

Witness Name: Ms Christine Cosgrove
Statement No: WITN0260_01
Exhibits: none
Dated: 21 January 2022

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MS CHRISTINE COSGROVE

I, MS CHRISTINE COSGROVE 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.

BACKGROUND

2. I am from Liverpool and I am currently living in Liverpool.
3. I am married to my husband, Martin. We have been together for 32 years and we have one son who is grown up now. He is 24 and lives in his own place.
4. My husband had served 16 years in the Royal Artillery, following that he was a Police officer with Merseyside Police.

BACKGROUND PRIOR TO APPOINTMENT AS SPM

5. Prior to my appointment as subpostmistress, after leaving school, I worked in banking at the National Giro Bank. I worked there for 10 years.
6. After my time in banking I decided I would go and work with my husband.
7. My husband had been in business for years, running petrol stations so I went to work with him and together we ran three petrol stations.
8. We then decided to move to Cumbria where we lived with my husband's sister. So we sold everything and we moved to Cumbria in search of a post office, as that was what we had always wanted to do.
9. However, during our search for a post office, we came across a hotel that was in receivership so we decided to buy this and we ran the hotel for about 5 years.
10. I then fell pregnant with my son, so we decided to sell the Hotel because that was a 24/7 business, and we moved back to Liverpool again in search of a post office.

DECISION TO BECOME A SPM

11. When we initially decided to look for a post office it was because we were looking for a quieter life in the countryside, and as my husband had been self-employed for so many years we knew we wanted to be our own bosses.
12. The post office offered a good, stable income and was something we would be able to run into retirement. The post office hours were also ideal for the lifestyle we wanted. We had a child to raise and my husband, Martin, wanted to have enough spare time to enjoy golf.

13. We were looking all over the country for a post office but we eventually decided on one in Liverpool, because it was in the area I had grown up in, so I was familiar with the community and I had family there who would be able to help me with childcare for my son.
14. I paid around £118,000.00 for the purchase of the branch and Post Office business, and I also paid £75,000.00 for the purchase of the stock. I had to get a new roof fitted on the post office premises when we took over however, I do not recall the exact amount that I paid for this.
15. I was a Subpostmistress of Lance Lane Post Office, 103 Woolton Road, Wavertree, Liverpool from on or around 10 November 1997 to 23 May 2002.
16. I operated a retail business from the premises selling cards, toys and stationery. I employed one assistant, who had worked for the previous owner. Myself and my husband also worked one day a week.

TRAINING AND SUPPORT

17. A trainer came to my Post Office branch, I believe the trainer was in the branch for 2 or 3 days. The trainer went through transactions with us and a brief summary of balances. The training was not given in much detail at all and did not reflect the day to day running of the Post Office.
18. I would not describe this training as adequate and when the Post Office trainer left there was not much support after and we had to interpret problems we encounter by ourselves.
19. I spoke to the local Post Office area manager and requested more training. However I was told that we were doing everything correctly and did not require further training.

HELPLINE

20. I contacted the Helpline about 2 to 3 times per month with regard to problems relating to alleged shortfalls and balancing issues. I cannot remember the exact advice that I was provided with however, I remember phoning the Helpline whenever we had an issue or experienced a shortfall.
21. The problems we called the helpline for were never dealt with successfully and no error was ever found. In the reconciliation of transactions there was never an overage to compensate for a shortage as there should have been.
22. Due to the way Horizon worked a subpostmaster could not see within the system to find where errors may of occurred, and therefore you had to rely upon the system itself being an honest system. In the old paper based system you would have physical documents you could reconcile.
23. The Helpline advisors could not find any reason why I had shortfalls and did not provide any detailed advice, they simply said that I had to make good these shortfalls out of my own pocket, and that they would take note that I notified them of my issues.
24. The Helpline advisors told me that they would investigate the shortfalls that I was experiencing however, I never saw any evidence of an investigation.

SHORTFALLS

25. 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.
26. Prior to the introduction of the Horizon System, we operated on the old system paper based system and everything worked fine.

27. My assistant was extremely experienced on the old system, as such, any shortfalls that occurred would always be found, and you would know exactly what was causing the discrepancy and how to correct it.
28. However, when Horizon was introduced, the shortfalls started to increase and there was no way of finding out the cause of the discrepancy.
29. I would experience shortfalls of below £50.00 once every few months. When these occurred I would call the Helpline and notify them about these shortfalls. However, they were never able to locate an error so, I felt like the only option I had was to make good these shortfalls from my own money.
30. I used my savings to pay these shortfalls.
31. The largest shortfall I experienced was on 24 April 2002. This shortfall totalled £620.00. I hoped that the amount would balance in time however, this did not happen.
32. Over a period of 4 weeks, the shortfall continued to grow. I did not make good this shortfall until the day of the audit on 23 May 2002 when the alleged shortfall had reached £750.00.
33. I did not call the Helpline in relation to this shortfall, because I knew that they had never been able to assist in finding the cause of shortfalls before, so I did not think it would be any different on this occasion.
34. I was terrified of the consequences of experiencing such a large shortfall. It had never happened to me before and I just hoped that it would come back and balance out but it never did.

AUDIT AND INVESTIGATION

35. As far as I am aware, I never received any notice of any of the audits that took place but there were never any issues with my audits until the day of my suspension.

36. On 23 May 2002 two auditors, Liz Richards and Rob Bolton attended my branch. They discovered a £750.00 shortfall, which had built up over roughly 4 weeks. The auditors could not find an error in the system that could have produced this shortfall and could not understand how it had come about.
37. Nevertheless, I made good the money on that day. However, I was terrified of the consequences so told the auditors that the money had been in a counter drawer from the previous day. The auditors knew that this was not the case because they said they had been watching the shortages in the back office. I was unaware that they could do this.
38. They would not allow me to explain the errors in the system and asked me to leave the branch immediately. I was informed by the auditors that I was temporarily suspended, for the reason of false accounting.
39. When the audit was completed, there was an alleged discrepancy of £486.07 which I knew that I would have to pay but, at that time I could not afford it.
40. Upon my suspension, I asked the auditor if I was in trouble and she said I would need representation from the National Federation of Subpostmasters.
41. After my suspension, I received a letter stating that there would be an investigation into the shortfalls that I had been experiencing. However, I am not aware of any such investigation taking place nor have I been notified of the outcome of this investigation if it did take place.

SUSPENSION AND TERMINATION

42. I was suspended on 23 May 2002, when the auditors at my branch asked me to leave the premises. The post office was closed when the auditors suspended me, and a temporary sub postmaster, GRO was appointed. The post office was up and running that same day, it seemed as though my suspension was pre planned.

43. The Post Office treatment of postmasters was appalling and the bullying tactics were horrendous.
44. A few weeks prior to my suspension, we had attended a local meeting organised by the Post Office following a letter we had received from them. The meeting was regarding the Network Transformation Scheme. We were provided with information, which informed us of the reinvention of the Post Office and that it could mean our Post Office would be closed down under the network transformation scheme.
45. We attended the meeting with other local Postmasters/ mistresses as we all grew concerned about who would be chosen. It was not long after that that I was suspended over a shortfall that I had already paid back.
46. Upon my suspension, I was not allowed access to the Post Office again. I was only allowed to attend the premises once a week to collect any profits.
47. My contract was terminated by the Post Office on 23 July 2002 due to reasons relating to the alleged shortfalls, specifically falsifying accounts.
48. I appealed to the Post Office because I did not believe that I deserved to be terminated. I had done nothing wrong and had paid the alleged shortfall on the day of audit.
49. We had to go down to Wales for the appeal, and we took a member of the National Federation with us as we thought he would be able to support me. Unfortunately, he didn't say a single word during the appeal and subsequently my appeal failed. I felt completely let down by the National Federation of Subpostmasters.
50. Following my termination, we had the option to ask the Post Office to leave our building. However, the community needed a post office and we didn't want them to have to go without one.

51. So we decided to sell the building. I was so distraught by everything that had happened, I did not want anything to do with that building again and we sold it undervalue, which meant we lost out on a substantial sum of money.
52. Unfortunately, the person we sold the business to passed away the next year so the post office ended up being closed down anyway.
53. When we sold the building, we had to use the proceeds to pay off our debts. We had to pay back the business loan and family that we had borrowed money from. After covering our debts, we weren't left with any money to live on.
54. It took us a long time to get over this, and we had to live off my husband's pension.

CIVIL AND CRIMINAL PROCEEDINGS

55. The Post Office did not pursue civil or criminal proceedings against me for recovery of the alleged shortfalls. However, I feared that they would take action, due to the nature of my suspension and termination.

HUMAN IMPACT

56. I was directly and adversely effected by the problems with the Horizon system. I was suspended from my post by the Post Office as a result of the alleged shortfalls, and my husband and I were forced to sell our Post Office branch.
57. I attribute both mine and my husband's health struggles to the stress caused by the shortfalls in the Horizon System, and the way in which I was treated by the Post Office.
58. We lost our business, and our income. Our standard of living has been greatly reduced causing enormous distress for us and our young son.
59. I was a party to the group litigation against Post Office Ltd, as such I am excluded from the Historic Shortfall Scheme.

60. The consequences of being required to make good the shortfalls went beyond just losing money.
61. I lost my entire business for the sake of a £770.00 shortfall that I had actually paid back to the Post Office.
62. I was not given any chance to examine the shortages, or any evidence as to how they arose. I was accused of false accounting but no police were involved nor was I charged.
63. Whilst I was not charged or convicted with a criminal offence, the stress I experienced from being accused of false accounting was of the same magnitude.
64. We felt so alone because we had never been through anything like this at all before.
65. We lost our livelihood, our dreams of retirement, our hopes for our son's education, as he was our only child. Also our standing in a community in which I had been a part of all of my life was destroyed.
66. Unfair doesn't come close to describing the situation that we were put in by the Post Office, and the situation that we remain in. The long term consequences have been far reaching and some of which have left permanent damage.
67. The whole thing is an emotional rollercoaster, because of the way the Post Office strolled in, conducted an audit and then immediately threw me out of the back door.
68. The whole process from the audit to my suspension was quick and clinical, and at no time did anyone from Post Office explain or offer any support, there was never any doubt that they wanted rid of us.
69. We sold our post office within 12 months of my termination. We had to borrow money from family members to keep us afloat, so that we did not lose our home, as we had already lost our income.

70. We lived off my husband's army pensions and disability allowance. He had to cash in pensions early to keep us afloat. We could not afford our mortgage anymore and had to request a 'mortgage holiday' from the bank. Luckily, this was accepted. Otherwise, we would have been at risk of losing our home.
71. I had to borrow £10,000.00 from my mum to survive as I no longer had an income and my husband was struggling to provide for the both of us.
72. We sold the business and property for a fraction of what it was worth, plus we had lost the income from renting the flat above the post office. There was not much left once we paid family back and paid off the debts that had accrued following the suspension.
73. We also had to take our son out of private school, as we could no longer afford it, which had real consequences for him as he was so young and had forged friendships.
74. After my termination, I was unemployed for 5 years. I decided to go back to studying after 1 year of unemployment, because I was not ready to go back to employment after the stress that the Post Office had caused me.
75. My husband was constantly working to provide for both of us whilst I was studying. We will never earn the same again, so that has also had an impact on our potential earnings.
76. I suffered from huge amounts of stress after my termination. I had to meet with my GP on a regular basis due to my struggle with anxiety at the time. This prevented me from returning to work sooner, and I still suffer from anxiety today but don't have medication for it unlike my husband.
77. The anxiety I suffer with makes me feel like I have to be careful with absolutely everything that I get involved in now, and I am always looking over my shoulder for someone to blame me for the smallest error. In the years following my suspension I had a few interviews for jobs and always thought that everyone knew my history.
78. My Post Office was in a small suburb of Liverpool, and my customers were mostly local. Everybody knew everybody, and word spread fast about what had happened. There

were a number of comments made about me, for example, '*that's what you get for stealing money*'. People began to believe the rumours and started treating me differently.

79. I was raised within the community I had the post office in, and lots of customers were friends. I know people's opinion of us changed because of the comments made but also people stopped talking to us. My son attended the local school in the community and it was difficult for him also.
80. We lost friendships and local connections, because no matter how much you protest your innocence, people will make their own minds up without knowing the facts.
81. It is only now that because of the Group Litigation, and the promise of this public inquiry that the community in which we have lived and worked are realising that there has been more to it than a corrupt postmistress.
82. There were however a number of people who supported us, and that was heart-warming to say the least, but you always remember the negatives.
83. When we initially applied for the position as subpostmistress, we submitted a robust business plan and had a very long interview whereby the Post Office advertised the fact that they wanted people who were upstanding members of the community who had good track records both personally and financially.
84. My husband had served 16 years in the Royal Artillery, following that he was a Police officer with Merseyside Police, and following that he had been in business for a long time. I had been in Banking and then had joined my husband in business.
85. At the Post Office interview they told us that we were just the sort of people they were looking for. We sank everything we had into the business. We had banking support because of our track record in business, and yet were treated like criminals in the end.

86. We just wanted a life that we could enjoy; all of our aspirations disappeared overnight and plunged us into despair and our future unknown. I know that it was a long time ago this happened to us, but we still live with the consequences.
87. Our mental health was affected, and my confidence in myself has never been the same. To this day I do not involve myself with anyone else's financial matters for fear of repercussions, and I wasn't even convicted; such is the impact of the whole process.
88. The emotional impact has been so great on myself that many of my friends don't even know we went through this, and I struggle to think about it all, let alone talk about it. We are 20 years now since we lost our livelihood, but we live with it everyday.
89. My husband and I nearly came to the end of our relationship. To be honest our relationship has never been the same since, as I have always felt that I'm not trusted. Even though he has supported me, it changed our relationship. This is a loss you cannot measure.
90. My husband suffers from Parkinson's now which has a very debilitating effect on him and on us as a family, and I am convinced that some of this is a direct consequence of what happened to us. He is a shadow of his former self now.
91. My husband had been on antidepressants since the post office, and is still on them to this day, his mental health very up and down.
92. It impacted on our immediate family members, as we had to borrow money from them to keep us from losing our home. We are forever grateful for that.
93. I think it is hard to gauge what the true impact has been on our family because we do not discuss what happened to us anymore in order to protect ourselves.
94. Whilst I do believe that family and friends did support us, in the back of your mind you are always wondering what they really felt and if they thought I had stolen the money. It has been a cloud hanging over us for a long time and this has heavy emotional consequences.

95. I found it was easier not to tell everyone the truth in case we were judged.
96. To this day, 20 years on, there are some people who don't know what happened to us. It is a dark secret I feel that I have to hide. I will never get over it and it is the psychological impact that has been the worst thing for me.

CONCLUSION

97. After studying and 5 years of unemployment, I returned to work. Initially, after university I worked three jobs just to get money because we were so broke.
98. I then got a job working for the local authority in residential children's care. I then worked as a community support worker. I now work as a personal advisor for care leavers. I have been working in the same local authority for the last 15 years.
99. My earnings are not a fraction of what I would be earning if I still had my post office.
100. We have had to really work at surviving after losing our post office. It is still a work in progress, we have lost out on many opportunities, both personally and professionally that we would have had throughout our life.
101. I would have been retired by now, but that will not happen now, and I think we will always be working towards getting back on our feet.
102. I am angry that I had to go through such an ordeal, but now I am just mostly traumatised by the events.
103. I welcome this inquiry. I have always wanted someone to stand up and say that the difficulties that I had with my post office were not my fault and I hope this inquiry can bring that about.

- 104. I am not intent on anyone going to prison, but someone needs to be held accountable and admit that how they treated subpostmaster was wrong, and recognise that we should at least be compensated for what we lost.
- 105. The Post Office destroyed our life and reputation, the same good reputation that the Post Office told us was important when they interviewed us to run the post office.
- 106. I hope that someone somewhere learns from this, because there are still subpostmasters out there and this cannot happen to anyone else.
- 107. I am not a money-orientated individual, but I want what I have lost. I know what my salary was and should have been now, and I know I will never earn that again. The post office was my chance at a comfortable retirement, and the Post Office took that away from me and my husband.
- 108. No amount of money will ever compensate for the loss we, and many others have suffered, and I consider us as some of the luckier ones.
- 109. However, having said that, compensation is all we have left to allow us to live out our days debt free, and to enjoy the quality of life we should have had, and to gain redress for a situation that should never have happened.
- 110. We lost our potential, not just our income, and the emotions still run deep within us as a consequence.

Statement of Truth

I believe that the facts stated in this Witness Statement are true.

Signed... **GRO**Dated... 21/01/22

Christine Cosgrove