

Witness Name: Gareth Thomas

Statement No.: WITN11490100

Dated: 24 September 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF GARETH THOMAS MP

I, Gareth Thomas, will say as follows.

INTRODUCTION

1. I am the Labour and Co-operative Member of Parliament for Harrow West and currently serve as Parliamentary Under-Secretary of State for Services, Small Business and Exports in the Department for Business and Trade.
2. I make this witness statement to assist the Post Office Horizon IT Inquiry (the "Inquiry") with the matters set out in its Rule 9 request dated 23 July 2024 (the "Request"). I have prepared it with the support of the Government Legal Department and counsel. I have depended on others putting documents before me to help me prepare this statement.

PROFESSIONAL BACKGROUND

Career Background

3. I have a BSc degree in Economics and a Masters degree in Imperial and Commonwealth Studies. I began my career as a teacher, following completion of a PGCE.
4. From 1990 to 1997, I was the member of Harrow Council for Wealdstone.

5. I was elected as the Member of Parliament for Harrow West on 1 May 1997, and have served as the constituency MP ever since.
6. From 10 July 2001 to 8 June 2019, I was Chair of the Co-operative Party.
7. I served as Parliamentary Under-Secretary of State for International Development, in the Department for International Development (“DFID”), with responsibility for Asia, Europe, Latin America, the Caribbean and Overseas Dependent Territories from 2003 to June 2007. I was also DFID’s Green Minister with responsibility for the department's environmental performance in relation to the Sustainable Development in Government Framework and targets.
8. From 29 June 2007 to October 2008, I held the position of joint Parliament Under-Secretary of State in DFID and Department for Business, Enterprise and Regulatory Reform (“DBERR”).
9. From October 2008 to 13 May 2010, I was Minister of State in DFID.
10. I held a number of shadow ministerial jobs in opposition: International Development; Higher Education and Science; Civil Society; Europe; Africa and The Middle East; Local Government; and Trade.
11. I was not responsible for postal affairs during any of my shadow ministerial appointments, though I recall being appalled at the unfolding scandal, and supported the cross-party work to support sub-postmasters including by passing the Post Office (Horizon System) Offences Act 2024.

MY WORK AS MINISTER

Current role and responsibilities

12. I was appointed Parliamentary Under-Secretary of State (Minister for Services, Small Business and Exports) in the Department for Business and Trade on 9 July 2024.

13. My responsibilities in that role include:

- local growth
- small businesses
- Post Office
- scale-ups
- retail and hospitality
- Professional and Business Services
- access to finance
- Ukraine reconstruction
- export strategy
- export support service
- outward direct investment
- trade missions, shows and campaigns
- Osaka Expo
- UK Export Finance (UKEF)
- trade envoys

14. I am responsible for the following public bodies:

- Post Office
- British Business Bank
- Small Business Commissioner

The importance of resolving Post Office issues

15. One of the Labour Government's key manifesto commitments was to ensure that justice and compensation are delivered as swiftly as possible for every sub-postmaster caught up in the Horizon scandal. Though my ministerial portfolio is wide, work to support the victims of the Horizon scandal, accelerate fair

compensation, and improve the position of sub-postmasters over the long term, is at the top of my agenda.

16. In the 2 months since my appointment, I have received regular written and oral briefings, plus regular submissions from officials. I exhibit DBT Post Office Briefing 16 July 2024 – Deep Dive 1: Post Office Redress (**BEIS0000939**), Note on Post Office Changes dated 30 August 2024 (**BEIS0000942**), Weekly Update: Post Office Convictions dated 9 August 2024 (**BEIS0000941**), and Ministerial Submission – Publication of Horizon Redress Scheme Reports dated 25 July 2024 (**BEIS0000940**) to provide a general sense.
17. We regularly discuss issues relating to Horizon redress and the future of the Post Office at departmental ministerial meetings, and I have held a number of useful and informative meetings with postmasters, Parliamentary colleagues and other important stakeholders including:
 - Jo Hamilton: 24 July Readout of meeting between Minister Thomas and Jo Hamilton dated 24 July 2024 (**BEIS0000948**)
 - Lord Arbuthnot: 25 July Readout of meeting between Minister Thomas and Lord Arbuthnot dated 25 July 2024 (**BEIS0000945**)
 - Nigel Railton (Post Office interim chair): 20 August
 - Tony Downey and Neil Hudgell: 21 August Readout of meeting between Minister Thomas, Tony Downey and Neil Hudgell dated 21 August 2024 (**BEIS0000947**)
 - Kevin Hollinrake: 2 September
 - Calum Greenhow (NFSP): 3 September Readout of meeting between Minister Thomas and Calum Greenhow dated 3 September 2024 (**BEIS0000949**)
 - Dave Ward (CWU): 4 September Readout of meeting between Minister Thomas and Dave Ward dated 4 September 2024 (**BEIS0000946**)
18. As the Inquiry would expect, since my appointment our main focus has been on issues of redress for postmasters and ensuring that the Post Office has the right model for the future, in which the central role played by postmasters is recognised and respected.

Redress

19. I am concerned that fair compensation has not been paid to everyone deserving of it as quickly as it should have been.
20. Since coming into government, we have already made a number of positive steps to accelerate and improve the process of providing redress to postmasters, and we are exploring additional options for the delivery of fair and timely compensation for those affected.
21. On 25 July 2024, I gave my approval to the introduction of fixed sum awards of £75,000 under the Horizon Shortfall Scheme, a decision which the Secretary of State formally approved on 30 July 2024 Email from Secretary of State's Private Secretary dated 30 July 2024 RE: Ministerial Submission - Horizon Shortfall Scheme - Fixed Sum Awards – OFFICIAL SENSITIVE (**BEIS0000888**). It is anticipated that this will provide accelerated redress for many sub-postmasters, minimise stress and difficulty, and enable more timely resolution of the claims of those sub- postmasters who do not wish to accept the fixed sum award offered to them.
22. On 30 July 2024, the Secretary of State announced the launch of the Horizon Convictions Redress Scheme Secretary of State oral statement to House of Commons on 30 July 2024 (**RLIT0000365**). The Horizon System (Offences) Act 2024 overturned the convictions of postmasters in England, Wales and Northern Ireland. Similar legislation was passed in the Scottish Parliament. Because the postmasters whose convictions were overturned in this way were not eligible for compensation under the Overturned Convictions (**OC**) compensation scheme, it was clearly necessary to create a new scheme to provide full and fair compensation to them. The scheme created for that purpose is the Horizon Compensation Redress Scheme ("**HCRS**"). I refer the Inquiry to the First statement of Carl Creswell (**WITN11730100**) for a detailed explanation of the HCRS scheme and its mechanics and criteria. The HCRS scheme is to be delivered by Department for Business and Trade ("**DBT**") in order to increase confidence, in

line with the recommendations of the recent National Audit Office report titled Lessons learned: Government Compensation Schemes, 5 July 2024 (**RLIT0000366**) and includes the option of a fixed sum award. The government will pay the reasonable legal costs of applications under the scheme. Some of the fine detail concerning the administration of this newly launched scheme, including timeframes and governance and oversight arrangements, has not yet been finalised and we will make further announcements as soon as possible.

23. On 25 July 2024, I agreed to the creation of an independent, DBT-administered Horizon Shortfall Scheme (“**HSS**”) appeals mechanism Email from Minister Thomas’ Private Secretary dated 25 July 2024 RE: Ministerial Submission - Horizon Shortfall Scheme - HSS Appeals Mechanism - OFFICIAL SENSITIVE (**BEIS0000943**), Submission to Minister Thomas for decision: Horizon Shortfall Scheme Appeal Mechanism dated 24 July 2024 (**BEIS0000944**). This was recommended by the Horizon Compensation Advisory Board, and is intended to ensure that all HSS claimants, some of whom may have under-settled their claims, will receive a fair level of redress. The Secretary of State approved this course on 12 August 2024 Submission to Minister Thomas for decision: Horizon Shortfall Scheme Appeal Mechanism dated 24 July 2024 (**BEIS0000889**) and on 9 September 2024 he made a statement to Parliament in which he announced the creation of this new appeals mechanism Secretary of State oral statement to House of Commons 9 September 2024 (**RLIT0000348**).

Changing the Post Office

24. It is clear that we need to find the right model for the Post Office. Before we come to any conclusions on what that might look like, we want to draw on a range of views and ideas.
25. DBT has given Nigel Railton, the Post Office’s interim chair, a mandate to conduct a Strategic Review into the organisational culture, structure, resourcing and operational processes within the Post Office, to be carried out in consultation with postmasters. And, at the very start of his time as the new Secretary of State,

Jonathan Reynolds discussed possible options for the future shape of the Post Office with Mr Railton Readout of meeting between Secretary of State and Nigel Railton dated 9 July 2024 (**BEIS0000887**), which he then followed up in writing Letter from Secretary of State to Nigel Railton dated 4 September 2024 (**BEIS0000891**). I have also met Mr Railton to have initial conversations on these issues.

26. We have also commissioned independent experts to advise us on the best model for the Post Office in future.
27. The Inquiry will also play a role in this process; we will pay careful regard to its findings and recommendations touching on issues of Post Office culture, the Post Office's abusive relationship with postmasters, and the right corporate and governance model for the Post Office.
28. We are determined to identify ways to strengthen the Post Office network, in consultation with sub-postmasters, trade unions and customers. We will also support the development of new products, services and business models, such as banking hubs, to help modernise branches.

CONCLUSIONS

29. I welcome the decision to set up the Inquiry and am grateful for the considerable work that has already been undertaken. I look forward to receiving its report and recommendations, and am happy to provide the Inquiry with whatever further assistance I can.

Statement of Truth

I believe the content of this statement to be true.

Signed: 

Dated: 24/09/2024

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No.	URN	Document Description	<u>Control Number</u>
1.	BEIS0000939	DBT Post Office Briefing 16 July 2024 – Deep Dive 1: Post Office Redress	BEIS0000939
2.	BEIS0000942	Note on Post Office Changes dated 30 August 2024	BEIS0000942
3.	BEIS0000941	Weekly Update: Post Office Convictions dated 9 August 2024	BEIS0000941
4.	BEIS0000940	Ministerial Submission – Publication of Horizon Redress Scheme Reports dated 25 July 2024	BEIS0000940
5.	BEIS0000948	Readout of meeting between Minister Thomas and Jo Hamilton dated 24 July 2024	BEIS0000948
6.	BEIS0000945	Readout of meeting between Minister Thomas and Lord Arbuthnot dated 25 July 2024	BEIS0000945
7.	BEIS0000947	Readout of meeting between Minister Thomas, Tony Downey and Neil Hudgell dated 21 August 2024	BEIS0000947
8.	BEIS0000949	Readout of meeting between Minister Thomas and Calum Greenhow dated 3 September 2024	BEIS0000949
9.	BEIS0000946	Readout of meeting between Minister Thomas and Dave Ward dated 4 September 2024	BEIS0000946
10.	BEIS0000888	Email from Secretary of State's Private Secretary dated 30 July 2024 RE: Ministerial Submission - Horizon Shortfall Scheme - Fixed Sum Awards - OFFICIAL SENSITIVE	BEIS0000888
11.	RLIT0000365	Secretary of State oral statement to House of Commons on 30 July 2024	RLIT0000365
12.	WITN11730100	First Statement of Carl Creswell	WITN11730100
13.	RLIT0000366	National Audit Office report titled Lessons learned: Government compensation schemes dated 23 July 2024	RLIT0000366
14.	BEIS0000943	Email from Minister Thomas' Private Secretary dated 25 July 2024 RE: Ministerial Submission - Horizon Shortfall Scheme - HSS Appeals Mechanism - OFFICIAL SENSITIVE	BEIS0000943
15.	BEIS0000944	Submission to Minister Thomas for decision: Horizon Shortfall Scheme Appeal Mechanism dated 24 July 2024	BEIS0000944
16.	BEIS0000889	Email from Secretary of State's Private Secretary dated 12 August 2024 RE:	BEIS0000889

		Ministerial Submission - Horizon Shortfall Scheme - HSS Appeals Mechanism - OFFICIAL SENSITIVE	
17.	RLIT0000348	Secretary of State oral statement to House of Commons 9 September 2024	RLIT0000348
18.	BEIS0000887	Readout of meeting between Secretary of State and Nigel Railton dated 9 July 2024	BEIS0000887
19.	BEIS0000891	Letter from Secretary of State to Nigel Railton dated 4 September 2024	BEIS0000891