

WITNESS: DAVID YATES

STATEMENT NUMBER: WITN0154_01

EXHIBITS: 0

DATED: Jan 12, 2022

POST OFFICE HORIZON IT INQUIRY

FIRST WRITTEN STATEMENT OF MR DAVID YATES

THIS STATEMENT IS PROVIDED IN RESPONSE TO THE RULE 9 REQUEST OF
THE PUBLIC INQUIRY DATED 29/10/2021 TO ADDRESS THE HUMAN IMPACT OF
THE FAILINGS OF THE HORIZON IT SYSTEM

I, MR DAVID YATES, Date of Birth [GRO], of ADDRESS [GRO]
[GRO] will say as follows: -

PERSONAL BACKGROUND

1. I was born on [GRO] in Walton-Upon-Thames, and I have a younger sister. I left school at 17 years of age and began working in the post office as a counter clerk. I did this for 8 years and I loved it.
2. I have been married to my wife [GRO] for 32 years. Early on in our marriage we discovered that we could not conceive naturally and decided to adopt. We wanted to give our adopted children a better life than they would otherwise have experienced. We adopted 2 children under 3 years of age. My son [GRO] is now 27 years of age, and my daughter [GRO] is now 25 years of age.

POST OFFICE HISTORY

3. I began working as a counter clerk at the Walton-On-Thames Branch of the Post Office in 1979. I progressed to Branch Manager. I loved working for the Post Office. When the Post Office decided to close the branch as a Crown Office, I was offered the job of Sub-Postmaster.
4. I accepted the position as Sub-Postmaster in 1993. My Deputy at the Crown Office, **GRO** had indicated that she wanted to run the Shop to include greeting cards and stationery. We therefore decided to go into business together, sharing the profits equally. I ran the Post Office and **GRO** ran the Shop. When I went on holiday, **GRO** would run both parts of the business and I would do the same for her when she was on holiday.
5. I paid about £10,000 into the expansion of the business and **GRO** paid a little less. We paid about £370 every 3 months to the Post Office in rent.
6. The Post Office still ran the sorting office from the same site. I employed counter assistants to assist me.
7. Horizon was installed in 2000. I recall undertaking two days of training at a hotel in relation to the Horizon system followed by a further week of training when it went live in my office.
8. About 6-7 months after Horizon was installed, I experienced unexplained shortfalls. When I contacted the Helpline, I was told not to worry and the shortfalls would sort themselves out, but they didn't. On another occasion, I was told that I would have to make good the shortfalls: this meant that I was required to pay them.

9. Initially, I paid the shortfalls myself: about £6000 over the period before the Audit in March 2003.
10. I became increasingly isolated as the shortfalls grew larger and larger.

CRIMINAL ALLEGATIONS AND ANY PROCEEDINGS/CONVICTION

11. In March 2003, the Post Office carried out an Audit. I knew that the shortfalls would be large. I told the Auditors that they would find a large shortfall which had accumulated over several years, and it was due to the system. They told me that no one else was having problems with their system.
12. The Auditors also told me that the shortfall was in the sum of £366,788.67. Soon after the Auditors had arrived, two Investigators from the Post Office arrived. The interview was long, and I just wanted it to be over and done with. I knew I had nothing to hide.
13. My house was searched but I was happy for them to take whatever documents they needed as I knew I had not taken the money. When the investigators left, I walked round the house in a daze. I was worried about what was going to happen next. I had to tell my wife. The whole situation was horrendous.
14. I was suspended the day after the investigation from my job as a Sub-postmaster. I never worked in the business or as a Sub-postmaster again.
15. The following week, I spoke to my business partner. This was a difficult conversation, but I told her the truth.
16. In about April/May 2003, I received a summons to attend Staines Magistrates Court. I was charged with Theft, False Accounting and Breach of Trust. I was petrified. My case was heard at the Guildford Crown Court. I instructed a solicitor and received legal aid. Following legal advice, I pleaded Guilty to all

the charges. I was told that I could face 5-8 years in Prison if I was found Guilty at a Trial. To hopefully receive a more lenient sentence, I pleaded Guilty.

17. I was sentenced to 3 years in Prison. I commenced my sentence on 31 October 2003 and remained imprisoned until December 2004. Upon my release, I was given an electronic tag which was not removed until April 2005.

THE HUMAN IMPACT

18. The human impact which the failings of the Horizon IT System have had and continue to have upon me and my family are set out in the remainder of this statement. The section headings follow the particular questions posed by the Inquiry.

WHAT WERE THE CONSEQUENCES OF BEING REQUIRED TO MAKE GOOD APPARENT SHORTFALLS SHOWN BY THE HORIZON IT SYSTEM?

19. At the time of the Audit, I was told the shortfall was £366,788.67.

20. Whilst I was in Prison, the Post Office wrote to me and my wife stating that they would be taking our home to pay for the shortfalls in the branch. My wife opened the letter and was terribly upset. We had two young children at the time.

WHAT WERE THE COSTS OF MAKING GOOD ALLEGED SHORTFALLS SHOWN BY HORIZON?

21. During the period before the Audit, the Helpdesk told me I had to make up the shortfall. I did this until I was no longer financially able to do so. I paid about

£6000 in shortfalls before I was suspended. I think I paid approximately £3000 out of my savings in order to make up these shortfalls.

HOW WERE YOU AFFECTED WHEN ALLEGED TO BE RESPONSIBLE FOR SHORTFALLS OR DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

22. The whole situation has been horrendous. I made more than 50 telephone calls to try and resolve the issue but I didn't receive any help, advice or explanations. I made up the shortfalls where I could.
23. The 'solution' was to send auditors out to investigate me. When they told me I was being charged, my world fell apart. I simply couldn't believe what was happening.
24. I was angry and felt let down.

WHAT WERE THE CONSEQUENCES OF BEING HELD RESPONSIBLE FOR SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

25. I received a criminal conviction and 3 years in prison as a result of the problems with Horizon.
26. I was suspended from the post office, and I have never returned.
27. At the time, I thought I was fine, but looking back I can see that I was just trying to get on with my life as best I could.
28. This persisted for many years as my conviction was not overturned until April 2021. I did not become aware of the experiences of other Sub-postmasters until I was shown a news article some years after my conviction.

WHAT WERE YOUR FINANCIAL LOSSES CAUSED BY ACTION TAKEN AGAINST YOU IN RELIANCE UPON HORIZON DATA?

29. As a consequence of my imprisonment, I received no income for 24 months.
30. After pursuing money from me to make up for the shortfall found at audit, the post office finally agreed to a settlement figure of £40,000, but the only way we could raise this money was to re-mortgage the house. The Post Office had a charge over our home so we could not re-mortgage it. A friend lent us the money and we repaid her with the re-mortgage money. The whole situation was just horrible and very embarrassing. This also caused our mortgage payments to increase from £350 per month to approximately £700 per month.
31. Our house insurance premium also increased.
32. I have lost all the money I invested in the business, which was approximately £10,000. I received nothing from the sale of my Post Office and retail business. I am told it would have generated about £100,000; this figure I think comes from the financial statement for the mediation scheme.
33. I have also not been able to pay in my pension.
34. As I stated earlier, the Post Office sought to repossess my family's home to sell to cover the money I allegedly owed them. We then had to go through the Proceeds Of Crime Application, which incurred further legal fees. I also had to pay £3500 in legal costs to fight civil proceedings.
35. Whilst I was in prison, my wife had to give up her job to look after the children, which affected her and the family's income.

WHAT EFFECT DID IT HAVE TO BE ACCUSED OF COMMITTING CRIMINAL OFFENCES AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

36. I turned up at the hearing with my family and a bag packed for prison. I felt terrified. I was so stressed with everything. The sentencing hearing was a blur and I just kept looking at my wife. I remember the Judge saying 3 years in Prison and I said "oh my God, 3 years!" I could not believe it was 3 years. I was expecting not more than 2 years. My wife collapsed and my family were very upset.
37. I feel terrible that I could not support my wife. The reality of the situation began to hit home.
38. I was taken in a van to High Down Prison in Surrey, which is a Category B Prison. I was locked in a Cell with 2 other men for 22 hours a day. I witnessed various violent incidents between prisoners.
39. I was only supposed to spend a few weeks in this high security Prison. However, because of difficulties with my transfer, I spent 3 months at High Down. In the last few weeks before my transfer, I was moved to a single Cell, where I spent Christmas and New Year. I was so lonely. In January 2004, I was transferred to an open Prison on the Isle of Sheppey. By October 2004, I was informed that I would be released over the following few months.
40. I was put on licence for another 13 months. I saw my Probation Officer initially weekly and then monthly. After a few months, the Probation Officer told me that I was no longer required to attend the meetings.
41. We lived close to the Walton-Upon-Thames Post Office branch and the local community quickly turned against me when they learned of my alleged

offences. My parents had to endure significant and sustained ill will from the local community and I didn't think this was fair. Even if I had committed the crimes (which I hadn't), my parents had done nothing wrong.

WHAT WERE THE CONSEQUENCES OF BEING CONVICTED OF A CRIMINAL OFFENCE AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

42. After I was released from Prison, I struggled to find any work that paid a similar salary to the Post Office. Luckily, my brother-in-law runs an estate agent's office, so I was able to get some part-time work with him for the next year. In about 2015, I applied for an Admin Job in the Antenatal Department of a Hospital. There was a lot of negotiation required to secure the role due to my conviction. I had never had to go through anything like that before. It was embarrassing, and even though I knew I had done nothing wrong, I had to accept my conviction to move on with my life. Thankfully, the Hospital did offer me the job, and I still work there today. I was paid £78,000 in remuneration by the post office and my wages following this were around £16,000.

43. My health has suffered immensely. Looking back, I should have gone to my GP after I was released from Prison, but I focused more on finding a job and making some money for my family. I collapsed in 2013 and I was taken to hospital because I was working too much.

44. The overturning of my conviction had a huge impact on my mental health. I became very anxious and suffered with panic attacks. I lost weight, my mood was low and I felt depressed. I had several episodes in relation to my heart and acute breathlessness. I lost interest in food and in life in general.

45. I am told that I developed an acute decompensation in my mental health at the time of the Appeal Court Hearing in April 2021. At the time, I was suffering from Adjustment disorder with Mixed Anxiety and Depressed Mood.

46. I was treated with Diazepam and Zopiclone. Since my conviction was overturned, I feel much more positive and my mental health issues have begun to subside.

47. Before the accusations and convictions, I was heavily involved with my son's Rugby team and my daughter's Netball team. Afterwards, I felt like I had to stand on the sidelines. It was awful. Even to this day I feel guilty that I couldn't be more involved.

WHAT EFFECT DID THESE ISSUES HAVE UPON YOUR RELATIONSHIPS WITH YOUR FAMILY, FRIENDS, COLLEAGUES AND LOCAL COMMUNITY?

48. The whole situation has been very hard on me and my family. In Prison, there were days when I was really down, and it was really tough. My focus was to get through one day at a time. The story of me going to Prison appeared in the local Press and I found this incredibly humiliating. My mum and dad, and my wife's mum and dad, lived in the Walton-on-Thames area. Whilst we lived about a 30 minutes' drive from Walton-on-Thames and could avoid people from the area gossiping, my family could not. I have not been back to the Post Office branch since I was suspended. Before, I was a significant presence in the local community.

49. It affected my children's lives. My children were aged 9 and 7 at the time. It was hard to tell them that I might go to Prison and for over a year I could not do anything with them. I used to like taking my son to football and my daughter to

netball. I could not do this. I still feel guilt over not being able to take my children on holiday, and my children could not go on events that their peers could, because I was in prison. I could not comfort my wife following my sentencing and I felt guilty about what she went through. It was horrible how many people this situation affected. My wife had to reduce her hours working in a hospital to look after our children. We used to share the responsibilities before I went to Prison.

50. It upsets me that people turned against my parents, and they had to endure ill will from the community. I am deeply saddened that my parents passed away before my conviction was overturned.

51. I lost many friends as a result. Some, thankfully, have returned to my life but some have not.

52. I have never spoken to my business partner **GRO** since the incident. This saddens me greatly, and I often ruminate over whether she still thinks the losses were my fault. I hope she knows the truth now.

53. I was a pillar of the community before this happened. Now people avoid talking to me in the street. It breaks my heart.

PLEASE DESCRIBE THE DIRECT AND INDIRECT EFFECT WHICH THESE ISSUES HAD UPON THE MEMBERS OF YOUR FAMILY?

54. My wife struggled to cope with everything on her own. She is a tremendously strong woman, but my time in prison took its toll on her. She had to give up her job to look after the children, and she worried about me constantly.

55. Seeing me so ill, mentally and physically, was almost unbearable for my wife, **GRO**. Watching me being loaded into an emergency paramedic

ambulance in April this year compounded what our family has been through the last 18+ years.

56. Together against enormous odds the four of us (along with family and friends) have pulled together and ridden this nightmare as best we could. We did not deserve any of this.

57. My son developed behavioural problems at school. He became very angry. Thankfully he has found good employment as a plumber.

58. We were lucky to have friends that could lend us £40,000 in order to pay back the Post Office. We would have lost our home if it hadn't been for them.

CONCLUDING REMARKS

59. This entire experience has been harrowing for me and my family. I am deeply saddened that my parents were not alive to see me clear my name.

60. I am grateful my family have stood by me, but I hate the fact I have put them through these stresses and financial difficulties.

61. Nothing can change what has happened to me, but I am looking to the future with hope now.

Statement Of Truth

I believe that the facts stated in this witness statement are true.

Signed:

GRO
D P Yates (Jan 12, 2022 19:40 GMT)

Position Or

Office Held:

Print Full

Date of signature: Jan 12, 2022

Name: DAVID YATES

FILE REFERENCE:

GRO

