

Witness Name: Mrs Isabella Armstrong-Wall

Statement No.:WITN0324_01

Exhibits: None

Dated: 11/03/2022

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MRS ISABELLA ARMSTRONG-WALL

I, MRS ISABELLA Armstrong-Wall 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.
2. I live with my husband in Barrow in Furness and we have a daughter and a son and I have two grandchildren by my daughter.

BACKGROUND

3. I was a Subpostmistress of 4 Bowness Road, Barrow in Furness, Cumbria LA14 5PW from 31 August 1995 to September 2011. I did not reside in linked residential premises.

4. When I left grammar school I worked for the Telephone Exchange from age 17. I was there for 20 years and became supervisor. Through this job I was able to become an SPM because the Post Office was linked to the Telephone Exchange.
5. I was looking for a change of pace in my life and running a post office seemed like a good enterprise to take my husband and I into retirement and would be less stressful than most jobs. I also looked forward to running a shop in the heart of the community and being able to meet and engage with lots of people
6. My husband and I had trust in the Post Office as an institution and we believed it would assist us in making a good income.
7. I purchased the branch for approximately £78k plus £5k for stock. We paid this by mortgaging our home and taking out a further business loan. I had also spent around £75,000 on refurbishment of the branch and purchasing an adjoining store shortly before suspension.
8. I operated a convenience store from the premises. I employed around 7 part time staff members of staff. I do not recall the exact dates that they were present at the branch, but I recall one staff member, Sue Riley, was almost always with me for the Wednesday balance.
9. I began my appointment on 31/08/1995, but I have seen a copy of an acknowledgment of appointment form dated 23 August 1995. I believe this acknowledgment form refers to a Standard Subpostmaster Contract and I recall signing a post office document, but I do not know if this was the full contract or if I received a full copy of this.
10. I signed the document without considering the terms or seeking legal advice, as a representative from POL turned up at the branch and demanded that I sign the

document there and then in his presence. My attention was not drawn to any particular clauses or terms of any contract.

TRAINING AND SUPPORT ON THE HORIZON SYSTEM

11. I had approximately 2-3 days in branch training where I was shadowed. The trainer was of limited use as he was on his mobile phone for approximately half of the time, he made a half-hearted effort to assist and I do not believe that the training was adequate.

APPARENT OR ALLEGED SHORTFALLS

12. I am only able to give approximate figures, although I do have a clear recollection of payments having been made by me. My recollections of the alleged shortfalls are as follows:
13. I would estimate that throughout my position in the branch, I paid (or Post Office deducted, or intend to deduct via my IVA) in excess of £62,000.
14. I remember there being a number of significant alleged shortfalls. I was not aware, and I was not told in my interview, that I would be responsible for shortfalls.

Shortfall 1:

15. In 2000 two alleged shortfalls arose amounting to £1000 and £2000. I repaid this to the Post Office out of my remuneration. I rolled the losses over, because I didn't feel that I had any other option, in light of what the helpline were telling me.

Shortfall 2:

16. In or around February/March 2009 an alleged shortfall arose amounting to £37,000. I repaid this to the Post Office and I had to remortgage my house to do so. This was carried over to the next trading period in the suspense account as I had no other option as I wasn't getting any help from the helpline or my line manager. Eventually, I had to agree to repay from the remortgage of my property.

Shortfall 3:

17. Around the middle of 2009 an alleged shortfall arose amounting to £24,000. Within this particular 'shortfall' was £9,000 related to a stamp vending machine, which we didn't even have at the branch. I did not repay this to the Post Office and this now forms part of my personal IVA. I was forced to sign this off as a loss in the accounts. I subsequently received a number of demand letters from POL regarding this sum.
18. During the course of my appointment, I received at least 12 demands for payment from Post Office of shortfalls.

HORIZON HELPLINE

19. I contacted the helpline between 2-3 times per week but I received no help whatsoever from this helpline. On a number of occasions when I rang, I was told that the problem would sort itself out. I was also told that the fault was mine and mine alone, nothing to do with Horizon as there was no problem with the system, and that I was the only one to have reported the issue.
20. When I escalated the issues to the second helpline, I was assured that POL would investigate the issues, but they did not.
21. I asked for someone to attend the branch and was told that no one was available. I asked for my paper records to be reviewed and compared with PO's records, but the advisor said they could not undertake this exercise.

22. On one occasion I was so insistent that there was a fault with the system that the advisor said he would “check Horizon” at their end, and get back to me, but he didn’t.
23. Regarding the £24,000 ‘shortfall’ detailed below, I was informed by the helpline that the fact it had doubled before my eyes, with no transactions taking place at the time was not possible, they said that “*nothing like this could happen*”.

AUDITS AND INVESTIGATIONS

24. I recall that the audits were carried out on a Thursday (after the weekly balance on a Wednesday) each time but cannot remember exact dates.
25. In my final audit (a number of months after the £37,000 shortfall and my initial suspension) I recall that I rang the helpline regarding an apparent £11k shortfall. Whilst I was on the phone to them, and they were attempting to resolve the problem, the discrepancy doubled to nearly £24k. I now believe that the helpline must have been accessing my system remotely and made the error. I left at 9pm that evening after trying to resolve the issues. I knew it must have been an error because the branch had never had that much cash being turned over.
26. The following morning, I rang the helpline a number of times in a desperate attempt to get some assistance. Each time they palmed me off and wouldn’t give me a straight answer to my questions. At that point the auditors arrived unannounced.
27. The auditors declared that they had to shut the branch. They did so, and counted all the money in everyone’s tills, including all the stamps and stock. Everything tallied up correctly. They couldn’t find any problems. They marked up each tin (kept by each member of staff to hold stamps etc.) including mine, to say that the figures

- were correct. They went away that evening, declaring that they would return the next day, although I was not sure why. The branch stayed shut the whole time. The following morning, the auditors re-counted the cash, and found that I was apparently £3,000 short in my tin, despite the fact that it balanced the previous day, and the branch had been closed so no transactions were processed. The auditors began arguing with each other as they had assumed one of them had done something incorrectly the previous day.
28. The auditors then made a phone call, presumably to Post Office head office, at which point they notified me that I was suspended.
29. I have seen no evidence of any adequate investigation carried out by the Post Office. I had been suspended following the apparent £37,000 shortfall detailed above. I was asked to attend a meeting with Post Office in Salford Quays. I recall going to that meeting straight from the hospital as my grandson was critically ill. I recall that Paul (I do not remember his surname) from the Post Office said that if I paid back the £37,000 then my suspension would be lifted. Which, for a short while it was, although I was suspended shortly thereafter.
30. Following my second suspension, I was invited to a meeting in Preston with my branch agent, Andy Carpenter. I recall that Mr Carpenter said that I “had been given another opportunity” following the £37,000 shortfall, but clearly things were no better. Mr Carpenter did not say that he would help me to investigate the problems. I was insistent that there were issues with the Horizon system and that no cash was actually missing, it was Horizon simply appearing as if this was the case, especially given that we had never had that amount of money in the branch per day or even per week. Mr Carpenter kept repeating that the issues were nothing to do with Horizon as it was “fault proof”. I now know that this is not correct.

31. Whilst I was suspended, I went to Barrow PO sorting office to speak to their “fraud department”. My member of staff Sue Rilley was allowed to be there but was not allowed to speak, despite the fact that she had good knowledge of what had been going on at the branch. It was dreadful. Post Office treated me as a criminal.
32. Following this meeting, I received a letter from Post Office terminating my contract. However, they had not investigated the issues to any extent. Despite the fact that I had been terminated, Post Office subsequently wrote to me to confirm that there were no charges being brought against me. At this point I had not agreed to repay the £24,000, therefore I cannot understand why Post Office would not pursue the matter unless they had made a mistake. They did not give me any reason for why they were not bringing charges.
33. However, despite the fact that charges were not being brought, I had been terminated and Post Office made me feel that I had no other option but to repay the £24,000 as I didn't know what else I could do. It formed part of my IVA.
34. I appealed my termination and went to a meeting in Penryth. I told the Post Office representative everything that had happened and explained that there were clearly issues with Horizon. Post Office assured me that they would investigate the matter but it was only later that I realised that they clearly must not have done. My termination was upheld.

SUSPENSION AND TERMINATION

35. I was suspended twice, once in March 2009 and then again on 31/09/2009 relating to the alleged shortfalls
36. The branch was closed for 2 days during the audit, and reopened the following day (Saturday). However, I was not permitted to work there.

37. Potent Solutions of Bolton were put in place by Post Office to run the branch. They were there for 5 years, however, they were not physically in the branch, my staff were running it. Potent Solutions paid me £2k per month but this did not cover all my expenses including paying the staff and rent.
38. I was not permitted access to the branch following my suspension.
39. My contract was terminated by the Post Office in relation to the alleged shortfalls. The Post Office gave me no notice.

HUMAN IMPACT

40. In the first place, the Post Office's actions caused a terrible financial impact. I had to enter into an Individual Voluntary Agreement in order to keep up with repaying shortfalls as well as other payments. In the end I was declared bankrupt on 7 July 2017 and of course my credit rating is ruined. I also defaulted on my business mortgage.
41. My husband and I had to use all our savings to keep the shop as a going concern, in order to sell it at the best possible price, but this proved to be uneconomical. We had a drop in profit of £4,000 per week and this made it a struggle to keep the shop afloat.
42. At the beginning of June 2017, the Post Office was closed in the branch and on 22 June 2017, we were forced to close the retail store entirely.
43. Barclays repossessed the shop because I had defaulted on the business loan and sold it at £170,000 (including 2 furnished flats). I estimate the property was really worth £450,000 so I missed out on that money.

44. Not long before being suspended I had spent £75,000.00 on refurbishing the branch, however I lost all this investment.
45. Being dismissed by the post office at the age I was meant that I was not able to find alternative employment and had to live on my pension of £162 per week.
46. Had it not been for Post Office terminating my contract, I would have continued to run the shop indefinitely until my husband and I retired completely. Instead my husband has had to continue working to pay bills.
47. My brother lent me money during the difficulties and I am always conscious that I must repay him somehow for the help that he gave me.
48. The Post Office's actions badly damaged my mental health. I have been an outpatient for mental health issues for some years now, which have been caused as a result of Post Office's conduct towards me. I still receive counselling for depression and anxiety. My depression means that I have to just live for each day and try to get through it, not thinking about the future or the past.
49. My husband suffers from depression from the impact of Post Office's behaviour to us.
50. I have been mentally and physically scarred by the Post Office. I knew I had not done anything wrong but the Post Office helpline made me feel like I was to blame and that I was on my own as the only one having problems with the system.
51. Meetings with the Post Office that I detail above were very distressing and made me feel like a criminal and felt personally under attack.
52. I felt a great degree of shame and would feel anxious going out and meeting people because of the shame of what had happened to me. I would avoid going out and meeting people so as not to feel this shame, where previously I had been very social and enjoyed being at the heart of the community in my Post Office.

53. I loved being a subpostmistress and being at the centre of a community, and I was heartbroken to have that taken away from me so suddenly by the Post Office in such a horrid way. I enjoyed meeting customers and engaging with people but that was all taken away from me.
54. Because of all the difficulties, two members of my staff were very nasty to me and do not speak to me. This was very distressing and it caused me a great deal of upset.

CONCLUSION

55. The Post Office caused me financial ruin, but also severely damaged my mental health and caused great distress by treating me like a criminal and making false accusations. My husband and I had plans for our retirement but they were all ruined. It broke my heart to have my Post Office taken away from me when I had loved working at the heart of the community so much.

STATEMENT OF TRUTH

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

Signed: **GRO**Dated: 11/03/2022

Isabella Armstrong-Wall