

Witness Name: Ms Gillian Blakey
Statement No: WITN0231_01
Exhibits: None
Dated: 13 January 2022

IN THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF GILLIAN BLAKEY

I, MS GILLIAN BLAKEY, WILL STATE 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.

BACKGROUND

2. I was born on the 7 March 1943 and live in rented accommodation in Cleethorpes in North East Lincolnshire with my husband, David Blakey. I was born in Cleethorpes, and when I was younger I moved around a bit. I moved back to Lincolnshire in 1967, and I have been here ever since. I was diagnosed with asthma in 1965/1966, and I continue to suffer from the condition. I was told that the asthma was ‘emotional’,

which places me at risk of serious health consequences when I am under stress or pressure.

BACKGROUND PRIOR TO APPOINTMENT AS A SUBPOSTMISTRESS AND APPOINTMENT

3. Prior to becoming a sub post mistress I worked in a shipping office as a secretary, and assisted in the management of accounts, credit control and bookkeeping. In my early 50s, I left my job as secretary and operated a petrol station for a short time.
4. After a short time of running the petrol station, less than 2 years, we decided to buy a post office. We had become disillusioned with the owner of the petrol station following a flooding incident, after which the company refused to pay for remedial work. My husband and I became aware that the local post office branch was moving to another branch. Having banked there when we running the petrol station, we thought that running a post office would be better.
5. My husband and I thought that running a post office was an opportunity to have a secure and steady job, which we could take into our retirement. We had been disillusioned with the petrol station, and Post Office was a respected and respectable organisation and we thought we would be looked after.
6. We therefore invested in a post office and I became the subpostmaster at Riby Square Post Office 137-141, Cleethorpes Road, Grimsby DN31 3HW from 1996 – 2004.
7. We had taken out a bank loan of £30,000 to purchase the post office and the shop; the repayments were relatively steep at £1,000.
8. When the plans to buy the post office from the previous subpostmaster became concrete, and the sale and purchase process was occurring, I spent two months in the branch with him learning the operation and management of the branch. I did enjoy the work, and it was work that was within my skillset given my experience with

- accounts and bookkeeping. My husband had a job in engineering, and I operated the post office day-to-day.
9. The area of our post office was deprived. We did have experience of customers attempting to cash in forged or fraudulent giro cheques, or claiming that they had not been given the correct amount of money. We had a large car park behind our branch, and at the beginning and end of the month we were extremely busy with car tax applications; sometimes, the queue would be out the door with individuals buying car tax. We had been told that we sold more tax discs than many other branches in our local area.
 10. It was a busy branch, with its own challenges. We had a lot of businesses who would bank their takings with us. The work was time-consuming, but it was varied and enjoyable. It was hard work, but work that we were willing to do.
 11. We thought we would be able to run the post office and open a retail business, to benefit our business from the salaried subpostmaster position and attracting people in for retail sales. We sold sweets and snacks, tobacco, and stationary. It was not a big or significant part of my business, but the business and premises was primarily a post office branch.
 12. I regret the decision to become a subpostmaster very much, and very deeply. As a result of the Horizon System and the Post Office action against us, my husband (David Blakey) was prosecuted by the Post Office. That conviction was subsequently overturned as part of Hamilton and Others in April 2021.

TRAINING AND SUPPORT

13. I started as a subpostmaster in 1996. At that time, prior to Horizon, I used a paper-based ledger system that allowed me to accurately record all transactions. I think I received a few days' training from Post Office on the paper-based accounting system

which predated Horizon. However, as above, the majority of the training I received was from the branch's previous subpostmaster, which I had undertaken on a voluntary and informal basis, completely separate to Post Office.

14. When I was working on the paper system, before Horizon, we did experience shortfalls occasionally. The shortfalls were rare, and mostly small and relatively insignificant. However, the paper-based system made sense, and it allowed us to check any small discrepancies that might arise and correct them easily.

HORIZON INSTALLATION AND TRAINING

15. Horizon was installed in the branch in February 2000, about four years after I subpostmaster at the branch. Initially, we were thrilled by the idea of a computer system. We had been paying for another computer system, and Horizon was going to save us money and make our life easier.
16. I remember that a Post Office trainer came to the branch, for a few days but no more than a week. At the time, the branch was still open to the public and customers, so it was difficult to concentrate and receive the training properly whilst serving customers in what was a busy post office.
17. The training which I received was not adequate or sufficient. It focussed mainly on processing routine transactions and the day-to-day business at a counter. Very little training was given on the accounting, financial and management side of the business for which Horizon was also used. However, the day-to-day transactional side of Horizon was simple to understand and easy to conduct, so the training was inadequately focussed.
18. I was only shown how to undertake the balancing procedure once on the Wednesday night that in the week that the trainer was there. I do not think that our being showed the balancing procedure once is anywhere near enough. The

- procedure was not straightforward but was a very important part, critical, part of our role. In spite of this, we were shown the process only once. For example, the week after Horizon was installed, when the trainer was not there, we could not figure out how to balance or roll over.
19. The first week without a trainer, when we had to balance on our own, we struggled to roll the balance over. We did manage to roll over eventually, but we could not understand how we had managed to do so.
20. As a result, we asked for help. The following week, Ron McLauchlan came into our branch, ostensibly to help us. He was hopeless; worse than hopeless. He did not have a clue about Horizon, or the balancing procedure, so he was totally unable to help.
21. In fact, Mr McLauchlan's presence that week made things worse. The week previous, we had managed to balance but had struggled to roll over. When Mr McLauchlan was there, we struggled to balance. My husband and I were still trying to complete the balance procedure with him at 10pm at night. Mr McLauchlan left around this time without even waiting for us to reach a balance. My husband and I were there until later than 11pm.
22. The whole process was really very tiring. We had had a busy day working in the post office, and we could not manage to figure out how the system had worked. I think it was concerning, given that the process was taking so long, and taking so long such a short time after Horizon had been installed.

HELPLINE AND SUPPORT

23. I cannot remember whether we telephoned the helpline to rectify any problems that we had with Horizon.
24. However, after I had asked for help and had such a difficult time with Mr McLauchlan, so I think my husband was more reliant on the books and the guides

that we had received.

AUDITS

25. Before Horizon, my branch was audited twice. Those audits were concluded successfully, and the auditors found no problems. The first audit was not long after I started operating my branch, approximately some time in 1996. The second audit was some time later, but still before Horizon was installed.
26. Because there were no problems, and these audits pre-dated Horizon and its problems, those audits do not stick in my memory. They were non-events.

SHORTFALLS

27. 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.
28. In our branch, my husband conducted the balancing procedure every Wednesday. It was my husband who had been 'shown' by Mr McLachlan how to conduct the balancing procedure.
29. On a Wednesday evening, whilst my husband was conducting the balancing and roll-over procedure, I was reconciling and checking the car tax sales from that week; we were selling in excess of 800 motor vehicle licences per month, so it was an involved task which required attention to detail. In fact, I was told by Mr McLachlan that our car tax returns were 'excellent', in terms of error rates and quality of accounting. He made a point of telling us this, emphatically.
30. I now know that our branch started to suffer with shortfalls from Horizon. My husband has since told me that the first shortfall was approximately £5,000. He assumed that such a large amount would come back, and that it simply had to come

- back. However, instead of coming back it simply accumulated.
31. He did not tell me about this shortfall, or any shortfall, because of my asthma. I know that this would have been an incredibly stressful thing to have learned, and it would have played on my mind. It certainly would have flared my asthma, and it would have affected every aspect of my life.
32. I now know that shortfalls became regular, sustained and started to accumulate. It was not until an audit on 13 May 2004 that there were any shortfalls at all.
33. My husband telephoned me on the morning of the audit, as he did every day to make sure I had got into the branch OK, and that I was doing well. On the morning of the audit, when my husband phoned, I told him that auditors were in branch that day. I was not concerned about the auditors. However, my husband was.
34. Shortly after I spoke to my husband, he arrived from work. This was out of the ordinary: I asked him what he was doing there but he would not answer me. He walked straight to the auditors, and told them that the audit would find the branch £65,000 short.
35. I was totally shocked, and in disbelief. It was awful. I felt as though my brain had cotton wool around my brain, stopping the information going in. I think it was the shock. The night before, I had asked him whether we had balanced. He told me that we had balanced, save for a £9 shortfall. Such a small shortfall in a busy office was good news, and I left the office with a member of our staff happy.
36. My husband asked me not to leave him. He told me that he could cope with anything, but not me leaving. That was the only thing he could say to me. I simply hugged him. It was awful.
37. Eventually Paul Whittaker, Post Office investigator, arrived at the branch. He took David into a separate room, with a tape recorder, to be interviewed.
38. David told me Mr Whittaker's first words were "*what have you done with the*

money?” David told him he hadn’t taken anything. David simply expected the auditors to find out where the money had gone. He expected Post Office to solve the problem. David also told Mr Whittaker that he had kept the shortfalls from me because of my asthma, and he wished to save me the stress.

39. I was interviewed the same day, straight after my husband’s interview. Mr Whitaker first asked me how was I was doing, whether I was alright. I told him that I was OK, but in fact I was miserable. He then asked if I thought my husband had stolen the money. I told him, emphatically, that David had not stolen anything.

40. Mr Whitaker then suggested that David may have had a secret life, and that he may have been gambling, and suggested that he may have been unfaithful. I did not process the suggestion at the time, as I was simply despairing. David has since told me that Mr Whittaker had suggested to him that he had been having an affair.

41. I asked Mr Whittaker it could be any problems in Horizon, or computer error. He gave me a long, surprised, look, and simply said “no”. Mr Whittaker told me that “*no, someone has stolen it*”.

INVESTIGATION

42. Within a few weeks, I was called to an interview with Post Office investigators in Darlington. Mine was not an interview under caution, because they were satisfied from what David had told them that I was not involved in balancing. I had spoken to my area manager, Jane, who had arrived at the branch on the same day as the audit. I had told her that I had nothing to do with the shortfalls, or with balancing. She had told me that the auditors had told her that I had nothing to do with it, as “*nobody can act that well*”.

43. I thought that the Post Office would soon realise that we had not taken any money and they would eventually allow me to re-open the post office. To help the investigators, I sent an email to Post Office suggesting that an individual who had

worked in branch seemed to be living beyond her means. I thought that it may be her who had been taking money, if indeed anybody had. Instead of investigating the suggestion, he showed the woman in question the private email I had sent. Mr Whittaker told her to sue in defamation, and that he would be a witness in any case that she brought against me.

44. My husband received a call from Paul Whittaker, a short time after the audit. Mr Whittaker and my husband met in a car park, and gave him paperwork confirming that he was being charged with theft and false accounting. They both sat in Mr Whittaker's car, and after her had told my husband that he was being charged, he looked over at my husband's car and said "*nice car*", or something similar. It was an accusation. David explained that the car was leased, and had not been yet been paid. It was then we knew that Post Office had not checked the bank accounts and financial information we had given them.

45. My husband was put on trial, in the Crown Court, in March 2005. He was charged with theft and false accounting.

46. He had pleaded not guilty to the theft charge, but felt as though he had no choice other than to plead guilty to the false accounting charge.

47. However, Post Office pursued the theft charge in the Crown Court. The Post Office could not provide any evidence that David had stolen any money, and following the Judge's intervention, the theft was charge was dropped.

48. David was sentenced to nine months, suspended, on the false accounting charges. He was ordered to pay £1,000 costs, the Post Office having asked for a costs order of £9,000. The Judge ordered that he pay the costs order on a sum of £50, and asked whether David could manage that repayment. My husband was adamant that his mother and I did not attend any Court hearings, because he did not want to have to worry about us. We respected his wishes and did not go to any of the hearings. It was extremely difficult for us, not knowing whether he was going to come back or not.

49. There was a lot of press attention on David. It was horrible to see the press. We had been members of the golf club. More than one of the people we knew seemed different with us, or had cooled off. They are a lot friendlier now.
50. In any event, we could no longer afford to pay for the club membership. It was a luxury we could not afford, so that part of our life, and our social life, was completely cut off.

HUMAN IMPACT

51. After the press attention, David lost his job. Some of the press reports had mentioned his job and his employer. His employer told him that it had lost an important contract with a client and as a result, he was no longer needed. He knew that the company had not lost the contract, but he was not going to argue. He knew how it looked and how his employer viewed it.
52. I remember being very worried that if he was unemployed, there was a greater chance of him being imprisoned. It was very concerning.
53. The waiting was killing me. It was awful, and one of the worst parts of it was not knowing what was going to happen.
54. My world had come crashing down. On top of that, we were worried that we were going to lose our house. We had a bank loan to buy the business and the property, for which the lender had obtained a charge over our house. I was unemployed, my husband was unemployed and we were worried that we would lose the roof over our heads.
55. At that time, I was undergoing counselling for the stress and the worry. I could not sleep. I had to see our GP, who prescribed sleeping tablets and anti-depressants, having burst into tears at the surgery when I tried to explain what had happened

- and what was happening.
56. I tried a coping mechanism, whereby I wrote everything down that was causing me worry and making me lose sleep, in an attempt to 'offload' it and help with my stress. I could not bear to read it for years, until the group litigation 11 years later. The first time I read it, I was in tears remembering and reliving what had happened to us.
57. I was extremely angry because Post Office had given me only 3 months to sell my post office business and then prevented me from being able to complete the sale (which would have been at £65k, only half the price I bought it for) by offering my business to my purchaser for the licence fee only.
58. It is my opinion the Post Office had already promised my business to the temporary postmaster, who did become permanent, and, subsequently, my potential purchaser lost out, and so did I. I got nothing at all from the sale.
59. I had jumped at the chance of sale, because it was so embarrassing being in the shop after the news came about regarding David being charged. I was having to explain what had happened, and answer questions. I hated every minute of it, watching my ex-staff working for the new, temporary subpostmaster.
60. My husband and I had no choice but to file for bankruptcy after David's conviction. I thought that it would help to alleviate some of the worry, and help me get some sleep.
61. All of the proceeds of the sale of our house went to the mortgage lender and to repay the bank loan we had taken for the purchase of the business. We lost our car, and moved into rented accommodation.
62. Post Office had had the temerity to demand repayment of the shortfall, and at the time, aged 62 I knew that there was nothing I could do to repay that sum of money.
63. My husband's sister ostracised my husband, and members of our family have been

- shouted at or castigated about my husband allegedly stealing money.
64. We hoped that the result of the Group Litigation (Bates & Others v Post Office Ltd) would enable us to get our own property again. However, most of the compensation was taken up by legal costs, which left us very little.
65. In 2021, David's conviction was quashed in the Court of Appeal. It felt great, really good for finally for the truth to come out.
66. We did not go down to London to hear the judgment being handed down, but listened on Zoom and it was a joyous day nonetheless.

CONCLUSION

67. I hate Post Office. I do not trust them. I do not think they have learned any lessons. I refuse to buy a stamp from a post office, and get my stamps from the newsagent.
68. The post office robbed us of our business, our livelihood and our home. It robbed us of the chance of a peaceful, happy and prosperous retirement, and the chance of selling a thriving business.
69. My husband was devastated by the criminal conviction, as was I and we lived in the shadow of the conviction for years. We lived with the shame of this for more than 16 years, before my husband's conviction was quashed in the Court of Appeal in April 2021.
70. We still have not recovered; we are in rented accommodation. We are both retired and, because my husband lost his job way back in 2004 when the newspapers splashed his photo all over their front page, his pension is very much reduced. He has been diagnosed with PTSD.
71. I'd like the Inquiry to put this right and to show where the blame really belongs and to put us in the position we would have been in if none of this had ever happened.

STATEMENT OF TRUTH

I believe the contents of this statement to be true.

Signed **GRO**
Dated *13/01/22*

Gillian Blakey