

Witness Name: Mr Donald McLean

Statement No: WITNO268_01

Exhibits: None

Dated: 20/1/22

THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MR DONALD MCLEAN

I, MR DONALD MCLEAN 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.

BACKGROUND

2. I am now 69. I have no children. I am a current temporary subpostmaster at **GRO**
GRO
3. I was a radio/electronic officer in the Merchant Navy. After leaving the Merchant Navy, I attended university where I studied Marine Electronics. I then worked for British Aerospace on the Rapier weapons system. I was then headhunted to work with a cruise line company, again as a radio/electronics officer. I returned to shore and became a technician in Cardiff at a Further Education College. I then went on to

become a lecturer at South Tyneside College (a specialist Marine college). I taught electronics and computing until 1997. During this time, I built computers as a hobby.

4. I felt that standards in education were reducing, and I decided that I wanted a change in life. I had many friends in Devon; so I decided to move to that part of the UK. I looked around for small business opportunity. I undertook a lot of research.
5. I was attracted to running a post office, as it attracted an income. I was also well used to dealing with people through my teaching career. I thought running a post office would be a good fit. I applied to Post Office.
6. I was interviewed and I was successful. I became the Subpostmaster of Okehampton, 8 George Street, Okehampton EX20 1HW and I was in post in this branch from 7 June 1997 until 26 April 2006.
7. I then met and married my wife. We decided to move to Scotland, as we both have Scottish ancestry. I then became subpostmaster of Aviemore Post Office, Grampian Road, PH22 1WD from January 2006. In June 2017 this post office was closed under the Network Transformation Programme.
8. I also operated a retail business from both branches selling stationary, confectionary and cards. In the Okehampton branch, I had numerous assistants and a staff, of up to six counter staff and more shop-staff at any one time. In the Aviemore branch, initially we began with just my wife (Lynda McLean) and I, but later we employed on additional staff.

Training and Support

9. I had initial training upon the introduction of Horizon. This was in 1999 and consisted of two days of offsite training at a hotel in Dartmoor. I do not recall the names of any trainers.

10. The training covered transactions and balancing, but it was not adequate to prepare me to use the system in a busy branch. The training did not cover what to do in the event of discrepancies showing up on the system nor if there were any other problems when it came to balancing.
11. As I have said, prior to my appointment as subpostmaster, I had been a senior lecturer in electrical computing, and so I had a good understanding of computer and operating systems. When Horizon was introduced, I got the impression that Post Office was completely unprepared and lacked the practical knowledge to deal with a computerised accounting.
12. In or around 2001 I informed Post Office that I was experiencing problems with the Horizon system (not being able to balance) and eventually someone was sent to my branch to try to rectify the problem. The Post Office staff member could not find a solution and eventually the Horizon system was taken out, and we went back to a paper balancing system.
13. To the best of my recollection, it was my then Business Development Manager who arranged this, but I do not recall their name.
14. When I was appointed as subpostmaster of the Aviemore branch in 2006, my wife (Lynda McLean) had the Post Office Horizon training offered to her. This was because she was also going to work in the post office, and because I had worked in a very busy, larger branch, and I did not think there was anything further I needed training for in the new smaller office. This was agreed between, my wife, Post Office and me. Lynda went on a two-week course in the Dartford Crown Office.

Helpline

15. When I was having problems with balancing in or around 2000/2001 I was contacting the helpline approximately once a week.

16. I did not find the helpline to be knowledgeable about the system. I got the impression that the advisors did not have the experience in order to assist me when I had any issues. I would contact them on a Wednesday when I was having trouble getting the system to balance, and was only told to check back through my transactions for errors.
17. After having many problems, I needed some alterations made, and the Helpline referred me directly to Fujitsu. Fujitsu remotely accessed my Horizon system and altered the error.
18. I believe that this is an important incident.
19. Many years later, during the Group Litigation, the Post Office maintained that it could not remotely access terminals. This was found not to be true in those proceedings. However, I was aware that Fujitsu could remotely access a Horizon terminal in 2001, as it was done to my terminal. When Fujitsu remotely accessed my computer system, it fixed the problem and I was able to balance that week. I cannot recall what the specific error was nor to whom in Fujitsu I spoke.
20. I knew from other subpostmasters that they were having similar problems with balancing on the Horizon system but the Helpline told me I was the only one and the system was faultless.
21. I was a member of the National Federation of Subpostmasters, and on the National Federation Committee when in Devon. I would therefore speak with other subpostmasters, who told me of the problems that they were experiencing with the Horizon System.

SHORTFALLS

22. 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.

23. In the Okehampton branch, I would estimate that throughout my position in the branch I repaid in excess of £10,000 in shortfalls.
24. I would approximate that I was putting £300 into the Post Office weekly when I did the balancing. However, I would need to verify with transaction data held on Horizon by Post Office. I would simply make good the losses in cash, roll over and then await the amount to be returned.
25. I could spend anywhere up until midnight trying to balance. I would hold any surplus in the safe until there was a shortfall again.

Audit and investigation

26. In the Okehampton branch I believe that I had 4 – 5 audits. These were always without notice and I was present for all of them. On two occasions, auditors found a shortfall. I was then told to wait and see what happens when I balanced on the Wednesday. On both occasions, the shortfall returned when I did the balance.
27. Post Office sent two trainers out to my Okehampton branch in or around 2001 to look into the Horizon system after I raised concerns about the Horizon System. This was at a time that Post Office staff were not computer literate and this, and the lack of training, may have been part of the problem.
28. Following the visit, Post Office never came back with a credible answer as to whether there was a flaw in the system.
29. However, and importantly, Post Office did revert my office back to the manual balancing system. The base units were then to be changed and we would then migrate back onto the Horizon system.
30. We were on the manual system for two weeks, and subsequently the base stations were then replaced. This marginally improved the performance of Horizon. The

balancing was still very slow and cumbersome. If I found an error, it would take hours to try to rectify the problem.

Post Office Threats of suspension

31. As I have said, I made good the shortfalls that supposedly arose. However, I was threatened with suspension by Post Office a number of times in order to compel me to make good the shortfalls. I was told by auditors during audits that I was getting close to the threshold where I might be suspended due to the shortfalls that were arising.
32. I found this very frustrating and worrying. I knew a good deal of knowledge about computing and computer systems, far more than the auditors, who appeared to have no knowledge. I tried to explain to the auditors many times about the flaws in the Horizon System, but they simply would not listen. Their minds were fixed. They would not accept that there could be anything wrong with the Horizon System.
33. On the occasion of one audit in the early 2000's, when a supposed shortfall was found, I was told that Post Office intended to suspend me. This was only averted when my Post Office Business Development Officer spoke up for me. She (the Business Development Manager) spoke with the senior auditor, and as a result I was not suspended.
34. The week after the audit my system balanced, and none of the supposed shortfalls/discrepancies were found. This demonstrates that Horizon could not be relied on and that Post Office auditors were wrong to place blind faith in the system.
35. As someone with a significant background in computing (a former lecturer in the subject) I was sure that there were flaws in the system. I had demonstrated this in 2001, at which time Horizon was withdrawn from my branch and we went back to the manual ledger system. As such, I wished to engage with Post Office regarding the flaws in their system, so that they could be identified and corrected.

36. Instead, I was met with direct and indirect threats from the Helpline and Post Office that I could be suspended if I did not make good the shortfalls. They simply would not engage with me about the flaws in Horizon.

Losses

37. I lost in excess of £10,000, which I paid in relation to shortfalls in the system. I am sure these shortfalls arose as a result of flaws in Horizon.
38. As I detail below, I also lost countless hours trying to make the Horizon System balance and in calls and contacts with the Helpline, the Post Office and Fujitsu.

HUMAN IMPACT

39. I have experienced extremely severe problems with the Horizon system, including shortfalls. I consider that Horizon was "*plagued*" with faults, and that for a large amount of my time as subpostmaster I was forced (by virtue of Post Office's threats of suspension) to use a large amounts of my own personal savings to make up for alleged shortfalls.
40. Very often the alleged discrepancies were small, but over a long period of time these accumulated to a large sum; approximately £10,000. I feel very let down and abandoned by my Post Office area managers, who failed to provide me with assistance during this time.
41. The monthly balance was a nightmare, as it caused enormous worry and it took a huge amount of time. It regularly took five hours after the post office closed, so I would be working until midnight.
42. I would spend hours watching an hourglass symbol on the Horizon terminal spinning around. I would always worry that the outcome would be a shortfall, no matter what I did. I could never know what the system would throw out, but it was often out, and

often by hundreds of pounds. If it was £400 short, I would put the money in. However, the next day when you did a cash declaration you might be £400 up. It was ridiculous to me, as a person with expertise in computing, that a computer system could be so flawed, as the Horizon system was.

43. Another problem my post office experienced was when we went back to paper ledger system for a number of weeks. Fujitsu took my Horizon base units away, as a result of complaints I made to Post Office about the system's unreliability.
44. I ended with a delay of payments I was due from the Post Office of over £4000, which Post Office was very slow to pay. A small business like mine simply could not bear to carry such debt to a national organisation like Post Office.
45. As I say, I was audited on a number of occasions and was nearly suspended. The only reason this did not happen was that my Post Office Business Development Manager intervened.
46. As a result of the constant shortfalls, which I had to make up, living became hard. My cash flow was very tight, and I had to incur overdrafts, and my credit cards were maxed out to meet the constant shortfalls. I lived with the very real prospect of losing all of my investments and becoming homeless.
47. I also had the pressure of potentially having to make my staff redundant, as I was often hard pressed to meet their salaries due to paying shortfalls. I lived in the community, so the fear of having to make so many local people redundant was a very big worry. I genuinely feared that I would be made bankrupt by the Post Office or suspended and lose my livelihood, and end up on the streets homeless. The constant stress and worry is hard to properly describe.
48. My friendships were sorely tested. I would try to confide in friends about the problems I was experiencing with Post Office and Horizon. However, I found that they seemed to believe that I was doing something wrong. I therefore had to keep my problems to myself and had no outlet for my worries.

49. In around 2010 or 2011, while I was still operating the Aviemore Post Office branch, I was also employed by Post Office to assist in the installation of the Horizon Online System. I travelled to many post offices around the Highlands assisting in the installation of the new Horizon System. In fact, the first post office I conducted an installation at was the Crown Office in Inverness.
50. I tried to sell Aviemore branch for some three years, however the reputation of Post Office was severely damaged, as a result of the Horizon scandal. Post Office finally bought my contract out under the Network Transformation Scheme.
51. I now work as a temporary subpostmaster, operating a part time post office in **GRO** **GRO**. This is a community post office. If I stop operating it, the post office may be closed and the community will lose its post office. This is why I am still working at the age of 69.

CONCLUSION

52. I do not believe that Post Office has really changed. I think that the senior management may have changed, however the mind-set of the middle management at the Office has not. I would like the Post Office to admit and acknowledge that they acted wrongly towards subpostmasters. I would like the Inquiry to establish when Post Office knew that Horizon was faulty and flawed.
53. I would like the Inquiry to enquire into the fact that subpostmasters from across the country were reporting problems with Horizon from the outset, and why Post Office did not react to those reports.
54. There must be full recompense to subpostmasters for the losses and harms they have suffered. It seems to me that Post Office and Department of Business keep making statements indicating that they will recompense subpostmasters, but the schemes they announce are always limited and exclude large numbers of subpostmasters.

- 55. This was a national scandal, perpetrated by what was previously thought to be the nation's most trusted brand. The victims, like me, were upstanding citizens, who were providing vital services, often in very rural circumstances. It is unacceptable that decent hardworking people are made to beg for recompense for the harms that were done to them effectively by their own Government.

- 56. The Post Office and Department of Business should accept what was done was wrong, commit to making it right, and to ensure that nothing like this can happen again.

Statement of Truth

I believe the contents of this Statement to be true.

Signed: GRO.....

Dated..... 20/1/22

Donald McLean