

Witness Name: Jonathan Reynolds

Statement No.: WITN11470100

Dated: 26th September 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF RT. HON JONATHAN REYNOLDS MP

I, Jonathan Reynolds, will say as follows.

INTRODUCTION

1. I am the Labour and Co-operative Member of Parliament for Stalybridge and Hyde and currently serve as Secretary of State for Business and Trade and the President of the Board of 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.
3. I have been closely following the Post Office Horizon IT scandal during my time as the Shadow Secretary of State and now as Secretary of State. Since taking office, it has been a priority area for my Junior Ministers and me.

PROFESSIONAL BACKGROUND AND CURRENT ROLE

Career Background

4. After graduating in 2001 with a degree in Politics and Modern History from the University of Manchester, I worked at Stockport Council as an assistant to the Labour Councillors.
5. From 2007, I studied to obtain legal qualifications at BPP Law School in Manchester and commenced my training to become a solicitor with Addleshaw Goddard LLP in Manchester in 2009.
6. At the local elections in 2007, I was also elected to Tameside Council to represent my local area, the Longdendale ward.
7. I was elected to Parliament at the May 2010 General Election, and have served as the Member of Parliament for Stalybridge and Hyde ever since. I gave up my legal career upon my election to Parliament.
8. I held the following posts in Opposition:
 - (i) Opposition Assistant Whip (Commons) (8 October 2010 - 7 October 2011);
 - (ii) Parliamentary Private Secretary to the Leader of the Opposition, Ed Miliband (7 Oct 2011 – 7 Oct 2013);
 - (iii) Shadow Minister (Energy and Climate Change) (7 October 2013 - 18 September 2015);
 - (iv) Shadow Minister (Transport) (18 September 2015 - 6 January 2016);
 - (v) Shadow Economic Secretary (Treasury) (6 October 2016 - 6 April 2020);
 - (vi) Shadow Secretary of State for Work and Pensions (6 April 2020 - 29 November 2021);
 - (vii) Shadow Secretary of State for Business and Industrial Strategy (29 November 2021 - 4 September 2023); and
 - (viii) Shadow Secretary of State for Business and Trade (4 September 2023 - 30 May 2024).
9. I can claim no experience of working in government or with civil servants prior to my appointment as Secretary of State on 4 July 2024.

Current role and responsibilities

10. As Secretary of State and President of the Board of Trade, I have overall responsibility for the Department for Business and Trade. The relevant GOV.UK page titled 'Ministerial Role Secretary of State for Business and Trade' (RLIT0000349) records that my responsibilities include:
- Overall responsibility for delivery and strategy
 - Cross-government business engagement
 - Public appointments
 - FTA negotiations, mandates, and decisions
 - WTO, G7, and G20 ministerial meetings
 - Overseas network.
11. Postal Affairs is part of my overall portfolio, and is one of my priorities as the Secretary of State.
12. At a ministerial level, Postal Affairs is the responsibility of Gareth Thomas, the Parliamentary Under-Secretary of State for Services, Small Business and Exports. I have a strong working relationship with Gareth and he and officials regularly update me on work in this area in team meetings.

RESPONSE TO THE POST OFFICE HORIZON SCANDAL

13. Something has gone horribly wrong within the Post Office and I am grateful to the Inquiry for its work to investigate the causes and identify lessons for the future. I will consider the Inquiry's report with great interest, and intend to use its recommendations – together with other expert advice – to inform my decisions about what changes need to be made in future.

14. I highlight two particularly important issues of concern to me and my department: driving cultural change in the Post Office and rebalancing its relationship with sub-postmasters; and redress for the Post Office's victims.

Briefings on relevant issues

15. I have received various briefings and advice on Post Office matters, including submissions on long-term Post Office strategy, governance reviews, and updates on progress towards providing redress to sub-postmasters. I refer to several of these briefings below.
16. I had a positive working relationship with the then Postal Minister Kevin Hollinrake when I was in opposition. Kevin Hollinrake, in his former role as the Postal Affairs Minister, briefed me periodically on Horizon-related matters. He would brief me especially regularly in relation to the, then, Post Office (Horizon System) Offences Bill. I am aware that Gareth Thomas has met with Mr Hollinrake to discuss issues relating to the Post Office following the formation of the new Government. Since my appointment as Secretary of State, I have not had any discussions with Kemi Badenoch on matters being investigated by the Inquiry.

Changing the Post Office

17. It is clear that the Post Office's corporate culture is at the root of this scandal, and I want to make sure the system works for sub-postmasters. I am supportive of a reform agenda which seeks to turn this ambition into reality.
18. Since coming into office, I have discussed these issues with Sir Alan Bates (Ministerial Submission - Call with Sir Alan Bates (**BEIS0000884**)) and held deep-dive sessions on Post Office governance. My introductory briefing as Secretary State covered both governance and redress (Post Office Introductory

Briefing July 2024 (**BEIS0000890**)). I held a call with the new Chair of the Post Office, Nigel Railton, on 9 July 2024, during which we discussed several issues relating to the Post Office's culture and governance and its relationship with sub-postmasters, remediation, and replacement for Horizon (Readout of meeting between Secretary of State and Nigel Railton dated 9 July 2024 (**BEIS0000887**)). I followed this up with a letter dated 4 September 2024 in which I set out my strategic priorities for the Post Office, identifying three main objectives: addressing historic failings and speed up redress; cultural transformation within the Post Office; and enabling the future commercial success of the Post Office, with a focus on "*ensuring the sustainability of postmasters' incomes*" amongst other objectives (Letter from Secretary of State to Nigel Railton dated 4 September 2024 (**BEIS0000891**)).

19. As the Inquiry would expect, departmental officials, supported by external expert advisors, are working to identify options for the future of the Post Office.
20. I am aware that when giving evidence to the Inquiry two of my predecessors as Secretary of State and several former postal affairs ministers have made suggestions (or, in the Chancellor of the Duchy of Lancaster's case, "floated an idea") for structural reform of the Post Office, changes in its governance and oversight arrangements, and a rebalancing of its relationship with sub-postmasters. I look forward to receiving the Inquiry's considered views about these and other possible ways to make the Post Office work better – in the interests of communities across the United Kingdom, and of the sub-postmasters who serve them.

Redress

21. Redress for the Post Office's victims is one of my top priorities as the Secretary of State. Indeed, one of the first speeches I delivered as the Shadow Secretary of State was about the need to provide redress to the sub-postmasters (Jonathan

Reynolds oral statement to House of Commons 15 December 2021 (RLIT0000347)).

22. One of my first meetings when I became the Secretary of State was with Sir Alan Bates. I also met with the Rt Hon Kevan Jones (now Lord Beamish) in mid-July 2024 (Readout of meeting between Secretary of State and the Rt Hon Kevan Jones (now Lord Beamish) dated 23 July 2024 (BEIS0000886)) and re-appointed the Horizon Compensation Advisory Board to continue to provide its valuable contributions towards expediting redress (Email from Secretary of State's Private Secretary dated 10 July 2024 RE: [Commission] Reappointment of the Advisory Board and call with Kevan Jones (BEIS0000883)). And, as explained above, my introductory briefing as Secretary State covered both governance and redress (BEIS0000890).
23. On 22 July 2024, I agreed to a proposal to publish Horizon redress data on GOV.UK (Email from Secretary of State's Private Secretary dated 22 July 2024 RE: Post Office Horizon Redress Data- July 2024 (BEIS0000885)) , thereby allowing public scrutiny of progress.
24. On 30 July 2024, I agreed to the introduction of fixed sum awards under the Horizon Shortfall Scheme ("HSS") (Email from Secretary of State's Private Secretary dated 30 July 2024 RE: Ministerial Submission - Horizon Shortfall Scheme - Fixed Sum Awards - OFFICIAL SENSITIVE (BEIS0000888)).
25. On the same day, 30 July 2024, I announced in Parliament the launch of the Horizon Compensation Redress Scheme (Secretary of State oral statement to House of Commons on 30 July 2024 (RLIT0000365)).
26. On 12 August 2024, I approved the creation of an independent HSS appeals mechanism, in line with the recommendations of the Horizon Compensation

Advisory Board, and asked to be kept closely informed as to progress of claims (Email from Secretary of State's Private Secretary dated 12 August 2024 RE: Ministerial Submission - Horizon Shortfall Scheme - HSS Appeals Mechanism - OFFICIAL SENSITIVE (**BEIS0000889**)). On 9 September 2024, I made a statement to Parliament in which I announced that we had agreed to create that new appeals system, which be administered by my Department independently of the Post Office (Secretary of State oral statement to House of Commons 9 September 2024 (**RLIT0000348**)). In doing so, I emphasised that "*the new Government will do everything in our power to deliver justice for postmasters, to bring them closure and to ensure that such a national tragedy is never allowed to happen again*".

SECTION 3: CONCLUSIONS

27. I would also like to mention that Paul Scully, as former Postal Minister, made a significant attempt to move the dial, and that the now Shadow Secretary of State, Kevin Hollinrake moved it on much further. I have every confidence that our new Postal Minister, Gareth Thomas, will continue to build on these foundations to deliver justice for postmasters as quickly as possible.

28. When I was the Shadow Secretary of State, I worked very closely with Kevin Hollinrake, who was the Postal Minister leading the work on behalf of the Department – and we are able to have frank discussions in Parliament with each other. This allowed us to ensure Parliament could move quickly on this and enact the Post Office (Horizon System) Offences Act 2024 before the General Election last year, which has significantly moved the dial in terms of providing redress. I am pleased to say that I played a significant role in ensuring the passing of the Act through the House. I would very much like this good faith working relationship to continue – the Horizon scandal is widely recognised as an issue upon which MPs should work together on a cross-party basis, delivering justice for the sub-postmasters.

29. I am grateful to the Inquiry for its work and look forward to receiving its report and recommendations. I would be very happy to provide the Inquiry with whatever further assistance I am able to give.

Statement of Truth

I believe the content of this statement to be true.

Signed: 

Dated: 26th September 2024

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No.	URN	Document Description	<u>Control Number</u>
1.	RLIT0000349	Gov.uk webpage – 'Ministerial Role Secretary of State for Business and Trade'	RLIT0000349
2.	BEIS0000884	Ministerial Submission - Call with Sir Alan Bates	BEIS0000884
3.	BEIS0000890	Post Office Introductory Briefing July 2024	BEIS0000890
4.	BEIS0000887	Readout of meeting between Secretary of State and Nigel Railton dated 9 July 2024	BEIS0000887
5.	BEIS0000891	Letter from Secretary of State to Nigel Railton dated 4 September 2024	BEIS0000891
6.	RLIT0000347	Jonathan Reynolds oral statement to House of Commons 15 December 2021	RLIT0000347
7.	BEIS0000886	Readout of meeting between Secretary of State and the Rt Hon Kevan Jones (now Lord Beamish) dated 23 July 2024	BEIS0000886
8.	BEIS0000883	Email from Secretary of State's Private Secretary dated 10 July 2024 RE: [Commission] Reappointment of the Advisory Board and call with Kevan Jones	BEIS0000883
9.	BEIS0000885	Email from Secretary of State's Private Secretary dated 22 July 2024 RE: Post Office Horizon Redress Data- July 2024	BEIS0000885
10.	RLIT0000365	Secretary of State oral statement to House of Commons on 30 July 2024	RLIT0000365
11.	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
12.	BEIS0000889	Email from Secretary of State's Private Secretary dated 12 August 2024 RE: Ministerial Submission - Horizon Shortfall Scheme - HSS Appeals Mechanism - OFFICIAL SENSITIVE	BEIS0000889

13.	RLIT0000348	Secretary of State oral statement to House of Commons 9 September 2024	RLIT0000348
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