

Witness Name: William Hayes

Statement No.: WITN10060100

Dated: 18<sup>th</sup> August 2024

## POST OFFICE HORIZON IT INQUIRY

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### FIRST WITNESS STATEMENT OF WILLIAM HAYES

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I, William Hayes, will say as follows:

#### **INTRODUCTION**

1. I was the General Secretary of the Communication Workers Union (CWU) from 2001 to 2015 and prior to that I was a National Officer from 1992 to 2001. The CWU was called the Union of Communication Workers (UCW) until 1995.
2. This witness statement is made to assist the Post Office Horizon IT Inquiry (the "Inquiry") with the matters set out in the Rule 9 Request dated 17 April 2024 (the "Request").

#### **BACKGROUND**

3. I have been asked to provide a summary of my career and qualifications prior to joining the CWU.
4. I left school at the age of 15 years and six months in January 1969. I joined T J Howard (later Fabrication Steel) as an apprentice fitter-welder. After which I

joined Lunt Engineering. I obtained a City and Guilds part one in welding craft and practice. I joined John West Foods (JWF) in 1971 as a labourer. I left JWF in August 1973.

5. I hitch-hiked around Europe in September, October, and November of 1973. I was unemployed until February 1974.
6. I joined the General Post Office on 18 February 1974 as a post man. I became a member of the Union of Post Office Workers, now CWU, on the same day.
7. I have been asked to describe the roles I held at the CWU prior to my becoming elected General Secretary. I held a number of lay union roles with CWU from 1978 to 1992 as a local representative, area representative, and branch secretary.
8. In May 1992 I was elected to CWU Divisional Officer and to the Executive Council at the same time. In September 1992 I was elected to CWU National Officer responsible for heading up CWU negotiations for Royal Mail delivery staff, cleaners, drivers, and cash carrying drivers that deliver to Post Office counters.
9. I have been asked to summarise the background to my election as General Secretary of the CWU and the responsibilities of the role. The CWU General Secretary role is set out within the rule book of the CWU (**CWU00000120**). The General Secretary was often referred to as the CEO. The General Secretary was also the chief spokesperson and negotiator. All CWU employees report to the GS. The GS reports to CWU Annual Conference and the National Executive Council.

10. I have been asked to provide a summary of my professional career since stepping down as General Secretary in 2015. I am a CWU retired member. I play no active role in CWU aside from the occasional CWU social activity. I was elected to Merton Borough Council as a Labour member in 2022. All other activity is voluntary work.

### **THE COMMUNICATION WORKERS UNION'S ACTIVITIES AND THE NATURE OF MEMBERSHIP**

11. I have been asked to provide a summary of the purposes and activities of the CWU and in particular to consider the Draft CWU Rule Book 2001 (CWU00000112) and the CWU Rule Book 2004 (CWU00000120). The CWU exists to protect and promote its membership individually and collectively through representation at workplace and by sector at a local and national level using industrial and political influence.

12. I have been asked to provide an overview of the methods that the CWU adopted to represent its members' interests between 2000 and 2019. The CWU consulted its members on changes proposed by the companies it negotiated with. This was done by face-to-face engagements with members and employers. Agreements were subject to individual ballots of the members.

13. The CWU represented its members' interests on the basis of the evidence as the CWU saw it, in the companies it had recognition with. In addition, the CWU used its political influence in wider sectorial issues.

14. I have been asked to consider rule 11.2.1 of the CWU Rule Book 2001 and rule 4.1.7 of the CWU Rule Book 2004. I have been asked to summarise the nature and extent of the legal services that CWU would provide to its members

between 2000 and 2019. The CWU provided individual legal services for its members together with any findings in case law. The CWU protected its right to take legal strike action. All cases were judged on a case-by-case basis.

15. I have been asked to what extent the rule changes in and around 2004 affected legal representation to which the CWU's members may be entitled. The rules governing CWU representation did not change. If they did, I was not aware of that at the time.

16. I have been asked to provide an overview of the types of Post Office employees, workers or contractors that CWU represented between 2009 and 2019 limited to those who use the Horizon IT system. The type of CWU members that would have used the Horizon IT system were Crown Office employees and administrators in Post Office counters. I am not aware of Post Office counter staff working at Crown Office (directly owned and directly employed) and the extent of difficulties and discipline they may have encountered.

### **KNOWLEDGE OF HORIZON**

17. I have been asked to consider: **NFSP00000203** (minutes of the Horizon Working Group meeting on 22 June 1999); **NFSP00000006** (minutes of the Horizon Working Group meeting on 27 July 1999); **NFSP00000066** (minutes of the Horizon Working Group meeting on 11 October 1999); **NFSP00000001** (letter from Simon Lancaster dated 9 November 1999); **NFSP00000030** (memo from Matthew Payton to Derek Hodgson dated 9 November 1999); **CWU00000101** (report by Matthew Payton dated June 1999); **CWU00000103** and **CWU00000100** (correspondence between Derek Hodgson, Alan Johnson

MP and others between 19 and 24 January 2000); **CWU00000088** (Tony Kearns' memo dated 26 January 2000 and attachment of the Horizon Working Group submission dated December 1999); **CWU00000085** (minutes of the Postal Executive meeting on 1 February 2000); and **BEIS0000566** (minutes of the Horizon Working Group meeting on 22 August 2000).

18. I have been asked to describe the nature and extent of my knowledge of the integrity of the Horizon IT system from 2000 to 2008 including the existence of bugs, errors or defects, and of "remote access". I was aware of problems with Horizon IT System during my time as CWU National Officer from 1992 to 2001. I represented the workers who delivered cash to Post Office counters. I was also aware of problems when I was GS at CWU from 2001 to 2015. I was aware via CWU documents. I also read all CWU documentation on the matter. I read the Private Eye magazine from the time that the article that appeared in Computer Weekly. I had no detailed knowledge as this matter was covered by other CWU National Officers.

19. I have been asked to cover the extent to which I discussed the integrity of the Horizon IT system with others at CWU. I discussed the integrity of the Horizon IT system with others at CWU Executive meetings only. It was just a general chat. My underlying impression was that there were problems with the system.

20. We knew that postmasters and postmistresses had problems with the federation to the extent that about 600 of their members joined the CWU. That was when I was GS. I think it was in about 2013/2014.

21. I have been asked to summarise any steps I, or the CWU, took in order to develop a better understanding of the integrity of the Horizon IT system. I read

and familiarised myself with the CWU documentation on the Horizon IT system together with the Private Eye magazine on the same. It was a big event when Horizon came in. It seemed to me it was coming in at the same time as the NHS computer system. My general impression was that it was a new system and there were lots of issues with it.

**POST OFFICE INVESTIGATIONS, CRIMINAL PROSECUTIONS AND CIVIL PROCEEDINGS**

22. I have been asked to summarise my understanding of how POL conducted branch audits or investigations into alleged shortfalls in branch accounts whilst I was a member of the CWU. My own knowledge was balancing was conducted on a Wednesday each week and that Horizon ITS changed that. That is about the extent of my knowledge.

23. The CWU worked closely with the NFSP through our National Officers. In 2013/14 we became aware of a section of the NFSP were unhappy with their National leadership. There were about 500 - 600 members. We allowed this breakaway group to join the CWU. We gave them much support. Because the NFSPs were not members of the TUC (the so called Bridlington agreement which bars unions poaching each trade union members), they joined CWU. I made an approach to NFSP and asked all of their total membership and organisation to join CWU. I presented them with the offer at their Executive meeting. There were several meetings. At the time they also had an offer from Post Office Counters Limited (POCL) to fund their organisation. It seemed to me the offer from POCL was an attempt to muzzle NFSPs and damage their



independence. It has subsequently been described as a "sweetheart deal" by the Tory MP that spoke out on the Horizon IT System.

24. I have been asked to describe the nature and extent of any support the CWU offered to SPMs in relation to raising concerns about the Horizon IT system or related training and support services, the conduct of branch audits, investigations into alleged shortfalls in branch accounts, and civil or criminal proceedings against SPMs arising from alleged shortfalls in branch accounts. Any such representation in relation to that was dealt with by the National Officer representing our staff at post office counters.

25. I have been asked to summarise my knowledge of or involvement with case(s) in which CWU provided support or representation to an SPM who was accused of misconduct or incompetence in relation to a shortfall in a branch account and where the SPM could not explain the cause of the shortfall or alleged that it was caused by the Horizon IT system between 2000 and 2008. I have no specific knowledge except all SPMs (about 600) would have received all the necessary support that all CWU members get.

#### **RESPONDING TO THE EMERGING SCANDAL**

26. I have been asked to consider: **POL00041564** (Computer Weekly article dated 11 May 2009); **POL00099062** (Second Sight's Interim Report); **CWU00000001** (letter to branches from Andy Furey dated 12 July 2013); **POL00004439** (Second Sight Briefing Report – Part one dated 25 July 2014); **POL00029849** (Second Sight Briefing Report – Part two dated 9 April 2015); **CWU00000004** (letter to branches from Andy Furey dated 21 April 2015); **CWU00000010** (Dave Ward and Andy Furey's circular 84/2015 (PE) 'B' dated 18 June 2015);

**CWU00000076** (Dave Ward and Simon Sapper's circular NEC No. 114/15 dated 18 June 2015); **CWU00000012** (minutes of the CWU NEC meeting on 25 June 2015); and **CWU00000013** (Andy Furey's letter to branches dated 17 August 2015).

27. I have been asked to describe when I first became aware of the creation of the Justice for Subpostmaster's Alliance (JFSA) and the allegations made in the 11 May 2009 Computer Weekly Article. I became aware of the allegations at the time of the Computer Weekly 2009 article through Private Eye Magazine. I became aware of the JFSA during 2024 ITV Drama Mr Bates versus the Post Office.

28. I have been asked to provide an account of any steps taken by me or the CWU between 2009 to 2019 in raising any concerns regarding the integrity of the Horizon IT system with POL, the government, the Shareholder Executive/UKGI, MPs and peers or journalist. Representation was made through our National Officers. When I was a National Officer no specific concerns were raised with me.

29. I have been asked about the extent to which me or the CWU liaised or communicated with the NFSP and / or the JFSA in relation to the integrity of the Horizon IT system. I have also been asked about the CWU's relationship with the NFSP. Our relationship with the NFSP was through the council of Post Office unions. When that body was disbanded the NFSP and the CWU dealt with matters bilaterally through a National Officer.

30. I have been asked to summarise the nature and extent of any involvement the CWU had, or the support or representation it provided, in relation to claims by



SPMs represented by Shoosmiths in 2011, efforts by SPMs convicted of theft, fraud offences or false accounting to overturn their convictions, and POL's Initial Complaint Review and Mediation Scheme. To the best of my knowledge, we were not involved.

**WHISTLEBLOWING**

31. I have been asked to describe any practice, policy or procedure adopted by the CWU between 2000 or 2019 to enable members or officials to report wrongdoing in so far as it related to the matters to which this Inquiry relates. The CWU represented POL members individually and collectively as previously described.

**GENERAL**

32. My overall impression was that the subpostmasters and subpostmistresses were poorly served by the NFSP and I was concerned when the NFSP took the offer from POL to fund their trade union that this would end in tears. As has been stated elsewhere the NFSP became an in-house union described as a yellow union. Sadly, this has been borne out in the real time experience of individual postmasters and postmistresses.

**Statement of Truth**

I believe the content of this statement to be true.

Signed:

GRO

Dated:

18/8/24

**Index to First Witness Statement of William Hayes**

<b><u>No.</u></b>	<b><u>URN</u></b>	<b><u>Document Description</u></b>	<b><u>Control Number</u></b>
1	CWU00000120	Rules for Communication Workers Union	CWU00000120
2	CWU00000112	Draft CWU Rule Book 2001	CWU00000112
3	NFSP00000203	Meeting minutes of Horizon Working Group meeting of 22 June 1999 and agenda for meeting on 27 July 1999	VIS00007651
4	NFSP00000006	Minutes of 4 <sup>th</sup> Meeting of the Horizon Working Group on 27 July 1999	VIS00007454
5	NFSP00000066	Letter on Horizon Working Group Meeting on 8 November, attached is meeting agenda and minutes of Horizon working group meeting on 11 October 1999	VIS00007514
6	NFSP00000001	Letter on Horizon Working Group meeting from Simon Lancaster to David Higlett	VIS00007449
7	NFSP00000030	Letter from Matthew Payton to Derek Hodgson; copied to Colin Baker by fax, containing memo of Horizon Working Group meeting on 8 Nov 1999	VIS00007478
8	CWU00000101	CWU Research – Horizon Project – A Short History by Matthew Payton (Research Assistant)	VIS00009905
9	CWU00000103	Letter from Derek Hodgson, Terry Deegan and Colin Baker to Alan Johnson MP re Future of the Post Office Network	VIS00009907
10	CWU00000100	Letter from Derek Hodgson (CWU) to Johnson MP (Department of Trade and Industry) re: Horizon Working Group	VIS00009904
11	CWU00000088	Circular: CWU Circular on Horizon Working Group No. 18/2000 (PE) 'A'	VIS00007762
12	CWU00000085	Minutes: CWU Postal Executive Meeting Minutes (No. 51/2000) of 01/02/00	VIS00007759

13	BEIS0000566	Notes of the 10 <sup>th</sup> Meeting of the Horizon Working Group 22/08/2000	VIS00014092
14	POL00041564	Bankruptcy, prosecution and disrupted livelihoods – Postmasters tell their story; reported by Rebecca Thomson - Article	POL-0038046
15	POL00099062	Email from Simon Baker to Paula Vennells, Mark Davies and others re: Second Sight	POL-0098645
16	CWU00000001	Letter: CWU Letter to Branches No. 489/13 re-Second Sight and Horizon	VIS00007675
17	POL00004439	Initial Complaint Review and Mediation Scheme – Briefing Report – Part One – Prepared by Second Sight	VIS00005507
18	POL00029849	Initial Complaint Review Mediation Scheme: Second Sight Briefing Report – Part Two	POL-0026331
19	CWU00000004	Letter: CWU Letter to Branches No. 269/15 re-Second Sight Findings	VIS00007678
20	CWU00000010	Letter: CWU Letter to Postal Executive on issues faced by SPMs 84/2015 (PE) 'B'	VIS00007684
21	CWU00000076	Circular: CWU NEC No. 114/16 re-NFSP, POL and CWU	VIS00007750
22	CWU00000012	Minutes: CWU NEC meeting minutes of 25/06/15	VIS00007686
23	CWU00000013	Letter: CWU Letter to all branches No. 533/15 with postal members re: 'Post Office: Panorama Programme on Horizon Issues'	VIS00007687

