

Witness Name: Mr Brian Skirrow
Statement No. WITN0314_01
Exhibits: None
Dated: 3/2/22

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR BRIAN SKIRROW

I, MR BRIAN SKIRROW 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 Thames Ditton in Surrey but I now live in Cockermouth Cumbria. I am married to my wife, Suzanne Skirrow, we have been married for 35 years.
3. I am a father to three grown up daughters and grandfather to eight grandchildren. My daughters were teenagers at the time I ran the post office.

BACKGROUND PRIOR TO APPOINTMENT AS SPM AND DECISION TO BECOME A SPM

4. Prior to my appointment as Subpostmaster I ran a newsagents for about 10 years, I have always worked in retail.
5. At the time post offices were a really good investment so, my wife and I decide we wanted to purchase one.
6. When I purchased the post office we moved out of Newcastle, to Cumbria.
7. We hoped to have a good solid career running the post office with a good income. We aspired to become pillars of the local community as respected and trustworthy business owners and we were excited to be working for a trusted organisation.
8. When we bought the post office we saw it as a job for life, we wanted to run it up until our retirement. We invested £155,000 in the post office, this included taking out a £125,000 business loan.
9. My wife and I put our everything into this business. We were working 14 hour days to build up the business from having such a low footfall, all the while living in an extremely cold flat above the premise for the first 2 years.
10. We also took out personal loans to allow us to add to the retail side of the business. We sacrificed quality time with our 3 children to try and build up our business as we had long term plans for the post office. It was a job for life and we wanted to continue this up until we decided to retire.
11. I was a Subpostmaster of Egremont SPSO, 52 Main Street, Egremont, Cumbria CA22 2AA from January 1998 to September 2015. My family and I lived in the linked residential premises for the first 2 years of my tenure as subpostmaster.

12. We set up a retail business from scratch when we took over the post office and operated this from the premises selling greetings cards and stationery. I employed five assistants between 1998 and 2015.

TRAINING AND SUPPORT

13. My training consisted of basic transactions, I was taught the sales side and back office side of how Horizon and the branch operated but, I was never shown what to do if got a surplus or a shortage.
14. For years I followed the process I was taught by the Post Office helpline, instead of declaring a loss and then inputting that into the system I paid money in to cover the shortfall. I was simply putting money into the branch so that there was no shortfall to declare because this is what I was instructed to do by the helpline advisors. As a result, it is unlikely that the Post Office will have any details of the losses that I incurred for a number of years.
15. Eventually, a helpline advisor informed me that this was not the correct procedure. I had contacted the helpline after incurring a big loss that I could not afford to pay outright straight away. I needed to carry it over and pay through deductions in my salary. It was for this reason that I contacted the helpline and I was then informed I had been handling the shortfalls wrong for all those years.
16. The initial advice I had received from the helpline advisors was wrong and the overall training and support the Post Office provided was not nearly adequate and it did not prepare me for the role of a subpostmaster at all.
17. I received no further training from the Post Office beyond this.

HELPLINE

18. I contacted the helpline monthly, whenever I experienced shortfalls I would call the helpline for advice. Due to the passage of time I cannot remember exactly what was said every time I spoke to an advisor but I do know each response was always different depending on the problem.
19. The majority of the time the helpline advisors were not able to offer me any help. They would simply tell you to do what you had already done therefore, I would often end the call and try and resolve the issue myself.
20. It seemed as though the advisors had no real knowledge of the Horizon system, as they were unable to offer any useful advice.

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 began to experience shortfalls within around 6 months of the Horizon system being implemented. I always contacted the helpline when a shortfall arose and I was told to simply put the cash into the post office, which I always did because I didn't want the balance to be short.
23. During my tenure as subpostmaster, I paid roughly around £15,000 of my own money into the post office in order to cover the shortfalls.
24. The Shortfalls arose in various lump sums at various times. They usually appeared as a shortage in stock or cash when I was balancing. I always paid the shortfalls, most of the

time I had to take money from the retail side of the business but I also used some of my own savings to make up the losses.

25. This had knock on effect to the retail side of the business because we were left with less cash to pay for the stock we needed in the shop.

AUDIT AND INVESTIGATION

26. Around two or three years after I had taken over the post office I remember an audit taking place. It was an unexpected audit and the auditor turned up before the staff had even arrived.
27. After this audit I was informed by the auditor that the Post Office had been aware that someone in the branch had been stealing money through benefit books for some time. The Post Office was aware of this prior to my appoint as subpostmaster and yet this information was never communicated to me. I had many shortfalls that I had to settle in order to balance by this stage. I cannot understand why this was not communicated to me at an earlier stage.
28. This sums up the Post Office's actions towards me, they have been deceitful from day one. The Post Office turned up with a security team and I and all my staff were all threatened with dismissal if no one was caught or owned up to taking the money.
29. I was advised by the Post Office that they required me to assist in catching the member of staff. It took me two to three months to catch the person responsible for stealing. The staff member was eventually charged with stealing £30,000 and received a suspended sentence in court.
30. To this day, I still find it shocking that the Post Office allowed me to take over the branch while they knew someone was stealing money from it. They failed to inform of this information prior to my purchase of the branch, in fact, it was not until around 2

years into my tenure that the Post Office informed me of the information they held, all the while I was covering any shortfalls that arose.

31. Another audit took place during my tenure as subpostmaster. I cannot remember the date due to the passage of time but the audit revealed no problems in the branch because I had been paying my own money into the Post Office to cover shortages as stated above.
32. I always cleared any discrepancies that we had. As such, no investigations were carried out by the Post Office because the audit did not reveal any shortfalls in the office.

SUSPENSION AND TERMINATION

33. I was not suspended by the Post Office. I left under the Network Transformation scheme in September 2015 when I eventually secured a buyer for the branch.
34. I could not continue to keep making losses and funding the post office out of my own pocket. My wife was desperate to get out of the business because we were losing so much money, so we opted into the Network Transformation scheme and managed to sell the post office after about 2 years of looking for a buyer.

CIVIL AND CRIMINAL PROCEEDINGS

35. The Post Office did not pursue civil or criminal proceedings against me for the recovery of the alleged shortfalls because I always covered any shortfalls that arose.

LOSSES

36. I was led to believe by the Post Office that I had no alternative but to pay the shortfalls because I had to balance in order to be able to continue trading the next day.

37. I believe that throughout my time as subpostmaster, I repaid as much as £15,000 to the Post Office. I have calculated this amount by looking through my accounts that I have available, however, there are some years where I have no record of all the losses incurred due to the time period since the losses.

HUMAN IMPACT

38. I suffered serious problems as a result of the alleged shortfalls reported by the Post Office Horizon system at my Post Office.
39. I was pressured by the Post Office to make up alleged shortfalls, totalling approximately £15,000 during my time as subpostmaster. I felt I had no choice but to cover the shortfalls in order to avoid civil or criminal action being taken against me; and in order to retain my position as a subpostmaster. However, my consequential losses were higher and I experienced serious and prolonged stress as a result of the Post Office's action against me and the uncertainty of being forced to operate an unreliable computer system, over which I had no control.
40. I participated in the mediation scheme and received a payment of £4,000. I was a party to the group litigation against Post Office Limited; as a result I am excluded from the Historic Shortfall Scheme.
41. The requirement to make good the shortfalls placed a lot of strain on my finances. I always had to make up the shortfalls immediately using my savings, profits from the retail side or through deduction in my next month's pay. I felt I had no choice but to pay the money because I needed to balance in order to continue trading.
42. I was under an immense amount of stress trying to cover the shortfalls. I had three young children at the time and when your business is operating at a loss it makes living very tough.

43. It was very frustrating being held responsible for the shortfalls that were occurring. It became a very stressful time for me and my wife. I used to balance every day and had separate tills for each member of staff, this was a system I brought in due to the continuous losses that kept occurring. I thought it would help me understand how and why the losses were happening.
44. Sometimes the losses were exact amounts of for example £1,500 or 600 second class stamps. We would spend time going through each transaction and matching them to our CCTV, sometimes there were only a dozen transactions on that particular stock transaction that day therefore, it was impossible for £1,500 to be given out in error and not shown on the CCTV.
45. When we realised the shortfalls could not have been down to human error the situation became even more stressful for my wife and I as we knew there was nothing we could do to stop the shortfalls.
46. The consequences of being held responsible for the shortfalls were that our post office footfall and consequently our post office salary were continuously falling year on year. I served as subpostmaster for 18 years and by the time I left my salary was below my starting salary.
47. I was not given adequate training on the horizon system and from day one I was told by the help desk that I needed to put in any cash that was missing prior to rolling over. However, it later transpired that this was incorrect because it meant that there was no record of the shortfall as the till always balanced because I had put the cash in. I only found out years later that I had been given the wrong advice.
48. To suddenly have to take out hundreds of pounds from your retail till to balance the post office caused us enormous stress and worry, especially as I was having to take out bank loans to be able to continue trading.

49. I was not accused of committing any criminal offences because I always paid the shortfalls.
50. I felt I had to pay the shortfalls because I knew that if I was short at an audit I would be sacked by the Post Office because I had heard of other subpostmasters that this had happened to. Therefore, the choice was take out a loan and pay up or lose the business and of course I chose to take out a loan and cover the shortfalls.
51. When I took over the branch prior to horizon back in 1997, the Post Office failed to inform me that they knew a member of staff had been stealing thousands of pounds from the office. They ended up stealing in excess of £30,000 in the end.
52. I had no idea about this until a couple of years into my tenure and several cash shortages later. One morning, Post Office auditors, my regional manager and the fraud department turned up and informed me that a member of staff was committing fraud and if I could not prove who it was we would all get fired.
53. The fact that the Post Office left it to me to figure out who was committing fraud and threatened to fire me if I could not sums up their attitude towards me as a subpostmaster, they had no interest in helping me with any aspect of the job.
54. Eventually I did catch her and she left prior to Horizon but obviously the shortages continued to occur because they were a result of the technical errors in the Horizon system which I had no control over.
55. The stress I was under was unbelievable; the shortfalls caused me countless sleepless nights. I was constantly worried I might lose the post office and the whole experience really showed me how the Post Office treat their subpostmasters in general.
56. My wife was also under immense stress during this time, she was at home raising our 3 young children and we had no other income, there were times when we thought we might lose our house because money had become so tight.

57. We had no savings so to suddenly have to start paying out lump sums of for example, £1,500 was soul destroying. We did not expect running our own business to cause us so much financial strain.
58. My wife could not understand how the money could just go missing and neither could I. I have always suffered from a guilt complex and this was made worse with these losses that I knew were not real.
59. We were constantly second guessing ourselves and my wife was under a lot of pressure having to double and triple check the figures to try and find the errors.
60. This put a huge strain on my marriage. My wife and I would argue about the shortfalls and how we ended up in this situation. We knew the losses were not accurate and so having to pay for shortfalls that were no fault of ours was very frustrating.
61. It is difficult to put into words just how much stress the Post Office put me and my wife through and the greater impact that had on my finances and mine and my family's standard of living.

CONCLUSION

62. We have had to completely rebuild our lives because of the actions of the Post Office. I now run a bureau de change, I have been running this since 2015 and my wife is now a nurse.
63. I will never forget how the Post Office treated us and how they ruined mine and my family's life. We came out of the business in debt unable to live the comfortable life we had planned for ourselves.
64. The Post Office are an untrustworthy institution. They lied to me from day one and their actions showed they do not care about subpostmasters at all, their actions show they

are only interest in money, they never offered any support or solutions to the problems we were facing with the system.

65. I would like the inquiry to hold the people responsible for covering this whole scandal up to account.

66. I would also like to see some compensation for all subpostmasters for the harm they have suffered at the hands of the Post Office.

STATEMENT OF TRUTH

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

Signed..... **GRO** Dated..... *3/2/23*

Brian Skirrow