

Witness name: Rachel Scarrabelotti

Statement No.: WITN11120700

Dated: 28 October 2024

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**POST OFFICE HORIZON IT INQUIRY**

**SEVENTH WITNESS STATEMENT OF RACHEL SCARRABELOTI**

**ON BEHALF OF POST OFFICE LIMITED IN THE POST OFFICE**

**HORIZON INQUIRY**

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1. I, Rachel Scarrabelotti, of 100 Wood Street, London EC2V 7ER, will say as follows:

**INTRODUCTION**

2. I am the Company Secretary at Post Office Limited ("**Post Office**") appointed effective from 12 April 2022.
3. I make this witness statement in response to a request dated 10 October 2024 for information pursuant to Rule 9 of the Inquiry Rules 2006. The Inquiry has requested a witness statement setting out the matters referred to in Post Office's letter to the Inquiry dated 4 October 2024 [POL00460629].
4. Whilst I was not involved in the drafting of the letter of 4 October [POL00460629], and am not a member of the Remediation Unit ("**RU**"), I lead the Company Secretarial team at Post Office which facilitates the information provided to both the Post Office Board ("**Board**") and the Board sub-committees

including the Remediation Committee. I have reviewed documents I thought relevant and those that were provided to me to be able to respond fully to the Inquiry's request. As such, I am the appropriate person to give this witness statement on behalf of Post Office.

5. The facts in this witness statement are true, complete and accurate to the best of my knowledge and belief. Where my knowledge and belief has been informed by another person or the documents I have reviewed, I acknowledge that person or those documents. I have been assisted in preparing this witness statement by Burges Salmon LLP and Fieldfisher LLP (together "BSFf"), who act on behalf of Post Office in the Inquiry. I have had online meetings with BSFf to assist my preparation of this witness statement.

#### **BACKGROUND**

6. During Henry Staunton's ("**Mr Staunton**") evidence given to the Inquiry on 1 October 2024, Sir Wyn Williams questioned whether the Board had knowledge of the three documents issued by him on compensation. I understand the three documents referenced are:
  - a. The Chair's Progress Update on Issues relating to Compensation dated 15 August 2022;
  - b. The Chair's Statement on Issues Relating to Compensation dated 9 January 2023; and
  - c. First Interim Report on Compensation dated 17 July 2023.

Together, the **Chair's Reports**.

7. Post Office understands the Inquiry is interested in the Board's knowledge in respect of the Chair's Reports including recommendations therein that compensation to Postmasters should be "full and fair".
8. Post Office considered that it would be helpful to the Inquiry to provide documents that had direct relevance to the issues raised with Mr Staunton so that the Inquiry was aware of the position in respect of information which had been provided to the Board between 20 September 2022 and 17 July 2023. This was set out in a letter to the Inquiry on behalf of Post Office on 4 October 2024 [POL00460629].

#### **THE BOARD'S KNOWLEDGE**

##### Board Pack 27 September 2022 [POL00448625]

9. On 15 September 2022, the Company Secretariat Administrator received the Historical Matters Programme Update paper for inclusion in the Board pack for the Board meeting scheduled for 27 September 2022, from a member of the Historical Matters Unit. This paper was uploaded to the Diligent Board App ("**Diligent**"). By way of reminder, this is a portal which is used to publish Board and committee papers and access to it can be controlled/restricted as necessary.
10. On 20 September 2022, the Company Secretariat Administrator and I received the Chief Executive's Report from the CEO's Executive Assistant. Following re-formatting, this paper was uploaded to Diligent. I published the Board pack making the Board materials available to Board members and others, including this paper, and the paper mentioned at paragraph 9, on 20 September 2022.
11. The Chief Executive's Report at page 81, paragraph 61 [POL00448625] stated:

*“Following the hearings on 6 and 13 July 2022 and Sir Wyn’s Progress Update issued on 15 August, we are working at pace to address his observations. HRC were presented with a number of papers on our recommendations on 8 September, some of which are still being reviewed. We met with our King’s Counsel on 14 September to consider our next steps for updating the Inquiry, looking at a date in mid-October for our follow up submission”.*

12. The contents of this Board pack included the following on page 162 in the Historical Matters Programme Update paper [POL00448625]:

*“Following the hearings on 6 and 13 July 2022, and Sir Wyn’s Progress Update issued on 15 August, we are working at pace to address his key observations. HRC will be presented with a number of papers on our recommendation for their consideration on 8 September 2022”.*

13. The Board were therefore advised of the Chair’s Progress Update referenced at paragraph (6)(a) above. Moreover, Post Office were proactively considering how to address the observations therein and had sought legal advice to consider next steps.

#### Board Pack 24 January 2023

14. On 13 January 2023, I received the Inquiry Update paper [POL00460630] from a member of the Historical Matters Unit. This was to be included in the Board pack for the Board meeting scheduled for 24 January 2023.

15. On 19 January 2023, the Company Secretariat Administrator and I received the Chief Executive’s Report [POL00460631] from the CEO’s Executive Assistant. Following re-formatting, this paper was uploaded to Diligent. The Board pack

including this paper, and the paper mentioned at paragraph 15, were published to Diligent on 19 January 2023.

16. The Chief Executive's Report [POL00460631] provided the following at paragraphs 55 to 56:

- a. Paragraph 55: *"POL attended the Inquiry Hearing on Compensation on 8<sup>th</sup> December and HM Legal have subsequently collated a summary of arising actions, and a paper was presented to HRC on 15<sup>th</sup> December outlining the range of issues raised at the Inquiry. The required actions will be tracked and actioned within HMU. Sir Wyn issued his response to the hearing, electing not to issue an interim report, but did challenge the delay generally and the Late Applications approach. He has scheduled a compensation hearing in April later this year"*.
- b. Paragraph 56: *"POL have constructively challenged statements made in the BEIS oral submission and on reflection BEIS agreed to write to the Inquiry to provide clarity of their submission"*.

17. In addition, the Inquiry Update paper [POL00460630] provided the following at paragraph 24:

*"Sir Wyn reached the 'clear conclusion' that a formal interim report was not necessary and said he intends to continue to monitor progress by holding another hearing on compensation in April. Sir Wyn recognised the balance that needs to be struck between the speed of decision making and ensuring that offers are full and fair but noted he is 'not persuaded as yet that the complex applications within HSS are being processed with sufficient vigour'. He noted that this is a topic he intends to return to in phase 5. He also recorded his view that given overall*

*delays, fairness demands an 'unequivocal statement' that all late applications to HSS should be accepted subject only to the usual eligibility criteria – ie. that there should not be any requirement to provide a reason for the lateness of the application. HMU are discussing this with BEIS to agree a way forward<sup>9</sup>.*

18. The Board was therefore provided with information to review and consider the summary of the Chair's Statement on issues relating to compensation referenced at paragraph (6)(b) above.

19. In addition, paragraph 24 of the Inquiry Update paper references the fact compensation offers are to be full and fair.

My email dated 17 July 2023 [POL00460627]

20. On 17 July 2023, it was requested by Nick Read that an email including a summary of the Chair's Interim Report on Compensation, referenced at paragraph (6)(c) above, be sent to the Board. I forwarded the summary [POL00460628] to the Board on 17 July 2023 by email [POL00460627] and attached a detailed note of the Interim Report which had been prepared by the Head of Legal, Dispute Resolution, Historical Matters Unit.

21. The final bullet point of the attachment [POL00460628] stated:

*"Sir Wyn acknowledges that POL has made commitments to full and fair compensation – and says he does not consider there is any valid legal reason why DBT and POL cannot give effect to the commitments made. He says this should apply with equal force to all three schemes".*

22. The Board was therefore aware of the Chair's Interim Report and received a summary of the same.

23. Additionally, not only was the Board aware of Sir Wyn William's view that compensation should be paid on a full and fair basis but that Post Office had actually made commitments to compensation being full and fair.

Horizon Shortfall Scheme ("HSS")

24. Finally, as in the letter to the Inquiry dated 4 October 2024 [POL00460629], Post Office reiterates its approach at paragraph 6 of the approach to compensation taken in the HSS. It states:

*"As the Inquiry may recall, under the HSS all proposed offers are produced following consideration and a recommendation by the Independent Advisory Panel rather than by Post Office (who has always accepted the recommendation or increased the offers). In this context Post Office would emphasise the IAP's obligation to be guided by broad considerations of fairness (further to §31 of the IAP's Terms of Reference)."*

25. I do not have direct knowledge of how the HSS works as this is not part of my role as Company Secretary; however, to assist, I refer the Inquiry to Simon Recaldin's sixth witness statement [WITN09890600] where paragraphs 48 to 50 set out how the Panel works independently of Post Office and paragraphs 83 to 89 which set out the Panel's assessment process.

**STATEMENT OF TRUTH**

I believe the content of this statement to be true.

Signed:

**GRO**

Dated: 28 October 2024

**Index of Exhibits to the seventh witness statement of Rachel Scarrabelotti on behalf of  
Post Office Limited**

	<b>Inquiry URN</b>	<b>Document Description</b>	<b>Control/Production Number</b>
1.	POL00460629	Letter to the Inquiry dated 4 October 2024	POL-BSFF-152-0000003
2.	POL00448625	Board Pack dated 27 September 2022	POL-BSFF-WITN-017-0047945
3.	POL00460631	CEO Report dated 24 January 2023	POL-BSFF-152-0000005
4.	POL00460630	Inquiry update paper dated 24 January 2023	POL-BSFF-152-0000004
5.	POL00460627	Email from Rachel Scarrabelotti to the Board dated 17 July 2023	POL-BSFF-152-0000001
6.	POL00460628	Attachment to email	POL-BSFF-152-0000002