

WITNESS: IAN WARREN

STATEMENT NUMBER: WITN0163_01

EXHIBITS: 0

DATED: Jan 14, 2022

POST OFFICE HORIZON IT INQUIRY

FIRST WRITTEN STATEMENT OF IAN WARREN

THIS STATEMENT IS PROVIDED IN RESPONSE TO THE RULE 9 REQUEST OF
THE PUBLIC INQUIRY DATED 29/10/2021 TO ADDRESS THE HUMAN IMPACT OF
THE FAILINGS OF THE HORIZON IT SYSTEM

I, MR IAN WARREN, Date of Birth , of
 will say as follows:-

PERSONAL BACKGROUND

1. I am the son of a leading London stockbroker and his wife. I am 74 years old and I have now retired.
2. Before my appointment as a sub-postmaster, I had been a chartered accountant since the early 1970's.
3. I qualified in the early 1970's and went to work with EY & Co, where I was hired by their client Thorn EMI Group Plc to work in their small Corporate Accounting centre and, in addition to group accounting responsibilities, also carried out numerous project tasks for main board directors.

4. After four years in the corporate centre, I was moved into the £350m Lighting Operative Division as Financial Controller (becoming Executive Director) where specific tasks included a leading role in the management of a complete restructuring of the worldwide activities. This resulted in the rationalisation of global headcount from 13,000 to 7,500, leading to turnover growth and profit improvements in divisional performance.
5. I then moved on to spend six years in the UK Defence Electronics Industry under the ownership of a major US Corporation, manufacturing radar and communication equipment for the MOD, worldwide governments and other customers.
6. At the beginning of the 1990s I exited the world of big business, and turned my attention to small to medium sized enterprises, where I brought my business skills to bear through hands-on management, coaching, mentoring and consultancy via DTI sponsored initiatives amongst others.
7. In 2004 the death of my father presented an opportunity to allow me to reappraise my career (at the age of 57), and together with my partner of some years, a retired teacher, we opportunistically bought a village shop with a Post Office branch in a village we both loved; this had a substantial house attached.
8. I met my partner, [GRO] 23 years ago and she was supportive throughout the whole Post Office situation.
9. I have three grown up children through a previous marriage.

POST OFFICE HISTORY

10. I began work as a Sub-Postmaster of the St James' Street branch in Essex in October 2004. The Post Office was within Castle Headingham's Village shop. We purchased the Post Office outright with a bank loan of £130,000. The objective in making this investment was to trade for 13 years until I turned 70, grow the business and enhance my pension on retirement.
11. I took on the Post Office at the age of 57 because I was getting older and I was conscious that I needed to make plans for my retirement. I viewed the Post Office as part of my pension. I had planned to gradually wind down my earnings and, when I was ready to retire fully, I would be able to sell the shop and Post Office.
12. [GRO] and I lived at the premises and [GRO] mother lived in the property next door.
13. As someone who had undergone a great deal of training throughout my professional life, I found the training provided by the Post Office quite appalling. Had it not been for the kindness of the previous incumbent of the branch holding my hand for several weeks, I would have completely floundered.
14. It was only after my conviction that I became aware of others having issues with the Horizon system. I received a telephone call from another Sub-postmaster in Essex, who I believe became aware of me after seeing my story in the local press. We went to meet him at his house the same evening and he told us a horror story about what had happened to him. He said to me "you realise there are loads of us". He told me to contact Alan Bates, which I did, and we attended all his meetings.

CRIMINAL ALLEGATIONS AND ANY PROCEEDINGS/CONVICTION

15. Shortly after I had taken over the Post Office, I was trying to balance the account and I could not get the figures to match with the cash I had on site. The figure was short by £1,800.
16. I had not taken money from the Post Office and I was confused as to how this had happened.
17. This was investigated by the Helpline, who deemed the figure to have arisen from "human error". On that occasion, because I was new, they wrote off the loss. I felt relieved.
18. It then happened again several months later. This time the figure was approximately £2,400. Once again, the Helpline investigated this, but this time I had to repay the loss by way of deduction from my salary.
19. The Post Office never explained to me how this happened which I felt was confusing but, considering my contract, I felt compelled to accept and pay the money from my salary.
20. In 2007, I was cashing up and an error appeared on Horizon with a shortfall amounting to £17,500. It was past the time I could call the Helpline, so I had to move the figure to the suspense account until the following day. The next day, the error notice had gone. I contacted the Helpline and they told me to keep an eye on it.
21. In 2008, I noticed the stock of Lottery scratch cards was increasing. I could not understand how this could be. I did not report this as it would have only resulted in more money being taken from my salary. It remained unresolved.
22. I made various requests to the Post Office, via the Helpline and my area manager, to get more training, but these fell on deaf ears. I don't recall the

- names of my area managers, as they changed; this was infuriating. I had also asked for an audit, but again this was not acted on.
23. In April 2008, I came back from my paper round to Auditors at the door. I was unaware that they were coming. I was more than happy to allow them to conduct an audit and I removed myself from the Post Office to let them do it.
24. The auditor told me that there was a shortfall of £24,520.45. It was later found that I owed £18,412.50.
25. I was suspended on the same day, and the Post Office sought to prosecute me for Theft and False Accounting.
26. My contract was terminated on 4 June 2008, but my termination took effect from 9 April 2008.
27. A Restraining Order was also placed on my disposal of assets.
28. I pleaded guilty to Theft after being informed I may receive a lighter sentence than a custodial sentence.
29. Immediately after my forced guilty plea, I had to notify the Institute of Chartered Accountants and I was stripped of my membership - FCA dating back to 1974.
30. This, together with a Criminal Record prevented me reverting to my old career which would have enabled me to have earned approximately £100k per annum for the remaining 9 years of working and pensionable life.
31. I attended Colchester Magistrates Court initially, and then I was referred to Chelmsford Crown Court.
32. A few weeks later I went to court for sentencing. I was sentenced to 9 months imprisonment, suspended for 18 months and a Community Service Order of 75 hours of unpaid work.

33. I recall the Post Office's barrister making a request for an order for costs. I remember the judge laughing and saying that I had been through enough. He didn't make an order for costs.

34. A Prohibition Activity Requirement was placed on me, which prevented me from entering any public house within one mile of Castle Hedingham for 3 months.

35. My conviction was overturned on 23 April 2021.

THE HUMAN IMPACT

36. The human impact which the failings of the Horizon IT System have had and continue to have upon me and my family are set out in the remainder of this statement. The section headings follow the particular questions posed by the Inquiry.

WHAT WERE THE CONSEQUENCES OF BEING REQUIRED TO MAKE GOOD APPARENT SHORTFALLS SHOWN BY THE HORIZON IT SYSTEM?

37. I knew I was not the cause of the shortfall, but I still had to pay it back, which was very upsetting and frustrating.

38. I used my inheritance to pay the shortfall.

WHAT WERE THE COSTS OF MAKING GOOD ALLEGED SHORTFALLS SHOWN BY HORIZON?

39. As mentioned above the first shortfall was around £1,200. On that occasion, because I was new, they wrote off the loss.

40. I had to repay approximately £2400 of unexplained losses in the early years, recovered by Post Office through salary.

41. I also paid £18,412.50 as a result of court proceedings in 2009. This amount was financed out of private savings, the shop profits having diminished by this point to around zero.

HOW WERE YOU AFFECTED WHEN ALLEGED TO BE RESPONSIBLE FOR SHORTFALLS OR DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

42. During the time the audit took place, and later during the closure of my Post Office, I began to drink to excess. However, I have since sought help for this and it was successfully dealt with. I no longer have a problem with alcohol.

43. It was at this point that my GP felt my dose of antidepressants should be increased, due to the stress of everything that was happening. Since then, I have continued to take antidepressants.

WHAT WERE THE CONSEQUENCES OF BEING HELD RESPONSIBLE FOR SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

44. Following the audit, I received a telephone call and was immediately suspended. I was in complete disbelief.

45. Initially after my suspension, a temporary Sub-postmaster covered the Post Office. It was not practical to have someone running the Post Office from the premises which was effectively our home. It was very upsetting after our hard work.

46. At around the same time, I was feeling very tense and had difficulty sleeping. I was in a state of disbelief at what had happened, and because I knew I was not responsible.

47. I was invited to a meeting to discuss the shortfall. I appealed against my suspension as a Sub Postmaster and had a second interview. I felt bullied by them during the interview.
48. Investigators arrived at my house, they treated me like a criminal. I recall one of the investigators being called Lisa, but I cannot remember her surname. Lisa also came with a gentleman whose name I cannot recall. I felt they had already made up their minds that I had stolen the money. I agreed without question to them searching my house, but I felt so degraded.
49. My home was searched, we were open and honest, with my partner showing the Investigators a safe we had with money from the sale of our Labrador puppies.
50. I was repeatedly asked where the money had gone, and I told them that I had no idea. I was asked if I was prepared to repay the money. I responded that I would repay any amount that the Post Office could prove had been stolen.
51. Criminal prosecutions were taken against me by the Post Office.
52. I went to a support group to help me control my alcohol consumption. I also required anger management therapy.

WHAT WERE YOUR FINANCIAL LOSSES CAUSED BY ACTION TAKEN AGAINST YOU IN RELIANCE UPON HORIZON DATA?

53. I was forced to sell the house and shop premises. The estimated capital value of the business was £100,000.

54. The publicity made the reasons for sale abundantly clear to any potential buyer.

The speed of the sale became imperative to stem increasing losses in the shop, which was devoid of footfall through loss of the Post Office and Lottery.

55. There were loans paid back which were settled on completion of the sale of the property, totalling around £50,000, which included informal family loans.

56. In addition I was awarded 400 shares in Royal Mail Plc on its successful flotation. I never received these shares.

WHAT EFFECT DID IT HAVE TO BE ACCUSED OF COMMITTING CRIMINAL OFFENCES AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

57. I received a summons to appear at Colchester Magistrates Court, I entered a not guilty plea and then I was referred to Chelmsford Crown Court.

58. I went to Court in November 2009, initially I pleaded not guilty to the charges, which were Theft and False Accounting, as I had done nothing wrong. At no point had I ever taken money from the Post Office.

59. I developed a relationship with my QC and he supported my decision to plead not guilty. On the morning of my trial, I arrived in court with my bag, and I had been appointed a new barrister. He told me the Post Office was amenable to a deal if I pleaded guilty to theft. The new barrister said if I pleaded guilty I was less likely to receive a custodial sentence. I asked him how long I had to make a decision, and he told me that I had ten minutes.

60. I was under immense pressure to decide how to plead. I just couldn't take the risk of going to prison, even though I knew I had done nothing wrong.

61. I was worried the judge would give me a harsher sentence because I was an accountant, and they would think that I should have known better.
62. I decided I had no option but to plead guilty. It happened under very stressful conditions and it was the hardest thing I have ever had to do.
63. I felt like I was committing perjury because I pleaded guilty.
64. I became depressed and have taken various antidepressants.
65. I had a previous diagnosis of alcohol abuse, which worsened with the stress of being charged with an offence I knew I had not committed.
66. There was a newspaper article published about me in 2009. As we sold newspapers in our village shop, I had to sell papers labelling me as a criminal, and that was so hurtful.

WHAT WERE THE CONSEQUENCES OF BEING CONVICTED OF A CRIMINAL OFFENCE AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

67. I was devastated at the sentence.
68. I was ordered to pay the shortfall within several weeks, which I did. I was angry, irritable and felt let down.
69. I continued to run the village shop and [GRO] helped me with the administration but, without the salary from the Post Office, it became more and more difficult to make ends meet.
70. I used my pension to try and keep it open. Further, because of my conviction, we were unable to sell Lottery tickets which reduced the turnover in the shop and this was hugely damaging to the business.

71. We were getting behind on the mortgage, so we put the shop and our home on the market and sold.
72. My Solicitor had to have the restraining order released so I could sell my properties. It was so demeaning.
73. I knew that I had diminished my chances of getting any sort of employment in Essex so, in 2011, [GRO] and I moved away to Norfolk.
74. I missed feeling part of a community.
75. I had to notify the Institute of Chartered Accountants of my conviction. I was not able to practice again.
76. People in Norfolk didn't know me, nor did they know my name. I was therefore able to get a job providing advice and support to local businesses. My salary was much less than what it would have been had I been able to return to accountancy.
77. I could never return to accountancy because of my conviction.
78. I went to a support group to help me control my alcohol consumption. I also required anger management therapy.
79. Shortly after, I was diagnosed with cancer.
80. I had planned on running the branch until retirement at 70, and as a result, I have been impacted financially in a huge way.

WHAT EFFECT DID THESE ISSUES HAVE UPON YOUR RELATIONSHIPS WITH YOUR FAMILY, FRIENDS, COLLEAGUES AND LOCAL COMMUNITY?

81. [GRO] was incredible; she took it in her stride to support me.
82. It was upsetting that my children were aware of my conviction; my sons both worked abroad, and my daughter was told so they all knew.

83. I do not have regular contact with my grandchildren because we felt we had to move away.

84. I was once an upstanding member of the community.

85. As soon as the news came out in the village, [GRO] and I sought a meeting with the Parish Council. We wanted to explain in our own words what was happening to the shop and how the village may lose their shop. I explained it was all because of false allegations.

86. Most people in the village stood by me and even wrote character letters for my sentencing hearing.

87. If there was any gossip in the village, I was not concerned. However, I felt unable to remain in the village where I had built up my business due to the damage to my reputation.

88. I did what I could to advise local people and local organisations that I had been wronged. I told them I would be challenging the outcome. However, I found this very draining, both emotionally and physically.

PLEASE DESCRIBE THE DIRECT AND INDIRECT EFFECT WHICH THESE ISSUES HAD UPON THE MEMBERS OF YOUR FAMILY?

89. After we sold the premises and moved to Norfolk, [GRO], who had been living in a property next door, went into a care home as we would be too far away and she could not remain on her own. This caused great distress to [GRO] and her mother.

90. In November 2020, [GRO] had to go into a care home. She was diagnosed with [GRO]. She had been in hospital, but things deteriorated, and she is now in permanent care. Her prognosis is for no improvement whatsoever.

Again, the ongoing Post Office stress may well have exacerbated her condition.

I am completely heartbroken.

91. In 2014 I was diagnosed with bowel cancer and, following several months of chemotherapy and radiotherapy, this culminated in a 12-hour surgical procedure which has resulted in the permanent need for both a stoma for solids and catheterisation for urine. I think that the stress of the Post Office scandal has probably contributed to my outcome.

CONCLUDING REMARKS

92. I am in state of disbelief at what had happened and for which I was not responsible. The whole situation has had a significant impact on my well-being and self-confidence and has caused my family and I so much hurt over the years.

Statement Of Truth

I believe that the facts stated in this witness statement are true.

Signed:

GRO

Position Or

Office Held:

Print Full

Date of signature: Jan 14, 2022

Name: IAN WARREN

FILE REFERENCE:

GRO

