I decided to work separately to figure out where the money was going/who was at fault. We decided I would work 2 weeks by myself in the Post Office and Linda would do the same the next 2 weeks. In the 2 weeks we each had off, we had nothing to do with either the Post Office or the shop in an attempt to figure out what was happening and who was at fault. I worked the first 2 weeks by myself again experiencing money shortfalls and missing stamps. I was devastated by this, I thought I was the problem.
63. Then Linda did her 2 weeks all by herself and the same thing happened. She had cash shortfalls and missing stamps. The same thing happened to both of us, and it was at

this point we realised that something was seriously wrong with the Horizon System. But we couldn't get any help or find out where the missing money and stamps were going.

64. We both ended up in a very bad place, we were frightened and stuck in limbo not knowing what to do.
65. Unless you are put in such a position it really is impossible to imagine what it feels like to be held responsible for shortfalls that are no fault of your own and impossible to prove.
66. It is draining, mentally and physically. I was exhausted constantly looking for the errors to explain the missing money. It made me anxious, and I became depressed unable to shift this constant feeling of dread.
67. It took over my life. Horizon destroyed what should have been some of the happiest years of my life, spending time with my husband, raising our children and watching them grow up. Instead, I was looking for money that had become invisible once it entered the Horizon system. It was swallowed up and vanished, never to be seen again.
68. I felt empty inside, I had no way of proving it wasn't my fault and it completely destroyed me.
69. When the auditors closed the post office, word got out and people in the local community accused us of stealing the money.
70. My neighbour, a colleague GRO who worked in the retail side of the shop told me that people had been writing comments on Facebook about Linda and I taking all the money. This was very hard to take in, people in the community, our own customers didn't believe us.

71. The Worcester news also reported on the sudden closure of the Dines Green post office which just added fuel to the fire.
72. I became very anxious and fell into a deep state of depression.
73. I saw my doctor regularly during this time. This was a very rough period of my life, I started taking extra Diazepam, I was put on antidepressants; sertraline and Pregabalin and I just slept my days away.
74. Every evening I would go to Linda's house and put all the evidence we had together to try and work out what went so wrong. We would drink alcohol as we worked our way through boxes of Horizon paperwork.
75. We did this until all hours into the night and we would end up drinking ourselves into oblivion. I would often just fall asleep at Linda's and wake up not remembering a thing.
76. It started out just sharing a bottle of Bacardi between the two of us and then it escalated to a bottle each and then we added four cans of cider to the mix. There were times that I drunk so much I would wet the bed and the next morning I would wake up lying in my own urine.
77. Looking back it is so hard to believe I could drink so much night after night.
78. My husband tried to make me see how out of control my drinking was getting and how much it was affecting him and the children.
79. My husband became depressed by all of this, and I feel a huge amount of guilt for not going home some nights. And the nights I did go home my poor children ended up seeing their mother in such an awful state, I cannot stand even just thinking about it now.

80. I was a complete mess. I had turned into an alcoholic.
81. I struggle to talk about the torture, torment and anger the Post Office has caused me. Providing me with no help or support and not believing that their system was at fault.
82. When I was not drinking, I would just hide away and sleep because the anxiety I was suffering with was too much to handle.
83. I remember one day my husband decided to take us for a family day out to try and distract me, unfortunately I ended up breaking my knee and shattering my leg. I was hospitalised for several weeks, and I had to learn to walk again. This stopped my drinking.
84. If it wasn't for this, I dread to think what would have happened because I don't know what would have broken the vicious cycle of drinking myself into oblivion night after night.
85. I loved my job. It got me up and out every day, I am a people person and I loved chatting away with customers and meeting new people. To have all this taken away from me was a shock to my system and I struggled to cope with it.
86. The rumours circulating about me also had a detrimental effect on my children. They no longer wanted to go out in public as they were hearing all these comments about their mum and the post office.
87. To this day my children still refuse to step foot anywhere near the shop.
88. My daughter does not go out at all. This has had a huge impact on her, the rumours made her very anxious, and she now suffers with severe anxiety.

89. It upsets me just talking about it, no child should have to experience what my children did. I blame myself for my daughter's anxiety and the guilt I feel is crippling. It is so hard to watch your children suffer.

Conclusion

90. This experience destroyed my life, and it was close to destroying my relationship with my husband. I became so depressed and turned into an alcoholic. It impacted my children so much so that they didn't want to go out in public and my daughter still suffers with severe anxiety to this day.
91. I am still in debt because of all the shortfalls we had to repay, and I live in constant fear that I will be pursued for even more money. It is a horrible feeling and a horrible way to live.
92. I hate the Post Office, they are an awful, corrupt institution who have destroyed my life and there is no reasonable explanation as to why they put us through everything they did.
93. The lack of human decency they have is astounding. They behave like robots; they have no compassion and don't give you the time of day. They never once listened to me or gave me the chance to provide an explanation.
94. I want the Post office to admit that the computer system was flawed, and that Horizon was responsible for the missing money and the Post Office covered it all up.
95. I would like there to be justice. I want it to be clear that the Post Office were at fault and that they knew the system was flawed.
96. I would also like everyone to receive the compensation they deserve.

Statement of Truth

I believe the contents of this statement to be true.

Signed: **GRO** Dated: 21.1.2022.

Louisa Powell