

**Witness Name: Mr David Farry**  
**Statement No: WITN0285**  
**Exhibits: None**  
**Dated: 01/02/2022**

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

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### **FIRST WITNESS STATEMENT OF MR DAVID FARRY**

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I, MR DAVID FARRY 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. I was temporary subpostmaster at three post office branches, Kirk Merrington Sub post office from 2009 to 2011. Middlestone Moor post office from 2010 to 2013 and Ferryhill post office between 2012 and 2014.
3. Prior to that, my now ex-wife was the subpostmistress of Ferryhill and West End post office which we ran in partnership.

4. I operated a small retail business at Kirk Merrington and Ferryhill Post Offices. I then entered into a business agreement with GRO. They operated from within the West End post office, this was a rental and commissioned agreement.
5. I employed at least one assistant in the smaller offices and up to six in the larger one.

### **Training and Support**

6. I recall that I received some training on the Horizon system whilst my ex-wife was subpostmistress of the Ferryhill and West End post offices.
7. I attended some classroom style training which lasted for one or two days. A dummy Horizon system was set up and we were shown how to navigate the system and complete basic transactions.
8. A trainer also attended the branch for around a week. He helped us to complete customer requests and transactions. We were also shown how to complete the balance procedure.
9. In hindsight, the training was not adequate. It was not thorough or long enough and did not cover all the transactions which could be processed through the Horizon system.
10. I received no further training.

### **Helpline**

11. I contacted the helpline whilst I was temporary subpostmaster at all 3 branches about alleged shortfalls and/or balancing issues.

12. However, it was mainly Middlestone Moor and Ferryhill branches where I encountered the majority of problems
13. I would call the helpline some weeks more than others, depending on how busy we were and how many transactions had taken place. I would only call when a discrepancy had occurred.
14. When I did call the Helpline, the advice I received was generally poor and did not resolve the issue. In some cases, the advice made the situation worse.
15. It was as though the advisors were reading from a script and had very little or no experience of the everyday workings of the Horizon system.
16. At the Ferryhill, Middlestone Moor and West End branches we would often have power outages. The system would then reboot and very often afterwards, the Horizon system showed a discrepancy.
17. We also had a very bad internet connection, and I often thought this had an effect on the Horizon system when it would cut out during transactions.
18. Each time this happened, I would call the helpline. The advisors could not tell me how to rectify this and said they had not heard of this issue before.
19. On one occasion, an engineer was sent to the branch to replace the computers, but this did not resolve the issue.
20. On another occasion the Giro Bank deposits had been entered incorrectly. They had been noted into the wrong line on the system. This resulted in a discrepancy with the figures.

21. I called the helpline for advice on how to correct it. The advice I was given resulted in the discrepancy doubling in figures. When I tried it again on the instruction of the helpline, the loss doubled again. The advisors could not then tell me how to correct this.
22. When the advisors had no obvious solution and, made matters worse, they would attempt to reassure me by saying that the issue would resolve itself and a transaction correction would be sent out by Post Office. However, this never happened, and I was left with an unexplained discrepancy which I was ultimately responsible for.
23. The helpline opening hours were also reduced, and on evenings when I had to perform the balance, it was difficult to get through. On some occasions, I was unable to speak to a helpline advisor, as the helpline was so busy.

### **Shortfalls**

24. 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, in order to provide necessary context for the explanation of the human impact which follows.
25. I would estimate that throughout my position in the three branches, my wife and I paid in excess of £15,000. Unfortunately, I cannot recall the specific dates when the discrepancies occurred.
26. It was made clear to us that it was our fault if there was a shortfall and that we were responsible for making up the difference. We were always left with a feeling of embarrassment as well, as though we were failing in some way.

27. At the Kirk Merrington post office, we incurred unexplained losses of approximately £500, which we repaid to Post Office Ltd using money from our joint business account.
28. At the Middlestone post office we incurred unexplained losses of approximately £3,000 to £5,000 which we again repaid to Post Office Ltd using our own money.
29. It was at the Ferryhill post office that the larger shortfalls occurred. The figure was in excess of £10,000. We repaid in excess of £5,000 to Post Office Ltd using our own money.
30. We could not afford to make good the rest of the losses and therefore, I would adjust the balance figures to make the Horizon system balance so that the branch could continue to trade.
31. I instinctively knew that what I was told to do was wrong. I was told to sign off the cash accounts as being correct and told that an error transaction would correct it. It very rarely did and so I refused to sign the cash accounts off, as I knew they were incorrect.

#### **Audit and investigation**

32. All three branches were audited whilst I was temporary subpostmaster. At Kirk Merrington and Middlestone Moor no issues were ever identified, save for a very small loss.
33. However, I recall that at the Ferryhill post office the audit team arrived at the branch without notice. The branch was closed, and the auditors said very little to me.
34. At the end of the audit, I was told that there was a shortfall which I would have to repay. I cannot recall the amount of the shortfall.

35. I was not given a chance to count any stock or cash and verify the auditor's findings.
36. I explained to the auditor what had happened in relation to the Giro Bank deposits and asked him to call the helpline for confirmation of this. I do not know if the auditor contacted the helpline.
37. I was put under immense pressure to make good the discrepancy so that the branch could remain open.
38. I wrote out a cheque and was willing to give it to the auditor. I felt that I had no choice.
39. The auditor then made a phone call and told me that the branch was to be closed and that I was suspended. I did not give him the cheque. I did not see the point. I had continually been paying the shortfalls and was still being suspended.

#### **Suspension and Termination**

40. I cannot recall the exact date on which I was suspended. but believe that it was in or around 2013. I believe that I was suspended because of the unexplained shortfalls.
41. The post office was closed. I contacted what I believe was the Human Resource department at the Leeds Post Office headquarters. I requested a copy of the cash accounts copies of the Giro Bank transactions so that I could check the alleged shortfalls and evidence the correct figures. This request was ignored.
42. My contract was terminated by the Post Office. I believe that my contract was terminated because of the unexplained shortfalls.

### Civil and Criminal Proceedings

43. The Post Office pursued civil proceedings against me and obtained a charge on my property.
44. I did not respond to any correspondence or consider the same, as I was too distressed to do so. I am aware through my solicitors at the time that the Post Office obtained a legal charge over my property.
45. The Post Office did not pursue criminal proceedings against me.

### Losses

46. Whilst I was a temporary subpostmaster, I would estimate that I paid thousands of pounds in relation to shortfalls. The Post Office has also obtained a judgment against me which is secured by way of a legal charge over my property.
47. I believe my appointment was suspended, however, owing to the trauma of what happened I cannot recall how long I was suspended for. I believe I therefore have losses post termination from the date of the audit in 2013 (i.e. for 4 years), which would include provision for any period of suspension.
48. As I was not provided with any pay in lieu of notice by Post Office Ltd, which would have been £24,000 (net) for 12 months' notice, or in the alternative £12,000 (net for 6 months notice or £6,000 (net) for 3 months notice.
49. If it were not for the events that occurred, my plans in my role were to remain as a subpostmaster for Post Office Ltd until my retirement, and so for at least another 10 years.

50. At the time the branch was audited I earned around £24,000 (net) from my Post Office salary and a further £5,000 (net) from the retail business a year.
51. I lost my businesses. The post offices were valued at over £400,000. I also had a good income from the retail side of the businesses and from the agreement with Hay's Travel, who paid me rent and commission. I also profited from the Bureau de Change linked to them.

### **Human Impact**

52. I suffered serious problems with the Horizon system. I had to pay the Post Office £15,000 in alleged shortfalls from my own funds. When I raised these issues with the Post Office helpline, they would do nothing of any substance to help and would place me on hold for hours.
53. I took part in the mediation in 2013 but 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.
54. Beyond the financial impact, which was great, these events impacted on every facet of my personal life, as I received abuse and humiliation on social media. This impacted on my mental health, and I now suffer greatly from anxiety and depression.
55. I was a standing Councillor at the time I was suspended. At the following election I was not re-elected. The local press had printed a story about Ferryhill post office, which I don't think helped matters.
56. I was subjected to online abuse and a smear campaign. Being part of the local council made me an easy target. My political opponents were sniggering behind my back. It was public humiliation.



57. I fell into depression and mental illness. I turned to alcohol as a way of coping.
58. My relationship struggled, ending in divorce. The situation my wife and I found ourselves in was impossible. Not even the most solid of marriages could have withstood the strain we were under. Constantly seeing the shortfalls and not knowing how it was happening, we would turn on each other.
59. My children were bullied at school and a host of incorrect social media posts went online. This is still happening to this day. My daughter has screenshots of the things that have appeared.
60. For my children to be put through this makes me particularly angry and guilty. They have had to undergo therapy to come to terms with what happened to us as a family.
61. Post Office Ltd took a charge on my property. Although this was later overturned, it was a period of immense stress, not knowing if we were going to lose our home.
62. I did everything I possible could to not be made bankrupt, as I knew this would put an end to my political career. I still am very passionate about local politics and did not want this to jeopardise that as I was still hopeful, I could be re-elected.
63. I was behind in the mortgage payments and became heavily in debt.
64. I have struggled to build myself up again. I have only been able to find part time, temporary jobs, as I am still mentally scarred from the experiences with the Post Office. I am currently working for Amazon on a temporary contract which ends in January. Come January, I will have to look for other work and the uncertainty begins again.

65. I went from being a very successful businessman and local councillor, to a shell of a man. I used to be very outgoing but am now very withdrawn.
66. I am now 59 years of age. I intended to retire at 50 with a very sizeable retirement package. Until the devastation caused by the Post Office and their faulty Horizon system, I was doing extremely well. I was ploughing the profits back into the business, investing and expanding. I now have no idea if I will ever be able to retire as I continue to struggle financially.
67. This statement only skims the surface of what I and my family have endured as a result of the actions of Post Office Ltd.

#### **CONCLUSION**

68. The Post Office action against me wrecked my life. I should have been happily retired now, providing well for my family, and enjoying life.
69. Instead I was treated as a criminal, my business was destroyed, my finances ruined, and my mental health impacted.
70. The Horizon system has been shown to be deeply flawed and that the Post Office knew this. I would like the full truth to come out. I want the world to know that the Post Office Ltd ruined my life and the lives of many others.
71. I would like it to be publicly shown that Post Office knew its Horizon computer system was completely faulty and untrustworthy, and that despite this Post Office pursued subpostmasters and ruined their lives for money that never existed.
72. I want to be properly compensated for the losses I have suffered as a result of Post Office Ltd, and I would like this to happen sooner rather than later.

73. 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.
74. I would like the Post Office to be publicly held to account and shamed in the way I and my family have been.

**Statement of Truth**

I believe the contents of this Statement to be true.

Signed: **GRO** .....

Dated: 1/02/2022 .....

**David Farry**