

Witness Name: Ms Stephanie Reilly  
Statement No.:WITN0318\_01  
Exhibits: None  
Dated: 14/2/22

## THE POST OFFICE HORIZON INQUIRY

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### FIRST WITNESS STATEMENT OF MS STEPHANIE REILLY

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I, MS STEPHANIE REILLY WILL SAY as follows:

#### INTRODUCTION

1. I am grateful to the Chair to be invited to provide a “human impact” statement, concerning the consequences to me and my family as a result of the Horizon IT system and Post Office Limited’s actions toward me and my family. The introductory paragraphs below provide a brief summary of my background, and to provide context to the detail of the human impact of the scandal on me and my family.

#### BACKGROUND

2. I am 48 years old. I have been working since I was 16 years old.
3. I was married for 22 years but my marriage broke down. I am now a single parent to my 16 year old son, GRO
4. I was a Subpostmistress of Mains, Front Street, Hetton-le-Hole, Houghton-le-Spring DH5 9NJ from 27 November 2009. After going to rehab I returned to the post office in February 2018 and I have been ongoing as the subpostmistress since then.

5. I operated a café from the premises. I employed 1 manager and 2 assistants.
6. The branch has been made a Mains Branch as a result of the Post Office's Network Transformation Scheme. No new contract has been provided to me since the change. I do not know what date I entered into my original contract but I do remember signing a rather large document.
7. I do not remember receiving a copy of the contract until after I had started in the branch. I did not seek any legal advice before entering into an agreement with the Post Office.

#### **TRAINING AND SUPPORT**

8. The week before I commenced the role, I had five full days training in South Shields. The training covered the basic day to day operations in the branch.
9. I do not believe that the training was long enough as it did not allow you to develop an understanding of how the Horizon system worked, it simply covered basic operational tasks. I was taking over a business that had to keep operating; I was shown how to do that as opposed to understanding how Horizon works financially.
10. I also remember a trainer called Geraldine coming into my branch for around three days before leaving me on my own at the start of the Christmas period. Geraldine was very helpful and she was behind the counter with me the whole time. Geraldine even came and helped me a few days during her holiday.
11. I had problems with the Horizon system right from the word go, as there was not enough training.
12. I do not recall any further training being provided.

## HELPLINE

13. I estimate that I contacted the Helpline two to three times per week with regard to problems relating to alleged shortfalls and /or balancing. I had shortfalls all the time; I thought the shortfalls were due to mistakes I was making.
14. The Post Office Helpline did not really provide any help so I mainly found the calls a waste of time.
15. I also contacted the Helpline once a month to report hardware problems.
16. The Helpline staff would assume that I knew what they were talking about, but I would come off the phone none the wiser.
17. I have been told by the Helpline on a couple occasions *"we haven't had this issue anywhere else"*
18. The Helpline would try to talk me through the shortfall and Horizon system but the shortfall would end up worse when they tried to correct it. I would then do the opposite of what the Helpline had said to put the shortfall right. I found this confusing and frustrating.
19. The Helpline would tell me to *"roll it over"*, *"put it in the suspense account"*, *"it will sort itself out"*.
20. I was a planning manager so I work logically; the Helpline were trying to make the problem right but actually made it worse.

## SHORTFALLS

21. 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.
22. I am only able to give approximate figures, although I clearly remember payments having been made by me.
23. I would estimate that throughout my position in the branch, I paid (or Post Office deducted) in excess of 15,000.
24. I had continuous shortfalls that amounted to approximately £6000. I was told by the Post Office that I had to make these shortfalls up. I checked back through the records and transaction history, called the Helpline and settled centrally. There was not a month that went by where I was not putting any money in. I consolidated the shortfalls, I had losses all the time. Every time there was a loss, I put that money in.
25. On 23<sup>rd</sup> October 2014 I had an alleged shortfall of £5,970.80. The Post Office deducted this shortfall from my monthly salary. The problems with the Horizon system seemed to begin after the ATM was installed in my branch.
26. No training was provided in relation to the ATM, I was simply left a manual. I checked back through the records and transaction history and called the Helpline begging for help. The reason for the loss was not discovered so I had to agree a payment plan with the Post Office. I agreed to this plan with the Helpline. The big losses started soon after the ATM was installed.
27. On 13<sup>th</sup> July 2015 I had an alleged shortfall of £8,848.62. The Post Office deducted this shortfall from my monthly salary. Again, I believe this was due to the ATM.

28. Again, I checked back through the records and transaction history and called the Helpline. This shortfall was settled centrally, I was told by the Helpline to settle and put it on the suspense account. I was asking for auditors to come to my post office and help find the money because I could not make sense of it.
29. There were various other shortfalls which I settled, however, I cannot remember the amounts. Shortfalls were ongoing regular occurrences; they would quite often be a couple hundred quid. I would put the money in and clear the till to put the till right.
30. Shortfalls started from the get go. When I was new to the business, I thought that I was making mistakes because of a lack of knowledge and training. My issue was when the large losses occurred.

#### **AUDIT AND INVESTIGATION**

31. My first audit occurred on 23<sup>rd</sup> October 2014. This was an official audit by the Post Office following a shortfall of £5,970.80. Two female auditors were present; they turned up without notice. I am not sure what time the auditor left my post office.
32. The auditors discovered a shortfall of £5,970.80 and it was agreed that this would be deducted from my salary. I think the loss I had triggered auditors to come to my post office. The auditors did the audit and were pleasant.
33. As I was still experiencing problems, I requested that a further audit be undertaken to try and assist me to find out where the problem was. When making my request I was advised that I would "never find it" as it was like looking for a needle in a haystack, a Post Office representative said that to my face. I believe the name of the lady I spoke to was Rachel Lax (an Area Manager). This really upset me and I asked for her to leave the premises.

34. Ms Lax's verbal bullying and body language (she was puffing her chest out) towards me in my post office led me to actually requiring her to leave my shop. I felt intimidated and could not serve my customers. I remember crying my eyes out on the counter in front of customers. As matters unfolded, I eventually had a breakdown and turned to alcohol.
35. Reluctantly, the Post Office carried out a further audit on 24<sup>th</sup> March 2015. I requested for an auditor to come to my premises, and the Post Office sent Dave Brown. I had asked if we could audit some historical documentation relating to the branch, but I was advised that the Post Office records did not go back that far.
36. On completing the audit, Mr Brown appeared to find a £3,600 discrepancy which he checked with Chesterfield (Post Office Ltd's office) as this would have lowered the amount outstanding.
37. Mr Brown and I found a transaction that seemed like a duplication and needed to be reversed back to Chesterfield. I was really happy and I was dancing that this duplication had been found as I thought if I found one I would find the rest of it, it was making more sense rather than all this money disappearing.
38. This duplication was however dismissed the following day by Ms Lax who stated over the phone that the money had gone, that it could not be found and that I had to pay it back.
39. Ms Lax said '*the money had obviously been stolen*' and that Mr Brown had not said to me that there was a duplication. Ms Lax told me the money had to be paid back or the Post Office would start legal proceedings against me. One Post Office official contradicted the other, that being Ms Lax and Mr Brown.

40. I agreed to the Post Office taking £800 a month out of my wages to pay the money back. The post office struggled for 12 months. I had to borrow money off my husband to keep the post office afloat.
41. I only agreed to the Post Office deducting money from my wages because I was scared of being prosecuted.
42. There was no adequate investigation. Even when Mr Dave Brown performed his investigation, his findings were dismissed by the Post Office. I should not have had to beg for help from the Post Office, it was easy for them to say it was my fault I should deal with it.
43. After the audit in 2015, I hired a manager to run the post office on my behalf as I no longer felt able to carry out my role.
44. I then went to rehab for eight months as the Post Office had turned me to drink to cope with the losses. When I came out of rehab I was terrified to run the post office.
45. It took me 12 months after rehab to walk back through the post office door because I had lost all confidence in myself. I was frightened in case I came back and the shortfalls all happened again. I lost everything that was me. I was by myself at this point, as I had split from my husband, and I was trying to get my life back together.
46. On my first day back at the post office, in 2017, my anxiety was through the roof. I did not touch the ATM for four months in case I made a mistake.

#### **SUSPENSION AND TERMINATION**

47. I was not suspended by the Post Office.
48. I was bullied by the Post Office, including threats of prosecution, in order to compel me into paying the Post Office for the alleged shortfalls.

### **CIVIL AND CRIMINAL PROCEEDINGS**

49. The Post Office did not pursue civil or criminal proceedings against me for the recovery of the alleged shortfalls, however I was scared that they would prosecute me because I was directly threatened with prosecution.

### **LOSSES**

50. I was led to believe that I had no alternative but to pay the shortfalls. I estimate that I have the Post Office paid back in excess of £15,000 to £20,000.
51. I have suffered personal and emotional losses. That damage and harm is covered in human impact section of this statement.
52. Due to the way the Post Office treated and bullied me, I felt intimidated and could not serve my customers. I eventually suffered a breakdown and suffered from alcohol addiction.
53. I had to employ a manager at my expense as I did not feel able to function in the role. I paid the manager £300 per week and they were appointed shortly after the audit on 24 March 2015. I would not have appointed a manager had it not been for the alleged shortfalls and the way I was treated by the Post office. I estimate that I have paid the manager in the region of £35,000 since they started. I have been back in the role full time since February 2018.

### **HUMAN IMPACT**

54. I was severely let down by the Post Office and their Horizon system.



55. The shortfalls in the Horizon system began as minor amounts and were only £50 or £60 to begin with, but they became more severe over time. Following substantially larger losses in my branch over a 12 month period, I requested an auditor come in to help find the shortfalls. The Post Office sent auditors grudgingly and that the auditor described finding the reason for the shortfall akin to "*finding a needle in a haystack*" and that "*it's been stolen*".
56. The Post Office gave me no choice but to pay the money which was over £10,000 and they proceeded to deduct £800 per month from my salary until this "debt" was paid back.
57. I feel deeply aggrieved not just at my losses, but for the manner in which I was treated by the Post Office; effectively as "*a thief*". I had no reason to steal and I am not a thief. I was so upset because Post Office Ltd did not care and was not listening. I asked for help and the Post Office would not give it, I was pushed to one side by Post Office Ltd.
58. I did not participate in the mediation scheme. I was a claimant in the group litigation against Post Office Limited, and as such I am excluded from that scheme.
59. The consequences for me personally of being required to make good the alleged shortfalls were catastrophic and ultimately life threatening.
60. It felt like I was in a permanent bad day that just never ended.
61. The impact on me emotionally was horrendous. I knew the alleged losses were not due to theft, as insinuated by Post Office Ltd. To be accused of something as awful as theft when I have worked my way up to Parish councillor, was awful. I am not a thief. I had not done this. Theft goes against what I stand for.
62. It took me to my knees. I lost everything about me; I lost my identity and confidence.

63. I begged for help from the Post Office to make sense of it all and to find the missing money but I was left to deal with the aftermath alone. The Post Office's attitude was you owe us that money, get it paid regardless of the consequences.
64. I knew I had not committed any criminal offence but I was basically told by Post Office Ltd to either pay the alleged shortfall back or face the consequences. I was angry because I was not in control, I was in a situation and it had control of me and there was nothing I could do about it.
65. I was fearful and scared and so I just accepted Post Office Ltd decision. I was scared of the consequences and the Post Office were threatening me with going to jail. I have been a hard working woman since the age of 16 and the threat of jail was terrifying to me.
66. Paying back £800 a month for nearly a year nearly broke me financially and emotionally.
67. Every month I knew I did not have enough money to see the month through, as I would be £800 down because of the Post Office deductions from my salary. I have always been financially stable, I have always earned my own money and I would not borrow money and now I was in a position where I had to borrow money to keep my business afloat.
68. From the first large shortfall amount, I started turning to alcohol due to the stress of being held responsible for alleged shortfalls. Alcoholism is progressive and as the shortfalls got larger, the more I turned to drink. I was worried about paying wages and keeping the post office afloat

69. To be blamed and accused of these losses became too much for me to bare. I was not stable and my mental health deteriorated quickly and in time depended on alcohol to deal with what was going on.
70. When I put a manager in place in the post office, my alcoholism got worse as I was giving myself more time to drink as I was stressed due to the post office. I could not see beyond the end of my nose. Mentally I was in pain and I was drinking to numb my pain.
71. I went to my GP and I was given anti-depressants, but they did not work and the drinking made my depression worse, it is a vicious circle.
72. When I drank I was angry about everything; I was aggressive and disappeared for days on end. That is just not me.
73. My customers talked about me as I was not around. There was gossip around the local community and the phrase "plunkie" (this is a Geordie term for alcoholic) was used by the community about me.
74. Eventually I ended up in rehab. I am still in recovery for my addiction, it is a lifelong recovery. I do not go to pubs anymore. I now have to be conscious of my behaviour and feelings.
75. My son had begged me to stop drinking. He saw me drinking and he would find bottles in my bag. Luckily, I turned it around in time and **GRO** turned out okay. I was worried he would have thought that drinking that heavily was normal as behaviours are taught.
76. I was always there for my son physically but sometimes I was not there mentally for **GRO** either due to stress or alcoholism. Sometimes my focus was not on my son but everything else going on and your kid should be your first priority.

77. I spent 8 months in residential rehab and I had to rebuild my life. This was a situation I should NEVER have been in.
78. I had to leave my child whilst I was in rehab. Eight months I spent away from him, eight months my son was without his mother. That is time that I will never get back. This was a very disruptive and confusing period for [GRO] as he was only [GRO] years old at the time, this was a time in his life where he should have had stability. I only had the occasional visit with him whilst I was in rehab.
79. My 22 year marriage broke up, and I am now a single parent to my 16 year old son.
80. I was supposed to be able to rely on my husband. [GRO] blamed me for the situation and said it was obviously me causing the post office shortfalls, this hurt. He did not believe me after being together 22 years. We lost trust in each other.
81. I left my husband for my own sanity, as I could not trust somebody who did not believe me when I was at my worse.
82. When I was in rehab, [GRO] was telling everyone he was a single parent; that was hurtful, especially as I was in rehab trying to save and turn my life around.
83. The marital home was repossessed. I had to find somewhere else to live. I am financially out of pocket.
84. [GRO] no longer speaks to me; he does not help financially with our son and only occasionally sees his son when it suits him. [GRO] does not have the best relationship with his dad, I know he misses his dad and not having his dad affects him. [GRO] is not there emotionally for [GRO]

85. I had to go to court for full custody of **GRO** which was traumatic. I was vulnerable and had only been out of rehab a little while, but I wanted everything set straight.
86. I went from a joint income to a sole income and I was financing my son alone.
87. My family, especially my mum, aged over night because they were worried about me, my alcoholism and the problems with the post office. My relationship with my family became difficult.
88. Going to work should be the most normal thing and I could not do it. It took a long time for me to get my confidence back to walk through the post office door after I went to rehab.
89. I had been working since I was 16 years old and I had never been out of work for 32 years. However, after the alleged shortfalls and the problems with the Post Office I could not do it, I felt sick at the idea of going back to work.

### CONCLUSION

90. My previous house was a beautiful conversion. I now live in little terrace house. I had to start from scratch and buy everything. I do not get holidays anymore; I am only able to go on holiday next August because mum and dad are paying for it.
91. The person I am today is me; strong Steph who helps people, not someone who is at the bottom of a bottle of vodka.
92. I do not go out and I do not drink because we only just manage on what I earn. Financially I put food on the table and we have a roof over our head but it is a lifetime away from what I had.

- 93. I cannot afford new flooring for my house; I know it is not about material things, but I cannot afford little luxuries, whereas I could before.
- 94. I loved the post office job; dealing with customers, getting to know them all, that is what gets us subpostmasters through. We postmaster do it because we love it and dealing with community.
- 95. I do not have a lot of trust in Post Office Ltd, it will take a long time for me to trust Post Office Ltd again.
- 96. I believe that people should be responsible for their actions; I have been responsible for my actions.
- 97. I do not believe Paula Vennels deserved to get an OBE with million pound pay offs when postmasters were on their knees.
- 98. I would like for people to be held responsible.
- 99. I would like the money back that was stolen from me. I did not get my money back and compensation.
- 100. I wish things were not so hard sometimes, but I try to look at it positively.

**STATEMENT OF TRUTH**

I believe the contents of this statement to be true.

Signed. GRO .....Dated..... 14/2/22

**Stephanie Reilly**