

Witness Name: Mr Chris Dawson

Statement No.: WITN0201_01

Exhibits:None

Dated: 26 January 2022

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR CHRIS DAWSON

I, MR CHRIS DAWSON 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 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 47 years old. I am divorced. My marriage collapsed as a direct result of the events that occurred to me.
3. I was the Subpostmaster of Pitlochry Sub Post Office, 92 Atholl Road, Pitlochry PH16 5BL from April 2007 to January 2010.

4. I was also the Subpostmaster of Kinloch Rannoch Sub Post Office, Bridgend Road, Kinloch, Rannoch PH16 5PX from June 2007 to January 2010.
5. I operated a retail business from both branches. From the Pitlochry Sub Post Office, I operated a large shop selling tourist goods including toys, post cards, gifts, and jewellery. From the Kinloch Rannoch Sub Post Office, I operated a smaller shop selling Post Office items such as envelopes and stamps.
6. I employed 6 staff across the two branches, who depended on me for their livelihoods.

TRAINING AND SUPPORT

7. I received 4-5 days of training on the Horizon IT System in my branch.
8. I took the keys for my first branch on Good Friday in 2007. The previous subpostmaster was retiring. On taking over the business, he had warned me that the Horizon system was not fit for purpose. Little did I know how true his words were.
9. The Post Office closed for business at 12.30pm when the Post Office team arrived to audit and check everything with the former Subpostmaster. This was done in front of me so that I could then sign it off.
10. I then opened the Post Office again on the following Tuesday and when I arrived there were 2 people from Post Office Headquarters, who trained me as we went along. As customers came in with a particular need, I would then be shown how to do the relevant transaction i.e. I was being shadowed and it was very much "on the job" training. This lasted until the Friday i.e., 4/5 days.
11. This was the entirety of the training that I ever received from the Post Office. I did not feel that the training was adequate. but I was helped by the 4 members of staff that

came across to me, which included the former Subpostmaster who was already used to the system.

12. When I took the branch on the previous Subpostmaster told me that the Horizon System was about 10 years out of date, but I also understood that updated systems were going to be put in place, but this never happened.
13. I received no further training.

HELPLINE

14. I estimate that I contacted the Helpline about once a week, but I can only recall one occasion when this was about a specific shortfall regarding Threshers Off licence. I will go into more detail below.

SHORTFALLS

15. 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, to provide necessary context for the explanation of the human impact which follows.
16. On the one occasion, mentioned above, when I contacted the Helpline, the local Threshers Off Licence had brought their banking into my branch. One of my members of staff processed the receipt but added an extra zero by mistake and logged £42,000 instead of £4,200. We noticed the mistake that day and immediately called the Helpline who advised me that it would take 6 weeks for the system to correct itself and during the interim my safe would show a cash shortfall of the difference of circa £37,000 but I did not need to worry about it as the error had been recorded.

17. Following the error of approximately £37,000 referred to above, about 6-8 weeks later I received a memo from the Post Office confirming that the shortfall had been rectified. However, at the end of business that day I noticed that there was still a shortfall of circa £17,500.
18. I did not report this shortfall, as I assumed that it was part of the original error and that it would correct itself during the next couple of days per the memo that I had received.
19. However, this did not happen, so I started to pay the shortfall back at about £500 per week from my retail sales. I had paid off approximately £3,000 when I was then audited.
20. I would estimate that throughout my time as a subpostmaster, I paid (or Post Office deducted) more than £17,000.

AUDIT AND INVESTIGATION

21. I was audited in the summer of 2009 where a shortfall of approximately £17,500 was discovered as I have referred to above.
22. I have seen no evidence of any adequate investigation even though I was assured, and believed, that an investigation was being conducted at the time. At no time was I given access to the information or data that the auditors relied on to assess this alleged shortfall.
23. I was suspended with immediate effect on the day the audit showed a shortfall of approximately £17,500. I was not allowed back on the premises, and I was told that an investigation was being started.
24. In total I was suspended for about 6 months without any pay before I eventually resigned.

25. During this period, another subpostmaster was brought in to run my branches. He was meant to pay rent to me but did not. I was still liable to pay this. This amounted to rent of £33,000 a year plus the £12,000 in rates. I was told this was in my contract to do so when I took on the business.
26. I subsequently discovered that the subpostmaster was married to a member of the Post Office's audit team and had made a lot of money from taking on branches where a suspension had taken place.
27. In 2010, whilst I was suspended, I received a call from the Post Office to notify me that their fraud squad would be visiting me. It was explained to me that this would be an interview under caution so I called the Federation of Subpostmasters for advice and to ask them whether I could have a lawyer present at the interview. I was told that this was not permitted.
28. Two gentlemen from the Post Office's "Fraud Squad" came to my house and I was interviewed under caution, and this was recorded. I use the term 'gentlemen' very loosely. They were more like bully boys, dressed in black with a very intimidating manner. I was being treated like this in my own living room, my wife and child cowering upstairs. It was humiliating. Any confidence I had was undermined.
29. The interview lasted about 1-2 hours and it was clear that to me that the Post Office was not interested in anything I had to say and just wanted to know whether I could repay the shortfall. I was threatened with criminal proceedings and the possibility I would be sent to prison.
30. They said they were investigating a shortfall of £17,500. I was told that I must have stolen the money, and I flippantly replied that I had about £1,000,000 in stock, stamps, cash etc in my branch so if I were going to steal from the Post Office, I would have taken the lot and be sat on a Caribbean beach rather than sat in my house being interviewed.

31. The response from the Fraud Squad was *"so you've thought about it then"* which is when I realised that nothing I said would make any difference and the interview was about establishing whether I had the money to pay the shortfall, not whether it had occurred or how.
32. I was told that if I repaid the shortfall then the matter would be dropped, but I refused and insisted that the issue be investigated properly.
33. The interview was recorded, using a 2-tape machine. I was advised I would be given one sealed copy. To this day I have never received one, despite many attempts.
34. However, I heard nothing from the Post Office investigators ever again, I did not receive a copy of the interview recording (which I had been promised) and to my knowledge none of my staff were interviewed at all.
35. There was no proper investigation at all, this was just a process to get me to pay Post Office for an alleged shortfall, not an investigation to find out how or why it had happened.
36. When I was suspended, I was not allowed in the Post Office at all. The branch was not closed and a temporary subpostmaster was appointed.
37. I resigned. I had been suspended for over 6 months during which time I received no pay, but I was expected to still pay rent, Council tax and utility bills. I was on the verge of bankruptcy and had no choice but to resign and walk away from the business as it was costing me between £5,000 and £7,000 each month to keep everything going.
38. I tried to sell the business, given my dire financial situation, but could not due to the rent of £33,000 and rates of £12,000 that I was obligated to pay because the Post Office had agreed those terms with the proprietor prior to my taking over.

CIVIL AND CRIMINAL PROCEEDINGS

39. The Post Office did not pursue civil proceedings against me for the recovery of the alleged shortfalls.
40. The Post Office did not pursue criminal proceedings against me, however I feared that they would, as I was interviewed under caution following my suspension.
41. I contacted the Post Office 2 years after my suspension and subsequent bankruptcy and asked what was happening with their investigation. I was told that my case had already been closed and no action would be taken against me, which I had not previously been informed of. I was told something to the effect that they knew I hadn't taken the money but as it was in my contract that I had to repay it.
42. Even at this stage they did not have the decency to contact me and let me live every day with the threat hanging over me.

LOSSES

43. I was led to believe that I had no alternative but to pay the shortfalls. I therefore lost the sums I paid to the Post Office, I would estimate that throughout my time as a subpostmaster, I paid (or Post Office deducted) more than £17,000.
44. I had no option but to declare myself bankrupt as a direct result.
45. I lost the value of the business (post office and retail shop) but am unable to quantify this without expert valuation evidence. I paid £25,500 for the purchase of the post office business. I also paid for the purchase of stock, but I cannot remember exactly how much.

46. I was suspended for approximately 6 months without any pay. During this time, I would have expected to earn approximately £30,000, as the Christmas period was always particularly lucrative.
47. If it were not for the events that occurred, I had planned to expand and taking on most, if not all, of the Post Office branches in Highland Perthshire. My shop was turning over an excellent profit, and I planned to take on the lease next door and open a cafe/restaurant in the branch. Being a tourist town, my profit forecasts were limitless and planned on an early retirement.
48. On average I made a yearly profit of around £30,000 from branches and £62,000 from the retail business. I would have worked for a further 32 years during which time I would have expected to earn around £2,944,000.
49. Following my termination, I was unemployed for 2 years. I now work approximately 40 hours per month at minimum wage. I will work until retirement and anticipate earning approximately £100,800.
50. I therefore estimate my total loss of earnings post termination to be in the region of £2,843,200.
51. I was party to the group litigation against Post Office Ltd, as and received minimal compensation. I am excluded from the Historic Shortfall Scheme because I was a party to the Group Litigation against Post Office Ltd.

HUMAN IMPACT

52. As I have described, I suffered serious problems with the Horizon system including very serious shortfalls. I was threatened with prosecution by the Post Office. I lost my livelihood, my business, my marriage, my home, and my reputation.

53. I was a young man of 36 when this happened. I had my whole life ahead of me. I was ambitious, I was driven. All this was taken from me through no fault of my own.
54. I had a loving marriage. Our home was re-mortgaged to buy the business. We lost our home, sold our car. Everything.
55. I moved to the area was I was 19 years old. I was well respected in the area. I helped to run the British Red Cross, and was also a Master at the Masonic Lodge. I was approached by the local Councillor to take over the running of the post office because of my good standing and retail knowledge.
56. I had ambitions to become involved in local politics. After 1 year in the business, I was even asked to run for councillor in the local election. At this time, I declined the offer as I wanted to concentrate on the business. However, it was something that I wanted to pursue in the future. This ambition was wiped out overnight. It was made clear that, due to persistent rumours, this would never happen.
57. My mental health deteriorated. I withdrew into myself. I became distant from my wife and children. I shut myself off from other family and friends. I did not leave the house for about a year and only then when it was dark. If my children had not had their school in the area, I probably would have left the area.
58. My confidence was shot to pieces. I became paranoid. I thought people were whispering about me, thinking I was a thief and a criminal. I could sense hostility in the community.
59. I still struggle with depression, anxiety, and stress. I am a shell of the man I used to be.
60. As I said previously, I was heavily involved with the local Red Cross, Master of the local Masonic Lodge. Due to being under criminal investigation I had to quit all these posts. My local areas had a population of some 3,500, I was made feel an outcast and guilty

as the investigation (call it that if you will) went on for so long and was never resolved therefore I was assumed guilty.

61. I was a virtual recluse and even stopped speaking to my wife and children, I was a shadow of what I was and to this day still suffer anxiety, bouts of depression and a severe lack of confidence.

STATEMENT OF TRUTH

I believe the contents of the statement to be true

Signed.....**GRO**.....Dated.....*26/01/2022*.....

Chris Dawson