

Sir Wyn Williams – Chair
Post Office Horizon IT Inquiry
By email only

11 April 2022

Our ref: DE/POHITI

Dear Sir Wyn

Compensation for subpostmasters

We write regarding compensation for subpostmasters, and in particular the operation of Post Office's Historic Shortfall Scheme (hereafter '**HSS**'). For reasons which are set out in this letter, we ask that you invite submissions from core participants in relation to the function and adequacy of the HSS. We consider that the importance and urgency of this issue merits an early interim hearing.

Our core participant clients have been raising with us their grave concerns about the operation and management of the HSS by Post Office.

Issues with Historic Shortfall Scheme

We are aware that Neil Hudgell has written to you recently about compensation on behalf of his subpostmaster clients. Our clients are similarly concerned about Post Office's inadequate provision of compensation. For example (non-exhaustively):

- inadequate, unfunded or non-existent access to legal and other professional advice in preparing claims, considering offers and in corresponding with Post Office;
- repeated and serious failures or refusals to consider heads of claim or types of loss;
- a lack of interim payments;
- opacity in relation to progress, timescales and reviews; and
- delay throughout the HSS process (in responding to claims, making offers, responding to enquiries generally etc.)

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The points above represent a non-exhaustive overview of the issues claimants are facing with Horizon.

As an example, our client Baljeet Sethi (who appeared before the Inquiry on the first day of human impact evidence) waited for 2 years to get a substantive response from Post Office to his claim under the HSS. He was stonewalled and effectively ignored, despite the repeated intervention of his MP. Very shortly before the commencement of the Inquiry's human impact hearings, he received a request for information from Post Office HSS which ran to more than 120 questions. The HSS make no provision for legal assistance to assist with applications.

There are other extant issues, for example the extent to which subpostmasters are accepting HSS offers without the benefit of legal or other professional advice, and/or accepting offers at a significant undervalue. These are notwithstanding the issues which may be obscured by the opacity of the process.

We note that compensation generally and in particular the operation of the HSS is a topic on which you have already invited submissions, and which fall squarely within the Inquiry's focus. Questions as to the HSS's function and adequacy are explicitly included in the Terms of Reference (for example, issues 182 and 183).

Urgency of action

The fundamental problems with the management, oversight and distribution of the HSS continue to affect subpostmasters. Our clients are concerned that if the Inquiry does not give its early attention and focus to this issue, the HSS will continue to operate in the same dysfunctional and flawed manner. Whilst the HSS is currently operational, delays within it mean that a great deal of its work is ahead of it. It remains eminently possible to make effective improvements to it. The Inquiry has an opportunity to affect tangible change and ensure that subpostmasters are able to achieve adequate and timely compensation.

Conversely, if the Inquiry does not act urgently and proactively on this issue, its investigations will be retrospective and of limited utility. This is not one of the many historic issues which the Inquiry will examine; the problems inherent to the HSS are affecting subpostmasters presently. We and our clients wish to avoid an undesirable situation whereby the Inquiry will later examine events which happened during its lifetime, which it was aware of, and which it was empowered to change.

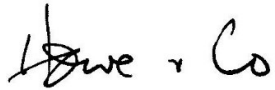
Conclusion

We urge the Inquiry to take swift action on this matter, which is centrally important to subpostmasters and to the Inquiry satisfying its Terms of Reference. We ask that all core participants are invited to make submissions on the function and adequacy of the HSS. The Inquiry may be aware that the Post Office and BEIS Minister gave evidence to the BEIS Committee very recently; as such those parties should be well placed to comment on the HSS.

On 22 March 2022, we wrote to the Solicitor to the Inquiry requesting (amongst other things) a hearing in relation to the interim compensation scheme. As there may be some considerable overlap in the submissions made in relation to the two separate but related issues, we consider that that hearing is capable of being held jointly with a hearing in relation to the HSS.

We look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink that reads "Howe + Co". The signature is written in a cursive, slightly stylized font.

Howe + Co

cc. Neil Hudgell, Hudgell Solicitors