

Witness Name: Mr Thomas Brown

Statement No: WITN0243\_01

Exhibits: None

Dated...11/1/2022.....

## THE POST OFFICE HORIZON IT INQUIRY

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### FIRST WITNESS STATEMENT OF MR THOMAS BROWN

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I, MR THOMAS BROWN WILL STATE 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 County Durham. I got married in 1968 to my late wife, we were married for 35 years but sadly she passed away in 2003.
3. I currently live in Newcastle with my son and grandchildren.
4. Before my appointment as subpostmaster I was an electrical engineer. I then took redundancy as an engineer in the late 70s as I wanted a career change.

5. My late wife worked in accounts at the time, and she also made the decision to take her redundancy and together we decided to buy a post office.
6. Prior to my appointment as a subpostmaster at North Kenton, I had worked as a subpostmaster at three branches from 1978 to 1999.
7. I was also Officer in charge at a number of post office branches in the North east for a company called Finlay's.
8. Then in 2008 I purchased the North Kenton post office, it was the biggest post office in Newcastle, with four outlets.

#### **DECISION TO BECOME A SPM**

9. The previous owner of the North Kenton office was looking to sell, and as I had previous experience as a Subpostmaster he asked if I wanted to purchase the office.
10. He offered to sell me the post office for £150,000.00, which I thought was a bargain at the time, so I decided to go ahead with it.
11. I saw this as being a long-term career opportunity which is why I invested into it in the first place.
12. I used all of my savings and the money from my redundancy package to purchase the post office.
13. I was a Subpostmaster of North Kenton, 29 Halewood Avenue, Newcastle upon Tyne NE3 3RX from 1 February 2008 to 8 November 2008.
14. I operated a newsagents from the premises and I employed four part time staff members.

### TRAINING AND SUPPORT

15. Prior to taking over the Kenton branch, I received two weeks training on Horizon at the Holiday Inn. This was when I was working at the Long Benton branch.
16. The training failed to show you how to investigate problems; it simply covered the general use of Horizon.
17. As I was not particularly computer savvy and this was a new system, I did not feel 100% confident with it and did not feel I had enough training.
18. Due to my previous experience in the Post Office, I was not offered any further training on Horizon when I was appointed Subpostmaster at North Kenton.

### HELPLINE

19. After the first few month in the North Kenton branch, I started having issues with shortfalls, which I believe were due to the lottery terminal.
20. I contacted the Helpline 2-3 times per month but all they would say is that the transaction would correct itself and therefore, I should simply roll the money over until it came back.
21. I followed the advice of the helpline and put the money into a suspense account. This was technically false accounting, but this is what I was told to do by the Post Office Helpline themselves.
22. The shortfalls continued and the money never came back.
23. In 2008, after I was suspended the Post Office brought in temporary staff to continue running the post office and I kept running the retail side of the business. One of the

girls that was running the office kept telling me that they were having the same issues and experiencing shortfalls too. It was a relief to know it was not just me.

### **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. On 25 November 2008 I was advised by the Post Office that I had a total shortfall of £85,609.03.
26. I believe this issue was in relation to the lottery terminal and I had contacted the helpline many times but I was simply advised to roll the sums over each time.
27. I also had numerous pieces of hardware replaced in the branch to try and fix the issues but this did not change anything.
28. I did not pay the Post office for this alleged shortfall. I was declared bankrupt before I could raise the money.

### **AUDIT AND INVESTIGATION**

29. On 25 November 2008, two Post Office employees came to audit my branch. I logged one of the auditors onto the terminal and then I was in and out of the office throughout the audit because I had a delivery for the retail side to deal with.
30. At the end of the audit I was advised that there was a discrepancy of over £85,000.00. Apparently, according to the auditors I had accepted a transfer to the AA stock unit whilst the audit was underway but the transaction receipts had not been printed out.

31. I had logged the auditor onto the terminal under my ID at the time of the transaction. The auditors closed the branch to carry out a further audit but I had to leave to attend a hospital appointment that the auditors advised me not to cancel.
32. I believe an investigation team may have been sent into the branch whilst I was absent, however, I never received a copy of the audit report or details of the losses.

### **SUSPENSION AND TERMINATION**

33. Following this audit I was suspended by the Post office the next day, on 26 November 2008, due to the alleged shortfall.
34. The Post Office sent a team to search my house for the money, which I was absolutely shocked by. I had nothing to hide, as I knew I had not taken the money but I had no idea they had the power to do this.
35. Around 28-30 November 2008 Post Office Solutions were brought in to take over running my branch and I was not allowed back into the secured area following my suspension.
36. On 30 January 2009, I attended a meeting at the Crown Office in Durham with the Contract Manager and a representative from the NFSP accompanied me.
37. At this meeting, I was told by the Contract Manager that I had to resign and that if I did not resign then my employment would be terminated in any event.
38. The NFSP representative just sat there before finally saying it would be best if I resigned as recommended.
39. I therefore, tendered my resignation on 3 February 2009.

## **CIVIL AND CRIMINAL PROCEEDINGS**

40. The Post Office did pursue civil proceedings against me for the recovery of the alleged shortfalls.
41. The Post Office pursued criminal proceedings against me for false accounting.
42. I went to the magistrate's court and pleaded not guilty to the charge of false accounting and my case was then sent to the crown court.
43. Two weeks before my court date I received a call from the Post Office's Lawyers who informed me that the Post Office was dropping the case against me. It later became clear at court that the Post Office advised the court that I had no case to answer and that the Post Office had decided it was not in the public interest to pursue the prosecution.
44. As such I was not prosecuted for false accounting. However, this was not formalised until I attended court when the case was formally dropped by the Post Office.

## **HUMAN IMPACT**

45. As a result of being required to make good the apparent shortfalls, I was suspended from my post office because I was unable to pay back the £85,000.00 shortfall and thus, I was unable to continue working.
46. Due to this, I lost my post office annual salary of £48,000.00. I continued to run the retail side of my business because it was separate from the post office itself, but I wasn't earning enough from this to cover my 7 year loan which I had re-mortgaged my house to obtain, let alone being able to cover my bills and costs of living.
47. Eventually I had to close the shop and sell off the stock because I just could not afford to keep it running anymore.

48. I lost my whole business and I had no choice but to declare bankruptcy due to the debt I was in.
49. I lost my initial investment into the business, I paid £140,000.00 for the business which I was unable to sell before I was declared bankrupt.
50. I also lost two properties. One valued at £232,000.00 in which I had full equity in and another valued at £105,000.00 which I held £55,000.00 equity in.
51. I also lost my Audi motor car, which was worth around £5,000.00.
52. Being held responsible for the shortfalls was extremely frustrating because I had known for over a year that there was a build-up of money missing and I was continually reporting to the help desk every 1-2 weeks that money was missing to which they claimed it would return automatically.
53. Therefore, the fact that money was missing was not a revelation to me but I was both confused and frustrated as to why I was being held responsible for the shortfalls when I knew it was not my fault these issues were occurring.
54. When the Post Office hired a relief worker after my suspension the shortfalls continued and this was the root of my frustration because it was proof that I was not responsible for these shortfalls.
55. As a result of being held responsible for the shortfalls, I was placed under arrest and questioned at Silverlink Police Station, Newcastle Upon-Tyne. Here I was informed by the police that the case was for the post office to investigate, not the police. This was a terrifying experience and was also humiliating.
56. The following week, my home was searched by the post office in an attempt to find the £85,000.00 that was missing because I was suspected of stealing it, to which I told them that "*someone on the brink of losing everything he owns doesn't have a spare*

*£85,000.00 lying around the house, however you are welcome to look around because I have nothing to hide”.*

57. I was however, shocked that my house was being searched I felt as though my privacy had been violated.
58. Being accused of committing a criminal offence had a detrimental effect on my mental health because of the humiliation, stress and sheer depression I experienced from having my reputation sullied as a result of the accusations against me for a crime I knew I had not committed.
59. The accusations against me spread like wildfire through the media and tabloids, this damaged my friendships and I became extremely hesitant to leave my home out embarrassment and shame.
60. Since I couldn't bear to leave my house, my son made himself responsible for me and essential daily requirement. He did the daily shop for me and tried his best to comfort me every day despite having to work and look after his children.
61. I became so depressed over the whole situation I ended up on medication for anxiety and I still have to take this today.
62. Thoughts of suicide had certainly crossed my mind at one point, however, the company of my son and grandchildren always gave me something to hold on to and reminded me I hadn't lost everything.
63. When my case was sent to the Crown Court and I had no other option but to declare bankruptcy, I lost everything; my business, my home and my car.
64. After losing my home, my son and I became temporarily homeless so I had to consult Derwentside Homes (now known as Karbon Homes) to arrange some affordable

housing. We managed to secure a two bedroom home albeit much smaller than our previous one.

65. In the weeks running up to my court date, about two weeks before my solicitor and I were called to the crown court early for a meeting with my barrister, here I was pre-informed that the post office had no evidence against me and there was a possibility there would be no case to answer.
66. Two weeks later at my court hearing I was found not guilty of false accounting with no case to answer and the judge presiding over my case said: "*I'm sure you'll be taking this further Mr. Brown*".
67. When my case was initially heard in the magistrate's court, prominent headlines about me stealing £85,000.00 were splashed all over the local papers, destroying my reputation among friends, colleagues and the general public.
68. I became very cautious and wary of meeting new people because they will have seen the papers and many that did would look at me with disgust and distrust.
69. After being found not guilty by the crown court I expected the damage to be undone but there were no headlines clearing my name, merely a few small lines printed in the paper that went unnoticed by most.
70. As such the damage to my reputation remain and only my nearest and dearest were aware of my innocence.
71. Only recently did my case get the attention it deserved among the public. This was courtesy of Alan Bates and the JFSA, the group litigation and the subsequent television interviews which I participated in to help clear my name and bring our cases into the spotlight.
72. The impact these issues have had on my family has been devastating.

73. My son was taking loans out from the bank under the impression I was going to be reinstated. He took out a £7,000.00 loan to try and assist me in paying my debts and he also took out numerous payday loans, but we were unable to keep the business afloat.
74. This has a devastating impact on my son's relationship with his partner because he had three young children at the time to provide for. As a result my son's relationship ended up breaking down and he had to move in with me.
75. My son also suffered financially because his name was on the mortgage for one of my properties and when they were repossessed and sold at auction for well under market value, because his name was on the mortgage he was pursued for the money we owed.
76. My son ended up in a debt management scheme for the loans he had taken out and eventually he too had to go bankrupt as we just did not have the money they were claiming.
77. For a short time, we were both made homeless until we moved into a small social housing bungalow. We were extremely grateful for this, however it was considerably smaller than the house I lost which became exceedingly problematic when my son's ex-partner kicked two of my grandchildren out of her home resulting in them having to move in with me and my son.
78. My son needed to look after his kids and provide a roof over their heads so there ended up being four of us living in a tiny two bedroom bungalow. I had one bedroom, my son shared a bunk bed in the other room with my grandson and my granddaughter was having to sleep on the sofa.
79. As our home was so overcrowded, Karbon homes allowed us to move into a bigger home. We are very grateful to Karbon homes as we now live in a three bedroom house albeit it's not the most ideal situation as we had to convert the dining room into a bedroom we make it work and my son and three grandchildren with me.

80. Unfortunately, the relationship between my grandchildren and their mother was damaged beyond repair.
81. The issues I had with the post office ended up ruining my son's life and subsequently his children's lives.
82. The relationship my grandchildren have with their mother is horrendous. Had my son not needed to support me financially it is unlikely my family would be in the situation we are today.

### **CONCLUSION**

83. The Post Office destroyed not only my life but those of my family too.
84. We now live in affordable social housing, with five of us squeezed into a three bedroom house.
85. My Son and grandchildren have suffered huge losses at the hands of the Post Office and they had nothing to do with the organisation.
86. I think the Post Office are the most corrupt organisation around.
87. I will never step foot in a post office ever again, I avoid them at all costs, I even buy my stamps from the supermarket.
88. I would like to be properly compensated for my losses.
89. I would also like to find out who was responsible once and for all and to see someone take accountability for the wrong doings of the Post Office.

**STATEMENT OF TRUTH**

I believe the contents of this Statement to be true.

Signed.....**GRO**.....Dated.....*11/01/2022*.....

**Thomas Brown**

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