

Witness Name: Mrs Pauline Coates
Statement No: WITN0234_01
Exhibits: None
Dated: 17 January 2022

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MRS PAULINE COATES

I, MRS PAULINE COATES 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 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.
2. I currently live in Ropley, Hampshire with my husband.

BACKGROUND

3. I was a subpostmistress of 2 post offices, the West Tisted post office, Marlands, and then Ropley post office up until March 2009. I began my career with Post Office Ltd on the 5 March 1988.

4. I operated a retail business from the premises, a community shop selling groceries and local produce. We were an integral part of the community.
5. I thoroughly enjoyed being a subpostmistress. I loved dealing with the customers, serving their needs and playing a vital role. I intended to remain in the position until my retirement. It was ideal for us as a family. My daughter helped me run the business. I believed we would have a happy and successful future.

TRAINING AND SUPPORT

6. Prior to taking up the position, I undertook 2 half days of training at the Alton House Hotel, Hampshire. I am not sure exactly when this was, but it was a group training session.
7. I did not have a great deal of experience with computers and could not believe I passed the course. I did not leave the training session with any confidence. There were 20 of us sitting around a table with a computer in front of each of us. We didn't cover every type of transaction on Horizon, we just did the basics, for example pensions. I cannot remember having any actual training on balancing. This was all done from the books they gave out, such as the operations manual.
8. I remember being completely out of my depth. Had it not been for help from my daughter, I don't think I would have coped. The training was lacking in any detail. It was generic and basic.
9. Apart from those 2 days, I received no further training.

HELPLINE

10. I did contact the Helpline often in the beginning as there were many issues that I needed advice on. However, it was never helpful. I was always told to look it up in the training manual.

11. Occasionally, they would try to talk me through things while on the Horizon computer, which just confused me even more. I really cannot remember the process that the Helpline told me to follow when it came to balancing. I was basically left to sort it out myself.

SHORTFALLS

12. In this section, I set out in very brief detail my experience of shortfalls arising from deficiencies in the Horizon 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.
13. From early on difficulties balancing the system arose and shortfalls would appear.
14. I persistently called the Helpline and my area manager for help after each shortfall. They did not show much concern and would tell me that it would right itself. I was made to feel it was my fault, that I must be doing something wrong. I was never warned that other people were experiencing the same problems.
15. It got to the stage where I would dread balancing the system in case it was short. I would always put my own money in to make it up as I was led to believe it was my error, my responsibility.
16. There were many smaller shortfalls, were mostly under £5. I am unsure of exact details, but shortages were common at the end of most balance periods. I used to put the money in myself in cash. I balanced and closed the account so that I could continue trading.
17. However, I experienced a huge shortfall on the 5 January 2009. A shortfall of £9,953.86 arose, allegedly a combination of cash and stock.

18. I could not explain how this happened. I was always so careful. As it was such a large amount, I declared the shortage the Post Office. I was led to believe that it was my responsibility to make up the shortfalls.
19. I could not pay back the amount as we simply did not have that kind of money. The Post Office agreed an amount of £40.00 a month which I continued to pay up until December 2019.

AUDIT AND INVESTIGATION

20. The auditors came on the 12 and 13 January 2009. I was not given any notice. However, after the shortfall occurred, I was checking thoroughly through the transactions, so I had all the account paperwork out on the desk when they arrived.
21. I was present throughout the audit.
22. The auditor went through everything; she could see that I too was looking to explain the shortage. The auditor's immediate reaction was to blame me. They said it had to be human error. I was treated like a criminal. They assumed I had taken the money.
23. On the 13 February 2009 my contract was suspended. I wasn't allowed back into the branch. I was told that I would be suspended, pending an investigation.
24. However, I have never seen any evidence of any adequate investigation.
25. I was interviewed twice at Basingstoke Mail Centre. Once on the 20 February 2009 and again on the 8 May 2009. I was due to go again on the 20 July 2009 but was unable to attend. My daughter came with me to the interviews. She was also interviewed.

26. At the first interview on the 20 February 2009, I was interviewed by Carol Ballan, the Contracts Manager. She went through a set list of questions. I was asked where the money had gone. I had no explanation.
27. The interview was like an interrogation. I knew I had done nothing wrong but was put under immense pressure.
28. I did question the Horizon system. I said it must have been a technical error. I was told that I had no proof of it. She did state, however, that they would check whether there had been a malfunction.
29. However, I do not believe that they considered any other option than it was me that was taking the money. I felt humiliated, patronised and defeated.
30. On the 13 March 2009 I was informed in writing that my contract was to be terminated. The letter said it was as a result of the 'investigation' and I was in breach of contract.
31. I didn't even think of making any kind of appeal because they were just so convinced I had taken the money and I could not prove otherwise. To be completely honest my spirit was broken, and I would not have wanted to remain being employed by such a heartless organisation.
32. I had lost my job and I was supposed to pay back money that I didn't even have in the first place. I felt like I was living in a nightmare.
33. What made the situation worse, my husband was also made redundant round about the same time, so we had no money coming in at all.
34. I came to an agreement with Post Office Ltd to pay £40 a month. It was money we didn't have.

35. Even though my contract was terminated I was still ordered to attend a second interview.
36. I was interviewed again on the 8 May 2009.
37. I was interviewed by Graham Brander, a fraud investigator and Frank Martin, the Field Team support leader.
38. This interview was conducted under caution. I was not advised that I could obtain legal representation. I did not want a solicitor because I hadn't done anything wrong and wouldn't have been able to pay for one anyway. I was made to feel like a common criminal. I was shocked and frightened.
39. I was due to be interviewed again in July 2009. However, my daughter, Lisa, suffered a serious fall a few days before the interview and was paralysed. Post Office Limited did not insist on my attendance at that interview and said they would reschedule.
40. During this period, I was left completely in limbo. The threat of criminal proceedings was hanging over me. I was completely crushed. I have never felt so low in all my life. I suffered from anxiety. I had many sleepless nights. When I did sleep, I would wake in a panic.
41. In October 2009, Graham Brander came to my home and advised me that I would be issued with what he described as a 'simple adult caution', whatever that means, and the matter would be concluded.
42. I do not know whether I have a criminal record or not. If this is the case, I want this removed.

HUMAN IMPACT

43. Financially, I lost almost everything. My lost earnings amounted to thousands of pounds.
44. I fully intended to stay in the business until I retired, which would have been July 2016. I lost out on 7 or 8 years of gainful employment which would have amounted to anything between £84,000 and £96,000.
45. I was party to the mediation scheme and received £18,000. I was party to the group litigation against Post Office Limited, and as a result I am excluded from the Historic Shortfall Scheme.
46. I still get quite traumatised thinking back to those times. I bottled everything up. I have never returned to the post office or the shop since this happened.
47. I was a well-respected member of the community who was treated like a criminal. I was afraid to look people in the eye as I knew there would be rumours circulating. I became very withdrawn.
48. It destroyed my confidence. I never recovered enough to attempt to find alternative employment. My work life ceased at that point. I went from enjoying work, very outgoing, loved serving my customers to a shell. I have never worked since.
49. I don't think anyone who has not been through something similar can really describe how utterly demoralising and demeaning the whole thing was.
50. I had never stolen anything in my life, and being the subject of an investigation was heart-breaking. Having my contract terminated and losing my job and my reputation was something I would never have thought possible, not even in my wildest dreams.

51. The worst for me is the way Post Office Ltd treated me after all the years of service. Having run 2 Post Offices successfully, with no issues, I was a subpostmistress for 23 years. I was treated like a criminal. As stated previously, it destroyed my confidence and self-esteem.
52. I was scared to go outside because of what people might think of me. I still have never returned to the shop I used to run. I was humiliated and degraded.
53. My whole family was affected. In the same week my contract was terminated, my husband was made redundant. The Post Office had the nerve to send me a 20 years' service certificate and award badge. I threw them in the bin. Even now I get very angry and upset just going through it all again.
54. Thankfully, my family supported me wholeheartedly as they knew I would not do what I was accused of. Without them I do not know what would have happened. They have been through hell with me.
55. The Post Office was in a small village, I had a lovely relationship with everyone. I tried to keep quiet about what happened to me, but I knew there were rumours. I could not face going back there. The Post Office is a huge corporation. Who would they believe, them or me?
56. Only when the scandal became public have I felt able to speak about it. There was always that stigma. In a lot of ways, I feel vindicated but still very, very bitter.

CONCLUSION

57. What has happened to me and to hundreds of other, hardworking, decent people is beyond words. The people involved in this have ruined countless lives and destroyed reputations. They need to be held to account. I would like an apology and an

acknowledgment of what they did. I would also like some financial recompense for all the hurt they have caused. In total I have paid back £4,800 that I never owed in the first place. However, this sum represents a fraction of the losses I suffered and the harm that was done to me.

58. I am also worried that I have a criminal conviction or a caution on my record. I did nothing wrong, and if I have a caution on my records, I want it removed and I want an apology.

STATEMENT OF TRUTH

I believe the facts contained in this Statement to be true.

Signed..... **GRO** Dated..... 17/1/2022

Pauline Coates