

Witness Name: Mr Michael Fogarty  
Statement No: WITN0261\_01  
Exhibits: None  
Dated: 25 January 2022

## THE POST OFFICE HORIZON INQUIRY

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### FIRST WITNESS STATEMENT OF MR MICHAEL FOGARTY

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I, MR MICHAEL FOGARTY 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 Jersey, in the Channel Islands. I lived there until I was about 15 years old at which point I decided to go into the merchant navy for a short time, approximately 6 months.
3. I then joined the army. I was in the infantry for 17 and a half years in the Royal Hampshire regiment.

4. I met my wife whilst in the army, in Northern Ireland, she was part of the Women's Royal Army Corps (WRAC), in the Royal Hampshire Regiment signal Platoon.
5. We are both ex-Army and as such, we are well disciplined, well organised and thorough people.
6. In 1990 my regiment was going to be amalgamated, so I was offered redundancy. I decided to take the redundancy because my wife was pregnant with our daughter at the time, so we made the decision to move back to Jersey.
7. I have been married to my wife, Diane, for 29 years and we have one daughter together.
8. After our time in the army, but prior to the Post Office we both had good jobs, I was working for the police and my wife was working in finance for Barclays Bank in Jersey.
9. It was my wife's dream to own a post office and we had been looking for one for nearly 18 months when the Queensbury post office in West Yorkshire came up for sale.
10. My wife is Queensbury born and bred as is her entire family and she was keen to move back to her hometown at this point, so it was an obvious choice for us.
11. My wife knew or knew of the majority of the population of the village and felt that we could bring a good service to the community in which she came from, she wanted to be a pillar of the community.
12. We sold our house in Jersey that we had renovated and used the proceeds from the sale combined with my redundancy from the army to invest in the post office.

13. We secured a bank loan and moved into the post office in January 2000. The previous postmaster agreed to stay until we were comfortable for him to leave. The accounting was still manual at this time. We grasped it quickly and Horizon was introduced about a month after we arrived.
14. I was a Subpostmaster of Queensbury Post Office, 24 High Street, Queensbury, Bradford BD13 2PA from around January 2000 to around August 2001.
15. I operated a retail business from the premises which sold (amongst other things) stationery and greeting cards, sweets and children toys. I employed three part time assistants.
16. We saw the post office as a long term opportunity, particularly for my wife, it was really her thing, and she wanted to run it until retirement.

#### **TRAINING AND SUPPORT**

17. When I was appointed at the Branch, a paper based accounting system was in place. This was time consuming however it was very easy to identify when errors occurred. This is something that was completely absent when Horizon was introduced.
18. The previous subpostmaster completed a handover with me for the first week or so and I did not have any problems with the accounts when operating under the paper based system. In or around February/March 2000, Horizon was installed at the Branch. A Post Office representative attended the Branch intermittently for around a week to assist me when processing transactions through the system. Horizon was considerably more complicated than the previous system and I recall feeling overwhelmed with information.
19. The Branch was quite a large and busy office and so I was expected to process a number of transactions on Horizon quickly with virtually no formal training. The Post

Office representative did assist me when he was at the Branch but I recall that I largely learnt how to use the system through trial and error.

20. In particular, Post Office did not provide enough training or guidance on the balancing procedure which often took my wife and me hours to complete. Generally, I feel as though I did not have a sufficient level of training to run the Branch efficiently.
21. The figures on Horizon always seemed to be showing a loss and I presumed that I must be doing something wrong. Shortly after my appointment, my wife contacted my area manager (whose name I cannot recall) to request that she attend the Branch and complete a weekly balance with me.
22. Our area manager did attend the branch and assisted my wife and me with the balancing exercise. She could not get the figures to balance and so said that one of our assistants must have been stealing from the Post Office.
23. Despite the fact that my wife was at the Branch at all times, we installed CCTV cameras but they did not capture any theft on behalf of our staff. I recall feeling as though I had no help or support from Post Office and that I had no choice but to continue to make the shortfalls good.

#### **HELPLINE**

24. I estimate that I contacted the Helpline 2 to 3 times per month with regard to problems relating to alleged shortfalls and/or balancing.
25. Generally, I found that the helpline could not assist me with the issues that I experienced on Horizon. The advisors appeared to be reading from a script and I did not feel as though they had a sufficient technical understanding of the system.

26. I remember that when balancing Horizon, the accounts would show a loss. After reporting the unexplained shortfall to the helpline, they would then advise us to complete the balancing exercise again but more slowly. My wife and I would then complete the entire process again and Horizon would produce a different figure, despite no more transactions being inputted into the system. When my wife or I would contact the helpline to explain, they could not offer any explanation and I was just told that I had to pay the shortfalls myself.
27. We were using our own savings to pay back the shortfalls which is very difficult when you have a mortgage and bills to pay. In fact, it totally undermined the concept of buying a post office, especially when you think it will bring you financial stability.

### SHORTFALLS

28. 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.
29. As soon as Horizon was introduced at the Branch, the accounts always showed a loss which could not be explained.
30. Initially, it seemed to be small amounts of around £20 to £30 each week. I paid money into the accounts weekly to cover these shortfalls.
31. However, as time went on, these amounts increased to between £90 and £110 each week. I remember that my wife and I began to feel increasingly desperate as we were using our personal funds to make good the shortfalls.
32. I would estimate that throughout my position in the branch, I paid in excess of £4,000 into the accounts in cash.

33. Approximately £2,000 was formally identified at the audit at the Branch in or around March 2001.
34. As my wife had completed the balancing procedure a few days prior to the audit, I was aware that this shortfall had occurred and it had been reported to the helpline. I repaid this amount by cheque shortly after the balancing procedure revealed the deficit and before the audit was conducted at the Branch. I settled the amount centrally on Horizon.

#### **AUDIT AND INVESTIGATION**

35. An audit was conducted at the Branch in approximately March 2001.
36. I believe the audit was prompted because my wife had settled a shortfall of approximately £2,000 centrally on Horizon. I had placed a cheque into the accounts to make good this shortfall prior to the audit taking place.
37. I was not present on the day of the audit, however, I am aware that the auditors attended the branch before it was due to open. They then sent my staff and wife home whilst they counted all of the cash and stock.
38. Shortly thereafter, the auditors called my wife to tell her that I was to be suspended from my position as subpostmaster without pay pending further investigation. They took my keys and told my wife that we were no longer allowed to access the Branch.
39. At no time was my wife or I provided with the data used by auditors, neither were we given the information of the auditors findings therefore, we had no independent way of ascertaining whether the audit was correct or not.

40. Around a week after my suspension, my wife and I attended an interview with two Post Office representatives. We decide to instruct a solicitor to attend the interview with us. When we arrived, we were told that our solicitor was not allowed to be present at the interview.
41. Eventually, after we refused to continue with the interview without our solicitor present, Post Office agreed to let him accompany us. The interview was an extremely stressful experience for us and I recall feeling very intimidated by the interviewers who appeared to believe that we had been stealing money from the Branch.

#### **SUSPENSION AND TERMINATION**

42. I was suspended following the audit in March 2001 as a result of an unexplained shortfall of £2,000 at the Branch, despite having paid this shortfall. The Branch was closed for approximately 1 day.
43. A temporary subpostmaster was appointed approximately two days after the audit was carried out. Post Office dismissed all of the staff that I had employed at the Branch. The Post Office took my keys so that neither I nor my wife could access the Branch.
44. My contract was terminated by the Post Office, however, due to the passage of time, I cannot recall when I was informed of this decision. My appointment was terminated because of an unexplained shortfall of approximately £2,000.
45. At the time, we were also carrying out renovation works to the Branch in order to enhance the business. Post Office stated that this was in breach of the subpostmasters contract, as I should have gained their prior consent to make structural alterations to my property. I decided to appeal the termination of my position and attended an appeal interview.

46. The Post Office asked me to take a business plan for the Branch with me to the interview which I invested considerable time into preparing. Despite this, my appeal was refused and the termination of my contract was made final. I was informed of this decision by letter.

#### **CIVIL AND CRIMINAL PROCEEDINGS**

47. The Post Office did not pursue civil or criminal proceedings against me for recovery of the alleged shortfalls.
48. I feared being prosecuted because I was threatened by the post office with prosecution if I challenged them or if did not pay the shortfalls and I couldn't afford to be prosecuted, hence why I always paid the shortfalls.
49. It seemed clear to me that I had to go away in silence or face legal action.

#### **LOSSES**

50. I sold the branch and retail Shop on 31 August 2001. I purchased the branch for £180,000 but we sold it for £142,000. Therefore, I lost approximately £38,000. I also paid approximately £1,400 for stock. We never received any reimbursement for the stock by Post Office or the temporary subpostmaster they appointed at my branch shortly after my suspension.
51. I was suspended without pay for approximately 6 months. During this time, I would estimate that I would have taken approximately £21,000 (gross pay) from the business.



52. I repaid approximately £4,000. I was convinced by the post office that I had no alternative but to pay the shortfalls. I was always instructed by the helpline I must make good shortfalls regardless of the circumstances.
53. If it were not for the events that occurred, I intended to continue to run the business for at least 10 years, at which point my business loan used to purchase the branch would have been repaid. I wished to continue to build up the profitability of the business so that we could sell the branch for a considerable profit. I was receiving a salary of approximately £45,000 per year (gross pay).
54. The actions of the Post Office seriously damaged our reputation in an area in which my wife had been born and bred and knew everyone, this also seriously affected my wife's health.

#### **HUMAN IMPACT**

55. As I mentioned above we suffered serious shortfalls leading to my suspension and termination by the post office. This put us in an extremely difficult financial situation. Because of the loss of the post office the profitability of our retail business plunged and we had no alternative other than to sell our business.
56. I felt as though my wife and I were the subject of gossip in the local area. As my appointment with Post Office had ended so suddenly, people speculated as to whether we had stolen the money. Generally, I felt as though the attitudes of the local people changed towards me and my family.
57. The Post Office were fuelling the rumours by telling people I was being charged for false accounting and fraud which was not the case. Our area manager went to the next village along and told the subpostmaster there that I was being charged.

58. Because we had lost our income my parents helped us out, Diane's family initially rallied around until the rumour mill started and it went through the village that we had stolen £100,000. As a result of this my wife's parents were so ashamed that they cut all ties with us. It took many years to rekindle the relationship but it has never been the same.
59. The termination of my employment deeply affected my wife's health.
60. The stress was making my wife extremely poorly, she wasn't sleeping, hardly eating, and became angry and upset towards myself and the kids.
61. My wife fell into a deep depression and the doctor put her on strong anti-depressants. As a result she barely left the house and our relationship hit rock bottom.
62. It is very hard for me to say this, but I would have left my marriage and home because of how upset and distressed my wife had become and the effect this was having on us. However, my wife was incapable of looking after herself, let alone our children, as such I stayed out of duty to my wife and children.
63. My mother ended up giving up her job to look after my family whilst I found a job to keep our heads above water. I had already maxed out all the credit cards and we were very close to losing our house.
64. Whilst at work one day I was telling my boss about my difficulties with the Post Office. My boss advised me to insist that the Post Office pay me proper rent and let me sell it as a going concern or threaten that I will close it down immediately.
65. It took an outsider to point out the obvious. I did as my boss suggested, and the Post Office agreed to allow me to sell the business, although I had to sell the business at a loss of £68,000 as by this time everyone knew the story (the post office area

manager had discussed it with every postmaster in the area telling them we had be sacked for theft) which meant all buyers had us over a barrel.

66. In truth, by this time we were glad to be rid of the pressure and strain of running this now failing business.
67. The Post Office's actions against us left feeling very bitter. I asked myself the question many times, what happened to been innocent until proven guilty? The Post Office made us feel like we should be grateful for small mercies, i.e. not being prosecuted or bankrupted.
68. The villagers gossiped about us so we rarely went into the village because we were embarrassed. We felt like no one trusted us. Lifelong friends wanted to talk to get the low down and then we never heard from them again.
69. My wife's lifelong friend, GRO who worked for us and had been friends with my wife since they were 15 years old was alienated against us, specifically by the Post Office's instructions to her.
70. Following my termination the Post Office kept on our staff but they told all our staff that they were not allowed to talk to my wife or have any contact with her because they didn't want anything to do with the post office being discussed. Sadly, GRO took this at face value, and her and my wife have never spoken since. Another member of staff was so horrified by the Post Offices instructions that she decided to leave.
71. Our previous untarnished reputations were in tatters. Both my wife and I had served in the army we were people of high moral standing. We believed in rules and the rule of law, we were and are honest people. However, as a result of the Post Office's actions the local community believed we were thieves. This was so serious that my wife's family were so ashamed of us that they cut all ties with us. The effect of this was devastating on my wife. She was cut adrift from her family.

72. My daughter's life was made miserable for a time. My wife's mental health was in decline for a long time after the Post Office action against us. Although my wife, functions on a daily basis she has never returned to the woman she was before this dire episode in our lives.
73. Previously my wife had been a dynamic and confident woman. When these events occurred, she became a shell.
74. I believe that Post Office deliberately preyed on people, by this I mean Subpostmasters.
75. Subpostmasters are always people of good standing. The post office carefully vet people before allowing them to become Subpostmasters. The type of people who become Subpostmasters are therefore, people with unblemished records. They are also trusting towards authority.
76. For example, like us, former members of the armed services. As such, we and other Subpostmasters were incredibly naïve about the criminal justice system and we also trusted in the Post Office which we saw as being effectively an arm of government.
77. As a result of the way we were treated by Post Office, we honestly believed that we were going to be dealt with by the police and the full force of the law was to be brought on us for a crime we had not committed. We were denied legal representation and because we were naïve we accepted that everything the Post Office said and did was right and legal; because we believed that, at the end of the day, they are the government. This was in the same way that we accepted everything that the Army told us, because they are the one and same government.
78. Our lives in essence were ruined for a good many years; we had to move to another village to escape the gossip and scathing looks.

79. We had to deny our children many things financially, as our standard of living took a complete nose dive. Our children missed out on the love and affection from their mother as my wife withdrew into her own abyss and her family chose to keep their distance.
80. The Post Office and the government have a lot to answer for. They have ruined very many lives as they used their draconian methods to no end.
81. In my view, the true number of victims will never come to light. This is because many will have died, moved away or many will wish to never relive that episode in their life when the Post Office came down on them like a ton of bricks. Furthermore, it is very likely that many former Subpostmasters will have no idea that this inquiry is going on. They will be too busy trying to rebuild their shattered lives.

## **CONCLUSION**

82. My wife and I are lucky we are still together to this day because the pressure that I was under as a result of how ill my wife became due to the actions of the post office was unbearable.
83. We had to move away from Queensbury, an area my wife had known and been a part of her whole life. We had to take our daughter out of school because someone told her, that her mum was a thief. No child should have to hear that, especially not at school.
84. We had to start over and rebuild our lives. I went to work in a residential school for children that were in care, and my wife didn't work for about 18 months after, because she knew every interviewer would interrogate her about what happened with the post office, and she did not want to have to relive it again. My wife is now foster a parent.

- 85. I am still bitter about the actions of the post office and how they treated us to this day. My mother also feels the same because she had to put her life on hold to support us.
- 86. Still to this day we do not go into Queensbury, my wife's home town.
- 87. At this point, I do not see what else can be done to make good the harm we have suffered at the hands of the Post Office and thus the government, other than compensation.
- 88. We should be compensated for our losses, the way we were treated and the harm we suffered because of this treatment and our potential earnings. We had a good business, with a good future, and that was snatch from under us.
- 89. The Post Office should be held accountable, and not just the organisation but the individual people, such as the investigating officer and area manager in our case, who treated us like we were the scum of the earth, and who threw threats and accusations around with absolutely no basis or evidence.
- 90. I would also like to see a public apology on the news to all Subpostmasters and I think they should be named individually, in a roll call, so that everyone knows that myself, and all the other Subpostmasters, did absolutely nothing wrong.

**Statement of Truth**

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




**Michael Fogarty**

Dated 25/1/2022