

Witness Name: Mr John Valentine
Statement No.: WITN0273_01
Exhibits: none
Dated: 25 January 2022

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR JOHN VALENTINE

I, MR JOHN VALENTINE 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 was a subpostmaster of Platt Bridge Post Office, in Platt Bridge, Wigan from 1981 to 2002. My family and I lived in the attached residence.
3. I operated a retail business from the premises selling cards, stationery and toys.

4. My father had been the subpostmaster at Platt Bridge, and he was due to retire. At the same time, the Nat West bank was closing their branch in the same area. The former bank premises had quite a large living accommodation attached
5. I decided to apply to become a subpostmaster so I could take over the role from my father. We decided to sell the family home and buy the former Nat West branch and relocate the post office there.
6. I had seen my father make a success of the business and had a comfortable living. It seemed like a sound business move to me, it would allow me to continue the family tradition of running the post office, and I was sure that it would provide my family and I with a secure and happy future.
7. The Post Office approved this, and all went ahead swimmingly, until Horizon sunk me like the Titanic.

Training and Support

8. I attended a training session in a hotel in Bolton when the Horizon system was first introduced. This was a brief overview on the system.
9. Most of us had never seen a computer before, I had previously used the ECCO computer system, so had some familiarity with computers but for those who had not, this was not a thorough introduction.
10. I had thought that Post Office Ltd would introduce the ECCO system, as I had been trialling it in my branch for a few months, and so I was surprised when they rolled out Horizon.

11. During the training, we used training computer screens, but it was more a brief overview and there was no indication as to what to do should the system not balance, because it was a new system, we just assumed that it would be all right.
12. I did not come away from the training feeling particularly confident. I did not feel the training prepared me for operating the branch in real life circumstances. I had become used to the ECCO system, which compared to Horizon, was a lot simpler.
13. The Horizon system was an all-encompassing system. I even found that for individual transactions, the training was insufficient, not just for balancing. We also only covered basic transactions, and not the complicated transactions. Therefore, when I returned to the branch, I struggled to know what to do.
14. For the first 2 -3 days, I had a trainer in branch with me. I believe that he was there for Monday and Tuesday and stayed for the balance. He briefly covered most aspects of the day-to-day running of the branch, but I do not feel this was adequate, as we did not cover how to carry out any of the less frequently used transactions. He simply stood behind me and watched as I served customers. My staff also had one day of initial training.
15. I received no further training, although I did request some via the Helpline.

HELPLINE

16. I estimate that I contacted the Helpline 2-3 times per month regarding problems relating to shortfalls and or balancing.
17. I found that the Helpline rarely gave me practical advice that would help me solve the problem and regarding shortfalls they would simply tell me to wait until the next week and it would right itself and it would likely be a giro cheque that had been

entered incorrectly. I had already checked all of this before I had done the balance and then afterwards, if it did not balance, I knew that there were no errors.

18. The Helpline never had any answer when I asked where the loss had gone, and they would often tell me to make good the loss.
19. I distinctly remember being told by the Helpline that I was the only one who had this issue, even though I knew from fellow subpostmasters that there was a bigger problem, but the Helpline would never let me know this. They made me think that it was only me and I had done something wrong.

SHORTFALLS

20. 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, to provide necessary context for the explanation of the human impact which follows.
21. I incurred multiple shortfalls under £100; between £20 to £100 every week from a few months after Horizon was installed. I would repay this immediately upon doing the balance. Any amount over £100, I would report to the Helpline but the amounts under £100 I would just make good.
22. I experienced multiple larger shortfalls. On each occasion, I checked through my previous transactions to try to find the source. When I could not find it, I paid the amount.
23. In 2001, I incurred a shortfall of £500. I paid the shortfall back as soon as I discovered it. I rechecked the pension dockets and giro transactions late into the night, and when I could not find the source of the shortfall, I paid it back. I asked the Helpline to investigate.

24. An audit in 2002 discovered a shortfall of £15,000. The Post Office did a follow up audit around two days later and the shortfall reduced to around £900. I do not recall whether or not I repaid this shortfall. This reduction in the shortfall in two days, for no reason, shows how unreliable the system was.

AUDIT AND INVESTIGATION

25. The Post Office conducted four audits at my branch. I am unable to recall the details of the first two audits, as they appeared to be routine audits. Only small shortfalls of approximately £20 to £30 were discovered, which I made good on the day of the audits.
26. An audit was carried out in 2002. I was given no notice of this. Three to four auditors came to my branch. A shortfall of £15,000 was discovered. I was immediately suspended and told that a follow up audit would take place within the next two days.
27. I was audited 2 - 3 days later, and miraculously this loss had reduced to £900. Although most of the loss had been somehow discovered, I was told that my suspension still stood.
28. There cannot have been any or any adequate investigation, given that the so called shortfall fell from £15,000 to £900 in two days, when I had no access to the system or post office. I was given no explanation for this by the Post Office.
29. It was outrageous that my suspension was maintained in these circumstances, as there was clearly a system error or flaw.
30. I was called for and attended a formal interview around a month later with my area manager. I was told I could give a statement, which I did. However, I was told that my suspension was still in place.

31. I appealed the suspension and had a further interview with a different manager; this was very similar to the first interview. Approximately four to five months later, I received a letter stating that Post Office Ltd were terminating my contract.

SUSPENSION AND TERMINATION

32. I was suspended immediately following the audit in 2002. The branch was closed for two days and a temporary subpostmaster was put in after the second audit.
33. Initially, I refused to allow a temporary subpostmaster to come in because I thought there had been an error, and I would be back in my branch once everything had been sorted out.
34. I was told by the Post Office that it could be weeks or months before there was any kind of resolution, and that if I did not agree to a temporary subpostmaster, Post Office Ltd would take the post office away from me.
35. The temporary subpostmaster only paid £200 a month in rent, which was far too low. I complained to the Post Office who said that I had to accept a low rent and that the matter would be resolved within a few months anyway.
36. It may seem like a petty grievance but, before I was suspended, I had repeatedly asked the Post Office to allow me to sell car tax at my branch and Post Office Ltd refused. However when they put the temporary manager in, they allowed him to sell car tax straight away.
37. My contract was terminated by Post Office Ltd around four months after my initial suspension.

38. My contract was terminated by Post Office Ltd due to the shortfalls. I appealed the termination of my contract, but the decision was upheld.
39. It is very important to emphasise that I was suspended and later terminated because of a supposed shortfall of £15,000, which was found at audit. I was excluded from the Horizon System and post office for the next two days, until the second audit. At that second audit, the so called shortfall had fallen to £900. The auditors did not give any reason for the magically reappearance of over £14,000. I consider that the Post Office's actions towards me were outrageous

CIVIL AND CRIMINAL PROCEEDINGS

40. The Post Office did not pursue civil or criminal proceedings against me. However, I was threatened with legal action to compel me to pay shortfalls that had arisen.

LOSSES

41. I repaid many alleged shortfalls during my tenure as a subpostmaster, when I called the post office helpline seeking assistance and to report these it was made clear to me that I must repay them. I do not recall if I repaid the final shortfall (originally reported by auditors to be £15,000, but which fell to only £900 after the second audit two days later). I am sure that I did not have the benefit of a fair investigation.
42. I was given the business by my father, so that I could carry on the family tradition of running the local post office. I purchased the ex-bank premises to accommodate the post office for around £50,000. I paid £300 to improve the flooring and I paid £500 for the signage.
43. I lost approximately £16,666 in earnings during my suspension.

44. I was given no notice prior to my termination, creating a loss of earnings, approximately £40,000 over 12 months.
45. If it were not for the events that occurred, I would have remained in the role until retirement. However, we were also considering selling the Post Office and retail store after we had it valued at £180,000 - £200,000,

HUMAN IMPACT

46. It is impossible for me to fully explain the impact the actions of Post Office Ltd had on my life. What I describe in this statement is only a fraction of how truly devastating it has been, both financially and emotionally.
47. I was a highly popular sub-postmaster. I suffered serious problems with the Horizon system, including shortfalls. I reported these to the Post Office and was audited. I was threatened with prosecution. I was suspended then dismissed. I appealed but was dismissed.
48. Two hundred of my brilliant customers even wrote to the Post Office to get me reinstated but to no avail.
49. I claimed unfair dismissal but was advised that I had zero chance of success against a national organisation like the Post Office, so sadly dropped the case.
50. In 2002 a postmaster was a highly regarded member of the community; and to tell people money had disappeared from the post office's accounts was shameful, and I could not believe it.
51. I thought I was the only subpostmaster that this had happened to and was not sure that the Horizon system was to blame. I even thought my staff may have been taking cash; everything goes through your head, but not Horizon. When Horizon was

introduced, we were led to believe that this was the future. Post Office Ltd had spent millions on the system with a great computer company, Fujitsu.

52. In hindsight, we were far too trusting but it just did not enter my mind that Post Office Ltd could get it so wrong.
53. It got to the point where I was working till midnight on balance day and the day after to search for the, apparently, missing money. I was constantly stressed and anxious. I lost countless hours of sleep. I had no family time as I was always working, thinking that I was the only one with missing money.
54. I became withdrawn and depressed. I considered taking my own life on a couple of occasions. I was paranoid, thinking my staff were stealing. I became suspicious and turned into a person I barely recognised. I lost my appetite, my family suffered terribly.
55. I felt I had failed at my job; I had bought a closed bank to put the post office in and saw it all crumbling away. My income fell to nothing as I fought to be reinstated by the Post Office.
56. My family were profoundly affected by the actions of Post Office Ltd. My wife was made redundant at around the same time, so we had zero income coming into the home.
57. Having the stigma of being accused of stealing from the Post Office left me virtually unemployable. I took a low paid job as soon as I could, but we ended up in a large amount of debt.
58. I began to suffer with depression. Thankfully, my family stood by me. Otherwise, I would have lost everything.

59. In 2004 I got a job with Asda and that had a stabilising effect, but I was still in a large amount of debt.
60. After the group litigation compensation, I was finally able to pay off the debts. I participated in the mediation scheme and received £32,000. I was party to the group litigation against Post Office Limited; as such I am excluded from the Historic Shortfall Scheme.
61. My earning capability was severely reduced. This impacted on my family life. We could not take holidays abroad, we had to drive an old car, I was forced to work longer hours as I searched in vain for money.
62. I was not prosecuted but it was still a severe shock to be accused of stealing from the Post Office. This was particularly upsetting as I had loved working in it and serving the community. Fortunately my staff were kept on by the interim manager,
63. I was told by the Post Office not to disclose any information about my suspension and dismissal, otherwise they would close the post office down. I was getting a small rent from the interim postmaster, so I could not afford to risk opposing the Post Office.
64. My children could not understand why I was not working in the post office anymore. I could not explain to my children or my friends why I was not in the post office and they could not understand.
65. The word got out that I had been suspended and the local community rallied behind me and sent a petition to the Post Office to have me reinstated. This kindness and solidarity made me feel so humble, but I could not tell the community what happened, as I did not know myself.

66. My wife found alternative employment after being made redundant. She was forced to work longer hours. We were depressed so rarely went out. We lost our previous standard of living.
67. As a family, we used to always go out for lunch on a Sunday after church, but this became rare as we did not have the money to do it anymore.
68. Similarly, on a Saturday after work, our extended family would meet in Bolton but I was detached and did not interact with them. I would sit alone in the conservatory. I was a very proud man who was forced to borrow from relatives to keep going. This shamed me and made me want to hold back from my extended family.
69. All these things that happened can never be reversed, no matter what compensation the Post Office pay or what they say. Members of my family have died not knowing I was innocent.
70. I fully expect the Post Office and Fujitsu officials to be flanked by top barristers and solicitors, likely paid for by the government or their own company's limitless pockets. They have the money and lawyers to defend themselves, when we postmasters and mistresses were accused and suspended through no fault of their own, we had no such protection.
71. We were fired, prosecuted and jailed. We had no one to defend us. The Post Office and Fujitsu officials will never feel the helplessness we felt, no matter how sorry they say they are. The false sorrow from them will never make up for what happened to me and so many others.

CONCLUSION

72. The Post Office action against me devastated my life. I should have been happily retired now, providing well for my family, and enjoying life.

- 73. It is impossible for me to give a full account of all of the difficulties I experienced and the impact these had on my life then and now. This statement attempts to give a summary of my experiences and the impact all of this has had on me and my family. I would like compensation not just for the financial losses but also for the harm I have suffered to my mental health and my pride.
- 74. I was treated as a criminal. My business was destroyed, my finances ruined, my mental health suffered, as did my pride.
- 75. I was part of the Group Litigation, so I now know that the Horizon system was deeply flawed and that the Post Office knew this.
- 76. I would like the full truth to come out. I want the world to know that I, and ordinary hard working, decent people like me, had their lives ruined by Post Office Ltd.
- 77. I would like it to be publicly shown that Post Office knew its computer system (Horizon) was completely flawed and unreliable, and that despite this Post Office pursued subpostmasters and ruined their lives for money that never existed.
- 78. I am entitled to be properly compensated for the losses I have suffered as a result of Post Office Ltd, and I would like this sooner, rather than later.
- 79. The Post Office and the Department of Business who own it, have known for years that Horizon was a broken system. I believe that they knew, or should have known, when they were destroying my life and the lives of others that their Horizon System was unreliable.

Statement of Truth

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

Signed... **GRO** Dated... 25-1-22

John Valentine