

**Witness Name: Mr Peter Holloway**  
**Statement No.: WITN0220\_01**  
**Exhibits: None**  
**Dated: 15 January 2022**

## **IN THE POST OFFICE HORIZON IT INQUIRY**

### **FIRST WITNESS STATEMENT OF MR PETER HOLLOWAY**

I, MR PETER Holloway 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 have been married to my wife Sue for 54 years, we have two daughters, both of whom had left home and had their own families at the time we ran Wareham Post Office. Sue worked with me in the Post Office and operated the three satellite offices attached to the Wareham Office.
3. Our eldest daughter, who now has three children, moved to **GRO** with her work (she is a manager with **GRO**) in 2003. She has been married to her husband for 27 years. They are still living in **GRO** Her

husband is a director [GRO] but mainly works from home.

4. Our youngest daughter was in a long-term relationship with a man who had two children that she became step mother to, around the year 2000. We took those children as our grandchildren and had a close relationship with them. She lived in [GRO] where they both worked, she was [GRO] he ran his own [GRO] business.

5. **Relevance**

6. **Relevance**

7. I became the subpostmaster of the Wareham post office, North Street, Wareham, Dorset from 12 September 2001 until 7 April 2009 and the temporary subpostmaster of the post office on King Street in Swanage, from January 2005 until June 2006. The Wareham post office had three satellite offices I was also responsible for.

#### Background prior to becoming a subpostmaster

8. Prior to becoming a subpostmaster, I worked for thirty years in the Energy Industry. I was a Chartered Electrical Technician Engineer having trained with a leading Electrical Contracting Company in London.
9. My work involved designing, tendering and Project Managing large electrical installations, such as redeveloped town centres, office developments, industrial developments, computer centres, housing estates and managing teams of electricians on sites around the UK.

10. My responsibilities included the technical integrity of the electrical installations, the health and safety of the workforce and the profitability of the projects.
11. I then joined one of the nationalised regional electricity companies as an Electrical Engineer. After several promotions, I held a senior post at that companies Head Office, in Hove, Sussex.
12. After twenty years with them, with privatisation looming, I was head hunted by a company owned by a French Consortium, to help them develop their own Energy Business in the UK. I did this for two years and then decided to set up my own business offering companies and organisations my expertise in the energy business as a consultant.
13. I was successful in that role for 7-8 years, working with several national and international companies from the UK and throughout Europe. I was engaged by two European embassies as their consultant on the energy industry in the UK.
14. Generally, I would have 6-8 clients at a time and engaged up to 7 staff to help me provide the client services.
15. At this time my wife had her own business running a Cattery from our home in Sussex. She started the business in 1987 herself, and typically would look after 20-30 cats at a time when people holidayed or were away for other reasons. The Cattery was purpose built in the land at the rear of our home (we had 3/4 acre).
16. In the mid 90's, when both our daughters had left home, we decided that we wanted to change our lifestyle. We decided to sell both our businesses and buy the Village shop and post office in Steeple Ashton, Oxfordshire. We lifted the turnover from £3,000 to £12,000 per week, by converting it to a convenience store.
17. We sold that business in Oxfordshire as we found running it to be too much for us, particularly as we found it difficult to recruit staff. We were both having to work from

5.30am to 10.30 pm, most days of the week getting little time off and rarely together. The only day of the year the shop closed was Christmas Day.

18. Therefore, my wife and I bought the post office in Wareham in 2001.
19. We decided to buy the village shop and post office in Steeple Aston, as we thought it would be good to put something back into the community and by running a village shop and post office, we would be the hub of village life, supporting the local community and being able to help and support those who needed it.
20. We purchased the office for £75,000, the post office annual income was around £63,000, with a small retail income of around £3,000 per annum. We invested around another £25,000 on improving the customer side of the premises, to modernise the appearance and to provide additional retail space. We also entered into several equipment leases on equipment and customer service equipment.
21. We increased the retail sales to around £20,000 per annum. By the time I was suspended from the post office, we had worked hard to build the post office annual salary up to almost £100,000. We did this by staff development and training, put a staff incentive bonus system in place, on the then new Post Office products it was promoting (Home telephone, insurances, Banking and saving services etc.)
22. We also took on three satellite offices at the request of the Post Office, in villages where the subpostmasters had decided to close their offices, as they were making insufficient income, and in at least one where the losses were significant. These satellites were open for restricted hours.
23. I needed to source suitable locations for each of them and then provide sufficient staff at Wareham office to allow my wife to go and run these offices.
24. The workload on myself to bring these satellites into operation was considerable. Their accounts had to be balanced weekly as a separate entity and carried their own stock and cash.

25. The Post Office also asked me to take over and run the failing Swanage post office, which was in business terms a similar size to Wareham. This I did, and turned it round so that it was functioning well again.
26. Unfortunately, this proved too much for me, and I had an Angina attack with severe chest pains, the doctors put its cause down to over work and stress causing me to experience high blood pressure. I then had to pull out of running the Swanage office, although the Post Office offered it to me at a minimal cost.
27. We had gone into the Post Office business with the hope of providing a high level of customer service to a local community and becoming an integral part of that community. We intended to run the office for around 12 years before we planned to retire and were looking to earn sufficient income to live a reasonable lifestyle and play an active part in the local community.

### Training

28. My wife and I had a one-day training session at the regional Post Office headquarters on motor vehicle License procedures, which we found to be quite comprehensive.
29. When we took over the office two trainers attended for our first week with the intention of providing on job training to my wife and I, whilst the office was open. In practice that proved very poor as the office was very busy and the pressure on us to serve the customers and take in the procedures and policies was a difficult ask.
30. This was made worse as the Post Office training department was undergoing a major restructuring and for much of the time the trainers were discussing the effects of it between themselves, or on their mobile phones talking to colleagues and line managers about the plans and on two occasions their line manager came to our office and held meetings with them during office open hours. They lasted at least a couple of hours each leaving us without any trainer support during those times.

31. Luckily, we had two excellent ex Post Office staff who offered us support and training when the trainers were absent and after they had completed their one-week period. Otherwise, we would have been in serious problems with learning the complicated procedures and policies.
32. A further criticism of one of the trainers, who was a man, when attractive females came into the office as customers, he made inappropriate comments about them, as it was still summer and very hot weather, and the ladies were wearing skimpy clothing. I found this very unprofessional, and the female staff were very upset over his comments.
33. For the first three weekly balances the trainer supported me in completing them. This was very helpful, but again insufficient but the existing staff proved more beneficial in the longer term in helping me to fully understand the office balancing procedure, which was then a very complicated and involved procedure.
34. In conclusion, my wife and I found the training completely inadequate and very poor and if it hadn't been for the existing staff, we would have had series problems in learning the business.

#### Helpline

35. My staff and I would contact the helpline 2-3 times per month following the shortages, but they never helped. I did keep a telephone log, which disappeared whilst I was suspended and was therefore absent from the office.
36. However, generally the helpline was not helpful. The call staff would simply direct my staff and I to make repayments rather than make any investigations into problems in the system. Stock was reported as missing from individual tills by the Horizon system, although our manual checks didn't agree, but we were ignored on the Helpline when we tried to point this out.

37. The Post Office Staff and management claimed that my staff must be stealing from me. These staff had worked for us for many years providing excellent service and support to me. However, because of what the Post Office had said, I began to mistrust them and put in measures and checks which caused bad feeling with staff and created an uncomfortable working environment.
38. Some staff left my employment as a result, which put additional strain on me to recruit and train new staff. I began to doubt my own ability to run the office and my confidence fell.
39. The Post Office threatened that if I did not pay off the shortfalls then they would prosecute me.
40. I was suspended on 17 March 2009 due to a shortage in my personal bank account, that meant I could not repay shortfalls. This led the auditors to carry out an audit on 18 March 2009. My contract was then terminated.

#### Shortfalls

41. 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.
42. When we first took over the office, we had three excellent ex Post Office employees, who were very experienced. They helped me learn the business far better than the Post Office trainers. In the first six years, with the staff help, I became an expert in locating any shortfall, so in effect we never had any shortages.
43. This was achievable as in those days every transaction needed a bit of paper completed by the customer, which provided an audit trail.

44. Once the Post Office went paperless, we began to experience regular shortfalls, but with no method of checking or investigating why. Mostly these were fairly small amounts, up to £100, which we needed to make good.
45. However, the continuous shortfalls were severely eating into our take home income, we were having to use our savings to live from.
46. I experienced the following alleged significant shortfalls:
  - a. Regular amounts of £20-£100 throughout my tenure. No tally was kept of those but over time they amounted to a significant amount.
  - b. £2,548.09 on 12 November 2007
  - c. £1,000.00 in December 2007
  - d. £24,625.16 between 26 August 2008 and 18 March 2009.

#### **Audit and suspension**

47. We had run the post office successfully for nearly eight years prior to suffering shortfalls.
48. The regular shortfalls and having to make good the losses had a serious effect on our financial situation.
49. I repeatedly asked the Post Office area manager for help and support to establish how the shortfalls were occurring. After a long period of time and many requests he sent in an auditor who promptly shut down the office and I was suspended within the first hour of him arriving.



50. The auditor never tried to help, was completely uninterested in establishing why the losses were occurring, and simply said I had lost control of the office. He didn't complete an audit until after I was suspended.
51. I considered myself to be a competent subpostmaster up to that time, and I know the Post Office thought so too, as I was occasionally asked to go and help other newly appointed postmasters, who were having difficulties, which I did on a voluntary basis.
52. I was even invited to a lunch, with the then new Managing Director and several other SPM's, I was told by the Area Manager that I was the best SPM in his area; I was asked by the Post Office to take over other offices that were having problems or were closing down. It was obviously hugely confusing to me that I was suddenly deemed to be unfit to manage my office.
53. We now know the reasons for the losses but the failure of the PO to investigate them, or to offer any help to me, left me in a desperate situation facing financial ruin.

#### Losses

54. I suffered tremendous financial impact as a result of the shortfalls and my resulting suspension.
55. Paying off the shortfalls depleted the savings of myself and my wife, and forced us to sell our home at a low price, when the housing market had dipped. The home that we now own is worth much less than the one we originally owned.
56. When the Post Office terminated my contract, my business became unviable. However, I still had 10 years left on the lease of the premises and still had to pay business rates and other overheads. I also had leases on business equipment that had to be paid in full.

57. With me losing all income, I could not get any loans so I had to live on credit cards, which built up considerable debts.
58. In the end the Post Office allowed me to sell the business but in the circumstances, I had to sell it at a significantly lower price than its market value, again causing a considerable loss.
59. I managed to get employment but it was low paid, and I would work 66 hours per week to have sufficient income on jobs such as delivering vegetables.
60. Because the income of myself and my wife severely depleted, our pensions are much lower than they would otherwise have been. We have not been able to enjoy the retirement that we planned and saved for.
61. We needed to work far longer than we planned and beyond statutory retirement age for financial reasons and only managed to clear our debts caused by the Post Office about a year before I retired at the age of 67.

#### **Human Impact**

62. My marriage suffered great strain because of the Horizon faults.
63. My wife initially blamed me for the shortfalls, thinking that I had not been paying enough attention to managing the business and the accounts. My marriage almost broke down because of these difficulties
64. The anxieties around finances caused my wife's mental health to suffer, for which she still has to take medication.
65. Because of the financial devastation from the shortfalls and then losing the post office, our wider family life was affected as we could not support and enjoy time with our daughters and grandchildren as we had planned and hoped for.

66. We had started saving investment funds for our grandchildren's future but we could not continue to do this after we lost our business, nor give any financial support to our daughters.
67. Because of our financial difficulties we were unable to attend family holidays and trips out to enjoy time with our wider family.
68. My relationship with my daughters and their husbands was affected as they began to doubt if I had been running the post offices competently, although they always remained supportive of my wife and me.
69. Before the termination of my contract, my wife and I enjoyed an active social life. However, due to the accusations of theft against me, many former friends and social contacts snubbed us. This had a particularly severe effect on my wife.
70. Former friends stopped inviting us to social events such as dinner parties, nights out and Christmas gatherings. This hurt my wife and I terribly.
71. Even when my wife and I walked down the street, former friends and acquaintances would turn their backs on us and cross the street to avoid us.
72. Previously I had been a person of standing and respect in my local community, and was at the forefront of communal life there. However, all that was destroyed when my contract was terminated.
73. My wife and I were involved in many clubs and groups in our village, and I had chaired our village hall. However, we had to stop all our involvement in these local groups because our reputation and the perception of our integrity had been so tarnished.
74. I was active in my local Rotary Club, and had been President twice, holding many offices in the organisation and was Secretary at the time of the termination of my contract. I had to resign as Secretary when my contract was terminated and could no

longer be involved so as not to bring the organisation into disrepute. This was very humiliating in front of people who I had worked with there.

75. At the time of my termination, I was also Chair of the local Chamber of Commerce. In this post I would be often involved with local issues with the Local Council, who would consult with the Chambers of Commerce under my chairmanship. However, I also had to resign from that post so as not to bring the organisation into disrepute. This was also very humiliating.
76. When I got work doing food deliveries one of the company's customers asked them to dismiss me as they said that I was a criminal. My employer refused but the customer cancelled their order and refused to let me near their home.
77. My wife and I moved from Dorset to the North East of England, partly because we could no longer afford the property prices, but also to escape the stigma in our village.
78. Now my wife and I have a very quiet life, when we would have liked to continue our active social lives that we used to enjoy, as well as being involved in community groups and charities.

### Conclusion

79. All our working lives my wife and I had been successful in our Jobs and the businesses we ran.
80. We had earned sufficient income to lead an active and enjoyable lifestyle. My wife and I were able to take several holidays a year, take the family away on breaks, and social outings such as theatre, meals out, days out at activity centres etc. This was all brought to an end by the Horizon system.

- 81. We worked hard for the Post Office to help develop its business in our community, our involvement in that community benefited the image of the Post Office and that help attract more business for the Office.
- 82. Our circumstances are now very much reduced, our holidays are now restricted to usually one week away in this country, renting a cottage. We are unable to afford hotel accommodation.
- 83. My wife and I both feel completely let down and betrayed by the Post Office as we went into business with in good faith, trusting the brand and trying to represent it well. The Post Office never considered the effects on subpostmasters
- 84. The Post Office's lack of support or sympathy for subpostmasters was unbelievable and their fraudulent motives that have emerged are unforgivable. To behave as they did to other human beings and to destroy and ruin their lives is inhumane.
- 85. Post Office Ltd and their senior managers and staff do not deserve to survive this scandal, the individuals should feel the full force of the law for knowingly making innocent people suffer.

**Statement of Truth**

I believe the contents of this statement to be true.

Signed..... **GRO**

Peter Holloway

Dated..... 15<sup>th</sup> January 2022