

Witness Name: Mr Aaron Cossey
Statement No.: WITN0331_01
Exhibits: None
Dated:30 March 2022

IN THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MR AARON COSSEY

I, MR AARON COSSEY will say as follows:

INTRODUCTION

1. I am grateful to the Chair to be invited to provide a “human impact” statement, concerning the consequences to me and my family as a result of the Horizon IT system and Post Office Limited’s actions toward me and my family. The introductory paragraphs below provide a brief summary of my background, and to provide context to the detail of the human impact of the scandal on me and my family.

BACKGROUND

2. My parents owned a retail store in Backworth, North Tyneside. Ever since I was young, I have worked in the store. I started out doing Saturday shifts whilst at school and then joined full time upon leaving school. My wife also worked in the shop.
3. In 2007, we decided that it would be a very sound business move to install a post office branch within the store. It would increase footfall, generate business and benefit the community. We trusted the Post Office as a brand and had no reason not to be excited about expanding the business.
4. We agreed all the necessary arrangements with Post Office. We refitted the store to provide space for the terminals and the counter. My wife and I were due to take

over from my parents when they retired so it made sense that I became the subpostmaster and my wife the supostmistress.

DECISION TO BECOME A SPM

5. It was an easy decision to become a subpostmaster and continue to work in the family store. My parents had worked all their lives in the business, and I remember it being a happy, fulfilling place to work.
6. If there had not been any issues with the Horizon system, my wife and I fully intended to run the business until we retired, as my parents had done before me.

TRAINING

7. We undertook 3 – 5 days training with 2 other subpostmasters and 3 counter clerks. We found the training to be very rushed and only covered the basic transactions.
8. It was on the job training, so customers were coming in. It was busy and distracting. We were not offered any further training beyond this and we were told to call the Helpline if we had any issues.

HELPLINE

9. Shortly after the Horizon system was installed, we started to notice shortfalls. We contacted the Helpline when we were unable to balance the Horizon system. The advisors told us that it was just a glitch.
10. We noticed that the shortfalls mainly originated from the lottery terminal. I remember experiencing a significant shortfall that amounted to £800. The system was slow and always seemed to be a day behind. We called the Helpline often, and we were told it would sort itself out and the advisors gave us a reference number. It

never did 'sort itself out'. We had no option but to put in our own money to continue trading.

11. We contacted the Helpline again regarding the £800 shortfall, hoping that it could be rectified, and we would be able to get the money we had put in back. However, we were told that the reference number had not been logged and there was nothing they could do.
12. We began to realise that the Helpline was pointless. They could never offer any advice or solutions. The advisors had no clue what they were doing. It was beyond frustrating.
13. The Helpline always stressed that the Horizon system could not make mistakes and that we were the only ones who were experiencing these problems.

SHORTFALLS

14. 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.
15. As mentioned above, we began experiencing shortfalls very early on and there never seemed to be any reason or explanation as to why this was happening. It was impossible to trace back any discrepancies on the system to see how an error had occurred.
16. On one occasion we had banked up everything in the evening following the closure of the branch and everything was spot on, only to find that when we opened in the morning the system showed we were £20,000 down. We were told by the Post Office we had to make this good ourselves.

17. Nothing ever seemed to make sense and the figures were just baffling to us.

AUDIT AND INVESTIGATION

18. My branch was audited in 2014 and the auditors discovered a shortfall of over £6,000. I explained to them that I had an issue with the lottery machine and had informed the Helpline numerous times about this.

19. I received a letter from Post Office Ltd dated the 13 January 2014 confirming the shortfall of £6063.42. The letter also stated that I had received packs of scratchcards at the branch that had not been activated onto the lottery system, insinuating that I had been fraudulent and therefore, I was responsible for the amount. I paid this shortfall back to the Post Office in instalments.

20. We were audited again on the 29 June 2016 and a shortfall of £24,497.65 was found. I was asked to attend an 'informal meeting' with the Post Office on the 4 July 2016. Following this meeting I was suspended from working in the branch and the branch was put on a review period and advised that any breach in the agreement would lead to my contact being terminated. I was also ordered to pay back the shortfall by a bank transfer of £1,000 a month.

21. A further audit was carried out in April 2017, whilst I was still suspended. A shortfall of £31,969.59 was found. This shortfall related to a mixture of cash and stock. I was informed that the cash and stock held in the branch did not match the figures that were showing on the Horizon system.

SUSPENSION/TERMINATION

22. I was ordered again to attend an interview. I had to travel to Durham to be interviewed by Post Office investigators.

23. The interview took place on the 4 May 2017. I was told during the meeting that I either paid the money or they would call the police and I would be charged with theft. I had no option but to pay, I did not want to risk going to prison. We could not afford to pay the amount in full, so an arrangement was reached whereby we paid it in instalments.

24. I was subsequently notified that our contract with the Post Office was terminated. The shortfall was considered to be a breach of the terms of my suspension. I was not given the option to appeal this decision.

CRIMINAL/CIVIL PROCEEDINGS

25. I was not charged with any offences but I was threatened with prosecution for theft if I did not pay back the shortfalls in full.

26. I was pursued by Post Office for the money. I received several threatening letters setting out the amount owed. I feared that I would be prosecuted if I did not pay back the monies.

LOSSES

27. I estimate that in total we paid more than £80,000 in shortfalls to the Post Office.

28. With the loss of the post office we experienced a huge decline in footfall, and the business was no longer a viable. Customers stopped coming to us because word got out that the Post Office had terminated our contract and we had stolen money.

29. The business was valued at £480,000. We were forced to sell the property quickly as we had no income. As such, we sold the business, which included our home for £220,000, less than half of what it was worth.

HUMAN IMPACT

30. My wife and I both lost our jobs and as a result of the post offices action against us we lost our home and our livelihood. We were due to take over from my parents and when we were prevented from doing this we were out of work and homeless.
31. Our entire future was taken from us. We were planning to take over my parent's business and enjoy a stable and secure future. I had been working in the family business for over 20-years from being a schoolboy. It was all I ever knew.
32. The Post Office's actions have destroyed my family. My brothers blamed my wife and I because the Post Office is such a trusted institution and is seen to do no wrong. No one would believe that they were the ones at fault. It was soul destroying. I was blamed for my Mum and Dad having to sell the business. My brothers believed we had taken to the money.
33. My wife and I lost everything and had to start again from scratch. We had no home, no income, and were forced to declare ourselves bankrupt.
34. My mental health deteriorated. I had never felt so utterly depressed in all my life. I had to seek help.
35. The awful situation had a negative effect on all my relationships. I have only recently been able to speak about that time with my family and friends. Since the Horizon scandal has been made public, I feel there is less stigma, and I am not being negatively judged. This, however, does not take away from the fact that I was made to feel like a criminal and a thief by the Post Office. I was not in a good place for a long time, and this put a strain on my relationships with family and friends.

36. My parents also suffered terribly. They lost their much-loved family business, and their family was close to being torn apart. My dad had a heart attack due to the stress and pressure of it all.

37. My wife also became unwell. This has hung over us for so long and this has had a negative effect on her physically and mentally.

38. I went bankrupt, lost our home, and had to move away. To say we have a lot of resentment towards the Post Office and the way we and other subpostmasters have been treated is an understatement.

39. The past few years have been incredibly difficult to get through.

CONCLUSION

40. I cannot fully put into words how devastating the actions of Post Office Ltd has been. My parents lost their family business, my wife and I lost our home and livelihood.

41. I suffered the stigma of having to declare bankruptcy and being accused of theft by close family members. My mental health suffered significantly, and I still struggle with it to this day.

42. I would like the Post Office to be held accountable. To apologise and to compensate those effected in a way that can bring them some peace and closure.

STATEMENT OF TRUTH

I believe the content of this statement to be true.

Signed. **GRO** Dated. 30.3.22 .

Aaron Cossey