

Witness Name: Miss Tracey Anne Merritt
Statement No: WITNO269_01
Exhibits: None
Dated: 20 January 2022

THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MISS TRACEY ANNE MERRITT

I, MISS TRACEY ANNE MERRITT 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 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. Prior to becoming a subpostmistress, I worked for Social Services as a childcare officer. A job I trained extremely hard for and one that I was proud to undertake. Unfortunately, a serious car accident left me unable to continue in my role.
3. I was financially compensated for the car accident. My partner had been a post man for several years and we discussed the possibility that I should apply for the position of subpostmistress.

4. We decided that it would be an excellent business opportunity and something long term for us to focus on as a family venture. My son was heading off to college and my daughter was 18 and this would be ideal, as she could work with me in the branch.
5. My daughter had a diagnosis of **GRO** and naturally we were concerned that her employability would be limited because of this. For me to take on the role of subpostmistress and employ my daughter as my assistant seemed like a perfect opportunity. We would work together as mother and daughter.
6. I was interviewed and I was offered the position as subpostmistress of Yetminster Post Office in Yetminster, Dorset. We opened the branch on the 5 May 2007. We ran a retail store within the branch.
7. The branch thrived and I took on a second subpostmistress role at the Chetnole Village Hall in Chetnole, Dorset from the 1 January 2011 to 29 September 2011.

Training and Support

8. On agreeing to the subpostmistress role, I undertook ten days of training in a classroom in Bristol.
9. This was then followed by eight days of in-house supervision by a Post Office trainer, Joanne Langden, at the Yetminster branch.
10. The classroom training mostly concentrated on customer service and how to upsell products and services offered by Post Office Ltd, as opposed to how to work the Horizon system.
11. The training in no way prepared me for how to run a post office on a day-to-day basis.

12. During the on-site training, the Post Office trainer, Joanne, remained in the back office. She did assist me in balancing the system on one occasion. However, I do not feel that this was adequate to understand the process on Horizon properly.
13. I was not given any further training when I took over the Chetnole branch.
14. I remember that the Horizon system changed slightly at some point, and I received approximately 15 minutes additional training from the same Post Office trainer, Joanne Langden.
15. This training was short and not in any depth, and was therefore inadequate in respect of the changes made to the system.

Helpline

16. The training received did not cover potential shortfalls and how to process them on the Horizon system, only to refer us to the helpline if it did occur.
17. I contacted the helpline at least once a week when I began experiencing regular losses.
18. Overall, I found the helpline staff to be very unhelpful and that they did not have the technical knowledge of the Horizon system to resolve the issues.
19. I recall that one issue arose following my initial training at the Yetminster branch. The trainer, Joanne, carried out some dummy transactions. I did not think it had been entered into the Horizon system, or if it had, Joanne would have a way of deleting in on the system.
20. However, after the training finished, the Horizon system showed a £2,000 cheque unaccounted for. I called the helpline and they guided me through how to remove

the transaction from the system. However, following this call, the £2,000 had in fact doubled and was showing as £4,000.

21. I also remember having to require guidance when I took over the Chetnole post office. The Chetnole branch and the Yetminster branch were linked, and therefore I could transfer money from the Yetminster branch and input it into the Horizon system to ensure that both branches balanced correctly.
22. However, the system was not set up for me. The helpline advised to just take cash out of the Yetminster branch and take it to the Chetnole branch and that it would balance out between them. I did not feel that this was adequate advice, and it caused problems for me when completing the balancing procedure.
23. I was usually advised by the Helpline that my issue had been escalated and I would receive a call back. This very rarely happened.
24. The Horizon system would require balancing on a Wednesday evening. Often it would take me hours to complete the process, and the helpline was closed when I needed assistance, and so I had no option but to settle losses to continue to trade the next day.
25. The helpline frequently told me to rollover losses while they investigated but then no further assistance would be provided.
26. As the helpline provided me with little or no assistance, I contacted the area contract manager several times. However, my calls were not returned.

Shortfalls

27. 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, to provide necessary context for the explanation of the human impact which follows.

28. On the 5 July 2010, the Horizon system showed a shortfall of £4,074.49. I repaid this. On the 18 August 2010, this amount was reduced to £3,868.96 following a credit branch discrepancy on 18 August 2010 and was deducted from my salary in instalments.
29. I paid £428.96 in October 2010 followed by 8 monthly instalments of £430.00. I settled this amount centrally in the accounts.
30. This loss arose from a dummy transaction carried out during my training which then increased following advice from the helpline as described above. I was initially led to believe by the advisors on the helpline, that this loss would rectify itself and I had to settle the amount to continue trading.
31. I therefore had to make good supposed shortfalls that were clearly not my fault or responsibility.
32. On the 29 September 2011, the Horizon system showed a loss of £11,886.77. To make good this shortfall I deposited a cheque of £9,500 and paid the remainder in instalments of £1 per week. I settled these shortfalls centrally.
33. In addition to the specific shortfalls identified above, I regularly put cash from my own money into the system to make it balance.
34. I recall one instance shortly before the final audit on 29 September 2011 in which I put in £500 in cash. I regularly put cash in to make good losses, however I cannot recall the specific dates and amounts.

Audit and investigation

35. I had 3 audits at the Yetminster branch throughout my employment as subpostmistress. I was not given any prior notice of the audits.
36. There was no issue with the first two audits.
37. The final audit, on the 29 September 2011, was a particularly harrowing experience. The Post Office auditors locked me in the secure area of the post office and the blinds were pulled down over the windows. I was questioned for approximately 7 hours by the Post Office staff, and it was clear from the questions that they thought that either myself or my daughter has been taking money from the branch.
38. Customers continued to come into the branch whilst I was being held and questioned. They were concerned for me and asking if I was OK. I was ordered not to speak to or make any contact with them.
39. It was an extremely distressing experience for me, and I panicked and agreed to pay back £9,500.
40. Following the questioning they wrote out a confession for me which I had to read out over the phone to a contracts manager. I did not sign the confession, as it was not true and despite subsequently requesting this document, the Post Office has never disclosed it to me.
41. I still cannot believe that I was forced to make a confession in this way. I did not believe that this kind of thing happened, but it did.

Suspension and Termination

42. I was suspended by the Post Office following the audit on the 29th of September 2011. The suspension letter did not give the reason as to why Post Office were

- suspending me, but I was told at the audit that I would be suspended without pay for alleged inappropriate use of Post Office funds.
43. The Yetminster post office was closed from 29th September 2011 and my keys were taken. A temporary subpostmaster was not appointed for either Yetminster or Chetnole.
 44. As my keys were taken from me, I could not access any of the documentation in Yetminster.
 45. My contract was terminated by Post Office and a letter was sent on 25 November 2011 which I did not receive. I was not notified of my termination until I received a letter dated 4 January 2012 from Gary Adderley, my Post Office area manager.
 46. I attended an interview with Gary Thomas and Lisa Allen, members of the Post Office fraud investigation team on the 9 November 2011 as part of an investigation following my suspension.
 47. After the interview, I was told that if I did not confess, I would go to prison. I was told that I was the only subpostmistress/master who had experienced losses.
 48. Following the interview, Gary and Lisa accompanied me home to carry out a search of my property. I was threatened in the car park by Gary and Lisa. I was told that if I did not confess to having stolen money from the branch, they would go after my daughter.
 49. Inappropriate comments were made to both me and my partner by both Lisa and Gary as they searched through our personal belongings.
 50. My car was then searched. The fraud investigation officers even knocked on the doors of my neighbours, inviting them to watch. The whole experience was incredibly stressful and deeply embarrassing for me.

51. My appointment was terminated because of the alleged shortfalls. The Post Office alleged that the losses experienced at Yetminster were because of a misuse of Post Office funds in breach of section 12, paragraph 3 of the subpostmaster contract.
52. I attempted to sell the business in or around October 2011. When the prospective buyer contacted Post Office to enquire, they were told that no contract for Yetminster would be available. However, in or around January 2013 Yetminster reopened under new ownership.

Civil and Criminal Proceedings

53. The Post Office did not pursue civil proceedings against me for the recovery of the alleged shortfalls.
54. The Post Office pursued criminal proceedings against me. A summons was published in the South Somerset Magistrates' Court on or around 3 May 2012, but I was not made aware of this prior to it being published in the court section of the local newspaper.
55. This was even though my Solicitor had been in contact with Post Office Ltd. He had requested a copy of the interview record and was assured that we would be contacted if there were any developments.
56. To wake up and find my name plastered all over the local newspaper was mortifying, particularly as I was unable to defend myself, as I had been ordered to keep quiet by Post Office Ltd.
57. I was accused of false accounting. The case was adjourned until Post Office Ltd carried out further investigations and they subsequently decided not to pursue the criminal proceedings against me. I was given no explanation as to why the criminal prosecution was dropped.

Losses

58. I paid Post Office Ltd a total of £13,368.96.
59. In addition to this I paid the outstanding balance at an agreed rate of £1 per week since the date of my interview with the Post Office fraud investigation team, up until a week after the High Court case against Post Office Ltd.
60. I also regularly put in cash to make the Horizon system balance on a weekly/monthly basis where required. Throughout my appointment as subpostmistress, I estimate that I put approximately and additional £2,000 in cash to make good shortfalls on Horizon.
61. I paid approximately £15,000 to the previous subpostmaster for the leasehold at Yetminster. I never recovered this money.
62. I was suspended without pay. I estimate the value to be £4,000 gross pay (2 months at £2,000).
63. Approximately 3 month's gross pay which I estimate to be around £6,000.
64. I intended to run the Post Office until retirement in around 22 years. I had also intended that, after my retirement, my daughter would continue to run both Chetnole and Yetminster.
65. Whilst in my position as subpostmaster I earned approximately £29,000 to £32,000 per annum. In the period between my termination and retirement at the age of 65, I would have expected to earn between £638,000 and £704,000.
66. After my termination, I continued to run the shop at Yetminster for a few months. The revenue fell by around £600 per week following the closure of the post office. This quickly became unsustainable and so I had no choice but to close it.

67. After the shop closure, I was unemployed for around 8 months. I then obtained temporary employment at an agency which would have progressed into permanent work had the company not become aware of the criminal summons issued against me by Post Office Ltd.
68. Since 2013, I have been working on a self-employed basis and earn approximately £15,500 per annum.
69. I also incurred travel expenses to attend the interviews with Post Office Ltd.
70. When I took over the Chetnole Branch, Post Office Ltd required me to install an alarm system and sensors at the Yetminster branch which covered both the Post Office and the Shop at a cost of £500. They removed this equipment upon my resignation and so the shop was left without any security alarm system in place.

Human Impact

71. I estimate that I paid more than £17,500 of my own money to cover for alleged shortfalls. I was investigated by the Post Office and had the threat of prosecution hanging over me for some time. I still feel deeply embarrassed by the whole experience, including my name being in the local newspaper, because of the Post Office's false accusations of fraud.
72. I took part in mediation in 2013 and received no compensation. I was party to the group litigation against Post Office Ltd. As a result, I am excluded from the Historic Shortfall Scheme.
73. It is impossible to put into words how devastating, both financially and personally the actions of Post Office Ltd has been.

74. I got into debt with mother-in-law. Both my business and personal accounts were emptied as I struggled to pay rent and bills on the premises. The retail part of the business was a new venture and was just starting to take off. After I left the village, it reopened as a Spar shop, and I understand that it is now a thriving business.
75. I had to tell my own daughter that she was out of a job as I could no longer afford to pay her.
76. I lost my businesses, and I lost my reputation as a highly regarded member of the community.
77. After the local community saw the criminal summons in the newspaper, I was treated like a thief. I was employed by an agency at the time, who subsequently let me go as they believed that I had stolen money from the Post Office.
78. I have had shingles several times because of stress caused by the whole experience. This is now a lifetime condition that requires long term medication to keep it in check. My mental health remains very precarious.
79. I felt hounded by Post Office Ltd. I received at least twenty phone calls accusing me of increased breaches of my contract. I was humiliated both inside and outside of my home.
80. I mentioned above that I had my home and car searched. This was an absolute violation. The male and female fraud team members entered my home, and, in front of my partner, who was allowed to observe as a neutral Post Office employee, searched my underwear drawer. Pulling out items, whilst laughing with each other.
81. The Post Office Investigators then continued to joke that my partner should consider finding a more suitable partner, as there was ironing left to be done downstairs. The Investigators amused themselves whilst knowingly devastating our lives.

82. Adding insult to injury, Post Office Ltd did not prepare me for the fact that a summons was issued against me. I was only made aware of this when it was front page news in the local paper.
83. I could not find a way out and the debt became unmanageable. My partner and I were forced to sell our belongings to pay the household bills.
84. The Post Office is a British institution, trusted and respected and a hub in every community. To be accused of stealing from them is unforgivable. People I thought were friends turned their backs on me, I got called names, I was spat at in the street. It was a very isolating experience.
85. I became depressed and withdrawn. I did not want to face people.
86. My partner was off on sick leave at time, which was just as well, as tensions in the sorting office where he worked were mixed about the whole issue. On his return to work, he faced both positive and negative reactions on his postal delivery round. He did not know what he would face daily, and this became exhausting for him after a while.
87. I was told to have no contact with my daughter by the fraud investigators and our relationship became strained. We were estranged for approximately 18 months after my suspension. I only got back in touch with her after discovering she was pregnant from seeing a Facebook post. It took a long time to get our relationship back on track. She felt abandoned by me, not fully understanding the reasons that led up to my suspension from the post office.
88. My son who I was very close with suffered anxiety attacks. On one occasion he suffered an attack on the bus to college, and had to be brought home by ambulance. He believed that he would one day come home, and I would not be there. I would be in prison. The relationship with my son is still very strained.

Conclusion

89. The Post Office action against me devastated my life. I should have been running a successful business, providing well for my family, and enjoying life. Instead, I am a shadow of the woman I was.
90. I have tried to give an indication of the consequences of the Post Office action against me in this statement, but it is impossible to give a full account of the nights and days when you can see no way ahead.
91. The Horizon system has been shown to be deeply flawed and that the Post Office knew this all along.
92. I would like the full truth to come out. I want the world to know that I, and ordinary hard working subpostmasters like me, had their lives ruined by Post Office Ltd.
93. I would like it to be publicly shown that Post Office knew its computer system (Horizon) was completely flawed and unreliable, and that despite this Post Office pursued subpostmasters and subpostmistresses and ruined their lives for money that never existed.
94. I am entitled to be properly compensated for the losses I have suffered as a result of Post Office Ltd. This should have already happened, but it has not. There is no excuse for the delay in compensating subpostmasters.
95. The Post Office and the Department of Business who own it, have known for years that Horizon was a broken system. I believe that they knew, or should have known, when they were destroying my life and the lives of others that their Horizon System was unreliable.
96. I would like compensation for not just the financial losses, but also to take account of the loss of the life I had and should have had. I would like them publicly held to account and shamed in the way I was when the Post Office published my name in the paper as a thief, and when they came to my home and rifled through my underwear and laughed at me.

97. I would like those responsible for this scandal to feel a fraction of the shame and hurt that they put me through.

Statement of Truth

I believe the contents of this Statement to be true.

Signed: **GRO**

Dated..... 20/1/22

Tracey Ann Merritt