

WITNESS: JULIE CLEIFE

STATEMENT NUMBER: WITN0167\_01

EXHIBITS: 0

DATED: Jan 14, 2022

**POST OFFICE HORIZON IT INQUIRY**

**FIRST WRITTEN STATEMENT OF JULIE CLEIFE**

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, MRS JULIE CLEIFE, Date of Birth  of   
 will say as follows:-

**PERSONAL BACKGROUND**

1. I am currently 65 years old. I have been married to  my husband, for almost 44 years.
2. We have 3 daughters together:   
. We also have 3 grandchildren:
3. Although our daughters do not live with us, they all live close by and we have a very close relationship.

4. I currently work in the community shop within the village I live in. I bake cakes and prepare and cook hot food. I also help them with their paperwork. I work around 20 hours a week.
5. Prior to becoming a sub-postmistress, I was employed by the Post Office as a counter clerk for 2 years. This was in 1980. I then took time out to have my children.

### **POST OFFICE HISTORY**

6. I became Sub-Postmistress of the Over Wallop branch of the Post Office in April 1995.
7. At the time my husband was working nights as a delivery driver. We were getting fed up with not being able to see each other so we decided to buy a business that we could run together.
8. As I had some experience with working within the Post Office, this seemed the obvious choice. So, we submitted a business plan to allow us to buy the Over Wallop branch. I was interviewed and appointed as the Sub-Postmistress.
9. We sold our house and took out a mortgage to buy the Post Office. Attached to the Post Office was a 5 bedroomed house which was our family home. The branch included a convenience store which GRO worked in; this ran successfully until we gave the community the option to take this over as a community shop in 2004.
10. I took over the Nether Wallop Post Office branch in 2005 when the previous Sub-postmistress passed away. The branch was located in the Village Hall and it was only open for 2 mornings a week. I was specifically asked to take this role

by my then manager. I was therefore the sub-postmistress at two post office branches from this time.

### **CRIMINAL ALLEGATIONS AND ANY PROCEEDINGS/CONVICTION**

11. Following an Audit at the Over Wallop branch in June 2010, a shortfall in the sum of £25,614.45 was found.
12. I was forced by the Post Office to pay this alleged shortfall, otherwise I would face criminal proceedings. In order to avoid prosecution, I paid the alleged shortfall. 3 months later, in September 2010, I received a summons from the Basingstoke Magistrates Court, stating that the Post Office was prosecuting me for Fraud by False Representation.
13. Following the audit conducted at my Post Office I was suspended immediately.
14. On 4 June 2010 I attended an interview where I was questioned in relation to the allegedly missing money.
15. In September 2010, I received a Summons to attend Basingstoke Magistrates Court on charges of Fraud by False Representation.
16. Following a plea bargain and upon the advice from my criminal lawyers to avoid a custodial sentence, I pleaded Guilty to one charge of Fraud by False Representation at Basingstoke Magistrates Court on 26 October 2010. I still did not think that I had done anything wrong. My case was then transferred to Winchester Crown Court for sentencing.
17. In November 2010, I was sentenced to a 12 month Community Order with 100 hours of unpaid work. I paid Court costs in the sum of £500.
18. My conviction was quashed on 19 June 2021.

## **THE HUMAN IMPACT**

19. 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?**

20. After Horizon had been installed in my branch in Over Wallop in 2000, unexplained shortfalls started showing. Prior to this I had not suffered any unexplained shortfalls in either branch.

21. I telephoned the Post Office Helpline but they were not helpful. They told me that I would have to make good the unexplained shortfalls - by this they meant I had to put my money in to balance the accounts. They could never actually help me get to the bottom as to why this was happening, so I stopped calling the Helpline.

22. To resolve the shortfalls, I had to put my own money into the branch. Initially this was only small amounts so did not cause any financial concerns to me. I felt this was only temporary and the account would balance itself out shortly.

23. In 2003 the custom at the attached shop was dwindling so we gave the community the option to convert the shop into a community shop, this occurred in 2004 and allowed [GRO] to return to work. As [GRO] was working, he was earning enough so that the shortfalls I was having to pay were manageable.

24. The Post Office did carry out a few audits during my time at the Over Wallop branch but never raised any issue until the audit in June 2010 Over Wallop branch.
25. Prior to the audit in June 2010, the unexplained shortfalls were getting larger, and I could no longer afford to keep paying money into the Post Office. I felt pressured to keep the branch open for the community and kept thinking the balance problems would correct themselves eventually.
26. In June 2010, the auditors arrived at the Over Wallop branch. I immediately held my hands up and informed them that I had been encountering shortfalls for several years, so they will find this. The audit uncovered shortfalls in the sum of £25,614.45. The auditors asked me where the money was, but I did not know.
27. When the auditors came in, I initially felt a sense of relief as I thought they would be able to find where the error was - they would find the money, and this would be over.
28. They were unable to do so, so the post office told me I had to make good the shortfall. My husband and I cashed in our endowment policies on our mortgage and borrowed some money from friends to allow us to pay this straight away. The shortfall was settled long before the court summons arrived through the post.

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

29. Due to the discrepancies I was experiencing at my Post Office, I felt I was left in a position where I didn't have a choice but to pay the shortfall. I was aware it was my responsibility to make good any loss that Horizon showed, and so I

would do this whenever the system showed a shortfall. I would do this out of my own pocket until I was unable to carry on putting my own money in.

30. When the shortfalls got larger prior to the audit in June 2010, I could no longer afford to correct the system. I stopped paying the shortfalls shown by Horizon and £25,614.45 was discovered at an audit in June 2010.

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

31. Despite the financial struggle of making good the shortfall, which I was not responsible for, it was such a relief when I thought things were settled. I had been suffering sleepless nights leading up to the audit as I was not sure what was happening and where the money was. I was waking up sweating through the night, so it was such a relief for it to be over.

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

32. Immediately following the audit, I was suspended as the Sub-postmistress for both branches. The auditors locked me out of the Post Office and took away my paperwork.
33. On 4 June 2010, I was interviewed by the Post Office's investigators at the Eastleigh Post Office.
34. I thought that the Post Office would treat me fairly, especially as I had no representation. At this interview, it seemed as if the Post Office had already presumed that I was guilty. They kept asking me where the money was. I told them that I did not know and could not explain the shortfalls.

35. The investigators searched my home, this did not concern me as I knew they would not find anything as I had not taken anything. Even though it was not the police conducting the search, I was under the impression that they had the same powers as the police, so this made me feel like a criminal.
36. Following the interview, I resigned as Sub-postmistress for both branches. The stress of what had been happening leading up to the audit, with the shortfalls and sleepless nights, plus the way the investigators made me feel was just too much.
37. The Over Wallop branch had to close for around a week. A replacement Sub-postmaster was then found. He came down from London on train every day. We had to pick him up from and drop him back off at the train station daily. He rented the Post Office space from us, paying around £200 per month. This was until around January 2011, when the Post Office was taken back over by the community.
38. I had no means to earn a living and therefore had to sign up for employment benefits.
39. In September 2010, I received a Summons to attend Basingstoke Magistrates Court on charges of Fraud by False Representation.
40. Following a plea bargain, upon the advice from my criminal lawyers to avoid a custodial sentence, I pleaded Guilty to 1 charge of Fraud by False Representation at Basingstoke Magistrates Court on 26 October 2010. I still did not think that I had done anything wrong. My case was then transferred to Winchester Crown Court for sentencing.

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

41. I had to apply for employment benefits as I could not find a job. I was applying for lots of jobs but not offered an interview or provided with any feedback. The jobs that I applied for were within my capability and I had the relevant experience for them. I therefore consider the lack of success was due to my conviction, which I had to declare on the application forms.
42. This made me feel very deflated, apart from a period I took out to have my children I had always worked.
43. Applying for benefits was one of the worst things which I had to do. The whole process is designed to make you feel humiliated, like you are not doing enough to try and secure employment.
44. Thankfully I still had the support of the community and was offered a job in the community shop, making cakes, and cooking hot food. I still do this job today, but my salary is nowhere near the £30,000.00 per year I received as sub-postmistress.
45. As we could not afford to pay our bills and the mortgage for our house, we sold land on our property to a builder. The builder built another property on the land.
46. The proceeds of this sale allowed us to repay our friend and also pay off our mortgage, so we did not have to worry about this monthly bill. The mortgage had to be paid off this way as we had already cashed in our endowment policy on the mortgage to cover the Post Office Shortfall. This should have been used to pay the mortgage off at the end of the term.



**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?**

47. After making good the shortfall I thought this was an end to it all. I was sleeping a little better.
48. There had been no police involvement, so the thought of criminal consequences did not even cross my mind. It was such a shock when the court summons landed on my doorstep.
49. I was due to go on holiday the morning this arrived, after everything we had been through over the past few months, GRO and I deserved a break, so I did not tell him about the summons.
50. I could think of nothing else but what might happen to me for the first few days of our holiday. It was obvious to friends who were holidaying with us with that something was wrong, but I was adamant this would not ruin our holiday so after the first few days I put this to the back of my mind and enjoyed our holiday. I did not tell anyone what I had received as I knew there was nothing I could do until I returned to the UK.
51. Upon my return, my sleep became disturbed again. I was so frightened about what might happen to me. I had attended my GP for an unrelated issue and when my blood pressure was checked, it was high. I felt very stressed after the summons. I had to take a course of medication for my blood pressure.

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

52. I was sentenced to a Community Order for 12 months with 100 hours of unpaid work. I was ordered to pay £500 in Court costs.
53. At the time I was just so relieved that it was all over, and I had not been sent to Prison.
54. For my Community Order, I worked at a Charity Shop about 10 miles away. I went once a week. The Manager was very good and understood why I was there. I initially worked upstairs sorting through all the donated items. Then I was moved onto the shop floor and ended up dressing the windows. People did not seem to know why I was there, they just assumed I was another volunteer so there was no negativity whilst I completed my community service.
55. My conviction was reported in the local press. I felt this impacted my very good reputation in the community and made me feel anxious. In reality, however I believe my community was supportive of me.
56. We had planned to develop the land when we retired so we had that opportunity taken away from us and the financial benefit at retirement.

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

57. Whilst I was experiencing the shortfalls in the accounts, I did not want to worry [GRO] so I did not inform him of the issues. I thought it would resolve itself and [GRO] is a worrier, so I did not want to cause him any stress.
58. After the audit the significant financial stress put a strain on our relationship. We had to sort out how we were going to cover the shortfall I was asked to pay, we had to borrow money from a friend and cash in our endowment policy. We seemed to muddle through this ok though.

59. There were some tensions in our relationship after the audit as [GRO] asked why I did not tell him what was happening. As my husband, he wanted to support me through this but was not given the opportunity.
60. My children were wonderfully supportive through the whole process. They never doubted my innocence.
61. I was also very lucky that I retained a lot of the support and confidence of the community. I don't recall receiving any direct negative comments.
62. The Over Wallop branch had to close for a week after the audit. No one really knew what was happening at this time, initially the community just thought I had had enough and given up my role.
63. There was some inconvenience to the community as they had to use the post office in the next village for around a week. I was informed sometime later, by a family friend, that the Postmaster there had made some derogatory comments about me, but my reputation was defended by a family friend.
64. I did avoid being seen in the community for a few weeks after my court case I did not know how people would react. I felt like people would gossip - I felt ashamed and embarrassed.

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

- 65 [GRO] was very concerned about what would happen after the conviction. We had been advised by my solicitor that a custodial sentence was a real possibility. After my sentencing, [GRO] was physically sick from all the stress.

**CONCLUDING REMARKS**

66. Nothing will be able to undo what has happened to us. The feelings of anxiety and worry of not knowing where the shortfalls were coming from, hiding this from my husband and the feeling of anxiety as to how my community would react will stay with me for ever.

**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: JULIE CLEIFE

FILE REFERENCE

**GRO**

