

Witness Name: John Legg
Statement No: WITN05810100
Dated: 11 July 2023

POST OFFICE HORIZON IT INQUIRY

First Witness Statement of John Legg

I, John Legg, will say as follows...

1. I was employed by The Post Office/ Post Office Counters Ltd (POCL)/ Post Office PLC for over 34 years from February 1975 until October 2009 when I retired at age 60. I started as a graduate entrant at PEC level and ended my career as a Senior Manager at Band 8 level.
2. From 1975 to 1987 I worked in a variety of management roles in the mails side of the business until the creation of POCL as a separate entity. At that point I began working in North London Counters District until, as best as I can recall, 1995, when the business reorganised again and I moved to POCL's HQ and began to work on the contracts for services between POCL and Subpostmasters.
3. My HQ roles (variously named over the years) were all focussed on the overarching status, at law, of the Subpostmaster contracts, with particular regard to National Insurance Contributions, VAT, Employment Protection Legislation and Competition Law. The legal status of Subpostmasters in these areas was complex, and of very considerable financial significance to the business. Challenges at Employment Tribunal, and VAT Tribunal were not uncommon and were all successfully defended. The proactive management of National Insurance Contributions to ensure POCL did not pay more than it was required to was also my responsibility. I was also, amongst others in HQ, responsible for the provision of expert advice to other parts of the business,

as appropriate, to ensure that any new proposals, initiatives or policies did not jeopardise the status quo in these critical areas.

4. My overarching contractual role did not involve any detailed knowledge of, ownership of, deployment of, management of, or in any other way, involvement in, any of the issues upon which I have been asked to give evidence to this Inquiry save for any possible input I may have had to protect the very nature of the contracts as described at para 3, above.
5. I can assure the Inquiry that I have scrutinised, in detail, all of the documents referred to me. In particular, I have considered the following categories of documents, which formed the basis of the Rule 9 request to which this statement responds (which I list below for ease of reference):

Documents to which I was referred in the Inquiry's Rule 9 request for a witness statement

- a) Documents relating to the appointment of subpostmasters, including, but not limited to, [POL00088903] ("Brief summary of certain sections of the subpostmasters contract"), [POL0088900] (Template letter "Assessment for the position of subpostmaster") and [POL00005765] ("Appointment of Temporary Postmaster Policy");
- b) Documents relating to the contractual liability of subpostmasters for shortfalls, including, but not limited to, [POL00083939] ("Losses at SPSO's: Guidelines on responsibilities and recovery arrangements", [POL00088904] ("Losses and gains policy within the POCL agency network"), [POL00086845] ("Post Office Ltd – Security Policy: Accounting losses policy for agency branches"), [POL00088867] ("Post Office Ltd – Security Policy: Liability for losses policy (for agency branches)", and [POL00030562] ("Post Office Ltd Losses policy – overarching (branches)");

- c) Documents relating to my role and the policies or practices in place relating to error notices, transaction corrections, transaction acknowledgements, branch discrepancies, “corrective action” taken against SPMs and recovery of agents’ debt, including, but not limited to, [POL00083939] (“Losses at SPSO’s: Guidelines on responsibilities and recovery arrangements”), [POL00088904] (“Losses and gains policy within the POCL agency network”), [NFSP00000169] and [NFSP00000043] (draft policy “Debt recovery – Horizon related errors”, enclosed under cover of correspondence between the Post office and the National Federation of Subpostmasters), [POL00085794] (“Debt Recovery Processes under Branch Trading”), [POL00030562] “Post Office Ltd Losses policy – overarching (branches)” and [POL00083951] (“Appendix 3 - Process for awaiting TC (Transaction Correction) – Multiples”) and [POL00083952] (Appendix 4 - Process for awaiting TC (Transaction Correction) – Singletons”);
- d) Documents relating to suspension and termination of subpostmasters, including, but not limited to, [POL00000304] (“Postmaster Contract Termination Policy”), [POL00038051] (“Postmaster Guide to Policies”), [POL00084993] (“Contract Advisor Process - Audit Discrepancy”), [POL00086044] (“Subpostmaster suspension”), [POL00005856] (“Post Office Limited: Appeals Handbook”), [POL00086358] (“Managing Shortages at Audit: Process and Policy Guidelines”), [POL00086828] (“Subpostmaster Appeal Panel Process Review”), [POL00086116] (“Guiding Principles for Suspension”) and [POL00000325] (“Postmaster Support Policies: Termination Decision Review Policy”).
6. I have also been asked about my recollection of a number of specific criminal and civil cases.
7. In reviewing the documents and cases listed above, together with other provided by the Inquiry, I have learned a lot I never knew and have refreshed some memories that the long intervening years have erased. However, with

all due respect to yourselves and to the Subpostmasters who have suffered so badly during this whole sorry saga, I can add no more.

Statement of Truth

I believe the content of this statement to be true.

Signed:

GRO

Dated: 11 July 2023

Index to the First Witness Statement of John Legg

	URN	Document Description	Control Number
1	POL00088903	Brief summary of certain sections of the subpostmasters contract (17 December 2004)	POL-0085961
2	POL00088900	Template letter "Assessment for the position of subpostmaster" (August 2005)	POL-0085958
3	POL00005765	Appointment of Temporary Postmaster Policy (version 10, 2 February 2014)	VIS00006833
4	POL00083939	Losses at SPSO's: Guidelines on responsibilities and recovery arrangements (understood to have been issued in 1988)	POL-0080997
5	POL00088904	Losses and gains policy within the POCL agency network (version 1, 20 November 1998)	POL-0085962
6	POL00086845	Post Office Ltd – Security Policy: Accounting losses policy for agency branches (version 1, February 2003)	POL-0083903
7	POL00088867	Post Office Ltd – Security Policy: Liability for losses	POL-0085925

		policy (for agency branches (version 1.7, September 2003)	
8	POL00030562	Post Office Ltd Losses policy – overarching (branches) (version 9, effective date April 2006)	POL-0027044
9	NFSP00000169	Draft policy “Debt recovery – Horizon related errors”, enclosed under cover of correspondence between the Post office and the National Federation of Subpostmasters (18 November 2004)	VIS00007617
10	NFSP00000043	Letter circulated to Negotiating Committee for Horizon debt recovery (18 November 2004)	VIS00007491
11	POL00085794	Debt Recovery Processes under Branch Trading (October 2005)	POL-0082852
12	POL00083951	Post Office Ltd Losses policy – overarching (branches): Appendix 3 - Process for awaiting TC (Transaction Correction) – Multiples	POL-0081009
13	POL00083952	Post Office Ltd Losses policy – overarching (branches): Appendix 4 - Process for	POL-0081010

		awaiting TC (Transaction Correction) – Singletons	
14	POL00000304	Postmaster Contract Termination Policy (version 3.0, undated)	VIS00001299
15	POL00038051	Postmaster Guide to Policies (version 1.2, undated)	POL-0034986
16	POL00084993	Contract Advisor Process - Audit Discrepancy (undated)	POL-0082051
17	POL00086044	Subpostmaster suspension (undated)	POL-0083102
18	POL00005856	Post Office Limited: Appeals Handbook (19 June 2008)	VIS00006924
19	POL00086358	Managing Shortages at Audit: Process and Policy Guidelines (25 July 2011)	POL-0083416
20	POL00086828	Subpostmaster Appeal Panel Process Review (March 2012)	POL-0083886
21	POL00086116	Guiding Principles for Suspension (2 November 2012)	POL-0083174
22	POL00000325	Postmaster Support Policies: Termination Decision Review Policy (version 2.3, 30 March 2021)	VIS00001299