

Witness Name: Ms Heather Earley  
Statement No.: WITN\_0300  
Exhibits: None  
Dated: 12 April 2022

**THE POST OFFICE HORIZON INQUIRY**

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**FIRST WITNESS STATEMENT OF MS HEATHER EARLEY**

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I, MS HEATHER EARLEY WILL SAY 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 am 58 years old. I live in Northern Ireland, where I have lived for all of my life. I live with my husband Gary, with whom I was in partnership in the shop and post office business which I will address in more detail below. We have three adult children.

3. Before becoming a subpostmaster, I worked in an air conditioning company for 28 years. I started there shortly after I left school, and over my 28 years at that company I rose from receptionist to a management position as Accounts Administration Manager. It was a large firm, employing approximately 75 people at one stage, and I had a lot of responsibility as the individual charged with managing the financial affairs of the company. I am a meticulous person and have a high degree of ability in relation to accounts.
4. Gary and I saw a vacant shop in my local area, where I had grown up. I wanted a new challenge, and one which could see me into retirement. I had worked in an office most of my life, and thought it would be a new challenge, and give me a chance to give something back to my community, and provide a service which was heavily relied on by those in my local area. I knew that the local post office and shop were central to the community, so reopening the local shop and post office would be a great boost for the community and the area.
5. Mossley is not a just a place or a village, it is a tight-knit community, where people generally know everybody else, and everybody else's business. My parents lived around the corner, and as pensioners, they really relied on access to a local shop and post office. Having grown up in the area, I knew everybody, and I knew the area really well, and I knew the history of the shop. It seemed like a good idea at the time, and a perfect opportunity.
6. The shop had closed down in late 2010. I had been driving past considering it regularly, and we started the purchase process in approximately March 2011. We opened on the 29 September 2011. I applied for the post office as soon as I knew we would be opening the shop, as I did not want there to be too much of a gap between the shop opening and us having a post office branch there.
7. I was a subpostmaster of Mossley Post Office, 1-3 Crescent Corner, Mossley, Newtownabbey, County Antrim BT36 5PB from 8 December 2011 to 31 January 2017.

On 8 December 2011, I signed a Post Office Local Pilot Programme Agreement. This document is a few pages long, and consists of 10 parts, some of which relate to the operation of the branch. I do not believe I ever received a copy of the full Standard Subpostmaster contract.

8. I also operated a retail business from the premises, a convenience store, selling tobacco, newspapers and lottery products. However, the post office was central to the reason we wanted to open a shop, and also our business plan. For example, when we distributed flyers in the local area, there was a big focus in our advertising on a post office branch returning to Mossley. From the start of when we had opened the shop, we had customers asking when the post office counter was opening.
9. I employed my daughter-in-law Lauren Earley, full-time, as an assistant to help me operate both sides of the business. I also employed other people to cover the retail business and the post office, as and when needed, to ensure we remained open. Post Office Limited insisted that the post office counter was open for all of the shop's opening hours, which seemed like a good idea at the time, but meant that two people had to be in the shop, working and paid, at all times. Having two people there all the time put a lot of financial pressure on me, and on the business.

#### **TRAINING AND SUPPORT**

10. I believe that the training I received was inadequate, both in the amount received and offered and in its delivery. I did not receive any classroom training, or off-site training. All the training I received was on-site, for approximately 5 days of training. The trainer attended for 3 days before I opened the post office branch. He was in the shop for a further two days once I had commenced trading in the post office branch (the shop was already opened). I was not given any further instruction during these two further days; only if I carried out a transaction incorrectly would the trainer assist.

11. This training was given whilst I was still running the convenience store, so we were not able to cover much; we could not afford to turn customers away and could not focus on the training.
12. I do not feel this training was adequate, as I was only instructed in basic postal services, cash withdrawals and monthly returns. There were many aspects of running a Post Office (for example, how to put National Lottery transactions through the Horizon accounts) which were not covered. 5 days of training on site is not enough for the responsibility of running the post office.
13. When dealing with the Post Office head office I was made to feel stupid, and that I should be an expert in the system from the minimal training I had received. I felt I had to work out how to do everything myself. I was shown once how to balance, but this was before I had begun trading so it was difficult to imagine how it applied in real life, especially as I or any of my staff had never worked in a post office branch before.
14. It is important to say that when the Post Office trainer was with us in the branch he could not make the Horizon system balance. He sought to suggest that this was because we were new, rather than that there was a problem with the system.
15. At the time we assumed that the trainer was the expert and therefore trusted what he was saying. I now believe that the trainer knew that there were problems balancing the Horizon System.
16. As the balancing is only carried out monthly I never completed a balance during shadowing I do not recall ever being told how to deal with shortfalls.
17. I received a half day of training in mid-2012, as I had not been shown how to deal with National Lottery transactions correctly when I first opened. As a result of this my accounts had never correctly balanced.

## HELPLINE

18. I estimate that I contacted the Helpline once a month with regard to problems relating to alleged shortfalls and/or balancing. The helpline operatives did not seem to have any knowledge or understanding of the system. Whenever I contacted the helpline even though I never spoke to the same person I always received the same answer. If I rang again, and asked to speak to the same person again, the operator would claim not to have heard of the individual with whom I had spoken previously.
19. I was always told that the system could not be to blame — it had to be an in-branch issue. I was told that it was human error that was causing an imbalance or shortfall. Because I was new to the Post Office, I assumed that I had to be doing something wrong, so I did not ask if others were experiencing the same problems.

## APPARENT OR ALLEGED SHORTFALLS

20. 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.
21. I would estimate that throughout my position in the branch, I paid (or Post Office deducted) in excess of £7,000, not including the £6,000 deducted from my remuneration due to the second large alleged shortfall detailed below. In total, I would estimate that the losses I suffered exceeded £13,000

### Shortfalls under £100

22. Shortfalls of between £10 and £100 arose at the end of most monthly balancing periods, between December 2013 and January 2017. I took money from the retail side

of the business to pay back the alleged shortfalls at that moment. I subsequently put my own savings back into retail side. I put my own money in, in order to balance the account and allow me to trade the next day.

23. Furthermore, I undertook a cash reconciliation every day. The balance was never correct (i.e. zero). As I have said, I was and am meticulous with money and accounts, as a result of my many years of experience as an accounts administrator. I simply could not understand why the Horizon system did not balance.

#### Shortfalls over £100

24. Shortfalls of between £100 and £300 arose at the end of many monthly balancing periods between December 2013 and January 2017. I took money from the retail side of the business to pay back the alleged shortfalls at that moment. Again, I put my own savings back into the retail side. I put my own money in, in order to balance the account and allow me to trade the next day.
25. From approximately November until December 2013, a woman repeatedly visited my branch in order to withdraw money. I was sure that these transactions were suspicious, as withdrawals usually showed on the Horizon system in red or green to show whether to approve the withdrawal or to reject it. However, the woman's transactions showed coloured yellow. Her withdrawals started to get larger and larger, and before Christmas the withdrawals increased to £500 per day. I did not believe that she genuinely possessed the amount of money which she was withdrawing.
26. I contacted Post Office who told me that it was not for me to judge and that I should not investigate further.
27. I did not take what Post Office had told me as correct, so I started to make conversation with the woman over the course of her coming into the branch. One on occasion my card machine would not recognise the card, and so I helped the woman

insert it into the machine. I took a few notes of what I had seen on the card and started to do my own research. I discovered that the card being used to withdraw the money was a 'pay-in' card, i.e. that it should not have allowed any withdrawals at all.

28. I also discovered that the withdrawals were appearing as credits rather than debits on the Horizon System, so that in addition to receiving cash from the branch in her hand, the woman's account was also credited with the amount that had been withdrawn. This led to a double loss. I realised that this double loss occurred at the end of the month, when I had completed balances. The balancing process showed a loss of £10,000, as a result of this woman's theft.
29. I telephoned the Post Office to inform them of the loss. I was told by Post Office staff that it was my fault for giving the woman the money or that I had been assisting her in stealing. I was told to contact the police.
30. The Post Office suggestion that I was involved in the theft was outrageous, particularly as I had reported this to the Post Office previously as being suspicious and had asked for help from them and they had refused.
31. Furthermore, this incident also demonstrated a clear and major problem with the Horizon System, as the woman was able to withdraw money from the Horizon System using a paying in card, and also that when she withdrew money the Horizon System reported it as a credit.
32. I involved the police who sought find the woman. She came to my post office again, and I called the police and told them that she was here. The police did not come in time, and she was able to leave.
33. During this telephone call the police officer I spoke with told me that they were aware of my case, as Post Office Ltd had told the police that I was involved in stealing the money from the post office.

34. Again, this was outrageous that the Post Office was informing the police that I was involved in theft, when they either knew that this was untrue or had conducted no investigation to confirm its truth.
35. I later saw the woman enter a property and was able to inform the police of her location and she was arrested.
36. At every turn, Post Office was obstructive. It refused to release any information to me or the police due to 'data protection' and when the police began to investigate it took 6 months before Post Office released the data to them about those transactions.
37. I was told by Post Office that there was a problem with the Fujitsu system, which was why they were taking so long to release the data.
38. I received multiple demands for payment from Post Office, which I initially refused. Eventually Post Office agreed that they would accept £6,000 (as I was owed £4,000 due to previous problems with National Lottery transactions) and began to deduct money from my monthly remuneration.
39. I was told that if I did not agree to repay the £6,000, my post office branch would be closed, the keys would be taken from me and my contract with Post Office would be terminated. I did not want to lose the Post Office, and I knew for my community and, in particular, those who relied on me and the post office for their pensions, losing the post office locally would be extremely damaging.
40. It is important to say that in my conversations with the Post Office they repeatedly told me that I could not discuss these matters with anyone.
41. The woman who had stolen the money eventually pleaded guilty to theft — though she stated that she had not stolen the full amount of £10,000.
42. Upon her conviction, which took until 2016, I contacted Post Office to request that they repaid me the £6,000 they had deducted from my salary. Post Office informed



me that they were "satisfied [they had] received [their] money back," and refused to reimburse me.

43. It is important to highlight that I had informed the Post Office of my suspicions at an early stage. They had refused to help me and in fact instructed me to continue to give money to this woman. The Post Office later had informed the police that I was involved in the theft, even though they knew this was untrue or had no evidence of it. Further, this incident demonstrated a serious flaw in the Horizon system. The woman was only located and arrested as a result of my efforts.
44. Despite all of this, the Post Office took thousands of pounds from me, in the full knowledge that another person had taken this money relying on a flaw in the Horizon System.
45. After the investigation and prosecution was completed a police officer came to my home and told me that how the Post Office had treated me was wrong and that I could pursue this further by way of a civil claim. I was grateful to him, however, I informed him that I could not afford to take civil action against the Post Office.
46. This was a terrible period. It breaks my heart to think about it, and the stress which came as a result.

#### **AUDIT AND INVESTIGATION**

47. The Post Office conducted a number of audits. I am unsure as to the exact dates upon which I was audited. In my first year of trading, I was audited on at least two or three occasion. I was never told that I could request an audit, otherwise I would have insisted that Post Office came to investigate further following the thefts, mentioned above.

48. At one stage, which I believe took place in Spring 2013/2014, two auditors spent a whole day at my post office. I was given the opportunity to count the cash and stock myself in order to validate their findings. However, a shortfall of £112 was allegedly found. However, I knew this to be the value of some Christmas stamps I had returned to Post Office in March.
49. I called Post Office immediately and was told that the stamps had never been received and that even if they had been Post Office would have shredded them as they had no use for Christmas stamps. I was told that if I could not find proof of postage, I would have to pay the £112 personally.
50. I went to my house to try to find the receipts but was unable to do so. When I returned to my branch, the auditors took my keys from me, and told me that my branch was being closed by Post Office Limited until I paid the £112. I immediately paid Post Office £112, and my keys were returned to me.
51. The pressure that Post Office and the auditors put on me and my business, including the fear that my business would be closed, was such that I felt I could not protest the closure or Post Office's claims. I already felt guilty that I had misplaced the proof of postage, and the longer the post office counter was closed, the more and more I was having to deal with frustrated and angry customers who could not access post office services.
52. I have seen no evidence of any adequate investigation despite the fact that two Post Office investigators (Sean and Carol — I am unable to recall their last names) visited my branch in May 2014.

#### **RESIGNATION OF POSITION**

53. I could no longer afford the losses I was experiencing due to the shortfalls and Post Office conduct. Further, I could no longer deal with or handle the stress and the

anxiety of worrying about shortfalls and losses. I could not keep putting money from my shop in; I could not sustain buying stock on credit cards. I was worried about the survival of the accompanying shop, given that any profit the shop had been made had been swallowed by the post office part of the business.

54. I resigned from Post Office in 2017. My initial contract stated that I had to give a 3 month notice period, however when I gave my notice I was told that I had to provide 6 months' notice.
55. The Post Office sent a van to collect stamps, and money, but never came to collect any of the equipment.
56. The financial pressure began to pile up, and it became too difficult to handle. After no more than 3 or 4 months of operating the shop without the post office of the business, I threw in the towel and closed the shop. The financial pressure, and the abuse I had received from local people in my community because of the loss of the post office, was too much to handle, so I decided to close the shop altogether.
57. The Post Office did not pursue civil or criminal proceedings against me in relation to the alleged shortfalls. However, I did receive at least 3 letters of demand as well as multiple calls insisting that I made payments of the alleged shortfalls.

### **HUMAN IMPACT**

58. I could not see a way out, and I could not see what I was going to do next. I was not telling my husband what was happening to me, because it was too stressful to deal with it. It was incredibly isolating.
59. Indeed, I struggled to tell my husband what was going wrong with the Post Office, and did not give him a full account of what was going wrong until I was forced to close the

shop and post office. This caused real strain in my marriage. My children told me, at the time, that I no longer smiled or laughed.

60. When I realised I would have to close the shop as I could not afford to keep it running I was verbally abused by people the village. I was accused of having no consideration for the community, and having removed a vital service from local people. Not all my customers were aware of my situation and this was very difficult to stand.
61. It is very important to explain that a village in Northern Ireland is more like an extended family than a community. I had grown up in this area, my family have lived there for almost 40 years. I knew everyone and everyone knew me. Closing the shop and post office was a big blow to the community, and they blamed me for it. They had no idea I had been forced to close because of the financial strain of shortfalls and the stress of having to deal with the Post Office, who were like bully boys.
62. The intense financial pressure and abuse I had received from people caused me to suffer extreme stress. That stress led to my suffering with insomnia. I simply could not sleep. I developed rosacea, for which I have had to have biopsies taken, but was told that stress can often cause the condition to develop.
63. I thought that I was used to stress, having worked for so long in management, but the stress I was put under by the Post Office was much more intense, and much more constant, than I had ever experienced in my period managing a business.
64. I was constantly told that we were responsible for the shortfalls, both in terms of fault and financial liability, which was extremely traumatic and remains difficult to think about to this day. The trauma, and both financial and emotional suffering, became worse when I realised that we would not be repaid the funds, which we had given Post Office. I had to start using my credit cards to buy stock for the shop as I was using the shop profits to keep the balance in the Horizon system correct.

65. The consequences of this was that I had to keep up the repayments of the £10,000, which was being deducted from my remuneration by the Post Office. As a result of this loss of income I was using credit cards to purchase stock for the shop. This led to immense, constant pressure to keep the money flowing. It simply became too much, and eventually meant that I had to close the Post Office and my Shop completely.
66. I nearly lost my house, which I had lived in for 30 years. The only reason that I did not declare bankruptcy is because my husband's name was on the paperwork for the business and we would have lost our house. Both my physical and mental health declined considerably.
67. To this day, I avoid driving past my old shop as it brings back too many stressful memories and causes me to relive and remember the suffering and harm that I experienced managing the post office.
68. I try not to go out in my front garden, in case I meet someone walking past who asks me about the post office and shop, and asks me what happened and why.
69. I also avoid shopping in person in my local area, because I do not want to meet anyone that may know me or know what happened. I do as much of my shopping online as I can, and if I have to go out to a shop I go elsewhere. I would never go near a local shop.
70. This whole affair has caused me to detach myself from my local community. I am no longer a member of my community, and feel an outsider. I do not get involved in anything in my community, as I would before; when I was in the shop, we used to organise summer parties, Halloween parties and organised a Santa's grotto for children in the area. I do not do that now.
71. The people in the local community, who did not know me from when I was a child, resent that I was the one who caused the shop to be closed.

72. When I closed the shop, all of our bills had to be paid from my husband's external salary. I got a minimum-wage job at a hospital, and afterwards another minimum wage job at an airport. Now, I am back in an office.
73. I wanted to retire at 60. I always thought I would be able to, and that the post office branch would help me to retire at 60 or earlier. Instead of helping me retire, it nearly put me in the grave, and has caused me to continue working to support myself and try and rebuild my pension.
74. I had to cash in my pension of £50K to pay off all my debts from the post office. Never before did I miss a payment on my Mortgage always paid my credit cards each month; until I owned a post office that is.
75. My kids struggled to pay bills my oldest daughter who worked in the shop had two jobs. My daughter's was a one parent family and she was trying to make ends meet. I could not help her financially, as I would have done and should have been able to do. But we were not able to give her anything, and could not help her as we were unable to help ourselves.
76. My son and his wife had been trying to pay off a wedding. His wife (my daughter in law) also worked in the shop and was also paid off they had a baby on the way as well.
77. My youngest daughter was trying to get to university, which we just couldn't afford. It was a complete nightmare that I never want to go through ever again.

## **CONCLUSION**

78. What I would like the Inquiry to understand is what it is like to run a post office and shop in a small rural community. You are not just business person, you are central to the community, who rely on you for vital services.

79. There is also a status and standing in running a post office in a community like ours. You are relied up and you are trusted.
80. Closing the post office and shop not only hurt me, but it hurt our whole community. Many local people have no understanding of why I was forced to close the post office. They have no idea of the stress I faced, the threats I received from Post Office Ltd or the finial losses I suffered. However, some in the community are still angry and resentful of me.
81. I hope that this Inquiry will help people in my community to understand the difficulties that I experienced and that it was not my wish to close the post office and shop, but it was a decision forced upon me.
82. I could either continue to pay the continuing shortfalls to the Post Office and lose my home, or close the post office and shop.
83. My reputation, and by extension the reputation of my family was damaged in our community of Newtownabbey. My reputation and the reputation of my family is more important that money to me. I want my reputation back.
84. I would like to see the people responsible held accountable for what they have done to me and my family. Justice has to be served.
85. I resent having to cash in my pension to pay for debts caused by Post Office Ltd.
86. What hurts the most is seeing friends of ours, going on holidays or buying holiday homes. When I was forced to cash in my pension, I would see my friends going on holiday but we could not afford to make ends meet. Now, those same people are talking about retirement, and I face a long time more of working to support myself and my family because I have to work.
87. Post Office Limited has cost me good years from my life. I cannot get those back.

**STATEMENT OF TRUTH**

I believe that the facts stated in this Witness Statement are true.

Signed... **GRO** ..... Dated... *12/4/22* .....

**Heather Earley**