

Witness Name: Mr Geoffrey Pound

Statement No.: WITN0124_01

Exhibits: None

Dated: 25 March 2022

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR GEOFFREY POUND

I, MR GEOFFREY POUND WILL SAY 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.
2. I am now 73. I have been married for 25 years, and I have one daughter. I had a long career in areas of electronic engineering. During my career I did a degree in electrical engineering and later my company gave me time out to do a Masters in Integrated Circuit Design. I worked not just in the UK, but in India, and in almost every country in Europe and Israel.
3. In my mid-fifties, after more than thirty years in engineering, I decided that the time had come for a change in life. I had married late in life (at 49) and we had a young daughter. My work took me abroad. In later years I spent a lot of time in France. We

- moved to France in 1999 and lived there till 2005, while working for an international company. My daughter was born in France in 2002.
4. Moving back to the UK was in order to embark on a new adventure that I could do together with my wife was a prime consideration when thinking about a taking on a post office in the UK, as was my daughter's schooling.
 5. I did some research and decided that having a post office would be ideal. The Post Office seemed to be a trusted and sound organisation. We looked around and found a post office in the village of Lynmouth in Devon. As a child I had gone to Devon on holiday. It was beautiful place.
 6. We therefore invested my life's savings and a large business loan into purchasing the post office and setting it up. We had high hopes for the future; not just in growing the business, but for a good secure and happy life in a lovely community.
 7. I was a Subpostmaster of Lynmouth Office, 20 Lynmouth Street, Lynmouth, Devon EX35 6EH from in or around July 2005 to in or around December 2007. I lived above the post office. I also operated a retail business from the premises. The post office was part of a convenience and gift shop called Lynmouth Post Office. My wife Tessa Pound also worked in the post office, but she mainly worked in the retail shop.

TRAINING AND SUPPORT

8. I had 5 days training at a post office school in Teignmouth in Devon, sometime in June 2005. There was more than one trainer and I do not recall all their names but I do remember that one of the trainers was named Jeff.
9. There was no focus at all on the Horizon System. The training was solely about the transactions a counter clerk would be expected to know. I doubt the course had been modified since before Horizon was introduced.

10. No training was provided as to what to do if the system did not balance. I do not recall that any of the training was specifically aimed towards using the Horizon system, nor do I recall there even being live Horizon terminals at the training. I vaguely recall that we were taken through a roll-over. We were just told to ring the Helpline with any problems.
11. The training was very general and only gave a brief introduction into how to perform the various transactions required in running a post office. This was followed by 5 days training in branch in July 2005. One of the trainers who attended was Jeff, who had also conducted the training off site in Teignmouth. The on-site training had more of a focus on using the Horizon system. However, all in all, in the short time frame, I found the training to be a lot to take in, especially the weekly balancing.
12. I was also given a large volume of operation manuals to read and there were updates sent constantly to my branch. This was too much to keep on top of in addition to running a post office.
13. On balancing day, if there were problems balancing I was on my own with only the Helpline for support.

HELPLINE

14. I contacted the Helpline, on average, 2-3 times per week, although I cannot remember specific details of my experiences with the helpline. In general, there was little problem in talking me through specific transactions. As far as losses were concerned I did get some help early on after an unexplained transaction correction appeared and was permitted to repay by instalments from my salary. However, on subsequent enquiries regarding further transaction corrections I was simply told to make them good.
15. Also on an occasion when I was victim of a 'confusion' scam and tried to put the loss in a 'robbery' suspense account, I got a terse call from Post Office telling me to take

- it out of the suspense account immediately, with no help offered as to how to make good the loss (this was around £300).
16. Also when I tried to get help on balancing night, the Helpline closed on a normal working day at around 6pm and 8.30pm on balancing/roll over night. However, it often took me far longer than this to resolve or highlight any issues meaning the Helpline was unavailable when most needed.
 17. On more than one occasion, I was told by the Helpline that the discrepancies would resolve themselves, which sometimes did happen, but other times did not.
 18. Sometimes the Helpline were of assistance if it was a straightforward transaction but not in terms of what to do with the losses. It became clear to me that the Helpline staff did not know how to work the system, as the problem would often be escalated and I would get a call back from someone else in a different department.
 19. The Helpline staff were also inconsistent with how they dealt with issues. On one occasion after I called asking for help with a shortfall, I received a call back from Post Office who said I must pay this sum, but they allowed a deduction to be made from my remuneration. On other occasions they would not agree to this arrangement. The Helpline would often tell me that the money would just come back. This was a stock response and the problem very rarely righted itself.
 20. I do not think that the Helpline staff had direct experience of the system and were working from scripts and had never worked in a Post Office. They never made any mention that others were having a similar problems with unexplained shortfalls and discrepancies in other post offices.
 21. At the time I thought it was my own lack of expertise and attention to detail that was leading to these problems. This shook me, because I am a confident and meticulous man, and I could not understand how I could possibly be making so many mistakes.

22. It was only when I heard about other subpostmasters having the same difficulties, long after my own termination that I started to understand that the errors had not caused by me, but by the faulty Horizon System.

SHORTFALLS

23. 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 which follows.
24. I am only able to give approximate figures, although I do have a clear recollection of payments having been made by me.
25. I had an £800 discrepancy in the second week of my being in branch and a trainer came down from Bristol and we tried to trace it through the stock. He said that he could not trace it and told me that the money would 'come back'. On this occasion the discrepancy did seem to resolve itself.
26. I had a shortfall in 2006 for a large amount, I do not recall the exact figure. I called the helpline to report this and seek help. I received a call back from the Post Office who did not investigate why the shortfall had arisen, but said I must pay it back, but allowed me to repay the shortfall with a deduction from my salary. I agreed with the Post Office to have this amount deducted from my remuneration. I recall that this was around £100 per month.
27. Additionally, I was constantly making good smaller shortfalls of around £50 when trying to balance the Horizon System. The one shortfall I do specifically recall is as follows:

28. £2,500 in late 2007. I had previously had transaction corrections for smaller amounts and the series of these alleged shortfalls accumulated to the above amount. I could not afford to make this very large shortfall good immediately and the Post Office refused to allow me to repay the alleged debt via deductions from my remuneration as they had previously. Because the Post Office would not allow me to repay the monies gradually, I had to roll over with the loss.
29. There was also a £500 shortfall in the ATM which I was unable to resolve as well as discrepancies between the stock of stamps I actually had and the stock I was supposed to have.
30. It is important to say that transaction corrections were near impossible to trace, since they arrived about 3 months after the alleged shortfall.
31. I do not know of the problems that affected the system in my branch specifically but I do recall that there was some 'system downtime' on one or more occasions when I was in post when a Fujitsu engineer was called out to our branch.

AUDIT AND INVESTIGATION

32. I was audited in December 2007. I was given no notice of this audit and a lady (I do not recall her name) from the Post Office just turned up on a Monday morning at my branch. I was present for this audit.
33. The auditor checked my balances and stock and found discrepancies of approximately £3,000. I was aware that there was an alleged shortfall of this amount but did not have the money to make it good. I had reported this alleged loss to the Helpline who (as described above) had offered no support.
34. The auditor then called her superior and I got a phone call from the investigator who dealt with the matter of the alleged loss and I explained that I was not able to send

- off the cheque which covered my alleged shortfall, since the funds in my personal account would not have been sufficient to clear it. I was immediately suspended.
35. I have seen no evidence of any adequate investigation. I have never been provided with the means or information to check the Horizon System records. Indeed, I am not at all sure that the auditors had anything material to base their findings on.
36. Following my suspension there was no investigation, I heard nothing. The way I was treated made me assume it must have been my fault.
37. There was no audit trail available to me of what was sent off to Post Office regarding transactions (be it cheques or GIROs etc.) For example, there was no paper trail detailing the sending of a cheque and what the value of that transaction was. All we received was the tear off receipt from the printer and this was the only evidence. We then heard nothing more about it and so never got a notice saying something had been received, then three months later I would receive a transaction correction and it would be very difficult to trace.
38. Therefore we could not check the position by matching up the transaction correction to a particular transaction. I was completely at the mercy of the Post Office, its auditors and investigators.

SUSPENSION AND TERMINATION

39. I was suspended in December 2007 on the day of the audit.
40. The branch was closed and subsequently re-opened part time by an external subpostmaster, who was appointed in February 2008. The branch closed definitively in August 2008.
41. I was not permitted to touch the Horizon Terminal and I suspect my login would have been deleted.

42. My contract was terminated by the Post Office in relation to the alleged shortfalls. The Post Office gave me no notice.

CIVIL AND CRIMINAL PROCEEDINGS

43. The Post Office did not pursue civil proceedings against me for the recovery of the alleged shortfalls because I felt compelled to enter an IVA which included the alleged debts to the Post Office, which I detail more below.
44. Although the Post Office did not pursue criminal proceedings against me, for a long time I feared that they might.

LOSSES

45. I lost the amounts of money that I paid to the Post Office (via direct payments or deductions) in relation to the alleged shortfalls.
46. I lost the value of my business. I purchased the freehold for £440,000 plus legal costs. This was raised using approximately £110,000 of my own savings and £330,000 by way of mortgage from Lloyd's Bank. The property was repossessed and given by Lloyd Bank to the Receiver when I entered into an IVA.
47. I paid approximately £20,000 for the retail stock but did not pay anything for Post Office stock.
48. I also lost an investment property as a result of being forced into an IVA.
49. Also, when we bought the Post Office we thought that I would work in it until retirement. If it had not been for the events that occurred, I had therefore intended to continue in my role until at least 65 (i.e. a further 6 years). My wife and I had a young daughter and we intended to pass on the Post Office and shop to her as an asset when she was old enough.

50. I estimate that my average annual remuneration from Post Office was £14,000 (approximately £1,166.66 per month). I therefore estimate that my loss of earnings post termination, on this basis, would be approximately £84,000.
51. I also envisage that the retail business would have continued, and I would have benefitted from the profits. Had we continued with the shop the potential income of the retail business was a profit of over £20000 per annum, my accounts for this period demonstrate this. I reasonably anticipate that this would have increased yearly if my business plan had been allowed to continue. This does not include income from the Holiday let flat, which had the potential to add another £5000 per annum .
52. Further and in the alternative, my branch was earmarked for closure under Network Transformation. SPMs who lost their branch under this scheme recieved compensation worth approximately two years salary. As I was suspended I was no longer eligible for that compensation, if I had accepted it.
53. Additionally, and as I detail below, the Post Office's actions severely impacted on my mental health. If this had not happened I could have returned to my career in engineering, in order to support myself and my family.

Bankruptcy

54. We thought that we could raise some money to repay the alleged shortfalls and informed the Post Office of this. They said that if we made good the alleged shortfall immediately, and then made good any subsequent alleged shortfalls, we could have the post office back.
55. However, we already had an insolvency practitioner for the business side and they said that we could not give precedence to the Post Office as a creditor.

56. The Insolvency Practitioner was there to raise an IVA and the plan was that we would then sell the post office and building and use the profit to be divided up equally between the creditors. This IVA proposal was approved.
57. Once I was suspended, I had no income to keep the shop going at all and so I just could not pay the mortgage and then got a letter from the bank saying that they were going to repossess. The shop was then repossessed by the receiver. Because I was constantly making good the alleged shortfalls, this had a significant impact and was the cause of the downfall of the shop.

HUMAN IMPACT

58. The problems I had with the Horizon IT System led to the loss of my business, my home, my investment property. I, my wife and daughter were also made homeless.
59. Most costly of all was the loss of my dignity and sense of self-worth.
60. When the post office was originally closed by the Post Office Ltd, relationships in the community became strained and we were treated with suspicion by customers and the wider community.
61. Many ignored me. On one occasion the owner of the chip shop opposite hosed down the whole street with a high pressure hose, cleaning everywhere except for outside our shop. Someone who has not lived in a small close knit community will not appreciate fully what was meant by this action.
62. The message was clear, we were thieves and we were not welcome in village of Lynmouth.
63. I became increasingly depressed and irrational. I tried to hang myself on the rope that opened and closed the skylight in our stock room, but by the grace of God did not succeed. Eventually I was admitted into a psychiatric hospital.

64. As I say we were homeless. My wife, daughter and I found temporary accommodation with good friends in Wales, but I still suffered depression and was admitted to Broncllys Psychiatric Hospital near Brecon in October 2008 where I stayed for a month.
65. I was on antidepressant medication for a further 3 years after my release from Hospital until I was completely discharged from treatment in 2010.
66. At no time in my life had I ever experienced any mental health difficulties previously, despite working in an intensive area of engineering all over the world.
67. I left the village of Lynmouth under a cloud of suspicion. I cannot and will not go back there to live until I am able to go back with my good name restored.
68. The problems caused by Horizon and the Post Office put a strain on my marriage and affected how I related to my daughter, who was 5 at the time.
69. I was suspended from the Post Office and my daughter was only 6 when we became homeless and I went into hospital.
70. My daughter went from having a secure home to living in a Bed and Breakfast and it was traumatic for her.
71. My wife later found some rented accommodation but I was still unwell mentally.
72. My wife subsequently developed [GRO] as well as [GRO] in her heart. After surgery the [GRO] but the side effects of the medication have restricted her mobility and she has to use a wheelchair if we go further than a short distance.
73. We live on my State pension and some small occupation pensions from work before we bought the Post Office.
74. We can no longer afford to run a car and have to rely on public transport, which is limited since we live in a rural area. Catching the bus involves pushing my wife for

- two miles in her wheelchair to the bus stop. As, I have said, I am now 73 years old, and pushing a wheelchair for 2 miles is simply beyond me.
75. My daughter has been diagnosed with **GRO** We think the effect of the trauma when she was six has caused long term **GRO** problems for her.
76. She had to leave us a few months ago **GRO**
GRO She currently lives in **GRO**
77. The health issues and our monetary circumstances are the result of the Horizon system inaccuracies We once owned a property and were secure. We lost everything. We were homeless and are now in isolated social housing in our advanced years.

CONCLUSION

78. After we were forced into insolvency I was left with nearly £80,000 of debt. Even after the meagre amount of compensation I received in 2020 following the Bates v Post Office Ltd trial and after ten years of repayment plans, the debt I owe still stands at almost £40,000; which I doubt I will clear before I die unless the Post Office and Government does what is right, and does so urgently. The outstanding debt was the result of the failure of the IVA, since fulfilment of the IVA was dependant on the sale of the business which was repossessed before it could be sold.
79. One obvious way for the Post Office and Government to show that they are sorry and wish to make good would be to repay to me and the other 554 claimants in the Group Litigation the legal and funding costs we had to bear in that litigation. The Post Office fought our claim tooth and nail, running up legal costs.
80. I consider that we performed a public service by bringing that case, as without that action it is unlikely that the true extent of this scandal would ever have been exposed.

81. I would like to see the Post Office and Government volunteer to repay those legal and funding costs now. Alternatively, I hope that this Inquiry will recommend that this is done, and done urgently.
82. The £80,000 debt represents only the creditors who pursued me after the IVA failure. Our suppliers did not pursue me, only the banks and credit card companies.
83. In ideal circumstance I would like to repay everyone although now they may no longer be traceable or even dead. I am not the kind of person who wants to leave my debts unpaid.
84. A recommendation by the Inquiry that financial compensation is urgently made might permit me to have some security and somewhere settled to live for my wife as well as for my daughter.
85. My real concern is that the Post Office and Government have known what was wrong for many years, but has delayed and prevaricated again and again. Unless something real is done soon for me and people like me, I will be dead before I receive any help. If things continue as they are, I will die in debt with nothing to leave for my wife or daughter.
86. I need urgent financial assistance. It is not easy for me to say this, as I have always been a person who worked and saved and provided for my family. I do not want a hand out, I just want to be recompensed for the life that was taken from me and my family and the damage that was done to us.
87. Had the Post Office treated me fairly, had it admitted that its Horizon System was faulty, the problems I and others had could have been worked out. I would not have lost my business and home. I know this is true of many others.
88. Instead of being a productive small business person, I am reduced to living on state benefits. How is it right that the general public must support me on benefits, when I

- could and should have been able to support myself. But for the Post Office, I would be supporting myself and my family and contributing to my community still.
89. As I say I left the village of Lynmouth under a cloud of suspicion. I would like to be able to go back there; but only if my name is cleared, and I can hold me head up again.
90. I would hope and ask that there be the most urgent of financial assistance to subpostmasters now, and not after this Inquiry has concluded.
91. I fear that the Post Office and Department of Business will use this Inquiry as an excuse for further delay, and that I and people like me may receive no support in their life time.
92. There should be financial relief now, and the Inquiry can undertake its work subsequently. It is important that we find out who allowed all of this to happen, and why it was allowed to continue for so long. However, in the meantime the victims need help just to live a basic life.

STATEMENT OF TRUTH

I believe that the facts stated in this Witness Statement are true.

Signed
Geoff

GRO

Dated

25-March 2022