

Witness Name: **GRO**  
Statement No. WITN0282\_01  
Exhibits: None  
Dated: 04/02/2022

## THE POST OFFICE HORIZON INQUIRY

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FIRST WITNESS STATEMENT OF **GRO**

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I, **GRO** 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.
2. I live in Oxford with my husband **GRO**. We have two children, one son who is 24 **GRO** and in his last year of Leeds medical school and a daughter who is 21 **GRO** and graduated from university last year and works in Leeds as a recruiter.

## BACKGROUND

3. Prior to being a subpostmistress I was a deputy head teacher.
4. My husband had retired from his job as a Prison Officer, and we were looking for something that we could do into retirement.
5. Because I was the Director of our limited company, Kanbri (UK) Limited, we decided that I would be the subpostmistress and **GRO** would be the manager and look after the shop.
6. We thought the post office would work well around out family life and I could continue to be a teacher alongside it, as my deputy head post was a job share, and so I would have sufficient time to help in the post office and shop, as well as having time to care for our two young children.
7. As it turned out, I had to quit my job as a teacher as due to the problems with Horizon and the Post Office, both **GRO** and I were needed to run the post office and shop.
8. I was a Subpostmistress of Rose Hill Post Office, 2 Courtland Road, Oxford OX4 4JA from 3 September 2001 to 15 July 2004. I signed a contractual document around the time of my appointment. However, I do not know if this is a full copy of a contract, and I was not provided with a copy.
9. My husband was the manager of the post office and was involved with the day to day running of the branch. As I was not personally involved in the day to day running of the branch.
10. I make this statement from my own knowledge as well as based on conversations that I held with my husband, **GRO** who is also a core participant in this

Inquiry, and by reference to documents and records which are available and have been shown to me.

11. We also operated a retail business from the premises, Rose Hill Newsagent & Rose Hill Post Office.

### **Training and Support**

12. I did not receive any training, as my husband was the day to day manager, and he received some limited training on the Horizon System from the Post Office. I understand that my husband had some training when a Post Office trainer attended the branch for approximately 2.5 days, and that the training which was provided covered the running of the Post Office. I have a faint recollection that a trainer did come on a Wednesday for additional weekly balancing, but I am not sure.

### **Helpline**

13. From discussions held with my husband and from reviewing his log book notes, I am aware of that **GRO** contacted the Helpline more than 5 times per week with regard to problems relating to alleged shortfalls and /or balancing.
14. **GRO** told me that he had received no help with the problems he experienced in trying to balance the Horizon System, particularly on balancing day (Wednesday night).
15. I recall that **GRO** would often be in the branch until 8 or 9 pm trying to trying to balance the accounts. Even on normal days he would still be in the post office at 7pm despite the doors closing to customers at 5:30pm.
16. **GRO** has told me that his impression of dealing with the Helpline was that it was as though they were reading from a script and had no idea of the workings of the Post Office.

## Shortfalls

17. 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.
18. I would estimate that throughout my appointment as the subpostmistress, our company Kanbri (UK) Limited paid (or the Post Office deducted) in excess of £17,000-£22,000.
19. There were regular shortfalls between £50 and £250 totalling approximately £16,967.63 - £21,967.63 on various dates between 9 February 2002 and 15 July 2004.
20. My husband **GRO** repaid the alleged shortfall using money from the retail side of the business.
21. **GRO** spent hours trying to resolve the shortfalls without success. As he was unable to resolve the shortfalls, he made them good using funds from Kanbri (UK) Ltd so that the Horizon system would balance, and so that we could open the next trading day.
22. On 8 February 2002 we experienced a shortfall of £1,967.63 following an audit. **GRO** paid the shortfall with cash from the retail side of the business and made good the shortfall so that the system balanced. He declared the shortfall in the company accounts.

### Audit and investigation

23. I was not present when the audits were taking place, and only can only provide details from the information and documentation supplied to me by my husband **GRO**
24. Audits took place on 8 February 2002 and 15 July 2004.
25. At the first audit, two auditors (Sandra Belcher and Robert Parker), arrived before 9am. **GRO** told me that he did not have the opportunity to validate their findings.
26. The audit report which I have seen reflects that they told him that there was a £1,967.63 shortfall and **GRO** told me that they interrogated him and forced him to pay it, which he did there and then.
27. The auditors gave **GRO** a formal warning and thereafter he made sure that he paid all shortages immediately to make them good so that the system balanced.
28. At the second audit **GRO** was not present at this audit because he was developing the other side of the business.
29. **GRO** told me that he first found out about the audit when he received a phone call from an employee in the shop who had gone into the Post Office branch area and there were three people who would not let them in to the branch.
30. **GRO** thought it was a hostage situation and called the police. When he arrived he realised it was actually an audit by the Post Office (conducted by Sandra Belcher, Paul Holland, John Longman and Simon Smith). The Post Office officials had arrested a member of staff for fraud in relation to pension benefit claims.
31. The auditors and the Post Office security team did not find any evidence of fraud in the post office. However, **GRO** believed that the Post Office investigators planted a pension docket in another area of the branch, so that they could get a warrant to

- search the employee's home where they subsequently found stolen pension books worth £5,000 and £10,000 in cash.
32. The Investigators told my husband there and then that he was suspended for breach of contract even though they knew that he was not the subpostmaster.
33. I understand that the Post Office officials immediately took the keys and barred my husband from the premises. **GRO** was told by Simon Smith that he would be imprisoned for up to 10 years and that Post Office would freeze our bank accounts and seize our property if he did not cooperate fully with their criminal investigations against the employee.

#### **Suspension and Termination**

34. Although he was not the appointed Subpostmaster, the Post Office suspended my husband on 15 July 2004 in relation to alleged breach of contract issues pending further inquiries.
35. My appointment as subpostmistress was also suspended.
36. Prior to the suspension, my husband and I came to realise that the branch income was not increasing as time went on, so we concentrated more on the retail side of the business and developed that by introducing an off-licence, a digital colour photo laboratory, money transfer, Auto Logbook loans, salary advances and cheque encashment services.
37. The Post Office took issue with some of the services that we were offering and claimed that there was a breach of contract as a result. This angered us, as the Post Office was trying to tell us what we could do on our premises and our separate retail business which had nothing to do with them.

38. In addition, one of the grounds which led to my suspension and subsequent termination was, "Failure to ensure a member of staff followed operational rules." By this, I understood that they considered that we had failed to prevent the employee who committed fraud from doing so, even though we had no knowledge of his unlawful acts until the audit on 15 July 2004.
39. My husband believes that the Horizon system actually facilitated the benefit fraud by the employee due to the lack of transparency of financial records, as we were not able to access or check the branch figures, and as a result, we could not have been aware of the fraudulent acts being carried out.
40. Further, there were no proper safeguards in Horizon to prevent fraudulent acts being carried out. For example, if there had been a barcode on the pension docket as well as the pension book then the employee would not have been able to commit fraud using the stolen pension books in the way that he did.
41. I understand that any proceeds of crime, such as the £10,000 cash which was apparently seized from the employee's home by the Post Office was repaid to the Post Office, despite the fact that we had already made good the alleged shortfalls so that the Post Office suffered no loss. In any event no funds were ever repaid to us by Post Office Limited.
42. Simon Smith the regional manager appointed a temporary subpostmaster for 3-6 months and then **GRO** took over as subpostmaster thereafter until 2007.
43. No rent was paid to the business during this time even through the post office branch occupied ¼ of our business space. We only received a small percentage of lottery takings during this time.
44. **GRO** keys were confiscated and he was prohibited from entering the post office area. All the documents and records from the post office were taken by the investigators except for a few pages of **GRO** log book.

45. My contract was terminated by Post Office by letter dated 4 August 2004.
46. I believe that my contract was terminated because the Post Office did not like the way we were successfully running our business. **GRO** was no longer working in the branch, and had appointed staff to look after it, which the Post Office disapproved of. As a result, we lost the post office. I would like to see evidence from the Post Office of the true reasons for my termination.
47. The reasons stated by the Post Office for my termination included: Use of the name Post Office in connection with a cheque cashing service being conducted in a private capacity; lending money to persons drawing pensions or allowances on the security of their order book; Failure to ensure a member of staff followed operational rules.
48. I appealed my termination but the termination was upheld.
49. The National Federation of Subpostmasters were totally unhelpful in this matter.
50. The Post Office had threatened that our bank accounts, property and assets would be frozen if we did not cooperate with the Post Office.

#### **Civil and Criminal Proceedings**

51. The Post Office did not pursue civil or criminal proceedings against me. However, the Post Office threatened to prosecute my husband. Indeed, the Post Office Investigator, Simon Smith, told my husband that he would be imprisoned for up to 10 years and that Post Office would freeze our bank accounts and seize our property if he did not cooperate fully with their criminal investigations against the employee.



## Losses

52. I repaid sums of approximately £16,967.63 - £21,967.63 as described above. We had no alternative but to repay the shortfalls, particularly as the Post Office had threatened to prosecute and imprison my husband.
53. I lost the value of the post office business but I am unable to quantify this without expert valuation evidence. We paid £97,500 plus legal fees and stock for the purchase of the property, which included the retail shop and the Post Office business. We purchased the post office and shop from: **GRO**
54. My contract was suspended between July 2004 to 4 August 2004. I suffered loss of earnings during my suspension at a monthly pay of about £4,000 a month
55. No sums were paid to me in respect of any contractual notice period, which should have been, for example, 3 months: £13,375; 6 months: £26,750 or 12 months: £53,500, based on my average annual salary of £53,500 (net).
56. If it were not for the events that occurred, my future plans in my role were to continue running the Post Office within my business until I retired at the age of 70 (i.e. for another 27 years). I therefore lost my Post Office remuneration for up to 27 years.
57. Since my suspension and the appointment of a temporary subpostmasters, the Post Office did not pay any rent to us for using the space occupied by the branch which was approximately  $\frac{1}{4}$  of the floor space.
58. In 2007, we carried out a refurbishment and wanted to bring in a pharmacy area as well as keeping a Post Office counter if the Post Office would agree to pay a reasonable sum by way of rent.

59. We offered one open style counter to the Post Office for their use, but the Post Office turned it down, and said that they would only accept three counters in a secured area. As we were not able to agree the terms, despite our efforts to keep it open, the branch unfortunately had to be closed.
60. We also suffered a loss in trade after the branch closed. The rental income from the branch was paid to Kanbri (UK) Ltd, our company. I estimate we lost in the region of £62,500 for the loss of rental income over the 2 years and 7 months it was unpaid by the Post Office.
61. Kanbri (UK) Ltd also had to pay our assistant's salary after my appointment was suspended. We paid her around £6,435 as a result. We also had to pay telephone charges after we left the branch of around £2,000. We also had to pay approximately £125,000 to re-fit the business to facilitate our pharmacy business after losing the post office.
62. In addition, we had to pay in the region of £23,225 in legal fees after I was suspended and lost my position, to seek advice and representation in seeking to challenge the Post Office's actions against us.
63. I planned to run the branch until retirement, during which time I would have expected to receive approximately £1,444,500 based on my average annual salary of £53,500 (net). We continued to run successful businesses and credit should be taken of this, but I did not get an equivalent wage following the loss of the Post Office salary.
64. Even today, local people view my husband **GRO** as a "fraudster" and some have said that to him aloud.
65. For example, the events of the audit were reported on the front page of the local newspaper, and even though there were factual inaccuracies in the text my husband was named in the article and this was a cause of great embarrassment to us.

## HUMAN IMPACT

66. I and my husband suffered serious and continuing problems including shortfalls in the Horizon system, which were reported these to the Post Office. I was the subject of an audit, and we were threatened with criminal action and we were forced to pay approximately £20,000 to the Post Office. However, our losses were far higher.
67. I did not take part in the mediation scheme. I was a party to the group litigation against Post Office Limited; as a result I am excluded from the Historic Shortfall Scheme.
68. For years **GRO** and I were worried and frightened at what the Post Office could and would do to us, particularly as a result of the direct threat made to **GRO** by the Post Office's investigator that **GRO** would be jailed for up to 10 years.
69. I felt very angry and bitter when the Post Office accused us of being responsible for the shortfalls.
70. It is not in my being or my nature to do bad to anybody. I am a Jain, and I cannot understand how the Post Office could think that we would do this.
71. For a number of years we had negative experience with the community and people used frequented our shop. They saw us as untrustworthy fraudsters. This hurt deeply.
72. Our relationship was bad with community and it has taken us a long time to build our relationship back up.
73. We experienced stigma and rumours around us, especially after the newspaper article in the Oxford Mail, with the big headline 'Postmaster Suspended'. The community thought my husband gone to jail as they saw our employee being taken

- by policemen from our post office. The article also quoted a Royal Mail spokesperson which said *“Post Office Ltd can confirm that the subpostmaster at the Rose Hill branch has been suspended following an investigation into financial irregularities”*
74. To this day I have people regularly coming into the shop and asking is there a post office here? Our post office was a big and well-known post office.
75. Both **GRO** and I are very conscious of what people thought of us. A couple of our friends questioned us and became distant from us. Our closer friends are still friends.
76. At one point my parents told us to just accept what has happened, but we kept questioning our termination as we hadn't done anything wrong. My parents said that the Post Office was too big an entity to fight, but we spent over £20,000 in legal fees, trying to get the Post Office to accept that haven't done anything wrong and to try to challenge how they treated us.
77. It was frustrating trying to prove our innocence when we had not done anything. We had been on good terms with our Post Office line manager, Simon Smith, and he knew we had not done anything. However, at my terminating interview he turned nasty and said that 'we can take away your house and business'. We were quite naïve to think the Post Office would listen to us; we had thought that they would listen, but they would not.
78. I was under a lot of stress, mainly about balancing, with **GRO** coming home late at night, when we had young children.
79. To top it all off **GRO** heart attack which was quite a big thing. For 6 months' he was completely bed ridden, and at the time our son was also taking his GCSE's, it was all very stressful.
80. I now look back and wonder how did we manage to live through it all.

81. I now realise that I put on so much weight. At the time you don't realise how tired you are and we had young children to provide for.
82. We both now realise how bad our health was, I had high blood pressure and was on tablets for it.
83. We can only realise what we went through now that our children are grown up.
84. Because we had kids late in life, we were content with working and being with our kids, we did not think of our lives.
85. We were quite one track in our thinking, and focused on not losing our house and business, we wanted to do what was best for our kids.
86. I would be picking our kids up from a late taekwondo class, and then I pick **GRO** up from the post office. We went to bed later and worked around it as a family. Our children realise how much we worked around things. It was tough.
87. I gave up my career as a teacher, it had to be done to keep the post office and shop going. I think about it more now, but we had to be all hands on deck at the post office and shop, so my career had to be sacrificed.
88. If I had been able to stay in my career I would have ended up as head teacher, it was a big thing I gave up. I think about going back to teaching now.
89. It is difficult for us to keep running the business. We have to think about how we are going to survive.
90. Luckily, **GRO** and I were on same page, as a family we saw what we needed to do. If I kept my job would have broken us up as a family and as a couple. Especially as our house was used as security for the post office. We did whatever we had to do to survive.

**CONCLUSION**

- 91. The main change in our circumstances is that our children will now find it difficult to get on the property ladder. Having worked so hard and having had a good business we would have left more for them.
- 92. Our children would not have had to take out student loans, as we would have paid for them, but could not due to the problems with the Post Office. Our standard of living is far lower than it should have been.
- 93. The government should pay the expenses and costs associated with the Group Litigation against Post Office Ltd, as they were responsible for the bad handling of subpostmasters and for how the subpostmasters were treated. They should make good the losses we experienced, as I would have carried on being the subpostmistress if I had not been forced out by the Post Office.
- 94. I also strongly feel that the Inquiry must hold those responsible to account.
- 95. As a result of what the Post Office did it prevented us from making adequate provision for our pension and retirement age. The sooner they make financial redress for the mess that they allowed to happen the better.

**Statement of Truth**

I believe the contents of this statement to be true.

Signed..... **GRO** ..... Dated..... 04/02/2022 .....

**GRO**