

Witness Name: Sir Ross Cranston

Statement No. WITN11790100

Dated: 30 October 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF SIR ROSS FREDERICK CRANSTON

I, SIR ROSS FREDERICK CRANSTON, of Three Verulam Buildings, Gray's Inn, London, WC1R 5NT, independent reviewer for the Group Litigation Order Compensation Scheme (the **GLO Scheme**), WILL SAY AS FOLLOWS:

- 1 I make this statement in response to the request for evidence pursuant to Rule 9 of the Inquiry Rules 2006 dated 4 October 2024 (the **Rule 9 Request**). This statement addresses my role as the independent reviewer for the GLO Scheme (the **Independent Reviewer**) and my involvement in the GLO Scheme and other Horizon redress matters.
- 2 Those documents which are expressly referred to in this statement are listed in the index accompanying this statement.

EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS

- 3 This section addresses question 4 of the Rule 9 Request.
- 4 I attended the University of Queensland, Harvard Law School and the University of Oxford. I held academic posts at the University of Warwick and

the Australian National University before I became a professor of banking law in the University of London and director of the Centre of Commercial Law Studies at Queen Mary University of London.

5 I was called to the Bar by Gray's Inn in 1976. I joined 3 Verulam Buildings in 1987 of which I am now an associate member. From 1992 I was a professor at the London School of Economics.

6 I became a court recorder in 1997 and King's Counsel in 1998. As an advocate I have appeared before the High Court, Court of Appeal, the House of Lords, the Court of Justice of the European Union and the European Court of Human Rights.

7 I was a member of the House of Commons from 1997 to 2005 and was the Solicitor-General for England and Wales from 1998 to 2001.

8 For the Bar Council, I chaired working parties on the Attorney-General role (2007) and the Code of Ethics for Lawyers (2006).

9 I became a Judge of the Queen's Bench (as it was then called) in 2007 and I retired from the Bench in 2017.

10 In 2019 I conducted an independent assurance review of Lloyds Bank's handling of claims arising from fraud committed at the HBOS Impaired Assets Office.

11 I was appointed as the Independent Reviewer of the GLO Scheme on 4 September 2023 at the recommendation of Dentons UK and Middle East LLP who act as Claims Facilitators in the GLO Scheme (the **Claims Facilitators**).

I understand from the Claims Facilitators that suitable candidates were sought from various chambers, and a shortlist was sent to members of the Department for Business and Trade (**DBT**) for consideration.

- 12 In January 2024 I was appointed as the chair of the Cranston Inquiry. The Cranston Inquiry is an inquiry into the events of 24 November 2021 when at least 27 people lost their lives attempting to cross the English Channel from France to the UK. That Inquiry is ongoing.

THE GLO SCHEME PROCESS

- 13 The Post Office Horizon IT Inquiry (the **Inquiry**) will no doubt be aware of the background of the GLO Scheme and its core purpose to fully and fairly compensate postmasters who were part of the action *Alan Bates and Others v Post Office Ltd [2019] EWHC 3408 (QB)*. The amount those postmasters ultimately received from the settlement was less compensation than what many non-GLO postmasters were receiving from the existing compensation schemes.
- 14 I think it is helpful to provide a broad overview of how the GLO Scheme works, so that my statement may be read in context. The information in this section is obtained from the publicly available documents mentioned below or has been provided to me by the Claims Facilitators.
- 15 The GLO Scheme is administered by DBT and governed by the GLO Compensation Scheme Guidance and Principles, revised 29 November 2023 (the **Revised Guidance and Principles**) (RLIT0000280), the Terms of Reference for the GLO Scheme Independent Panel (the **Panel ToR**) and the

Terms of Reference for the GLO Independent Reviewer (the **Reviewer ToR**) (RLIT0000287) ((together, the **Scheme Documents**). The Scheme Documents are publicly available.

- 16 A postmaster's (the **Claimant**) claim begins under the GLO Scheme when the Claimant submits their application via the portal operated by the Claims Facilitators or sends it by post.
- 17 The claim is considered by DBT and, if it deems that the Claimant has provided sufficient information, DBT sends an offer directly to the Claimant (or their legal representative). Alternatively, DBT may consider that the Claimant has not provided sufficient information. In these circumstances, DBT may make a request for information which can involve asking the Claimant to provide expert evidence in respect of a certain head of loss, for example, personal injury. The Claimant may also, of their own initiative, obtain expert evidence, the costs of which are met by DBT in accordance with the GLO Scheme tariff of reasonable legal costs.
- 18 If the claim has a value of £75,000 or less then the Claimant will be entitled to compensation totalling £75,000 without further evidence being required. This is known as the fixed sum award.
- 19 If the parties are not able to come to an agreement, the claim will be reviewed by one of the Claims Facilitators' senior lawyers (the **Senior Lawyer**) who may decide that the claim should be referred to the independent panel (the **Independent Panel**) for consideration if the areas of disagreement between the parties are relatively substantial. If a referral is made, the Independent Panel will consider the evidence and the parties' written submissions and, on

a first referral, will make a non-binding assessment of the appropriate amount of compensation by reference to the Scheme Documents. Further details as to how the Independent Panel reaches its decisions are set out in the Panel ToR. When providing details of the Independent Panel's non-binding assessment to the parties, the Claims Facilitators request that DBT prepare an offer in line with this assessment.

- 20 If the parties cannot agree the compensation amount following the Independent Panel's non-binding assessment, the claim will be referred back to the Independent Panel, who will subsequently issue a binding decision. After the Independent Panel has issued its binding decision, the Claimant will receive their final compensation payment from DBT.
- 21 After the above process has concluded the Claimant and / or DBT may refer the claim to the Independent Reviewer as set out in the section below.

THE REVIEW PROCESS

- 22 Either party can submit a review application (the **Review Application**) to the Claims Facilitators if they consider that the following review criteria apply:
- (a) there has been a manifest error, procedural irregularity or substantive error of principle in the Independent Panel's final assessment of the claim; or
 - (b) the Independent Panel's final assessment is substantially inconsistent with the Revised Guidance and Principles (RLIT0000280)
- (the **Review Criteria**).

- 23 A copy of a template Review Application is exhibited to this statement (WITN11790104).
- 24 Further details relating to the Review Criteria and the Independent Reviewer process are set out in paragraph 3.6 of the Revised Guidance and Principles (RLIT0000280) but a summary of the latter is set out below.
- 25 Upon receipt of a Review Application, the Senior Lawyer will provide their view to the Independent Reviewer as to whether there is a *prima facie* case that it meets the Review Criteria. The Independent Reviewer will then decide whether such a case exists and will communicate the decision to the parties through the Claims Facilitators.
- 26 If the Independent Reviewer determines that there is a *prima facie* case the parties will be invited to provide written submissions. The Independent Reviewer will subsequently make a decision as to whether or not the Independent Panel's binding assessment should be upheld and if it is the latter, the Independent Reviewer will make a revised award of compensation. The referral to the Independent Reviewer is the final stage of the GLO Scheme process.
- 27 I have no involvement in the GLO Scheme process save for that set out at paragraphs 22 - 26.
- 28 At the time of writing no claims have been referred to the Independent Reviewer and so I have not yet made any determinations.

MY INVOLVEMENT IN THE CREATION OF THE INDEPENDENT REVIEW PROCESS

- 29 This section addresses question 5 of the Rule 9 Request.
- 30 An Independent Reviewer process was in place prior to my involvement in the GLO Scheme. A copy of the “GLO Compensation Scheme Guidance and Principles” (the **Guidance and Principles**) (WITN11790101) which was in place prior to my appointment is exhibited to this statement.
- 31 Following my appointment as Independent Reviewer, I met with Rob Brightwell, a Deputy Director of DBT who is involved in the GLO Scheme, on several occasions in September/October 2023, to discuss my recommendations in respect of the Independent Reviewer process. In particular, I suggested the following amendments:
- (a) That the Terms of Reference for the GLO Independent Reviewer underline the independence of the Independent Reviewer.
 - (b) That it is the Independent Reviewer who determines whether the party making the Review Application has “leave to appeal” (i.e. whether or not there is a *prima facie* case that the Review Application meets the Review Criteria).
 - (c) That the review process involves informal hearings which the Claimants would be able to attend.
- 32 Mr Brightwell and I also discussed the grounds on which the parties may make a Review Application. He informed me that the Horizon Compensation

Advisory Board (**HCAB**) had proposed including a ground relating to fairness and I agreed that a ground on which a Review Application could be made which covers this point should be included. Mr Brightwell also asked that I consider giving an overall view of the Guidance and Principles (WITN11790101).

33 Following my discussion with Mr Brightwell, amendments were made to the Terms of Reference for the GLO Independent Reviewer and/or the review process to address the recommendations I had made, save that there is no provision in the process for informal hearings due to concerns about the increase in the length of time that this would cause to the process and the need to compensate postmasters as quickly as possible.

34 On 25 October 2023, I met with the HCAB and provided a list of my recommendations in respect of the Guidance and Principles (WITN11790101). These recommendations, entitled “GLO Compensation Scheme Guidance and Principles – Observations for Horizon Compensation Advisory Board” are exhibited to this statement (WITN11790102).

35 The recommendations that I provided to the HCAB included a recommendation to increase the scope of the review criteria. At the time I provided my recommendations, the Guidance and Principles (WITN11790101) referred to only two bases on which a Review Application could be made; on the grounds of a manifest error or a procedural irregularity in the Independent Panel’s final assessment of the claim. However, there had also been a proposal to include a third ground; if the Independent Panel’s final assessment is substantially inconsistent with the Guidance and Principles. I

agreed that this further ground should be included and suggested that the principle of full and fair compensation be identified as a key, overarching principle in the Guidance and Principles. Therefore, grounds for review would include circumstances where the Independent Panel's final assessment of the claim is substantially inconsistent with the principle of full and fair compensation.

36 My recommendations also included a further additional ground; where there was a substantive error of principle in the Independent Panel's final assessment of the claim. I felt that the Guidance and Principles (WITN11790101) previously set the bar to make a Review Application too high and felt that the scope to make such an application would be necessarily widened were my recommendations accepted.

37 I understand from the Claims Facilitators that they discussed my recommendations with DBT. The Guidance and Principles were subsequently amended on 29 November 2023 (RLIT0000280). These amendments were in line with my recommendations set out above so that there are now four grounds on which a Review Application can be made and the delivery of full and fair compensation to eligible postmasters is now expressed as a key overarching principle of the GLO Scheme.

THE REVIEW PROCESS

38 This section addresses question 6 of the Rule 9 Request.

39 I have set out the review process in overview at paragraphs 22 to 26 of this statement.

40 I have been asked to consider whether the Reviewer ToR (RLIT0000287) are adequate for me to undertake my role as Independent Reviewer. I consider the Reviewer ToR (RLIT0000287) to be adequate to undertake my role, although as I have not yet considered a claim it is difficult to say definitively.

CASES PUT FORWARD FOR REVIEW

41 This section addresses question 7 of the Rule 9 Request.

42 The Inquiry explains it understands that no cases have yet been put forward for independent review and has asked me for an explanation as to why.

43 I understand from the Claims Facilitators that the vast majority of submitted claims have either been settled, are in the Claims Facilitation stage or await an initial offer of compensation from DBT. I understand from DBT's data that as at 30 September 2024, of the 283 claims submitted, 211 have settled. The Claims Facilitators have informed me they frequently review the progress of negotiations on each case and, at present, only a small number have been referred to the Independent Panel. As described at paragraph 21 above, it is only after the claims have been considered by the Independent Panel for a second time that a Review Application may be made. All claims submitted to date have either settled before they reached this stage, have not yet reached the second Independent Panel stage or the deadline by which a Review Application may be brought has not yet expired.

RECOMMENDATIONS GIVEN OUTSIDE OF THE REFERRAL PROCESS

44 This section addresses question 8 of the Rule 9 Request.

45 The Inquiry has asked whether I have given a recommendation or view about an issue arising on a case where it has not been referred to me via the referral process set out in paragraph 2 of the Reviewer ToR (RLIT0000287).

46 I have not given any such recommendations.

EFFECTIVENESS OF THE GLO SCHEME

47 This section addresses question 9.1, 9.2 and 9.3 of the Rule 9 Request.

48 The Inquiry has asked for my view on the effectiveness of the GLO Scheme, including my opinion as to whether:

- (a) the GLO Scheme offers full and fair compensation, delivered at an appropriate pace;
- (b) any improvements may be made to the administration of the GLO Scheme; and
- (c) the HCAB are effective at instigating change to the administration of the GLO Scheme.

49 I will take each in turn.

Whether the GLO Scheme offers full and fair compensation at an appropriate pace

50 I have not yet had the opportunity to apply the Reviewer ToR (RLIT0000287) to a claim and therefore have not been able to test the Panel ToR or consider the fairness of or the speed with which compensation has been offered to the postmasters. I cannot give a definitive view on this query at the time of writing.

Whether any improvements may be made to the administration of the GLO Scheme

51 Please see my response at paragraph 50.

Whether the HCAB are effective at instigating change to the administration of the GLO Scheme

52 I cannot express a definitive opinion in relation to this question. However, I can say that the HCAB has always been supportive of changes that I have recommended. Moreover, I know that three of the four members of the HCAB have had a long and conscientious involvement with the matters that the Inquiry is considering and the fourth member, Professor Christopher Hodges OBE, is a highly respected academic with expertise in compensation schemes around the world.

ROLE AND / OR INVOLVEMENT IN RELATION TO MEETINGS OF THE HCAB

53 This section addresses questions 9.4, 9.5 and 10 of the Rule 9 Request.

54 I have been invited to attend meetings of the HCAB on various occasions in order to provide my view and recommendations in respect of both the GLO Scheme and in relation to the other Horizon-related compensation schemes.

55 I first met informally with three members of the HCAB on 5 September 2023 to discuss the various Horizon-related compensation schemes and in particular, the need to ensure consistency between each of the schemes. Paragraph 13 of the "Horizon Compensation Advisory Board - report of seventh meeting held on 5 September 2023" (RLIT0000266) sets out in full the matters which I discussed with members of the HCAB at this meeting.

- 56 As set out at paragraph 34, I then met with the HCAB on 25 October 2023. Paragraphs 2-13 of the “Horizon Compensation Advisory Board - report of eighth meeting held on 25 October 2023” (RLIT0000267) set out in full the matters which I discussed with the HCAB at this meeting.
- 57 As set out in further detail in paragraph 61, I next met with the HCAB on 29 November 2023 to discuss the fairness of the Horizon Shortfall Scheme (formerly known as the Historical Shortfall Scheme) (the **HSS**). Paragraphs 2 - 6 of the “Horizon Compensation Advisory Board - report of ninth meeting held on 29 November 2023” (RLIT0000268) set out in full the matters which I discussed with the HCAB at this meeting. Question 9.4 of the Request asks whether the issues I raised during the meeting have been resolved. I have no knowledge of whether the issues I raised in relation to the availability of interim payments and the rigidity of the tariff scheme for postmasters’ reasonable legal costs (set out in paragraph 8b and 8c of RLIT0000268) have been resolved to the satisfaction of all. In relation to the issue I raised regarding compensation for members of postmasters’ families (set out in paragraph 8a of RLIT0000268), I still have concerns in relation to this. However, I cannot give a definitive view as I have not yet reviewed any cases.
- 58 I most recently met with the HCAB on 22 February 2024 to discuss two packages of proposals; the first of which largely related to the introduction of financial measures to speed up financial redress in each of the Horizon-related compensation schemes and the second which related to the introduction of a new scheme for overturned conviction cases arising from legislation and structural proposals in relation to this new scheme. The

“Horizon Compensation Advisory Board - report of eleventh meeting held on 22 February 2024” (BEIS0001033) sets out in full the matters which I discussed with the HCAB at this meeting.

- 59 Question 9.5 of the Rule 9 Request asks me whether the steps described within paragraph 1 of the report of the fourteenth meeting of the HCAB on 14 May 2024 (RLIT0000275) have been implemented on the GLO Scheme, and if so, whether the pace of redress has increased or is likely to increase in future. Having reviewed RLIT0000275, I understand that this question in fact relates to the steps described within paragraph 1 of the fourteenth meeting of the HCAB on 7 May 2024. I did not attend this meeting and do not have any knowledge in relation to the implementation of the steps described in paragraph 1 of RLIT0000275.

THE HSS

- 60 This section addresses question 11 of the Rule 9 Request.
- 61 I met with the HCAB on 29 November 2023 to discuss the fairness of the HSS and provided four potential ways to address the issues with the HSS, namely those relating to the perception of structural problems, the involvement of the Post Office, the design of the form and the absence of medical and legal advice (RLIT0000268). To address these issues, I recommended that the HSS establish a reviewer, appeals-based process similar to that of the GLO Scheme and that those bringing an application for review would need to show that they had been materially disadvantaged (RLIT0000268).

62 I attended a meeting at Dentons' offices in London on 11 September 2023 which was attended by various members of the Independent Panel from the GLO Scheme and the HSS at which the rationale and understanding behind the decisions in the HSS were discussed. A copy of the notes of the meeting with the Horizon Shortfall Scheme panel and GLO Compensation Scheme Panel and Reviewer on 11 September 2023 are exhibited to this statement (WITN11790105).

63 As part of my role as Independent Reviewer, I have met solicitors involved in the GLO Scheme and the HSS and Alan Bates, in his capacity as the postmasters' representative, to get their views on a range of matters, including the HSS. One of the outcomes of those discussions is that it is not only the postmaster who deserves to be compensated, but their family members as well.

64 I appeared before the House of Commons Business and Trade Select Committee to discuss the HSS and the GLO Scheme on 27 February 2024.

POST OFFICE STAFF WORKING ON THE ADMINISTRATION OF REDRESS SCHEMES

65 This section addresses question 12 of the Rule 9 Request. I am aware that there are concerns about the involvement of the Post Office in Horizon redress schemes but as the GLO Scheme is administered by DBT, I am not in a position to provide an opinion in relation to this question as I have no direct involvement with the Post Office or its staff.

ANY OTHER INFORMATION

66 This section addresses question 13 of the Rule 9 Request. I do not have any further information which I think is relevant to the Inquiry.

STATEMENT OF TRUTH

I believe the content of this statement to be true.

GRO

Sir Ross Frederick Cranston

Dated: 30 October 2024

Index to First Witness Statement of Sir Ross Frederick Cranston

No.	URN	Document Description	Control Number
1.	RLIT0000280	GLO Compensation Scheme Guidance and Principles, revised 29 November 2023	RLIT0000280
2.	RLIT0000287	Terms of Reference for the GLO Independent Reviewer	RLIT0000287
3.	WITN11790104	Template Review Application	WITN11790104
4.	WITN11790101	GLO Compensation Scheme Guidance and Principles	WITN11790101
5.	WITN11790102	GLO Compensation Scheme Guidance and Principles – Observations for Horizon Compensation Advisory Board	WITN11790102
6.	RLIT0000266	Horizon Compensation Advisory Board - report of seventh meeting held on 5 September 2023	RLIT0000266
7.	RLIT0000267	Horizon Compensation Advisory Board - report of eighth meeting held on 25 October 2023	RLIT0000267
8.	RLIT0000268	Horizon Compensation Advisory Board - report of ninth meeting held on 29 November 2023	RLIT0000268
9.	BEIS0001033	Horizon Compensation Advisory Board - report of eleventh meeting held on 22 February 2024	BEIS0001033
10.	RLIT0000275	Horizon Compensation Advisory Board - report of fourteenth meeting held on 7 May 2024	RLIT0000275

11.	WITN11790105	Notes of the meeting with the Horizon Shortfall Scheme panel and GLO Compensation Scheme Panel and Reviewer on 11 September 2023	WITN11790105
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