

**Witness Name: Ms Pamela Stubbs**

**Statement No.:WITN0291\_01**

**Exhibits: None**

**Dated: 1 February 2022**

**THE POST OFFICE HORIZON INQUIRY**

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**FIRST WITNESS STATEMENT OF MS PAMELA STUBBS**

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I, MS PAMELA STUBBS 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.

**BACKGROUND**

2. I am from Essex but I have moved around the Home Counties. In the first half of my working life I trained as a teacher, and I spent 20 years working in Twickenham.
3. I then moved out towards Farnborough and I spent 5 years teaching there. During this time I had two children with my husband. However, my husband left when our children were very young.

4. I later met my second husband, Martin, who was a bank manager at the Bank of England. The bank decided to close his branch down so he was offered early retirement in 1987. It was because of this we decided we would look for a business we could jointly work in. My husband was financially savvy, so he wanted a business that would make use of his skill set, as such we decided to look for a post office. We looked across Surrey, Hampshire and Berkshire.
5. We found our post office in Barkham, Berkshire. We bought it 1987 and paid £186,000 for it. We funded this by selling our houses; we used all of the proceeds from the sale of my house and half of the proceeds from the sale of Martin's house.
6. When we bought the post office, Martin was the subpostmaster and ran the post office and I ran the shop. We moved into the adjoining residential premises, with my children who were young at the time, it became our home.
7. We had plans to run the shop and the post office up until our retirement. We wanted to keep the business until the children were through school and university. We both really enjoyed our jobs. We were respected and trusted in the community; people from the main town came out to use our post office instead of using the main branch that was in town.
8. Whilst my main focus was the retail side of the business, when I had time I would stand in the post office alongside Martin to learn how it operated.
9. Unfortunately, my husband developed cancer during his tenure as subpostmaster. He remained involved in the post office whilst he was ill, but I ran the post office for a year with him helping me along the way, so I knew how the post office operated before he passed away.
10. We had a very simple computer system in the post office called "capture" before Horizon was implemented. Capture ran very smoothly and we never experienced any major issues because every transaction came with paper receipts and that made any errors traceable.

11. Prior to Martin's passing he had heard of the new Horizon System that was being implemented. He never liked the idea of Horizon and he kept telling me to push back on it being implemented into our branch. He asked me to make sure I was at the back of the line, so we were one of the last branches to move to the Horizon system.
12. Sadly, Martin's decline in health was rapid, and he passed away on the 3 August 1999 and I took over as subpostmistress on the 4 August 1999.
13. I was a subpostmistress of Barkham Post Office, Portacabin, 50 Bearwood Road, Wokingham, Berkshire RG41 4SY from 4 August 1999 to 8 June 2010. I live in linked residential premises, the post office was my home. I moved out in October 2009, when the bulldozer came in and flattened my house
14. I operated a retail business from the premises and I employed two assistants throughout my time running the shop and post office.
15. In early 2009 I was granted planning permission to rebuild the premises, including the post office, shop and attached house. As such, I could not remain living in the post office, so I bought a semi derelict property on an adjacent road to the post office, renovated it and moved in.
16. While the post office was undergoing renovations, it was moved into a porta cabin which I operated out of.

### **TRAINING AND SUPPORT**

17. I received one day of training on Horizon shortly before Horizon was introduced in around 2000. The training was held in a local pub with around 6-8 other subpostmasters per Horizon terminal. It seemed to me that the member of staff giving the training did not understand the system and therefore the training was ineffectual.

18. The training was given approximately two weeks prior to the installation of Horizon and when it was installed I received no further training.
19. We could put the Horizon system into a training mode to practice transactions but I found that the training mode on Horizon was too difficult to operate and so did not use it.

### **HELPLINE**

20. I called the Helpline on average once per week from October 2009 when I began to encounter significant problems, until June 2010, although sometimes I was calling more than once per day.
21. I called most frequently about balancing problems and discrepancies. I found that the Helpline was often unavailable, especially on Wednesdays, which was balance day, and the day I required the most assistance.
22. I found that different Helpline staff would give different answers to the same queries, and that when I spoke to the Tier 2 helpline advisor, they seemed more knowledgeable about Horizon than the Tier 1 helpline handlers.
23. I was regularly informed that my discrepancies were being investigated but I would rarely receive any update or response in respect of any investigation, and I would not be able to contact people who had contacted me because their contact details were never made available.
24. I can provide details of several enquiries that I made to the Helpline which I considered to have been inadequately addressed. On the 8 December 2009 and the 9 December 2009, I called the Helpline to report two stock deliveries that had not arrived.

25. I reported this to the Helpline again on the 6 January 2010 and nothing was done. The deliveries still had not arrived by the 23 January 2010, so I telephoned the Helpline again to report that there had still not been a delivery, and that another delivery had also not arrived in the interim.
26. On the 9 December 2009 I called to report a discrepancy of £2,584.65. I was told by the Post Office to make the loss good and to settle it centrally so that I could open the next day, and this would give me more time to find the error. I was not informed of any option to dispute the shortfall.
27. On the 6 January 2010 I called the Helpline to report a discrepancy of £9,033.79. I was told to look for “extra zeroes in the system.” I made more calls about this discrepancy on the 23 January 2010, 26 January 2010 and 29 January 2010. I was eventually able to speak to a Fujitsu supervisor called Ken (ref: 1960164) who said that he would investigate it, but he never contacted me again. During my conversation with Ken, he did tell me that I should inform the Helpline that the discrepancies were “in dispute”, which I did from that point onwards. I continued to report discrepancies until June 2010, but the Helpline was unable to resolve them.

### **SHORTFALLS**

28. 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.
29. I would estimate that throughout my position in the branch, I paid, or Post Office deducted in excess of £3,973.53, in respect of the first three shortfalls discussed below.

30. In 2001 a shortfall of approximately £1,000 arose. I repaid the Post Office this alleged shortfall. I paid this during a balance period as and when I was informed of the alleged shortfall.
31. On 11 November 2009 a shortfall arose amounting to £388.88. I repaid the Post Office this alleged shortfall. I paid this in cash during a balance period as and when I was informed of the alleged shortfall. I called the Helpline which advised me that the discrepancy would probably right itself if I made good the loss, but it did not.
32. On 9 December 2009 a shortfall arose amounting to £2,584.65. I repaid the Post Office this alleged shortfall. I paid this by cheque during a balance period as and when I was informed of the alleged shortfall. I telephoned the Helpline and left a message but received no call back until after my balance. I therefore had to make good the loss to continue trading.
33. On the 6 January 2010 a shortfall arose amounting to £9,033.79. I did not repay the Post Office this alleged shortfall. I reported this shortfall to the Helpline and they advised me that they would open an investigation and that in the meantime I should settle it centrally. I was advised to declare it "in dispute" which I did. I had never been told previously that this was something that I needed to specify, as I actually disputed all of the shortfalls. I agreed to settle this alleged shortfall centrally; however, the Post Office never deducted the sum from my salary and instead sent letters demanding payment. I was advised that the only cause of the discrepancy would have been that I had added an extra "0" to some transaction.
34. On 13 February 2010 a shortfall amounting to £8,436.86. I did not repay the Post Office this alleged shortfall. I reported this alleged shortfall to the Helpline, and agreed to settle it centrally on the condition that it was "in dispute". However, I have not ever been required to pay the shortfall.
35. On 8 April 2010 a shortfall arose amounting to £924.22. I did not repay the Post Office this alleged shortfall. I contacted the Helpline to report the discrepancy, and agreed

to settle it centrally on the condition that it was "in dispute". I later received letters from the Post Office demanding payment, but I did not pay these.

36. On 15 May 2010 a shortfall arose amounting to £5,006.21 on 15 May 2010. I did not repay the Post Office this alleged shortfall. I contacted the Helpline to report the discrepancy and agreed to settle it centrally on the condition that it was "in dispute", but I was not required to pay it. I later received letters from the Post Office demanding payment, but I did not pay these.
37. On 25 May 2010 a shortfall arose amounting to £3,218.36. I did not repay the Post Office for this alleged shortfall. An apparent shortfall of £2,941.60 was identified by an auditor, Rajinder Gihir, on 25 May 2010 in addition to the above alleged shortfalls. However, between the start and end of his audit, a further £276.76 went missing, making the above total. I believe I may have settled this centrally and placed it "in dispute", however, I was never required to pay it.
38. After my resignation I was asked by the Post Office to pay £28,829.05, which is £590.10 more than the unpaid alleged shortfalls recorded above. This may have been based on a re-calculation of the outstanding alleged shortfall.
39. I do not know what caused the shortfalls, but those from 2009 onwards coincided with the temporary migration of the post office to a porta cabin during the renovation of my post office. I did not sign any branch trading statements after moving into the porta cabin, as I did not consider them to be accurate.

#### **AUDIT AND INVESTIGATION**

40. I requested assistance and was attended by an auditor on 16 February 2010, 19 February 2010 and 19 May 2010 however, these were not full audits. I received full audits on 25 May 2010 and 08 June 2010.

41. On 25 May 2010 an auditor attended the branch to try to identify the stock contents of the safe to see if this matched the discrepancy at that time. The safe however, was malfunctioning and could not be opened by the auditor.
42. On the closing audit of on the 8 June 2010 the attending auditor was surprised to learn that I was not aware that the purpose of the audit was to close the branch. Nigel Allen, the Network Business Manager, had telephoned me the evening before but neglected to tell me that he was authorising the closure of my branch the next day. By this point I had already resigned and was serving my notice period.
43. I was informed between November 2009 and February 2010 that an investigation was being carried out and was telephoned by an adviser and a supervisor from Fujitsu who confirmed that they were investigating the discrepancies I had been experiencing. However, they did not ever revert to me, and I could not contact them again.
44. In January 2010 I requested that I be allowed to compare my transaction log data with Horizon data, but this was refused, and I was ordered to relinquish all my paperwork to the Post Office, which I refused to do.
45. Following my resignation (detailed below), there was an internal investigation by the Post Office and Fujitsu, between September 2010 and February 2011, concerning whether there had been any hardware errors at my branch. I was later disclosed email correspondence relating to this. I was informed that the investigation did not show that there had been any problems with Horizon.
46. Once when I complained to Nigel Allen, the Network Business Manager, about the discrepancies he told me that, *"Well a lot of SPMs have said that Horizon has problems, but nobody has been able to prove it"* as if the burden was on me to prove that there were errors in Horizon.

#### **SUSPENSION AND TERMINATION**



47. I was suspended on 08 June 2010 as a result of the outstanding alleged shortfalls. The letter detailing the reasons for my suspension referred to a breach of section 19 paragraph 4 of the Subpostmasters Contract.
48. The branch was only temporarily closed while the Post Office arranged for an agency to act as subpostmaster from the 8 June 2010. It was closed for approximately 8 days.
49. A temporary subpostmaster was appointed around 16 June 2010 and was apparently able to balance within pennies, finishing just after closing time.
50. I was prevented from accessing the branch after my suspension as the keys were taken from me. I also later discovered that the agency subpostmaster had been instructed to destroy my physical records from the branch.
51. Prior to my suspension I had actually already resigned. I resigned on 12 May 2010, giving 3 months' notice but I was suspended by the Post Office on 8 June 2010, effectively giving me early termination of my contract.
52. The Post office did not honour my three-month notice period as they suspended me within 4 weeks of my resignation. I had only resigned on 12 May 2020 because I was told that I was not allowed to advertise my branch for sale until I had formally resigned.
53. I was under the impression that it was the policy of the Post Office to require a subpostmaster to resign before allowing them to advertise their branch for sale, effectively forcing the subpostmaster to arrange their sale within their 3-month notice period.
54. There were initially three applicants that applied to take over my position as subpostmaster. However, my preferred buyers were not even sent application forms

- by the Post Office when they requested them, and their business plans were not considered by the Post Office.
55. The Post Office then selected the applicant that was probably the least appropriate in my view, because they were not in a position, financially, to afford the purchase price of the post office. After exchanging contracts, the new subpostmaster said that he could not pay £86,000 of the £196,000 purchase price. As such, I was forced to retain my existing mortgage until the buyer could re-pay the outstanding £86,000.

### **CIVIL AND CRIMINAL PROCEEDINGS**

56. The Post Office did not pursue civil or criminal proceedings against me for the recovery of the alleged shortfalls. However, I was threatened with prosecution by my Post Office manager in 2010 over alleged shortfalls.

### **LOSSES**

57. I was under the impression that I had no choice but to pay the shortfalls and I believed that a thorough and fair investigation conducted by the Post Office had determined that payment was due. I paid in excess of £3,973.53 to the Post Office.
58. I lost part of the value of the business. The post office was placed on the market for £225,000 but I had to accept an offer of £196,000 because of the pressure from the Post Office and the stress that I was under over the last year of my employment.
59. I did not work again after leaving the post office, except for in the shop. I would have liked to have worked in the post office for another year or so before selling it in order to work the salary back up to £35,000 as it had fallen during the renovation. I anticipate that I would have earned approximately £27,000 in one further year of work.

60. My reputation suffered because the Post Office closed my branch for 8 days without explaining to the community why it had done so.
61. During those 8 days, customers were directed to another post office in Wokingham, where the keys for my branch had been sent for safe keeping. My customers asked staff at that office why my office had been closed, and they were told that it was because I had had “money problems”, which subsequently led to my suspension and this information became common knowledge in the community.
62. I resigned as a district councillor because of gossip about me in the community. Some people in the community continue to gossip and suggest that I stole money from the Post Office.
63. My health has also suffered immensely. I suffered from anxiety, depression, insomnia, and stress and I was diagnosed with a heart condition caused by the stress I was under at the Post Office, and I am no longer able to work as a result.
64. Between June 2010 and April 2011, I continued to operate a minimal retail side while the branch was run by an agency, because I had promised to keep the post office intact. However, during that period my retail side operated at a loss of approximately £100 per week. I received only £30 per week from the agency and was never privy to any contract or able to negotiate my compensation in respect of the arrangement with the agency.
65. My continuing losses compelled me to accept the buyer of the post office and shop in April 2011 even when he stated after exchanging contracts that he could not pay £86,000 of the £196,000 purchase price. I was forced to retain my existing mortgage to retain a charge on the property until he sold it, even though he had declined to accept subpostmaster training to take over the office.

## **HUMAN IMPACT**

66. I experienced the Horizon system reporting shortfalls and had to pay out of my own money to cover these discrepancies. From 2010 I began studying paper accounts and identified problems with Horizon. I reported the apparent errors to the Post Office, but I was ignored by the Post Office when I pointed these out, instead of taking my claims seriously.
67. I was threatened with prosecution by my Post Office contract manager in 2010, but this was not pursued at all once I told him that if he thought I had taken this money he should contact the police and I would be willing to see him in court, together with all my evidence. All evidence, I gave to Freeths Solicitors for safe keeping.
68. Nothing more was said but I spent every waking moment waiting for the police to knock at my door. From this point Mr Allen just demanded that I send him all my evidence. Of course, I continued to refuse to do this.
69. I was party to the group litigation against Post Office Ltd, as a result I am excluded from the Historic Shortfall Scheme.
70. The shortfalls which the Post Office required to be repaid, occurred as soon as my Office was temporarily relocated into a Porta cabin. On reporting the problems to the Helpline, I accepted the advice from the Helpline, which was to repay the amount, and then wait until the next Trading Statement, when lost paperwork would obviously surface after the move. I repaid these monies, as detailed above, £388 in cash in October 2009 and there was a further £2500 in November 2009. I flagged this up to the Helpline as a serious concern, but still repaid the sums by cheque, so that I could continue to trade after rolling over. This was a large sum which I was really concerned about having 'apparently lost'.
71. The next balance in January, following a period of when my office had only been open for 15 days revealed an apparent loss of £9300 at which point, I was totally panic-stricken. I contacted the Helpline on many occasions asking to be able to speak with

the Horizon Team at Fujitsu. I was told by the young lady at Fujitsu that, "*their nodes were all working and if money was missing, it was your fault*".

72. I could not afford this sort of loss and began to ring the Helpline, the Horizon Helpline and my Line Manager. I got no help from anyone, not a single suggestion of how I might be able to resolve this situation.
73. I took some advice that my late husband had given me. He told me, before he passed away, that if I had a really serious problem, I should do my utmost to collect as much paper evidence as possible. So, I ordered boxes of Tally rolls, and began to reprint transaction logs, beginning as far back as the computer system would allow, and continuing each day for as long as necessary. I had no clue what I was going to do with this information, but I collated each week's logs into a box so that it could be examined at home, when I worked out what was hidden in the details. This evidence was passed onto Freeths.
74. I ignored the Post Office instruction to pay the shortfall but made the decision that I would not sign off on any Trading Statement. If I did not accept that they were correct, I could not sign them.
75. Once I was told by my Line Manager, Nigel Allen, that I was liable for any losses. He refused to even consider that Horizon might be at fault, and simply quoted the paragraph in the subpostmaster's contract, which said that we were responsible for any losses in the office. He then said that many subpostmasters had tried to blame Horizon but that none of them had ever been able to prove it.
76. I was very, very angry and told him that if he had proof that I had taken this money, then he should send the police round the next day, and that I would see him in court, along with all my evidence.

77. I was very badly affected by this confrontation and found it very difficult to stay calm during the day, although spending time trying to make sense of the Transaction logs helped with this. However, I do not think I had a full night's sleep from that point onwards for a long time. I found myself waking up several times a night in a complete panic, waiting for a knock on the door from the police.
78. I was contacted on occasions by Mr Allen, asking to see my evidence. I replied that I wanted Fujitsu to come with printed copies of their server reports so that I could compare my figures with theirs. They refused. Mr Allen, for his part, also began asking me to send my evidence to him. I replied that he was very welcome to come and view it, with the Server files, but it was not leaving my house, as it could no longer be replicated. I had already gone as far back in History as the system would allow.
79. I was very fortunate to have some very supportive customers and neighbours who agreed with my actions. They also advised that I should carefully secrete my evidence in my house. There was a great deal of shouting and many tears in my life at that time.
80. During the time this was happening January-May 2010 I telephoned the Helpline on a daily basis, and was fortunate to speak with an operator, who asked if I had declared these shortages "in dispute". I replied, "of course I have at every phone call". She explained that I had to actually say these words, so that it became an official declaration.
81. I had several visits from the Post Office Auditors, who looked at my paperwork. They could not find any obvious errors, and indeed decided that I did not have sufficient sales of small items to generate the sort of losses that were showing
82. I had one of the Auditors come in and sit with me for an entire session. He performed a cash declaration at 9.00a.m., watched every transaction and then performed the

cash declaration at 1.00p.m. After 4 hours this showed that the system had lost £200 but, he was at a loss to explain it.

83. At a later Audit, the final figures were completed on the laptop used by the Auditor, he then explained that these figures would be transferred to my terminal, and that the result would be exactly the same. It was not. In fact, the total shortage had increased by £382.82. He tried the same procedure on several occasions, but each time the figures differed by the same amount. This inflated amount was eventually entered into my audit.
84. In the end, at Mr Allen's direction, a closing Audit was held without notice, and I was evicted from my office. I was told that it was done to save me from the embarrassment of my neighbours and customers finding out what I had done.
85. By that time, they were all very aware of how badly I had been treated by the Post Office.
86. I was never convicted of a criminal offence. Nor was I ever formally accused of any criminal offences. Mr Allen did not take up my offer of meeting him in court, and at no time did he or anyone from the Post Office meet with me face to face.
87. I was fortunate enough to have the support of my family and colleagues at work, although I am sure there were those who believed that I must have done something wrong.
88. There was a lot of gossip that spread about me throughout the community, and it was damaging to my reputation.
89. At the time I was a district councillor, but I had to resign because of the gossip about in the community. I had to give up a position I thoroughly enjoyed because the Post Office damaged my reputation so much.

90. My family were extremely supportive of me and they knew I had not done anything wrong. They supported me and my efforts to prove that I had not taken any money.
91. This period of time took its toll on me mentally and physically. I suffered from anxiety, depression, insomnia, because of the stress I was put under by the Post Office in trying to prove I did not take any money from them.
92. I used to be a PE teacher, as such, I have always been fit and healthy, and all now suddenly, I am not because of the stress the Post Office caused me and I am still on tablets to this day. I was also diagnosed with a heart condition caused by the stress I had been put under, and I am no longer able to work as a result.

### **CONCLUSION**

93. It is now 10 plus years on from everything the Post Office put me through and it still, to this day, it has the power to make me cry and make me really angry.
94. It has taken years away from what would have been my retirement and it has taken away my health. Never did I think I would lose my health.
95. If it was not for the subpostmaster's I know, I would have nothing to do with the Post Office at all. However, I try to support the subpostmasters because they earn pennies now for the work that they do.
96. I rebuilt my entire post office during my tenure and I got no help in doing so. The Post Office do not look out for their subpostmasters at all.
97. The Post Office have taken us all for fools and we thought we were doing the right thing by our customers and community but all the Post Office has done is line their own pockets and look out for their own interests.



98. I am permanently angry about what the Post Office have done. It has reached the point that if I want to smile, I go back and look at the appeal court judgments and read what the judgments say about the Post Office and judge Frasers ruling.
99. I do not like being angry all the time.
100. I just want to feel like someone somewhere will bring us justice. If that can be done I will be so grateful.
101. I want the inquiry to look into where the money went, what happened to all the money in these so-called suspense accounts?
102. The Post Office have destroyed and ruined what would have been such a pleasant retirement for me and instead they have just made it horrible.
103. I am fortunate that I had the support of my family, friends and colleagues but I still just feel so angry.
104. The Post Office might as well have just held us up at gun point on the street and said give us your money, knowing full well they would never have to give back.
105. I just want to know where all our money went.

**STATEMENT OF TRUTH**

I believe that the facts stated in this Witness Statement are true.

Signed..... **GRO** ..... Dated: 1st FEBRUARY 2022

**Pamela Stubbs**

