

**Witness Name: Mr Edward Brown**  
**Statement No: WITN0286\_01**  
**Exhibits: None**  
**Dated:7/2/22**

## **THE POST OFFICE HORIZON INQUIRY**

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### **FIRST WITNESS STATEMENT OF MR EDWARD BROWN**

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I, MR EDWARD BROWN 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 live with my wife, Catrona Brown, who is also a core participant in the Post Office Horizon IT Inquiry. We run the newsagents that was once part of our Post Office. We have 3 children, two boys and a girl.
3. I have read the witness statement of Catrona Brown, and confirm that it is true and an accurate account of her and my experiences.

## **BACKGROUND**

4. Before becoming a subpostmaster I was an assistant in a newsagents which was owned and operated by my brother. I had worked in a fibreglass company for years, and when the company closed I went to work for the newsagents.
5. I had worked in the newsagents for a long time, approximately 5 years. There was a post office a few doors down, and when it became available, I wanted to take the opportunity to develop my own business. I had a lot of experience working in retail and dealing with customers. At that time Post Office had standing. A subpostmaster was a proper job, and was important job in the community; subpostmasters were respected as trustworthy and honest. Post Office itself had real standing nationally, and commanded trust. This attracted me to becoming a subpostmaster.
6. I was a Subpostmaster of Cardonald Post Office, 2187 Paisley Road, West Cardonald, Glasgow G52 3PF from in or around February 1989 to in or around May 2015. My wife, Catrona Brown worked with me in the post office and was the manager. When I first became subpostmaster, the branch was in a big, old-fashioned wooden hut and was a post office only.
7. After approximately a year or 18 months, we decided to move into other premises. We rented a building which was very close to our old premises (300 yards away approximately), and moved the branch into those premises. The new premises were rented but we invested significant sums of our own money into refitting and developing the premises. For example, Post Office insisted that we install a 'bandit screen', which cost in excess of £20,000.
8. After the refit, we started a small retail side of the business, selling stationary and greetings cards. It was more of a service for our customers than anything else, and it did not form a large part of our business. In essence, our business was still a standalone post office.

## TRAINING AND SUPPORT

9. I became a subpostmaster before the Horizon System was introduced, and we used the old paper ledger system. The paper-based system required us to balance manually. The balancing was usually done by either me or my wife, depending on who was available and had time, but it was a team effort. This took time, but it was reliable and I was in control. If a mistake was made, one could fairly easily identify where errors or discrepancies had occurred. We experienced irregular and small shortfalls, which is inevitable when dealing with cash. I was confident on the paper system, and comfortable with the transparency of the accounting system and that it was fully controlled, in-branch.
10. I cannot recall the date that the Horizon system was introduced at my branch. We were told that Horizon was going to save a time, labour and make everything simpler. I remember that I thought a computer system was long overdue, and that it was going to be a marvellous development for our business.
11. Approximately 1 month before it was installed, I attended training at the Glasgow Piping Centre. This training only lasted 1 day. As I remember, there were two trainers. I believe one of the trainers was called Mary Walker. In total, there were around 6-7 other subpostmasters or managers who also attended the training. A mock terminal was set up in the room. We only had one terminal to share between the whole group. This terminal was used by the trainers for demonstration only, and therefore the training was not an opportunity to try working the system ourselves. The terminal was not "live" and worked offline only. It was therefore not the same as using a terminal in a branch.
12. At the training, we were shown how to complete very simple transactions and the counter procedure. There was a lot of information to take in, in a very short period of time. Most of the group were struggling to understand and keep up, as this was a very new system. Up until this point, I had used pen and paper in the branch.

- Computers were also a rarity and only recently introduced. I therefore was not experienced in using a computer and found this overwhelming. We were not shown how to complete a balance, which is surprising considering how important it is as part of the role as Subpostmaster. As a result, I was very apprehensive when I left the training.
13. This classroom style training was not adequate to prepare me in my role as Subpostmaster when Horizon System was installed at my branch. There was a lot of information to take in over a very short period of timing. The training did not allow time or materials to use the system first hand.
  14. Approximately one month after the classroom training, Horizon was installed at my branch. A trainer attended my branch for 1-2 days following the installation. Due to the passage of time that had passed since my brief initial training, I found it difficult to start using the system. The trainers had more experience than my wife and I but did not seem to be experts and seemed to be getting used to Horizon themselves. The trainers watched the transactions that I completed through as and when customers came to the branch. The training therefore only covered a limited number of transactions, as this was only per customer need.
  15. The trainer was there for my first balance using the Horizon system. I cannot recall the exact time, but remember that we were at the branch until late (approximately 10pm) trying to complete the balance. Balancing on Horizon was complicated, and required a large amount of data entry. It felt as though the trainer was not confident balancing, and one of the trainers completed a side-by-side paper balance as we tried to balance using Horizon.
  16. I was very overwhelmed by the process, as I had not been shown balancing in my previous training. There was a huge amount to take in, and I had not been properly trained on any of it. Eventually we completed the balance, the system showed that we were £100 down. I did not understand why or how this had occurred, as we had only been trading a couple of days on Horizon.

17. The trainer did not appear to understand why the system was short, and did not assist in finding a cause for the shortfall. The trainer simply told me that I was responsible for any loss in of my contract and therefore had to put the cash in to balance. I put the cash in to balance straight away, despite not understanding the cause of the discrepancy. It was concerning to put my own money in. I remember writing the cheque, and being confused why I was writing a cheque for something which was not my fault and which I did not understand.
18. I do not recall receiving any further training from Post Office on the Horizon system. I was provided with operation manuals. I relied on these to help navigate the system. However, I found them difficult to follow, as instructions on paper were difficult to correspond with the live system. I had three big ring-binders, which all cross-referenced each other, which was very difficult to work with and the instructions were very hard to understand.
19. Post Office representatives did attend the branch when new products were introduced. To my recollection, I had two such visits. They would literally show me how to complete the new style transaction. They did not offer any support on the Horizon system or the shortfalls I was experiencing. I recall that Post Office moved from sending representatives to sending manual updates instead.

#### **HELPLINE**

20. I estimate that I contacted the Helpline more than once per week with regard to problems relating to alleged shortfalls and /or balancing.
21. Prior to the Horizon system being installed at my branch, whilst using the pen and paper method, I was required to send all balancing paperwork to the Post Office accounting team in Chesterfield on a weekly basis. This was the standard procedure throughout the network. This process initially continued when Horizon was introduced. This only continued for a matter of weeks.

22. A few weeks later the Horizon system went fully automated, so there were no paper records anymore. I therefore started calling the Helpline when I experienced problems with balancing. Although the Helpline tried to assist, they clearly did not know the system well enough to assist. It felt that they were learning on the job, as I was. I think that the helpline operators had been trained to an extent, but by no means were they expert and they were only very occasionally able to help when we had a simply query.
23. In general, they simply advised me to put the cash in to make the shortfall good. They did not assist in understanding the cause of the shortfall. They would often ask me to explain why the shortfall had appeared. The onus was on me to explain the shortfall, which was counterproductive as the reason I was calling the Helpline was for assistance. The assistance from the Helpline was not adequate in resolving issues.

### **SHORTFALLS**

24. 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.
25. I would estimate that throughout my position in the branch, I paid (or Post Office deducted) more than £85,000. The shortfalls were scary. I struggle to put a figure on it.
26. I experienced shortfalls regularly. Initially, when Horizon was first introduced, we were required to balance on a weekly basis, but this changed to monthly. The shortfalls that showed on the system on balancing ranged between £50 and £2,000. There was no routine with how the shortfalls would appear; my branch could balance for weeks at a time with no problems, and then it would show a big

imbalance. Every month there was something; it was not always a very large shortfall but there was always something.

27. I always made these alleged shortfalls good by putting my own cash into the branch. When the system changed to monthly balancing, I was able to carry the alleged shortfalls forward on the weekly 'interim' balance, but I always made the total alleged shortfall good on monthly balance.
28. The following are examples of shortfalls, not an exhaustive list of the discrepancies that I experienced.
29. As stated at above, this alleged shortfall showed on the system when I completed my first balance since the installation of Horizon at my branch. The onsite trainer was present. We stayed at the branch until late at night (approximately 10pm) trying to do the balance. The branch had only been trading for a couple of days on Horizon, so I did not understand how the shortfall had occurred. The trainer did not assist me in finding the cause of the shortfall and simply said that I had to make it good in cash to balance.
30. On one occasion, I experienced a very large shortfall when completing a monthly. I cannot remember who was completing the balance on this occasion, although I suspect it was my wife. Horizon displayed a shortfall of £9,000. There was no indication of how the shortfall came to be. I was terrified that it was going to be our responsibility to pay that money, having been told that the responsibility was mine to make good any shortfalls.

#### **AUDIT AND INVESTIGATION**

31. I cannot recall the precise dates of all the audits at my branch, but remember that the branch was audited regularly (every 1 to 2 years). I do not recall the audits raising any concerns, as I always made alleged shortfalls good on balancing.

32. When the Horizon system was first introduced, the auditors did not seem to fully understand the system. I recall that they often argued amongst themselves and seemed to disagree about the system.

### **LEAVING POST OFFICE**

33. I was not suspended by the Post Office.
34. I accepted a leaver's payment of approximately £150,000 under the Network Transformation programme, a large proportion of this was taken up by tax. I did not want to leave the Post Office Network, however the recurring shortfalls were making it harder to keep the business viable. Despite the fact that Post Office offered and paid me a leaver's payment to leave the branch, the branch was not closed and another Subpostmaster took over the lease of the premises.

### **HUMAN IMPACT**

35. The shortfalls happened irregularly, and there seemed to be no pattern to when shortfalls would occur, or how much would be shown as a shortfall. The irregular occurrence of shortfalls made my wife and I suspect that it was staff stealing, or our staff or us making mistakes. We really did not want to think that, but it was in the back of our mind.
36. The staff knew that there was shortages, and started to be suspicious of each other. It did not lead to a good atmosphere in the branch or between the staff. I stopped enjoying my work. I was not there to be suspicious of people or to be investigating people who have stolen.
37. The Post Office's actions caused a great deal of financial hardship, making it nearly impossible to run my business. As a result of the Horizon system failures, I was forced to make very large payments to the Post Office and I lost all my savings. In addition, I had to re-mortgage my house in order to get enough money to repay

shortfalls. I estimate that between borrowings and my savings, I put approximately £85,000 into the business. I was led to believe that I had no alternative but to pay the shortfalls.

38. Because of our financial difficulties, we could not have family holidays and trips as we wanted to. Our children were primary school age, and before we bought anything for them there was always a concern about whether we could afford it, and where the money was coming from. The worry about money and about finances affected every decision we made. I did not realise how much it was part of our thought processes.
39. We had to use credit cards to pay household bills, regularly, and we built up debts for our living costs. The business was not feasible, and the Post Office salary was not enough to make good the shortfalls as we had to, and sustain ourselves and our living costs. When I eventually left the post office, I had to use a large amount of my payment in order to repay credit card bills which I had not been able to keep up with; I remember making a payment of £12,000 against the credit card.
40. We had so little money that my wife and I had to visit relatives in order to get a hot meal. At times, we simply had no money so we had to make ourselves go to places where we knew there was going to be food. It made life very hard, and it made us feel like we were failing. We should not have been failing, because we had a business and we were putting the work in. Looking back on it, I did not realise how it was affecting us. It was just what we had to do.
41. My wife and I had been counting on the Post Office to provide us with security and until our retirement. In fact, we had planned to retire at aged 55, in 2024. However, as a result of the shortfalls we had to make good to the Post Office, we have not been able to enjoy the retirement that we planned and worked for. The post office was not viable; between the money and time we had put into the business, both in terms of payment for shortfalls and investment, we certainly lost money.

42. I am now working huge hours, 14 hours per day. Seasonally, I have to work between 5 am and 11:30 am. In a normal week, I work 115 hours and my wife works 100 hours.
43. Since losing the Post Office element to business, we lost significant footfall and our retail business is less profitable. The constant shortfalls caused a great anxiety and strain for myself and my wife. We would dread doing the balancing as the shadow of having to make repayments was always over us.
44. My wife would stay up late each night wondering what she had done wrong and she spent countless hours seeking to balance the accounts over and over again. Post Office's actions caused great strain on my marriage. It was very stressful, and it is only looking back that I realise how stressful it was.
45. My wife was the manager of the computers and the system in our Post Office. As a result, each shortfall caused tension between us, as we might start blaming each other for the problems, not realising it was a computer fault. There were times when we directly blamed each other, and there were times when it was in the back of our minds. There was times that I blamed her, because she was there when the shortfalls arose or that she was doing the administration or paperwork that day.
46. To find out now that there are other reasons behind it, it is a cause for regret. It is a burden taken off us to know that these problems were not our fault. I have been vindicated that it was not us.
47. These marital problems resulted in serious damage to our marriage including my wife moving in with her mother at one stage. We now realise how much of our lives have been wasted on this and how much unnecessary stress we had put ourselves through.
48. The Post Office's systems continue to generate serious errors for us until the present day. For example, in the week of the 1 July 2021, a £375 shortfall arose in the Lottery system, which my wife was able to demonstrate was wrong. In fact, my wife refused

to pay this shortfall by arguing with the Post Office and asking the Post Office if they really wanted it to be shown in this Inquiry that shortfalls are still occurring. This is not an isolated issue. My wife is of the firm belief that there are still serious flaws in the system.

### CONCLUSION

49. I will always remember the tremendous stress of having to cope with the constant spectre of shortfalls and having to make repayments. At the time, I thought that my wife and I were the only ones with this problem.
50. The relief and vindication that I feel now is immense, now that it is public knowledge that the Horizon system was seriously flawed and so many other subpostmasters have come forward. I now understand that we were not at fault, and the tens of thousands of pounds in shortfalls were the result of a faulty IT system, and not the fault of my wife and I.
51. All of us subpostmasters who have suffered financial devastation and trauma from the Horizon system and the Post Office's actions should receive full reparation for what we suffered.

### STATEMENT OF TRUTH

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

Signed **GRO** ..... Dated 7/2/22 .....

Edward Brown