

Witness Name: Ms Jean Smith

Statement No: WITN0252_01

Exhibits: None

Dated: 26 January 2022

THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MS JEAN SMITH

I, MS JEAN SMITH 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.

BACKGROUND

2. I am 68 years of age, divorced with one son and daughter. I live in Hylton Castle, Sunderland. I have lived in this town for the past 8 years and I have always been in employment.

3. Before becoming a manager at the Post Office, I worked in many jobs in retail, accounting and training, including working in the accounts department for Marks and Spencer with responsibility for monitoring money-counting. In many of these jobs I was in positions of trust and responsibility with regards to handling money and I always closely guarded my integrity in this regard. The last job I had before working in the Post Office was as a training officer, assessor and internal verifier on the NVQ in Retail at the North East Chamber of Commerce and I worked in this role for 15 years. In this role, I developed a methodical approach to managing retail.
4. In approximately 2008, I was sharing a house with two close friends, Alan and Carol Riddle, who were running the Post Office in East Boldon, outside Sunderland. I am aware that Alan and Carol Riddle are core participants in the Post Office Horizon IT Inquiry. I had been friends with Alan and Carol Riddell for nearly 40 years, and helped them at the Post office when needed.
5. I learned from Alan and Carol that they were struggling with their post office. Alan and Carol confided in me about their difficulties with shortfalls. I knew Alan and Carol well and had full confidence that they would not be dishonest and the shortfalls must be the result of systemic problems.
6. I used to help Alan and Carol with paperwork as I had experience in accounting. I would go through accounting reports which were very complex as the data was not kept in one place. The accounts reports were so difficult that I could not fathom them.
7. Their situation was so desperate that and I even loaned them large sums of money from my savings to make up for the shortfalls they were experiencing in their post office. I loaned them approximately £8,000.00- £10,000.00 over the 8 years.
8. The difficulties Alan and Carol were experiencing with the Post Office and the shortfalls was so severe that they became very ill and suffered with severe anxiety. Their mental health was heavily impacted by their experiences with the Post Office. I

recall on one occasion Carol had a panic attack and I had to take her to the doctor for an emergency appointment.

9. Due to the ill health of my friends, and the huge concern I had for them, I offered to work at the Post Office as a manager. I thought with my employment background (accounting) I would be a good fit for the role. This was a full time position, and Alan and Carol would still be a Subpostmaster and Subpostmistress.
10. I was the manager of East Boldon Post Office, 93-95 Front Street, East Boldon NE36 OSA from 2008- 20011. I lived in residential premises attached to the Post Office.
11. The post office also operated a small retail business from the Post Office only selling cards and stationary.

TRAINING AND SUPPORT

12. While helping out at the Post Office Alan and Carol Riddle trained me. They showed me how to do the end of day, end of month, balancing and the general use of the Horizon System.
13. The Horizon system was impossible to understand and navigate. It was complicated and had many functions, so it made it very difficult to use the system properly. As acting manager, I was trained up and I made a training manual myself that gave guidance on how to use the system, detailing how to process various transactions, and this was useful to myself and other people in the Post Office.
14. I never received any training from the Post Office, nor did any trainer come to branch to provide in person training. However, on occasion the branch received written updates for the Horizon system from the Post Office.
15. When the Horizon system went online, I believe this was in 2010, training was provided. I received 2 half days of training sessions with Phil Alan who was the Post

area manager at that time. He ran through the updates, the monitor was put into training mode and went through this. However, the training was limited, I felt the Post Office manager who was training me did not have sufficient knowledge on the new system.

16. I approached Phil Alan and another Post Office manager, Andy Carpenter, on several occasions regarding the issues with shortfalls that the branch was experiencing.
17. Both managers were unhelpful in trying to rectify the issues. Andy Carpenter continually suggested that someone in the branch or a family member were stealing, or they had a drinking problem or had a gambling problem.
18. These allegations were untrue and put a cloud on everyone. My worries increased as no one at the Post Office was willing to examine or investigate the problems we were having with the Horizon System.
19. I told Andy Carpenter that the Post Office had a duty of care to the Subpostmasters and our post office. Andy Carpenter rudely said that the Post Office did not owe any duty of care to us.
20. Any accounting errors that occurred were blamed on us and we were told that any shortfalls experienced had to be made good by us.
21. In approximately August 2011, while Alan and Carol were on holiday, I had help from another Subpostmaster to run the branch, Chris Head, who ran his own branch in West Bolden.
22. One typical problem that I identified was that reversals of transactions would not process properly, which would result in shortfalls.
23. If a transaction was entered in error, for instance if a customer went to renew their HGV licence for 12 months but only wanted to only have 6 months, then that transaction would have to be processed and then separately the transaction would have to be reversed in the system.

24. However the reversals would not process, leaving the original transaction on the system and thus resulting in a shortfall.
25. One day when Mr Head was helping, I asked for his assistance in processing a reversal on the Horizon System. Mr Head advised that we should not just reverse the transaction but we need reverse the method of payment.
26. Following Chris' advice, I started to notice that his method would work to process the reversals where previously they would not go through, and as such, there were fewer shortfalls.
27. We received a visit from Brian Marshal (Post Office auditor) that month and I relayed what Chris has taught me. I was advised that this would not make a difference and to continue as normal, but I felt that Mr Marshal dismissed Mr Head's advice out of hand without investigating potential errors in the system that it could have flagged.

HELPLINE

28. I called the Helpline many times but the waiting time was long that it disrupted the running of the branch.
29. If I had to call the Helpline while serving a customer, the majority of the time I could never get through and actually speak to an advisor. I would have no option but to hang up to serve a customer who was waiting.
30. When I actually managed to speak to an advisor on the Helpline, I felt that they were reading from a script and did not really know how the system worked. I would say 75-80% of the time they advisors were not able to help with my queries. They often said if you leave it, the problem would solve itself out. On other occasions, when going through the queries the matter would become worse, the shortfall doubled and the advisors could not assist any further.

SHORTFALLS

31. 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 that follows.
32. As I have said, I had been aware of shortfalls arising before I stepped in to assist Alan and Carol Riddle. I had previously loaned them approximately £8,000.00- £10,000.00 over the 8 years to make up for shortfalls that arose on the Horizon System.
33. I cannot recall precisely the full amount of shortfalls over the years, but an example was one that was identified during an audit in October 2011, the auditor identified a significant shortfall of £3,500.00. I cannot breakdown what the shortfall was made up of as I was not provided with the details that made up the shortfall.

AUDIT AND INVESTIGATION

34. In May 2011, we had an audit where the Post Office auditors identified small amounts shortfalls, but no further investigation was taken. I do not remember the exact amount of shortfall, and as far I remember no payment was taken.
35. After the after audit I was worried as to whether I was carrying out the correct procedure and using the Horizon system properly.
36. I called the Post Office area manager in the summer of 2011; I am not sure of the date. I asked for assistance and the Area Manager arranged for an auditor called Ged to come out to the Post Office, to look into why we were experiencing problems.
37. The auditor reviewing everything, including the balancing, and how I was conducting the balancing. The auditor commented that ours was a well-run branch.

38. Carol's brother had passed not long before the second audit and this just added to their worry with the Post Office. In Oct 2011, I identified through the daily balances there was a shortfall of £3500 on the Horizon system. I could not establish where the shortfall was coming from and showed up on the system for more than a week. I did not want to worry Alan and Carol as they were not well and had already had a lot on. The shortfall stayed on the system and I was expecting someone from Post Office to contact me and discuss the shortfall.
39. We then had an audit and the shortfall was of £3500.00 was picked up and I tried to explain the issue. The auditor, Brian Marshall did not listen and contacted the area manager to suspend Alan and asked me to sign the audit report. During the audit I received a call from my son living abroad notifying me that my daughter in law a miscarriage and required surgery. All of this started to stress me out and the auditors did not sympathise with my situation.
40. I signed the report as stating the shortfall related as over stated but when I received a copy of the report my comment was crossed out and the Post Office changed this to false accounting. I also noticed that my initials were not added to the change. Clearly, the Post Office were not in agreement and changed to what they thought was write.
41. The shortfall had to be paid and there was no choice given but for it come out Alan's salary.

SUSPENSION AND TERMINATION

42. Alan was not aware of the shortfall, but as the Subpostmaster he had a disciplinary hearing. He was not well, so Carol went with Liam Murphy who was the CWU representative to the meeting. Andy Carpenter conducted the interview and was not happy about having Liam Murphy being present.

43. At the meeting it was agreed that Alan would be reinstated but his daughter Jessica, George and I could no longer work at the branch or any Post Office as a matter of fact. I believe our positions were compromised as we were present when the shortfall was discovered.
44. I was suspended from my role as a manager.

CIVIL AND CRIMINAL PROCEEDINGS

45. The Post Office did not pursue civil or criminal proceedings against me in relation to the shortfalls.
46. However, shortly after the audit I received a threatening call from a Manager of the Post Office, in Chesterfield. Unfortunately, I do not remember his name. I received the call on the house phone number. The manager said I could go to prison of what has happened and that I should "consider myself lucky". I was left in shock

HUMAN IMPACT

47. My employment prospects were badly affected by Post Office's actions as they dismissed me from my job and banned me from working for any Post Office again.
48. My dismissal from the Post Office was hard to explain to other employers and I was unable to get a good reference. Therefore, I never worked again after leaving the Post Office. I think employers who I applied to must have been aware of the false accusations of dishonesty against me because it was widely reported about the investigations into the East Bolden branch.
49. Being unable to find work meant that my financial circumstances were impacted and I did not have the financial security that I expected. I had wanted to visit my son in Australia but I was unable because I had insufficient funds.

50. I suffered a severe blow to my confidence as a result of the Post Office's behaviour. Being treated like a criminal and threatened with prosecution and police investigations was a harrowing process.
51. I had always prided myself on my honesty in other jobs in businesses where I handled money, so it was very upsetting to be wrongly accused of false accounting with no opportunity to explain myself and to be blacklisted from the Post Office, which is an important national institution. This knock to my confidence affected my ability to find employment.
52. My honest reputation was severely tarnished by the Post Office's actions. As well as with employers, this also affected my local community, where I was already widely known through my role in the Post Office.
53. I lived in a village, and the smears of the Post Office also seeped into the small local community. The Post Office investigations in my branch were featured in the local newspaper, so everyone in the village knew about the accusations of fraud at the Post Office that I managed.
54. Gossip spread and I remember a horrid atmosphere of distrust in the community. I stopped wanting to go out, where previously I had enjoyed an active social life. I can remember friends and acquaintances had a difficult time believing that I was completely innocent and thought that a respected institution such as the Post Office must have had some reason to suspect me.

CONCLUSION

55. The Post Office completely destroyed my reputation and sense of integrity.
56. I had often worked in responsible jobs where I was trusted in the handling of money, and prided myself on my integrity. This was taken away from me by the Post Office's

false accusations of fraud, which smeared me without giving me any opportunity to defend myself.

57. The process severely knocked my confidence. Having taken away my sense of integrity, the Post Office' accusations travelled through our village meaning that my reputation was reduced and I was the subject of gossip.

58. Ultimately the Post Office took away my financial security. I was unable to get a job after I had been blacklisted from the Post Office and I have not been able to enjoy the financial security that I had worked and planned for.

STATEMENT OF TRUTH

I believe the content of this Statement to be true.

Signed... **GRO**Dated... 26/1/2022
Jean Smi