

GRO

WITNESS: MARY MCCRORY PHILP

STATEMENT NUMBER: WITN0120_01

EXHIBITS: WITN0120_01/1 to WITN0120_01/7

DATED: 6th May 2022

POST OFFICE HORIZON IT INQUIRY**FIRST WITNESS STATEMENT OF MARY MCCRORY PHILP**

I, MARY MCRORY PHILIP will say as follows:

1. On September 19, 2001, I, Mary McCrory Philp and my mother Mary Logie Philp **GRO** purchased the Post Office at 26-28 High Street, Auchtermuchty, Fife KY14 7AP. This was via a mortgage for the building and goodwill of the Post Office branch and the associated general and fancy goods store. It included a three-bedroomed home above the commercial premises. At the same time a legal partnership of Mary McCrory Philp and Mary Logie Philp was registered in the courts. In addition, I, Mary McCrory Philp, was an executor of my mother's estate. She was the Sub-Postmistress from September 19, 2001, until 2006. She died on January 6, 2018.
2. My mother was to be Sub-Postmistress and I worked in the shop and behind the PO Counter. I was expecting to be made redundant from my job as a journalist at the Daily Express. However, this did not happen and I organised the shop's newspaper delivery service and things like the morning bread roll delivery before going to my full-time job, working behind the PO counter on days off and Saturdays.
3. My mother therefore was trained in situ whilst the PO was open and operating by staff from the PO's Scotland HQ. She was given five full days' training and

- told by her trainer to rely on the PO helpline following that. I attended a PO National Lottery/Horizon training course in Hamilton, North Lanarkshire when the Lotto was introduced to Post Offices. The training given was helpful only up to a point, and certain aspects of the Horizon System remained unexplained, rendering our questions and queries unanswered and misunderstood.
4. Within weeks of us taking over, the branch began to record shortfalls of varying amounts from a few pounds to thousands of pounds. Very occasionally, the branch would record a surplus of within £10-£20, but the vast majority of incidents recorded shortfalls. The weekly 'tally' as it was called, was on a Wednesday and that rapidly became a dreaded day of the week. The tally would be run again and again into the small hours of Thursdays and when there were shortfalls, the missing amounts were never the same twice.
 5. Firstly, my mother thought she hadn't been trained properly and demanded that staff attend at the branch to try to discover what she was doing wrong. The staff instructed her to re-run the process and to scan everything in again, which was time consuming. These visits were usually only for a day, or part of a day, and after about three of them over the space of a couple of months, they concluded they could see nothing wrong and she was told she was on her own. When the shortfalls continued, she rapidly concluded that there was something wrong with the Horizon system. She told the PO repeatedly that they needed to check Horizon but was told nobody else was reporting the same.
 6. As early as September 2001, she was contacting the Postmasters' Federation local representatives repeatedly by phone and asking if anybody else was having the same problems but was also told she was on her own and was made to feel like they believed she was taking cash. I recall with 90% accuracy that

the local representative for our area was the Sub Postmaster based in the nearby town of Lundin Links.

7. On the last visit by PO HQ personnel, she was told that her family must be taking money from the branch safe. The result was either my mother or I sleeping with a huge bunch of keys under our pillows. In desperation my mother hired a private detective in the hope that he could find others having Horizon problems. Nobody he approached admitted having any. He offered to try to find someone who would speak about Horizon at Fujitsu, but the cost was prohibitive given the shortfalls having to be covered. She consulted our family solicitor, Cameron McKenzie at a firm called Smith & Grant, who noted her concerns. Fast-forward to 2021 and he told me he had another client with the same problems but could not divulge that at the time due to client confidentiality.

What effect did these issues have on your relationships with your family, friends, colleagues, and local community?

8. I moved out of the PO accommodation with my three children after the PO suggested that one of the family must be taking cash from the safe and added an extra 30 minutes on to my already long days. The situation caused immense stress for my mother and for me. The frustration of nobody being prepared to listen, the absence of being able to prove it was Horizon that was causing the shortfalls and the inference that we were stealing took its toll on everyone's health and family relationships. In particular my mother had been a police officer. She was brought up strictly by a Victorian father and she was honest and proud and concerned with her reputation all her life.

What were the consequences of being required to make good apparent shortfalls shown by the Horizon IT System?

9. We managed to cover the shortfalls but the financial consequences of making good the shortfalls were huge. Money was borrowed from family members, two loans were taken out and left partly unpaid, money from the attached shop was put in and I was handing over large chunks of my salary. I earned around £2000 per month at the time. The shop's stock levels suffered. The PO salary covered the business mortgage and bills, but paying the shortfalls meant nothing was left over. I had difficulties paying the mortgage for my own separate home due to paying into the PO. In loans and borrowings from family and banks there was £56,000 accrued between 2001-2006. Other amounts were paid to the PO from salaries and shop takings.

How were you affected when alleged to be responsible for shortfalls or discrepancies shown by the Horizon IT System?

10. The allegations from PO HQ staff were terrifying. My mother, in particular, was very badly affected by the accusations, inferences and the complete injustice of the situation. She was unable to sleep and often reduced to tears on Wednesdays when the weekly reckoning hit. I can remember the gut-wrenching feeling of dread going to the branch on a Wednesday after my work. Would there be a shortfall? How were we going to pay it? How was my mother going to be as a consequence?

What were the consequences of being held responsible for shortfalls and discrepancies shown by the Horizon IT System?

11. The final consequence came early one Thursday morning. I think this was in Summer 2006 (PO records would confirm). PO HQ auditors arrived at the branch around 7.30am. They demanded to be let into the branch. They immediately went to the cash drawer. The night before there had been a £94 shortfall and rather than stay up half the night and re-run the tally my mother, honest as ever, wrote a £94 personal cheque and put it in the drawer, thinking she was making sure the branch was not suffering a cash shortfall. That, however, was her downfall. She was immediately told she was suspended, because it was taken to be proof that she was mis-accounting and fraudulently making good money she had withdrawn from the PO. I recall her walking out of the branch and crossing the road to her car and being chased across the road by an auditor (I cannot recall his name). She was told aggressively the only reason she was not being prosecuted was because of her age (65).

12. Thursday was pension day. The branch remained closed and very quickly rumours began to circulate because the pensioners could not collect their money. When the branch re-opened there were PO HQ staff behind the counter and we had to run the shop being looked at and whispered about and sometimes, openly challenged and called names "thief" "fraudster" "how could you do that, robbing our village Post Office..." it was horrific, and the fact that it was a small village made everything much worse. Within a month or so, the franchise was passed on to a local mini supermarket, and the retail business disappeared as it had been entirely intertwined with the PO. My mother, at her own cost, hired an architect, and the property was subsequently sold with planning permission to make the whole building domestic. It was the worst thing that happened to my mother in her long life, apart from the death of my father

aged 36. If it was ever spoken about she would be in tears, or close to them. She did not work again. She never got over being wrongly accused.

What effect did it have to be accused of committing criminal offences because of shortfalls and discrepancies shown by the Horizon IT System?

13. The Post Office purchase was originally to replace my employment as a newspaper journalist. My mother had retired from her business as a florist but was bored and enjoyed being at the centre of a community. She was branded a thief and a fraudster, humiliated and because of this did not work again. She could easily have carried on working for at least another 10 years if not more. When I was not made redundant, I carried on with my journalism career and it was decided that the PO would be my retirement plan – either by continuing the business or selling it. We were robbed by Horizon of not only the immediate shortfall cash, but by loss of salary, loss of business, loss of property and loss of reputation. Had I not been able to continue with my journalism career, we would not have survived the financial effects of what Horizon and the PO did to us. Auchtermuchty is a thoroughfare to the M90 motorway which leads to the Forth Bridge and to Edinburgh and Glasgow and the south from Fife. To date I have used country roads to by-pass it because I still feel the effects of the humiliation of wrongful accusation and the unjustified judgement of the community there, brought about by the PO and Horizon. These feelings will never leave me.

Further details specific to financial loss and compensation

14. The cost of making good, alleged shortfalls shown by Horizon:

- (i) Amounts paid from profits, savings or other business – many thousands from the salary, shop and my personal unassociated salary. (I cannot guess the figure).
 - (ii) No deductions were made by PO because all shortfalls were paid,
 - (iii) Bank loans amounted to £36,000 taken out by family members
 - (iv) £20,000 was loaned to us by a family member from their own savings. Thousands were taken out of the shop and the Post Office salary. I put thousands of pounds into shortfalls from my own salary.
 - (v) No assets were sold to make good shortfalls
15. Financial losses caused by action taken against you in reliance upon Horizon data:
- (i) Sale of branch – property was sold with Planning Consent to turn the entire building into a domestic property. There was loss of the business goodwill. The mortgage was settled, with no profit. The cost of an architect and legal fees was approx.£1500 which would have been a loss.
 - (ii) The PO salary was £26,000 and loss of earnings for 10 years, which my mother would have worked for, is £260,000. The shop would have reasonably traded at a profit of £20,000 or more – loss for 10 years is £200,000. (All assuming I did not carry the business on).
 - (iii) The family member who took out loans of £36,000 was unable to keep up payments. We were unable to pay the loans and as a result there was a default of £18,000. That family member, who was 18 years old at the time, has never been able to obtain a mortgage or credit as a result.
 - (iv) Interest payments unknown.

- (v) There were no legal defence costs as criminal proceedings were not brought (because my mother was considered by PO to be too old to be jailed, they said).

Compensation – The Historical Shortfall Scheme

16. I was unaware of the Historical Shortfall Scheme. The PO has said that it contacted all those affected by Horizon. However, my mother had been dead for 21 months on August 14, 2020, when the scheme closed. The short three-month window it was open for was during a serious Covid-19 lockdown which only allowed people in Scotland out of their home for essential reasons. That meant a quick visit to a supermarket once a week for me. Therefore, I was not buying newspapers on a daily basis and did not see any newspaper advertising about the scheme. I do not know if the PO adverts appeared in the Scottish editions of newspapers. I was watching the news on TV much more than I usually would, but the Historical Shortfall Scheme did not appear amidst wall-to-wall Covid coverage.

17. Post-lockdown I saw an article from an executive of the Postmasters' Federation appealing for information about the Horizon system. I emailed the Federation and was sent the application form. I was told to go ahead and apply and fill in the details to the best of my ability and not to worry about paperwork. I was initially concerned that with no paperwork, I had no way of proving what had happened. I was told the PO held all the information about branches and the Human Resources history of former sub-postmasters. Keith Richards of the Federation told me that they were trying to work out what to do about the

- “stragglers” like me to have them accepted into the scheme. See email correspondence (Exhibit WITN0120_01/1).
18. I submitted my form in the first week of May 2021. See Email correspondence with the Post Office Historical Shortfalls Scheme (Exhibit WITN0120_01/2). I heard nothing until the first week of July 2021. To my dismay I was told that I was time-barred from applying. It says: “In order to ensure that we are able to progress those applications within the scheme in a fair and timely manner, we are unable to accept any further applications into the Scheme. We do recognise that this will likely be disappointing news for you but hope that you understand the reason for our decision and wish you all the best.” See email correspondence with the Post Office Historical Shortfalls Scheme dated 15 July 2021 (Exhibit WITN0120_01/3).
19. My stance on this is that they stole our money. They destroyed my late mother’s life. We lost a great deal of cash through, in my view, the criminality of the PO hierarchy and the Horizon System changed the path of our lives. We were not the thieves, the PO was. They took our money literally with menaces – pay or be criminalised, suffer financial and mental and reputational ruin. I replied asking exactly where they had sent the notification of the scheme to, (see my email reply to Post Office Historical Shortfalls Scheme dated 15 July 2021 (Exhibit WITN0120_01/4)), and sometime later, they gave my late mother’s address which had been sold nearly two years earlier (see email reply from the Post Office Historical Shortfall Scheme dated 4 August 2021 (Exhibit WITN0120_01/5)). I do not know which system they used to trace victims, but as a journalist I do know that they must have used a defective tracing system/company and would be bold enough to suggest they paid far too much

for it. Any tracing agency worth its salt would have discovered my mother was deceased and the property sold.

20. A while later I was sent a further email saying that my case was being reviewed (see email correspondence with the Post Office Historical Shortfall Scheme dated 28th September 2021 (Exhibit WITN0120_01/6)), but I remain unsure if that means they are considering if it will be looked at by them despite being apparently time-barred or whether they are considering whether to accept it or not. I contacted my MP, Peter Grant, who has asked many Written Parliamentary Questions about how many people have been excluded due to missing the application window. I met for a meeting with him via Microsoft Teams on August 2nd, 2021. I have been told a definite 172 applicants were rejected, and that there is a possible 195, that it was not proving easy to pin the number down with ministers/the scheme. He also raised my case in the Commons during a sub-postmaster debate and asked the minister to agree no-one should be excluded. He has written to the minister and awaits an answer. So, I do not know if I am being considered by the Historical Shortfall Scheme.
21. The exclusion adds the ultimate insult to injury. I am the angriest I have ever been in my life at the injustice. Whilst I appreciate my mother was not made to suffer in jail the inhumane way she was treated by the PO put her in a prison of shame and humiliation and injustice for the rest of her life. Without my MP and his team and their dogged determination to represent my position I would feel completely isolated from any hope of justice. I have agreed to every request to participate in media coverage here in Scotland to try to further the message that nearly 200 of the Horizon victims have been wronged again by the PO by being told they will not even have their case considered – because of the

scheme's failure to trace them and an inadequate advertising campaign when people were unable to leave their homes to buy newspapers in the midst of a pandemic lockdown, I have asked for Senior Counsel legal opinion about raising a case in the Court of Session. See email correspondence with the Post Office Historical Shortfall Scheme dated 25 January 2022 (Exhibit WITN0120_01/9) in which I raise this as a possibility. This will use every penny of my small pension pot, and a bit more besides, but I feel I owe it to my late mother to prove her correct about Horizon and what it did to her.

22. Horizon and the PO robbed us of our money; they robbed us of our dignity and our name, and they robbed us of the final years of what remained to my mother. The irony and the insult of first, being made to apply to have our money back, then refusing that application because of their victim-tracing failure is beyond belief. The injustice is too much to bear.

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed : **GRO**
MARY MCCRORY PHILP

Print full name: MARY MCRORY PHILP

Dated: 6th May 2022

**Index of Exhibits to
First Witness Statement of Mary McCrory Philp
WITN0120**

No.	Exhibit Number	Document Description	URN
1	WITN0120_01/1	Email correspondence with Keith Richards,	WITN01200101
2	WITN0120_01/2	Email correspondence with the Post Office Historical Shortfall Scheme, 10 May 2021	WITN01200102
3	WITN0120_01/3	Email correspondence with the Post Office Historical Shortfall Scheme, 15 July 2021	WITN01200103
4	WITN0120_01/4	Email reply to Post Office Historical Shortfall Scheme, 15 July 2021	WITN01200104
5	WITN0120_01/5	Email reply from Post Office Historical Shortfall Scheme, 4 August 2021	WITN01200105
6	WITN0120_01/6	Email correspondence with the Post Office Historical Shortfall Scheme, 28 September 2021	WITN01200106
7	WITN0120_01/7	Email correspondence with the Post Office Historical Shortfall Scheme, 25 January 2022	WITN01200107