

Witness Name: Mr Alan Riddell

Statement No.: WITN0196_01

Exhibits: None

Dated...13/1/2022.....

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR ALAN RIDDELL

I, MR ALAN Riddell 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. I can confirm that I have been informed that a false statement verified by a statement of truth constitutes contempt of Court if made without honest belief in its truth.
2. I live with my wife Carol in Sunderland, who was also a subpostmaster ('SPM'). We have two daughters, five grandchildren and 1 great-grandson.

BACKGROUND

3. I took over the running of the post office from my wife, who was the subpostmistress before me, because she suffered from shortfalls. Before I became the subpostmaster, I made a good living as a trained carpenter and manager at a joinery business. I was well paid for this work, and I enjoyed it.

DECISION TO BECOME A SUBPOSTMASTER

4. My wife and I had planned to retire at aged 55 to run the post office. We thought that running the post office would be a way of achieving financial security as we got older, while giving us a happy rural life without too much stress.
5. I trusted the Post Office as an institution and thought that it would be a secure setting in which to work. The prospect of running a Post Office was attractive to me and my wife, we enjoyed being able to be at the centre of our local community and we enjoyed encountering and talking to people who would come into the shop.
6. My wife became the subpostmistress in 1991, and I took over from her in 2000. To purchase the post office and adjoining home, we sold our house in Washington. I was a Subpostmaster of East Boldon Post Office, 93-95 Front Street, East Boldon NE36 0SA. I operated a retail business from the premises offering greeting cards and stationery. I took over the appointment from my wife on 20 September 2000, and my tenure concluded on 13 February 2013. My wife had been the subpostmistress from 1991 until 1999. My wife transferred the role as she was unable to cope with the issues the new Horizon system was presenting.
7. The alleged shortfalls had never occurred previously, and in fact my wife was very proud of how well she managed the post office during her tenure, prior to the introduction of the Horizon system. My wife suffered a nervous breakdown following a large shortfall, following which I took over the role, quitting my more lucrative managerial role in my previous job.

8. My wife managed her own accounts by paper records before the introduction of Horizon and never had any problems with shortfalls. Where there were errors on the paper accounting my wife could always trace back to find them, but with Horizon this was impossible, forcing us to accept liability for shortfalls.

TRAINING AND SUPPORT ON THE HORIZON SYSTEM

9. The Post Office insisted that my wife train me, despite that she had experienced up to £10,000 of discrepancies prior to my appointment. The Post Office clearly had no intention of assisting in resolving the problems at the time I took over, which would have been the perfect opportunity to do so.
10. I received no further training. The Post Office sent addendums to training manuals as and when Horizon had updates, and tests were taken via Horizon. Upon the installation of the new ATM machine on 18 June 2007 I received approximately 30 minutes of training from the Bank of Ireland engineer. I received no face to face training on Horizon, I had to rely solely on the user manual.

APPARENT OR ALLEGED SHORTFALLS

11. 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.
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: I would estimate that throughout my position in the branch, I paid (or Post Office deducted) in excess of £28,000.

13. There was a shortfall £800 in 2010. I had to make it good by paying it directly to the customer out of my personal finances. This was shown as a loss in the accounts. There were other occasions of shortfalls, amounting to approximately £28,000 in 2010 – 2012. These were deducted from my remuneration or paid from my savings
14. With the exception of one shortfall dealt with while I was out of office, they were shown as losses in the accounts and/or I refused to sign off the accounts. There were numerous alleged shortfalls which accrued over time – they were hard to pinpoint due to the difficulty in following an audit trail often associated with the ATM machine.

HORIZON HELPLINE

15. I contacted the helpline approximately 4-5 times per week. The helpline was nicknamed the “hell line” as in most cases the advice given did not actually improve the situation, and sometimes made it worse. I was given the wrong advice in relation to REM being entered into the Post Office stock unit instead of the ATM stock unit. I can recall that there was an unexplained shortfall of £2,700, and the helpline advised me to take it out of the Post Office stock unit and add it into the ATM stock unit. This advice actually caused the discrepancy to double and I had to work out myself that the reverse should have happened, in order to correct it.
16. There was also a shortage in foreign currency following entry on Horizon of pay out which was not shown on the Horizon print out, the representative on the Helpline said something along the lines of *“just leave it, it will sort itself out when you balance”* which, of course, it did not.
17. I was also given the wrong advice in relation to how to process budget cards which resulted in the customer having more taken off her card that should have been. The customer paid money onto her budget card and for some reason the Post Office

deducted it. The helpline advised us to wait until it "sorted itself out" (as they usually did). It took several weeks to resolve itself - luckily the customer was understanding.

18. Another customer paid a card tax of £155 by budget card, and instead of taking it off his card it was added on. We were informed by the helpline to reverse the transaction but it didn't work. The system was showing a £200 pending transaction which took 48 hours to come off. I could not read the final balance print out and the Helpline did not follow up on actions after I reported them to it. After some time, I refused to sign off any documents because I did not agree with the figures, which was not picked up by the auditors. On many occasions it took so long for Helpline to answer that I had to hang up, often meaning that the customers had to wait for an answer to their transaction and/or long queues developed.
19. In general, the helpline staff referred to scripts and could not understand the complexities of the process in branch, often having to arrange call backs to answer queries. These call backs did not solve the problems. You knew for a fact that they were just reading from a script. You could tell, it was like they had a card in front of them.
20. On one occasion, I recall that there was an £800 discrepancy. This discrepancy occurred after the installation of Horizon Online. The customer was given a receipt for £800 from Post Office, but the money did not make it to his account. I contacted the Helpline for assistance, but they did not help. The Post Office simply said that the customer had removed his card from the pin pad too quickly. However, he used an Alliance & Leicester card which does not have chip and pin, so they had to be swiped. The Post Office ignored this point.
21. At some point during my appointment, the Post Office moved the helpdesk abroad, which increased the difficulties in communication. The helpline said on regular occasions that the error would "sort itself out" and we knew what was going to happen – i.e. that we would have to end up repaying that 'lost' money.

22. If we experienced a surplus, the system invariably rectified itself. However, when it was a shortfall, it would not. I believe that the Post Office was investigating surpluses but not losses. The Post Office jumped on you straight away if you had a surplus in your account, but if you had shortfalls they would give you no help and you simply had to repay it.

POST OFFICE AUDITS AND INVESTIGATIONS

23. I recall two audits in May 2011 and October 2011. In the October 2011 audit, (which I was not present for), Brian Marshall of the Post Office attended and a shortfall of approximately £3,400 was found, relating to Motor Vehicle Reversals (see below). Our assistant, Jean, had been declaring this as a loss each night for the previous few weeks in the hope that the Post Office would find and investigate the issue. However, my wife's brother passed away suddenly and unexpectedly, and we were both on sick leave, so Jean did not want to compound our stress, and therefore accounted that the £3,400 was present in £10 notes. The next day the auditors arrived, and it was clear that they had been watching the activity of the branch. I was immediately suspended (despite being on sick leave at the time).
24. I have seen no evidence of any adequate investigation conducted by the Post Office. I undertook a thorough investigation which took three days to compile all the evidence. I sent this to Post Office Limited by special delivery and within 48 hours they had returned it, so they could not have spent any time investigating my findings. I sent paperwork to the Post Office on a number of occasions and it was simply returned with no comment or further assistance.
25. During September/October 2011 we were assisted by a temporary subpostmaster when neither I or my wife could work in the branch. This temporary subpostmaster discovered that the processing of Motor Vehicle Reversals was in error. We had not been informed that we needed to reverse the method of payment as well as the

transaction itself, which was causing the system to show losses. Post Office Limited sent a representative out, Brian Marshall, out who investigated and said that he found nothing wrong with the historic processing. However, once a new method was implemented thereafter, the shortages stopped.

SUSPENSION AND TERMINATION

26. I was suspended on 11 October 2011 following the audit. Following an interview I was formally reinstated but, as I was still on sick leave and my wife was not well enough to operate the branch, we wanted to rely on Jean Smith and Jessica George to assist, as they had been doing until that point. The Post Office refused and therefore the office had to be reopened under the management of a previous subpostmaster, appointed by the Post Office.
27. **GRO** was appointed by the Post Office as temporary subpostmaster. We paid him, but we received no remuneration from Post Office. The keys were taken from me so I had no way of accessing information.
28. I was in ill health as was my wife, and felt I had no option but to sell the business, financially it was becoming too much of a strain and mine and my wife's health was suffering. I remember that Andy Carpenter said to me it was a "*good thing*" that we were leaving, as if they were pleased to be rid of us. He added that "*I've seen a lot of people with gambling problems*" as if someone in my branch was using the Post Office money to fund such a habit, when he had absolutely no evidence of this whatsoever.
29. I went back to the branch for approximately 3 months in early 2012, and there were no significant shortages. However, we felt that we had no option but to sell the business because of the increasing pressure on inevitable shortfalls occurring, and our resulting ill health. Even after we had sold the branch, we continued to receive demand letters from the Post Office.

HUMAN IMPACT

30. The financial effects of the Horizon scandal were devastating. My wife and I had to cash in our pension plans and endowment policies to pay back the shortages as they were far more than we could afford to pay from my Post Office income. We also maxed out our credit cards and took out bank loans, we were barely able to keep our heads above water.
31. There was more going out than coming in so we had no option but to ask family and friends to loan us money. This was humiliating as it would appear to everyone that we had a successful business. In the end we had no option to sell our business and home (this was attached to our post office). We sold both at a loss and below the market value.
32. My wife and I entered into an IVA from December 2002 for five years. This has made it almost impossible to get credit, and I had to pay £1,000 per month. Post Office Limited insisted the shortfalls were due to theft by staff or family, putting professional and personal relationships under strain.
33. I was at my wits end. I had no idea why the shortages were happening as I was sure I was carrying out all procedures correctly, my wife and friend who helped run the Post Office spent countless hours checking and rechecking transactions but we could find nothing to show where the shortages were occurring. Sometimes we would print out 2 reports to compare and within the couple of minutes between the reports with no transactions having taken place there were differences in the reports. This was frustrating and caused a great deal of anguish.
34. In the end I had a nervous breakdown in 2010 and had to take time off sick, this meant I was having to pay for cover which only made the financial situation worse. I asked my manager for help on many occasions but he told me I was the only one

suffering these shortages so I must be doing something wrong. He didn't offer to investigate and just left me to get on with things.

35. I was suspended in October 2011 after an audit showing £3500 short, this was despite me being off sick and not being in the office. I was too ill to attend the disciplinary hearing, my wife went in my place. This was very difficult for her as she too was ill with mental health problems caused by the continual shortages and the sudden death of her brother just 2 months previously.
36. My suspension was lifted on condition that two members of staff would be banned from working in the Post Office. This distressed me greatly. I trusted the two members of staff implicitly, one was my daughter and the other a very close friend. To see the effect this ban had on them caused me even more distress.
37. During the suspension I had to pay two managers to run the Post Office, on instruction from the area manager. I had no income due to the suspension and again had to turn to family and friends for financial help, this was over the Christmas period when my earnings would have been the highest of the year and I received nothing.
38. My post office was in a very affluent and close knit community. They knew that I had been suspended and this obviously led to gossip within the community. On one occasion the local press carried a story of my post office being closed, along with a photo of the post office.
39. I was told that the gossip in the local pub after this report was that I had been stealing. This was so distressing as I felt betrayed by customers who had once respected me. My colleagues worried in case something they were doing caused the shortages and they then felt vulnerable. My family and friends were very concerned with the decline in my health and the amount of worry I had put upon me.

40. The village pub was just opposite the post office and my wife and I would always worry about encountering people who would judge me there. My wife and I would avoid community events such as fairs, when previously we had been at the centre of community life. Where we had previously enjoyed an active social life, my wife and I stopped going out to avoid judgement from people.
41. The closure of my business was reported in the local paper, including with photographs, which led to a great deal of speculation and gossip in the local community and some customers taking their business elsewhere.
42. On selling the business my wife and I moved to Sunderland as I felt under a cloud of suspicion in the local community.
43. As I previously said, my daughter was banned from working in the post office. She had worked for a leading bank and had carried out fraud investigations in her job. The ban effectively stopped her being able to get a job in banking as she would not have been able to get a reference. As you can imagine that hit her very hard. My family were very anxious about what might happen next and lived in a state of flux worrying about the effect the issues were having on myself and my wife.

CONCLUSION

44. Because of the Horizon system, my wife and I are now much worse off than we had planned to be. Instead of the comfortable retirement that we had prepared for we now live out of the village where we had built a life, and we both suffered terribly from the stress of our experiences. Post Office Limited need to be held to account for their actions in destroying lives and the Inquiry must recommend proper reparation for subpostmasters like me and my wife.

STATEMENT OF TRUTH

I believe the contents of this statement to be true.

GRO

Signed:

Dated:

13/1/2022

Alan Riddell