

WITNESS: JOHN ARMSTRONG

STATEMENT NUMBER: WITN0165_01

EXHIBITS: 0

DATED: Jan 14, 2022

POST OFFICE HORIZON IT INQUIRY

FIRST WRITTEN STATEMENT OF JOHN ARMSTRONG

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 JOHN ARMSTRONG, DATE OF BIRTH: [GRO], OF [GRO]
[GRO] will say as follows:-

PERSONAL BACKGROUND

1. I am 78 years of age, and I am retired. I have been married before and I have 2 adult children from my first marriage. I married my second wife, [GRO] in 1984 and we do not have any children together. [GRO] has an adult son, [GRO] from her previous relationship who lives in London.
2. When I was married to my first wife we lived in the New Forest, and we owned a wool business. Following my divorce, I worked for various companies, including Vosper Thomeycroft, where I met my current wife. I then worked as a company cashier at Standard Telephone and Cables Ltd (taken over by

Alcatel) for around 10 years. I was subsequently made redundant from this position due to the closure of the site.

POST OFFICE HISTORY

3. Approximately 1 month after being made redundant in 1996, I bought Weston Post Office and became Sub-postmaster of Weston Post Office. I then purchased Woolston Post Office in February 2003. I was encouraged to buy Woolston Post Office which I felt demonstrated that management had confidence in my ability to increase its business successfully. For a short period, I was running both post offices.
4. I was quite successful with the business and when Horizon was introduced, I welcomed it as a positive advancement to the Post Office procedures. I was first introduced to Horizon at a small gathering at the Southampton Football Club, but no real training was given at the time.
5. I purchased Woolston Post office for around £240,000. I mortgaged my property in Sarisbury Green to buy the Post Office, as it didn't have a mortgage before on the property. I also took out a £100,000 overdraft. The branch had a flat above the post office which we used as a storeroom. I intended to build the storeroom into sellable flat(s) for renting purposes. The bank advised me when I took out the mortgage that it would be sensible to develop and increase my income. I lived in my home 5 miles away.
6. I cashed up every evening but, once a week on a Thursday, I would attempt to balance the books and send a report to Head Office. When shortfalls started appearing, the Helpdesk told me how to adjust the shortfall and told me it would work itself out the next day. It never did. This had also happened previously

- at my Weston branch; at that time, I had repaid a shortfall of approximately £3000.
7. I managed to cope with the system for a period, but I began to notice smaller shortfalls occurring, which I reimbursed. Eventually, I had a shortfall of around £3000. I was asked by my area manager, Andy Pitts, if I wanted a little help. Another Sub-postmaster arrived but he could not find anything wrong with my process therefore no extra training was given on this occasion. I would have thought they would have sent a Post Office representative and I am not sure why they sent another Sub-postmaster.
 8. I didn't realise at the time that it was probably the Horizon system that was at fault. I had confidence in technology from my previous employment as a company cashier.
 9. On one occasion I was told I needed to be retrained, and I was given another day's training. By the time the auditors visited the shortfalls had risen to almost £10,000.
 10. Two auditors, Barry and Derek, visited my branch on 28th June 2004 at 8.10am. I told them they would find a £10,000 shortfall. The actual figure was £9,226.68.

CRIMINAL ALLEGATIONS AND ANY PROCEEDINGS/CONVICTION

11. I was charged with Theft and upon advice from my Barrister, I reluctantly agreed to plead guilty to a lesser sentence.
12. I was sentenced at Southampton Crown Court on 19 May 2006.
13. I was given 200 hours of community service and I had to pay costs in the region of £2000. They were paid out of the proceeds of sale of the Post Office.

14. It wasn't until my solicitor (now retired) told me about Alan Bates' case, that I felt the Horizon system was incorrect. I felt he always had confidence in my ability to be adept and honest and he considered that the shortfalls that occurred at Woolston, causing my suspension and eventual conviction, were the result of system failure.

15. My conviction was overturned by the Court of Appeal on 19th July 2021.

THE HUMAN IMPACT

16. 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?

17. After the Audit, The Post Office was immediately closed.

18. I was suspended on 28 June 2005.

19. On 30 June 2005 I had a disciplinary interview at Eastleigh branch office and was accused of misusing the finances by having large boats and cars which was all incorrect and quite upsetting.

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

19. I reimbursed smaller shortfalls when I first noticed them.

20. I was told I would have to pay the shortfall after the audit. I had no option but to sell the Post Office, as I had no funds elsewhere. I repaid the entire shortfall of around £10,000 and also £2,000 in costs.

21. I sold the post office for the same money I had paid for it, but by the time I had repaid the shortfall and legal costs I lost a significant amount of money. There was also the original loan to repay

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

22. I was so angry. I had notified the Post Office of these issues, and they had done nothing about it. Now they were saying it was my fault.

23. I lost my business where I had planned to work until I was 70 years of age. I was previously very fit and healthy and enjoyed my work at the Post Office. Now, I didn't know what the future would hold. How was I going to pay into my pension? How was I going to support my family?

24. I became very stressed. I became introverted and tried to avoid speaking to anyone.

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

25. I was interviewed by post officer investigators at the Eastleigh branch on 29th June 2004. I was asked a lot of questions and I answered them honestly, telling them that I hadn't done anything wrong. I was constantly accused of living a lavish lifestyle: at one point they said they thought I owned a boat! This was

completely untrue. I cannot remember who I was interviewed by. I believe my contract was also terminated on the same day.

26. I couldn't afford to repay the shortfall so, as explained above, I had to sell the business to pay this. It did seem strange to me at the time that the area manager (Andy Pitts) had someone ready to take over straight away. The person who was to take over, was the same person who was pitted against me when I originally in the process of buying the Post Office.

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

27. I had to sell the Post Office.

28. I lost my business and my Post Office salary.

29. I was ordered to pay costs of around £2000 after my conviction, which were paid from the proceeds of sale of the business.

30. After this, my wife and I decided I would retire, which obviously affected our financial situation.

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?

31. My health really suffered. I didn't want to leave the house and I stopped exercising. I used to walk every day to the Post Office (5 miles) but I stopped doing this so that I didn't bump into to anyone I knew.

32. I have recently seen a psychologist and he told me he would be recommending psychological support. I have not yet seen the report.

33. I was angry and had a lot of questions. I couldn't understand how this had happened to me. It seemed to come completely out of the blue.
34. I have never returned to the local area of my post office branch. I recently found out the person who bought Woolston Post Office also had further losses, and that he managed to raise funds for to cover these losses. Luckily, I live far enough away that my neighbours just thought I retired.
35. I became an introvert. I wouldn't speak to anyone. I didn't trust anyone. It was very lonely, and completely the opposite to the extrovert I used to be. I never had a problem speaking in public before, and during my previous marriage I had even been a District and Parish Councillor. I was also swim training youngsters at the local swimming club, and I was the treasurer there as well. I still find it difficult to have conversations with strangers. I am getting better, but it is a very slow process.
36. I have never spoken about what happened to anyone outside of my immediate family.

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

37. Following my suspension, I was able to go and work with GRO at Hedge End Post Office. I worked until December of that year. After this, my wife and I decided I should retire.
38. I had planned to pay into my private pension and work at the post office until I was 70 years of age. My wife and I have had to be very frugal with our money now. It is not the retirement I dreamt of.

39. I didn't have to declare bankruptcy, but I did go to social services to claim benefits as my private and government pension wasn't very good. The area I live in is a reasonably expensive area and therefore I had to go onto pension credits. We managed to survive but had to be careful.

40. Being convicted of the offence of Theft and receiving 200 hours community service was humiliating. I really wanted to plead not guilty as I knew I had done nothing wrong except follow the Helpline's advice. However, I couldn't risk going to prison. I couldn't have my wife being alone without me.

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

41. Thankfully, my wife stood by me. That's not to say there wasn't a strain on our relationship. She knew deep down I had done nothing wrong, but it was very hard for her. We argued more. We were not as happy. It devastates me to think about the effect this has had on her.

42. My friends were my customers. When I moved branches from Weston to Woolston branch, these people followed me. I was well known and well liked in the community. I have never seen those friends since. I don't know what they think of me; I don't want to know. Since the day I was suspended, I believe I have only set foot in the Post Office once.

43. My neighbours now assume I have retired. I try to avoid discussions about work. This saddens me because, until my suspension, I had enjoyed working at the post office. It is also very lonely.

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

44. My wife became depressed. I don't think she ever went to see her GP but I could tell.
45. Our lives are very different now. Our pension pots are small. We can't enjoy our retirement as we had planned. We are constantly watching every penny and being very frugal.
46. The whole scenario has upset my marriage and with the matter ongoing, it still does.

CONCLUDING REMARKS

47. No explanation was ever provided to me by the Post Office. I have now been exonerated, which is wonderful, but I would like an explanation. I am truly shocked at how many people have been involved. I don't understand how the discrepancies were not picked up at a corporate level.
48. I do believe Horizon was the root of the problem. The fact that the company auditor and Post Office Limited came to review this, but did nothing, niggles me. They should have highlighted the problem and picked it up earlier.
49. I can't remember what it feels like to be 'normal', although I try. I am constantly trying to avoid talking about work or the reasons for my retirement. It is exhausting.
50. I am still coming to terms with the resulting stigma, when all I did was follow the advice of the helpline.
51. I am slowly getting back to my old self, but I don't think anything will ever erase the stress of the past few 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: JOHN ARMSTRONG

FILE REFERENCE

GRO

