

Witness Name: Marion Holmes
Statement No.: WITN0309_01
Exhibits: None
Dated: 08-02-22

IN THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MARION HOLMES

I, MARION HOLMES, 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 my late husband Peter, me and my family of being held responsible for shortfalls shown by the Horizon IT system and Post Office Limited's actions toward my late husband 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 my late husband, myself and my family. This statement does not reflect a full account of my experiences or those of my late husband or my family and if necessary or required I will provide further witness statement evidence.

2. I am the widow of Mr Peter Holmes, and give this statement in order to provide the Chair with some understanding of the impact the Horizon IT System and Post Office Limited's actions had on me, my husband, and our family.

BACKGROUND PRIOR TO AND APPOINTMENT AS A SPM

3. I married Peter in 1964. We were married for 51 years before he died.
4. When I met Peter he had just joined the Police Force aged 19. He served for 12 years in the police force as a Police Constable. He really enjoyed being a police officer, but he left the police force because his parents had a hotel and, as their only child, it was always understood that Peter would take it over.
5. We subsequently ran the Morrach Hotel in Osbourne Road, Jesmond. We ran it for 17 years from about 1971 until 1988. We adopted two children, GRO and GRO and in 1988 we had a biological child, GRO. We have grandchildren, GRO and GRO.
6. In 1988 we sold up the hotel and then Peter bought a Post Office in Monkseaton and we also bought a house in County Durham. Peter wanted to operate a post office branch, because it gave him the chance to interact with the general public which, as an ex-police officer, he had always done and loved. He was also very good at maths and numbers and enjoyed the accounting part of his role. I also believe that there was an element of community-mindedness in his decision; it kept him public-facing and engaged with his customers. When we managed a hotel, for example, he was very hands-on with the guests and enjoyed that part of his role very much.
7. Peter ran this post office for a number of years and subsequently he sold it because there was too much distance between our home and the Post Office. He then worked as a relief Postmaster until about April 1996, working throughout county Durham.
8. In April 1996, Peter went to work for Sunil Khan, who had his own post office. Peter worked there as a manager for 13 years, and he was very happy there. By nature, Peter was a very hard worker. He was always early into work and never took any time off.

9. The post office where he was a manager was always busy. It was subsequently alleged by Post Office that part of the reason why Peter went to work early was to steal money from the Post Office. This was incredibly upsetting and insulting to Peter and to his family.

SHORTFALLS

10. 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.
11. When the Horizon software had been introduced to the Post Office in which Peter was manager, he had gone on a course to learn how to use it. Peter found the training poor and he subsequently wrote a letter to Post Office, saying that if he didn't get more training, he would resign. However, Peter did not resign as he was not the type of person to let his employer and colleagues down.
12. Shortfalls began to arise and Peter used some of our money to balance up the errors that were being generated in the Horizon system.
13. Before the introduction of Horizon, it was quite normal that the balances every week would be up or down against expectations, but not by much. As a result, when he operated his own post office branch as subpostmaster, Peter had a separate account that the balance difference money went in or came out of. Within a couple of weeks, error notices would come in, and the excesses or shortfalls would come in to or go out of the separate account. My recollection is that the balances usually righted themselves, using the separate account.
14. However, once Horizon was implemented, the error notices stopped being shown. It was at this time that shortfalls started adding up. I now know that Peter was putting

money in out of our own bank account for a while, because the shortfalls started to increase in size.

15. Eventually, it got to a stage where he could no longer do it anymore. I did not know at the time that Peter was encountering these problems or using our personal funds to make up the shortfalls Horizon kept displaying.
16. I did know that he was having problems with his work and that he was not well, but when I asked him about it he would always tell me not to worry, and that he was fine. I recall hearing him coughing and vomiting in the bathroom. We thought that this was ill-health or sickness, but I now know that it was stress related. I recall that Peter's illness, the sickness and the vomiting stopped as soon as he was sacked, because the stress had gone.
17. The Post Office at which Peter was manager was the subject of an audit and investigation, and Peter was accused of stealing money. This was not true, and the accusation devastated him.

HUMAN IMPACT

18. Following the accusations levelled against my late husband by Post Office, and his removal from his job, my husband suffered severe and long-term damage to his reputation.
19. Peter was the manager of the Post Office at Jesmond. He had grown up in Jesmond and was well-known and respected by the community there. Peter and I jointly owned and managed a hotel in Jesmond for 20 years. My late husband was a police officer for 12 years. Whilst he was based on the street, my late husband's patrol area (or 'beat') included the area of Jesmond.

20. As a result, following decades of local service and work, he was a well-known and highly respected pillar of his community. Peter took pride in his hard earned reputation, which was completely destroyed by Post Office's actions against him.
21. As a result of Post Office's actions, Peter was suspended from his job in September 2008, as a suspected thief. It hurt him deeply to think that his work colleagues thought he was a thief.
22. The investigation and prosecution rolled on for almost a year and a half. It took six months from when he was suspended before he received notification that he was going to be prosecuted. Peter was subsequently convicted in January 2010.
23. Whilst he was suspended he delivered flowers for a florist in Gosforth. He was paid when he worked and it was flexible, but it was all he could get because of the investigation and his suspension. However, when he got the letter confirming the prosecution by Post Office he stopped this work because he did not want to have to tell his employers and colleagues that he wasn't coming to work because he had to go to court.
24. The allegations, investigation and prosecution also seriously impacted on our relationship with each other and with our children and grandchildren.
25. At the time the Post Office made the allegations against Peter, I owned a cake business which involved making cakes, selling baking equipment, teaching classes and decorating cakes.
26. My banking arrangements were that I had a Santander Business Account, and I could pay in as many cheques as I wanted to without any banking costs. However if I paid in more than a certain amount in cash then there would be a cost. Consequently, I paid all cash coming out of the business into our (Peter and my) joint Barclays account as there was no charge for paying in cash regardless of the amount.

27. When I ran the cake shop business, and indeed previously the hotel, my accountant advised me never to pay ourselves a wage, we just paid ourselves out of profits. I gave the accountant each month all of the receipts and expenses in an envelope and he worked out the profits.
28. One of the problems that subsequently arose when the Post Office took action against Peter was that the amount of cash I paid into our joint Barclays account was close to £46,000, the amount the Post Office accused him of stealing. It took a forensic accountant to go through the books to show all the payments were legitimate.
29. This caused a great deal of stress, and impacted on our relationship.
30. Following Peter's conviction at the beginning of 2010, the story of the conviction and my late husband's picture was on the front page of the local newspaper. Peter was extremely hurt and damaged by the press attention. Peter withdrew from the world and into himself. He was so ashamed that he found it difficult to go out into the community.
31. My husband was subject to a curfew for 3 months, which had a significant and lengthy restriction on his liberty. His curfew was from 7pm to 7am. This had a huge impact on his life and liberty. He was no longer able to assist me in my cake business, which had an impact on my business. He was also an active member of a car club, which he could no longer attend, as this was outside the time of his curfew. He had to sell his prized car, a Subaru, when he lost his job. As well as his job, he lost his passion for life.
32. Further, the curfew stopped Peter and I going out socially in the evenings. Previously, we would go out at least once a week for a meal together, but we could no longer do so.
33. Even after the curfew was over, Peter and I rarely went out together as we had done before. This was because we could no longer afford it as a result of the action the Post

Office had taken against Peter, and his reduced circumstances; but also I know that Peter did not want to go out because of the shame he felt.

34. Peter was a decent man, whose reputation for decency and honesty was a central part of who he was. That hard earned good reputation was stripped from him by Post Office Limited. I know, because he told me very often and right up until his death that it was vital to him that he received vindication of the reputational damage.
35. He did not receive that vindication before his death, and died with the conviction for dishonesty hanging over his head. The damage to reputation was exceptional and sustained.
36. My late husband did not suffer loss of business or property necessarily, as he was an employed manager. The bulk of his and our financial losses were incurred as a result of the loss of his post office salary and the difficulties he experienced in being unable to obtain other work. For example, following the termination of his employment at the Post Office, but prior to his conviction, he had to give up ad-hoc work he had taken for a local florist (as mentioned above). It became clear to him that his ability to get work was affected by the fact that we live in a small local area in which we had lived for so many years where people were aware of the theft allegations made against him and were aware of his criminal conviction.
37. The action taken against Peter by Post Office caused my late husband serious and prolonged ill health, including severe depression. Post Office Limited's conduct caused my husband to go within himself, and his previously happy-go-lucky and sociable personality was severely damaged.
38. Only our daughter GRO was still living at home at this time. She was sitting exams for university. She told us that she planned not to go to university, and instead get a job to help out with finances. It was difficult, but we managed to persuade her against it.

39. Our two other children worked locally, and had the initial trauma of going into work the morning after Peter's face was on the front page of the local newspaper, alongside the story that he was guilty of false accounting. The shame and humiliation of Peter, an ex-police officer who had served in the area where we lived, was enormous.
40. Peter didn't have any hobbies except for his driving. We would often spend the day driving in north Northumberland and the Scottish Borders and stopping for a meal. Unfortunately lack of finances stopped that, so he mostly spent his day sitting at his computer which didn't do his health any good. In many ways it was the JFSA campaign which gave him a purpose. I was working long hours at the shop so we began to see each other less frequently.
41. Peter expressed an interest in volunteering for a charity in order to give him a purpose. He told me that he wanted to volunteer with "Daft as a Brush", which is a charity that brings cancer patients to and from hospital appointments. However, when he looked into it, Peter felt as though he could not volunteer with the charity, as he found out he would have to undergo a criminal record check and disclose his prosecution history and his conviction. I know that he was very disappointed that he could not volunteer, as it would have been perfect for his love of community and his love of driving.
42. The one thing he could do, which helped greatly, was to keep my accounts up-to-date, so that the accountant had an easy job at the end of the year. This kept him using his brain; I don't know how he would have coped if he had not had this to occupy his active mind.
43. As I have said, when Peter's conviction was reported extensively in the local press. As a former police officer and post office manager, Peter was very well known to a great many people. His conviction, and the wide knowledge of it in the community, was devastating to him, his hard earned reputation as a stand-out pillar of the local community and to me and his family, who looked up to him was destroyed. He was left a mere shadow of the man he had been.

44. Peter and I lived under a cloud of suspicion and later the cloud of criminal conviction for 13 years, from September 2008 to April 2021, when his conviction was posthumously overturned in the Court of Appeal.
45. It is a tragedy for Peter, me and our family that Peter went to his death and died a convicted man, never knowing that he would be vindicated. He and I can never now get back those years that he lost and those years in which he had to hang his head low; no longer a trusted former policeman and Post Office manager.

COURT OF APPEAL

46. Peter began the criminal appeal not long before he died. His lawyers kept sending him letters, saying that they were looking into it; it was a long process. He applied for a review by the Criminal Cases Review Board and just sat and waited. Peter was a claimant in the Group Litigation. It was only after we had won the second case against Post Office Ltd that the CCRB decided that they would review Peter's case.
47. The criminal conviction was always there and hanging over him. Whenever he attended a JFSA meeting or spoke about the Horizon issue at all, I recall him saying that if he could afford it, he would give up the money in order to get his name cleared. It was very important to him that he had his name cleared.
48. The barrister who conducted the criminal appeal arranged for the local paper to do an interview with me after his conviction was quashed, but unfortunately it was long after he had passed and he did not live to see the press vindicating him and reporting his innocence. As a result, the vindication of clearing his name was bittersweet.
49. By the time that Peter's conviction was overturned by the Court of Appeal in April 2021, and given the passage of time and the difficulties he and I had experienced, it didn't mean a huge amount to me. However, I knew it would have meant a great deal to Peter that his reputation had finally been cleared.

50. I was sad that it was so long after his death that he was exonerated.

51. I went to the Royal Courts of Justice with my son, to hear first-hand that Peter's conviction had been overturned. I was incredibly glad that I was there, and it was a great day, but it was not the same without Peter being there.

CONCLUSION

52. I try not to be an emotional person, however, I do feel bitter about it all. I feel desperately sad that Peter went to his grave not knowing his name had been cleared. I also feel sad that he and I lost so many years together that should have been happy years in well-earned retirement, but instead we lived under the cloud and shame of Peter's conviction.

53. There are not the words to properly describe what Peter and I went through. It is not possible to convey the unspoken heartache that we shared as a result of lost years and lost opportunity for a quiet and happy retirement.

54. Like other victims of the Post Office scandal, I am still waiting for someone to truly take responsibility for what was done to my husband and our family, to truly hear, recognise and accept what was done to us, and for a genuine heartfelt apology.

55. I know that there are hundreds if not thousands of "Peters" around the UK; hardworking, honest people whose lives, and the lives of their families were devastated by Post Office Ltd.

56. I would like the Post Office Inquiry to expose what happened, to explain how it happened, why it was allowed to happen; and why decent British families' lives were broken and ruined.

STATEMENT OF TRUTH

I believe the content of this statement to be true.

Signed: **GRO**

Dated: 08.02.22.

Marion Holmes