

Witness Name: Mr Gareth Etheridge
Statement No.: WITN0322_01
Exhibits: None
Dated: 14.03.22

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR GARETH ETHERIDGE

I, MR GARETH ETHERIDGE 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. My wife, Tracey, and I have been courting since we were 12 years old, we have lived all our lives together. I am now 60 years old. Tracey is 61 years old.
3. We lived in Merthyr Tydfil all our lives and lived on the Gurnos Estate for 23 years, until 1984. We decided to purchase the local Post office on the Gurnos Estate in 2008. My wife and I married in 1981 and lived on the Gurnos Estate with our children for 3 years. We then decided to move from the Gurnos Estate to Dowlais which is around a mile away, we still had close ties to the Gurnos due to my mother’s wife living there

and still lives there to this present day. We looked at moving homes four/five years ago because of the troubles we were having from customers of the Gurnos Post Office, however, the situation that the Post Office put us in meant that we could not get a mortgage because the Post Office had taken out a charging order on our home. We wanted to move out of the area but it was not to be so we have stayed where we are.

4. Tracey and I have three girls, all of whom at one time worked at the post office. My eldest daughter Danielle carried on with the training when my wife lost her father. Tracey had three days training and Danielle had two days training at a post office situated in Cardiff. The training consisted of more selling of Post Office Ltd products than the Horizon system and how the system worked.
5. My two other daughters also worked at the Gurnos Post Office during the time between August 2008 and June 2011. All staff were trained in-house by my wife, daughter and myself.
6. Tracey worked in retail from the age of 16. She was a deputy manager of number of shops and a key holder for The Body Shop and Dorothy Perkins. She had always worked with people and likes to have a chat and get to know the customers; she has always had jobs that she has been trusted in.
7. From 16 years old, I started an apprenticeship in engineering and I worked in the Coal and Steelwork industry. I now work in a local college looking after apprenticeships as an assessor for NVQ Level 3. I have worked all over the country in a number of engineering disciplines for a number of large companies. I have been entrusted with supervisory and management roles throughout my career.
8. During my time at the Gurnos Post Office, I was a manager of a waste treatment plant for hospital waste for every hospital in Wales, which was a very demanding position which would see me in work for 10 hours per day, then attending the post office after a full day's work, to help out.

9. Tracey and I were looking for something to do long term which would benefit both of us long term but also help my family. We knew the original subpostmaster at Gurnos Post Office. I spoke to her and she said that she was thinking of selling the post office as she had separated from her husband.
10. My wife and I sat down to speak about it on a number of occasions with our family. I persuaded my wife to purchase the post office as I could see a long term future for myself, my wife and our three daughters.
11. The plan was that I would stay in work at SRCL as an Engineering/Plant manager and help as much as I could with the post office on Saturday and in the evenings through the week. My wife would work Monday to Saturday and our daughters would also work in the post office when required.
12. We were hoping that we would work in the post office until retirement and that our daughters would take over running the post office; Tracey and I would then have a more managerial role whilst our daughters ran the post office. We thought this would benefit the whole family and we planned for our daughters to have an income out of the post office. I thought the post office would work well around our family life.
13. My wife, Tracey Etheridge, was subpostmistress of Gurnos Post Office, 19 Chestnut Way, Gurnos Estate, Merthyr Tydfil, Wales CF47 9SB from 28 August 2008 to 8 June 2011. I was heavily involved in running the post office alongside my wife.
14. At the time, I believed we were both subpostmasters of the Gurnos Post Office. We both had three interviews with Post Office Limited and they told us that both of us could have the post office. I had put the business plan for the post office together and Tracey and I were a team. We were never told by the Post Office that we could not both be postmasters. It had been explained that I would only be working part time in the beginning to see what monthly remuneration we would receive from Post Office Ltd. We were very lucky that I never gave my employment as a manager up for all the time we owned the post office.

15. All correspondence with Post Office was with me, there were a number of people that I contact in Post Office Ltd through emails due to shortfall and other problems. These were the South Wales manager, Colin Burnston, John Dixon and Debbie Mickleburgh, district managers, and trainers Troy Gardener, Rhodri Jones, Paul Jones and Gaynor.
16. When we had letters for repayments or losses, they would come from Alan Winn, Paul Kellett's and Linda Write. The money for the purchase of the post office was paid by me, so it did not make any sense to me when it came to an end when Post Office Ltd said I had nothing to do with the post office and that I should not be allowed behind the counter. This was said after I had training on the ATM by Paul Jones and all the correspondence were through me. I was told that I was down as employed by Gurnos Post Office during the final interview and all the times that my wife and I attended the main Post Office Ltd depot in Cardiff.
17. I believe that my wife signed a short three-page document on or around 29 August 2008. I was not sure what that document was, and I did not receive a copy of it. I am now aware that there is a detailed contract, we did not receive or sign a copy of this detailed contract.
18. Mr Burnston sent us the three page contract because I was in constant correspondence with him about the contract and wanted to see what was involved in the contract that my wife had signed. Post Office decided themselves who was the subpostmaster and never explained this situation to me or my wife.
19. On the day my wife signed the short document, I was there and Paul Jones from Post Office Ltd was with us, he said only one of us had to sign; we had to sign for money left. Paul Jones then took me to train me on the ATM as he had been instructed to do so by Post Office Ltd. I was involved in totalling monies at the end of day, daily, weekly and end of month balancing and the ATM. I employed staff, sorted out pay, tax, dockets Holidays, etc. I thought I was the part of the subpostmaster team.

20. The pay we received from Post Office Ltd went into a joint business account with my name in Nat West.
21. We operated a retail business from the premises selling greeting cards, toys, gloves, umbrellas, nick knacks, bags, drawings and other miscellaneous items. It was a profitable business, paying for two of the girls' wages. We employed three assistants in the post office, one of whom was our daughter Natalie. We tried to earn extra cash from the retail business and we spent £5,000 on setting it up. The profit from the retail business soon disappeared when Post Office Ltd started to deduct monies from our monthly remuneration and eventually, I was using my own wages from SRCL to pay staff, rent and utility bills.
22. Everything we had done was exactly following on from the previous subpostmistress; the paper trail was spot on for the ATM every week, you would fill in the paperwork for the amount of money that would be delivered, what you would put in the ATM every week and what was dispensed every week. It was simple arithmetic and on paper matched every week but the Horizon IT system it was never correct.
23. It was explained to me that I needed to put the information into the horizon system after 4.35 pm, I would take a printout from the ATM after 4.35 pm and then put the figures into the Horizon system, the outcome would be different every time because you knew what money had been put into the ATM and what was dispensed. I did not understand how Post Office Ltd could say the paper trail was wrong but that Horizon was correct.
24. The Horizon system would never balance. I would repeatedly tell the Post Office Ltd that it was not balancing, I have well over 200 emails explaining that we needed help and additional training but it fell on deaf years.
25. I would meet John Dixon, my area manager, on a regular basis to sit down and tell him the problems I was experiencing with the system and that there was money missing and the answer that I would receive would always be that was not his department and

it normally comes back after three months. On one occasion, he brought a pie chart with him saying how many staff should be working in the post office and how long they should be working, this was a complete waste of time. He was explaining that we needed five people on a Monday morning but we could not afford for five people to be working, he explained that you would need to have staff in for 15 minutes at a time on busy mornings and then send staff home in the afternoons when it would be quiet but also explaining that there had to be two people behind the counter at all time.

26. Danielle took over as a manager from the beginning, August 2008, with the three original staff who we kept on due to the experience that they had gained deputy manager had been employed for 12 years and the counter assistants 10 years and 3 years. There was some conflict between our daughter and the original staff. Rather than just having three staff, we had five in total, which gave extra financial pressure. However, my wife was not well enough to work which reduced the staffing levels to 4.
27. Danielle ran the post office for three/four months. I would attend the post office every day after work and I would answer calls from staff during the day with any problems that they had and contact the people who were required for assistance.
28. In 2008, I could see my daughter, Danielle, was getting more involved with the post office and doing a very good job of running the post office; she had young children so my wife looked after our grandson. I could see that Danielle enjoyed working at the post office and was more confident with the daily running of the office and end of day balancing. I would attend every evening to complete the ATM paperwork and fill the machine.
29. When my wife went back to the post office (following her father's death) we made one of the original staff redundant, we were unable to run the post office with 5 staff and myself (I never received any payment for the work that I did on a daily basis).
30. My wife returned to the post office from November – March. March was when we received a letter for the first shortfall. We received correspondence from the Post

Office that somebody must be taking money. This made me question my wife, staff and family. Danielle had enough of the conflicts and arguments and she handed in her notice due to the tension in the post office between the staff and myself. It all turned very sour.

31. In February 2010, I refused to rollover because we had had another loss and there was only 28 days in that month and we could rollover up to 31 days. I requested someone come out and carry out an audit immediately to find the missing money in the remaining days before the rollover. Post Office Ltd answer was to threaten us with a fined of £2,000 for not rolling over on the 28th Feb. However, I knew that we had up to 31 days to roll over. This was the only way I could get people to talk from Post Office.

TRAINING AND SUPPORT

32. I had training during my first week at the post office, I did not go to classroom training. I had hands on training for 30 minutes every evening to complete the transactions on the ATM with Paul Jones.
33. My training only covered the ATM and how to input the figures into the Horizon system for the ATM. It did not cover Horizon for daily transactions. I had 30 minutes of training every night for one week, so I had five hours with a Post Office trainer for the ATM. The ATM, in my opinion, is pretty basic; what goes in, what is dispensed and deduct one from the other.
34. I never received a password for Horizon and I always had to login as a guest because the only input that I had was for the ATM.
35. My wife received training in Cardiff, however, it was explained to the Post Office trainers in Cardiff that my daughter Danielle would be going in my wife's place as her father had passed away. There were things that we were coming across in the post office that we did not know what to do as we lacked training.

36. We requested training on a number of occasions and received half days of training when a trainer became available. These took place on or around 5 February 2009 for 1 hour; 4 March 2009 for 1 hour; 22 April 2009 for 4 hours (trainer found the shortfall while showing my wife and I the Horizon system) after a shortfall of £5,000 had arisen; 17 May 2009 for 1 hour; and 3 June 2009 for 1 day. When we tried to discuss the shortfall with the trainer the answer that we received was that it looked as if there was a problem with the ATM figures and that my wife had never been trained on the ATM.
37. All of the training was very poor and inadequate; the trainers did not seem to know the computer systems themselves. In fact, when the trainers came to our branch, they would tell us that they were not adequately trained themselves. This happened with every trainer we had. The trainers would not be able to do everything, they were trained on specific areas of the Horizon system.
38. If you had a problem, you would not get a trainer for a week, there was never something in place by the Post Office to send someone the next day.
39. The Post Office had specific personnel to carry out specific training. When they came across a problem that they could not answer they would have to involve another trainer who would have to come and show you how to deal with that issue later.
40. One trainer could not find the source of a loss of £5,000 and explained that it might have been one of the staff stealing or that a customer might have stolen it by using a coat hanger to take money out of the counter, to me this was farcical. Tracey and I do not think either of these things happened. This shortfall happened when the deputy manager, who had been there for years, left.
41. We requested training of some of my other assistants to my district managers, John Dixon and Debbie Mickleburgh, and the South Wales manager, Colin Burnston, over fifty times by email throughout my tenure, but this was never given.

42. In the end, Mr Dixon finished working at the Post Office and I was then dealing with Mr Burnston on a regular basis. Mr Burnston was an ignorant and nasty person, he had a bad attitude and he would shout and scream 'not my job', 'do as I tell you'; you cannot talk to people the way he was talking to us. Mr Burnston got worse as time went on. On one occasion I phoned him, he was swearing down the phone, blaming my wife and saying the problems with the Horizon system were not happening to anybody else, we were the only post office in the UK who were losing money.

HELPLINE

43. We estimate that we contacted the helpline 2-3 times per week in relation to alleged shortfalls and/or balancing and 2-3 times per month in relation to equipment or hardware errors. This level of contact stayed consistent throughout our tenure.
44. During August, September and October 2008, the post office was pretty consistent, we never had any major shortfall. In 2009 it was chaos. We never false accounted, I would explain what the Horizon system was telling us and what the print out would read, we would tell the helpline what the shortfalls were and that we wanted someone to come to our branch to find the shortfall or carry out an audit. We would settle the alleged shortfall by putting money in ourselves, but we would phone first to find out how to rectify the problem, every person that we spoke to had a different procedure to correct any shortfalls.
45. On one occasion, the helpline said to take money out of stamps and put in cash to rectify the shortfall, I was thinking that we cannot do that as we had not sold the stamps but she explained this was common practice to do this.
46. My biggest problem with the helpline was that it was so difficult to get them out to our branch to help us and we would be told that they would call us back in 24 hours, which never happened or they would explain the money will return into the system within 3 months.

47. We were advised by the helpline that all losses would return within three months and to create a ZZ account, even the Post Office trainers had never heard of ZZ account. The helpline advisors told us how to do create the ZZ account but not what it was.
48. The helpline advisors told us to carry out various processes on Horizon, which did not work, at which point the advisors would say that they had not given that advice each advisor had different advice for the same problems that you came across. Often different advisors would give different advice in respect of the same issues.
49. Within 24-48 hours after calling the helpline, money would be missing again.
50. On another occasion, when we had a £10,000 shortfall with the ATM, I spoke to a helpline advisor called Hilary. We had £10,000 in the safe for the Horizon system and I explained that we had the money for the shortfall in the safe but it was not the Bank of Irelands money for the ATM, it was counter money but our counter money had balanced correctly, so we have an additional £10,000 in the safe. I would not put the money from the safe in the Horizon system under the ATM until the Post Office guaranteed that the £10,000 shortfall would not come back. Hilary gave her word but in three days the shortfall was back.
51. Because of arguments with my family and wife, we put everything in a diary as a back-up; we wrote every time we spoke to the Post Office, helpline or about issues with machinery. I would look at the diary in evening when I arrived and work around the issues we had experienced during that day.
52. Every one of our staff was contacting the helpline and it was all going into the diary.
53. The helpline advisors would say that they would call you back within 24 hours of notifying them of an issue but they never would.
54. The Bank of Ireland would also give different advice to the helpline and would give the wrong audit trail information. I was ringing the Bank of Ireland constantly, 2-3 times a week, but they were even worse than helpline. They all passed the responsibility back and forth between Bank of Ireland and the helpline.

55. We feel that the supposed advice and support given by the helpline directly contributed to the losses we incurred. Losses doubled and whatever the helpline told us to do would not help, but actually would make things worse.
56. The helpline advisors were just reading the manual.
57. I was told constantly by helpline that it was only us having these problems.
58. Tracey would ring the helpline and they would say the shortfalls would be clear now and it would clear, however, I would come back and more money would be missing and then I would ring the helpline back and they would say they have already told me what to do.
59. When we attempted to rectify the alleged shortfall following helpline advice, the shortfall would duplicate.
60. If the shortfall did not change, I would then email Mr Burnston saying that we have followed advice but are still at a loss, I did this to keep a paper trail and because we did not know and understand what was happening and I did not trust Post Office Ltd.

SHORTFALLS

61. 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.
62. I would estimate that throughout our positions in the branch, we paid (or the Post Office deducted) in excess of £7,000 out of our monthly remuneration.
63. In 2009, I took a National Federation of Sub postmasters Union representative to Cardiff to see Colin Burnston and John Dixon in the main Post Office Ltd building in

Cardiff, we met in Colin Burnston's office to discuss the alleged shortfalls. Even the Union representative, Chris Lewis, said to me this is not the first time these things have happened with the Post Office.

64. From March 2009 until 2011, after I went to Mr Burnston with a Union representative, Mr Burnston decided to take £240 out of our salary every month until we finished paying for shortfalls. The Post Office said they would keep deducting until we paid back all the shortfalls, which we could never do as it was shortfall upon shortfall nearly every month; the debt just kept accumulating.
65. During the 2010 Christmas period, a lot more money went missing. The Post Office then increased the deductions per month to £540, these deductions lasted for three/four months. My family and I decided to close the post office until Post Office Ltd would come and discuss the missing money, they never came out to our post office. After closing the post office there were a number of angry customers that had contacted Post Office Ltd to see why the post office was closed. We had the police attend our home to ask us to open the post office back up due to the tension in the Gurnos Estate. The Post Office dropped the deductions back to £240 every month if we opened back up.
66. Small shortfalls of up to £100 arose almost every week. We would try to resolve them by calling the helpline but we were constantly given different advice by different people and were unable to resolve the shortfalls. Post Office would send a letter saying what we owed. I asked them for paper trail and they would send explanations that you would have to be a mathematician to understand. I would ask Post Office to explain the letters but they would not.
67. These shortfalls in excess of £100 include, but are not limited to, the following:
 - 14.04.09 - £500
 - 13.08.09 - £1,640
 - 14.08.09 - £2,350

18.08.09 - £930

01.03.10 - £9,002.80

30.04.10 - £11,298.23

12.03.10 - £620

16.06.10 - £4,270

04.10.10 - £4,370

13.08.10 - £10,895.47

01.07.10 - £2,006.05

01.04.11 - £3,650

68. This is a total of £51,532.55 and, to be clear, this does not represent the full extent of the shortfalls that were attributed to us.
69. We became aware of our supposed "contractual" obligation to make good any alleged losses after talking to the NFSP about our first shortfall, although we had not actually entered into the contract.
70. Money was taken straight from our wages, the only time we paid by cash was to put cash into the till if the alleged shortfall was under £100, we used my own personal wages and money from the retail business. I was using my wages to cover branch fees and I would pay staff from my own wages. The monthly remuneration for the post office was between £1,700 a month up to £2,300 on a good month, depending on what sales we had. After we paid the staff's salaries out of remuneration, Tracey's wage was only £600 per month after working 40-hour weeks, which was less than minimum wage of £3.46 per hour without us working overtime to balance. I would average 10.5 hours per week and receive no pay from the day we purchased the post office to the day Post Office Ltd took it of us.
71. We were not aware of any formal procedure for disputing alleged shortfalls. We did not know or suspect that our Horizon accounts could be accessed remotely without our knowledge or approval. Although we did not have to settle these losses immediately, the Post Office regularly deducted sums from our remuneration.

72. The deductions varied over time and are subject to disagreement but, by way of example, we received the following demands:
- i. A letter of 06.04.09 stated that deductions of £245.95 immediately and sums of £245 a further two times would be made to cover shortfall losses. However, this just carried on as we incurred more losses.
 - ii. A letter of 13.07.09 stated that deductions of £536.78 and a further £536 for eight months would be made. I could not afford this and shut the post office down after paying £536.78.
 - iii. A letter of 07.02.11 stated that deductions of £344 and £344.53 would be made.
 - iv. A letter of 11.03.11 stated that deductions of £412.47 and £500 seventeen further times would be made. This never materialised because we shut down the post office, I may have paid this figure one or two times.
73. My wife's tenure (and my position) ended in June 2011 so not all of the deductions set out in the last letter were made. However, my recollection is that a deduction of some sort was made in every month of our appointment following the letter of 06.04.09.
74. We were given no option. Post Office took money out straight away every month and we could not do anything about it.

AUDIT AND INVESTIGATION

75. An audit took place in or around March 2009. My wife had requested one because we were down by approximately £500-£700. The audit found a shortfall of about £200, which was deducted from the monthly remuneration.

76. There were a lot of factors that would cause problems. We were always told to do a roll over at 4.30 pm, look at the information at 5.30 pm and in a matter of 24 hours the shortfall reduced. The Post Office said the shortfall amounts were due to the time we did the roll over and that we had to wait until 4.30pm, but they would not explain why the timing made a difference; all the figures did not change so it did not make sense why the time you print out the balance would make a difference to the shortfall amount if no one had taken any money out or if you had balanced the monies, once the figures were put in to the Horizon system anything else that would have been dispensed would have gone onto the next day's totals.
77. We requested several audits during our appointment because of shortfalls, but the only other audit that took place occurred on or around 2 December 2010. In the run up to this audit there had been a shortfall of approximately £10,000.
78. We spoke to Hilary (a Post Office helpline advisor), about the £10,000 shortfall which came from the ATM. She told us that if we added up the money and stick it in Horizon then she would guarantee that the Post Office would take the shortfall off. We put this amount into the till to balance the system but the shortfall came back in three days for no apparent reason.
79. We would not be able to get through to same person, the helpline said 'you are doing something wrong' and we said that we needed someone to come to our branch. If Post Office could not answer our question, it was our fault, this put something in the back of mind of 'are we really doing something wrong'. I would question my wife and she would say check the figures. If you put a figure in the system three times, you would get three different outcomes, it was never the same.
80. My wife and I had been in touch with Mr Burnston of the Post Office for a long period of time about the shortfalls and our requests for an audit. Eventually, we were so concerned about the situation that we closed the post office until an audit was carried out, and placed a sign on the window saying that any customers who were unhappy with the closure should contact Mr Burnston; I did this out of frustration as we would have queues of hundreds of people waiting and either myself or my wife were getting

the blame, my wife and I were well known in the area and our relationship with the community changed, people would look at us and would say “they are the people that closed the post office and stole money from the post office”.

81. Mr Burnston had a hundred calls within an hour, the police got involved and said that we could not do this and asked us to reopen the post office. The Post Office told us that this was a breach of our contract and said we should not shut unless we told them. I had emailed Mr Burnston on Friday, explaining our intentions but had no reply. The Post Office finally agreed to carry out the audit.
82. We had been given notice of this audit because we had requested it. Two auditors were present. They eventually left at approximately 2.00pm. The auditors seemed to be fair people, there was one auditor for the ATM and one auditor for the Horizon system. I was told that Post Office could not have one auditor who covered both ATM and Horizon because they had not been trained to carry out both.
83. The audit found a shortfall of £549.44, which was added to the sum of £9,680.74 that the Post Office said was already owing, leaving a total debt at this time of £10,230.18. We continued to pay this amount off in instalments. We were provided with a copy of the auditor's report.
84. I believe that one more audit took place and found a shortfall, but I cannot recall the date of this audit or the shortfall amount.
85. An audit took place at the end of our appointment, and I believe that the civil proceedings brought against my wife, following our resignation, relate to the total amount the Post Office found to be outstanding.
86. I have not seen a report relating to the final audit or any records disclosing the results of the Post Office's defunding of the branch, and this was not submitted to Second Sight either. We filled a load of paperwork for Second Sight and the Second Sight investigator said the Post Office have no proof of the alleged shortfalls, I told the

investigator that we are still paying and he said I do not know where the Post Office are getting the figures from.

SUSPENSION AND TERMINATION

87. Although significant shortfalls had arisen, we were paying back a considerable sum per month. The Post Office was also the second biggest in Merthyr Tydfil and whenever it had been closed, e.g., for an audit, people would become very angry and contact the Post Office about it.
88. My wife was never suspended. The Post Office would never want to close our post office and it was never mentioned our post office would be closed because it was so busy, Post Office Ltd only mentioned that they would deduct our wages.
89. My wife's appointment as subpostmistress ended when the Post Office transferred the branch to Cool Foods, an off-site purchaser. We did not know about this and did not care less; Post Office must have been negotiating behind our back.
90. We had advertised the post office for sale; a local councillor, GRO was willing to pay the full asking price of £100,000 and I thought it would be sorted within next 3 months. We did not think there would be a problem with the sale. However, Post Office Ltd stopped his process and passed the post office branch over to a local business, Cool Foods. We were not consulted about this. We were told by a customer in Cool Foods that the owner was having a post office put in.
91. If it were not for the Post Office's conduct in relation to the shortfalls, we would not have resigned. If we had no shortfalls, I think we would still have been at the post office now and have a comfortable and lovely lifestyle.
92. We resigned because Mr Burnston told us that we would have to give three months' notice of our resignation in order to sell the post office to GRO and that our resignation would not be accepted unless an acceptable buyer had been found. I

understand that **GRO** business plan was accepted and that he passed the first interview, but failed his second interview. The Post Office did not give any reason for why **GRO** failed.

93. We contacted Mr Burnston to withdraw our resignation, because he had explained that we could do so if we had not found a buyer, and we were told that this was not possible. Tracey and I were forced to resign. Within weeks the post office was relocated to Cool Foods. I thought this was unusual because it took me and my wife almost 12 months to purchase the post office, whereas the transfer to Cool Foods seemed to take a matter of weeks.
94. We received no pay when the business moved to Cool Foods. We were told by Post Office Ltd that we could no longer run our post office.

CIVIL AND CRIMINAL PROCEEDINGS

95. The Post Office pursued civil proceedings against my wife for the recovery of the alleged shortfalls. After Post Office Ltd took us to court in 2011, they obtained a judgment against my wife for the total sum of £11,209.81, in respect of which we paid £30.94 per month up until the final judgement in the Group Litigation in 2019. We paid a total of £9,930 from 2009 to 2020. Proceedings had been issued for the sum of £10,458.36 initially.
96. Post Office Ltd obtained a final charging order in respect of this sum plus costs of £264 and further interest on 29 June 2012 and have a restriction on our property securing the outstanding debt.
97. I largely handled the proceedings on my wife's behalf because she was so unwell due to her mental health. The losses were like a red flag, I was panicking every day and Post Office Ltd put it in my head that someone was taking money, I started looking at my family. The suspicion was playing tricks on mind, my wife and I went through a hell of time.

98. My wife was off work due to her mental health so I contacted Post Office; we tried to claim sickness pay for my wife through the post office and we put a number of sick notes in, however, the Post Office refused to pay. Tracey was off work for six weeks with no pay. This added to my stress and worsened my mental health as there was financial pressure and additional hours for me to work at the post office.
99. I got in touch with Mr Burnston again, he said the best option was to get another subpostmaster whilst Tracey was off sick. However, we would have to pay them and the postmaster would get a monthly pay and £1,000 out of my own money which we could not afford.

LOSSES

100. We repaid not less than £7,000 during our appointment. We were led to believe that we had no alternative but to pay the shortfalls.
101. We lost the value of the business (post office and retail shop). We paid £45,000 for the purchase of the Post Office business and £5,000 for the purchase of stock. We paid £25,000 for renovation/fit out at the branch.
102. When the post office was transferred to an off-site purchaser, rather than retained within the premises which we had a lease of, the value of our investment was significantly reduced. The post office was valued at £100,000 at the time of our resignation.
103. If it were not for the events that occurred, our future plans were for our family to still be in employment when we were coming to retirement age. When we took over, the previous subpostmaster was earning £54,000 per year so I know the branch had good earning potential. When we took over, the income dropped to around £36,000 per year gross, and as a result of the constant shortfalls we were taking home an average of £600 per month net.

104. I did not hold a full-time position within the branch but I expected my wife to continue to run it for further 15 to 17 years. I was employed in an alternative full-time position throughout the time during which my wife was subpostmistress.
105. Having a judgment entered against my wife on our house, and entering into an IVA, caused considerable distress and reputational damage for the two of us. People would treat us differently and would approach us in public and accuse us of stealing money from the Post Office. Some of them were friends, the majority were people we were dealing with daily in the post office. We could not go to town without someone saying something, people made comments on little things like the food we bought.
106. I entered into an IVA as a result of the shortfalls because the only way out of debt was through an IVA. I had never ever done anything like that before. The IVA was managed by Pay Plan for a total amount of £53,000. This came to an end approximately two years ago. The creditors were mainly NatWest, Barclays and RBS with whom we had credit cards and business overdrafts in my name.
107. The debts were incurred mainly to pay staff wages and keep the shop afloat. I had to borrow money off my family. We currently have low credit ratings meaning that we are unable to obtain a mortgage.
108. We used approximately £10,000 of our savings to keep the shop afloat. We are paying £30 per month towards the judgment debt, but we think this is only the interest because the sum does not seem to be lowering. During our appointment, my wife had a nervous breakdown as a result of Post Office's conduct and I promoted one of the assistants, Lindsey, to branch manager in her absence.
109. During this time a shortfall of approximately £3,600 arose. Lindsey said she was aware of this and had been hiding the shortfall but had not stolen the money. The Post Office said that theft was the only explanation and we put this to the manager. Lindsey

offered to pay the money back but the Post Office then took the branch back and she claimed to have been unfairly dismissed.

110. The case went to the Employment Tribunal and we had to pay £2,000 damages and £1,700 legal costs. Lindsey was a very close friend at the time, but we have not spoken since. Lindsey was the same age as my daughter and was brought up with her in school; we were close friends with her parents but none of us talk now.
111. We were still in the post office at this time. Lindsey walked out and did not come back because she was being accused of taking money she had not taken. My wife was not working at the time as she was unwell. I had spoken to Lindsey and she said that she would take a loan out and put the money back on Wednesday. However, on Thursday we went to the police about money missing, the police took a statement from myself and Lindsey, they said because the missing money was to do with the crown they could not do anything about it. Following this, Lindsey claimed unfair dismissal.
112. When we resigned from the branch, we could no longer afford to pay the rent on the premises because the retail side of the business made very little money. We had no choice but to stop paying the rent and the landlord, Merthyr Valley Homes, took me to court.
113. A judgment was made against me for approximately £1,100, in respect of which we have been paying £49.50 per month with four or five months remaining. As with the civil proceedings brought by the Post Office, I largely handled the Employment Tribunal and the proceedings relating to the unpaid rent by myself because my wife was so unwell. Without the post office it was pointless keeping the retail business so I stopped the shop and I stopped paying rent. I had argued that as soon as I moved out and told the landlord I could not afford the rent they moved somebody in, but a judgment was still made against me.

HUMAN IMPACT

114. There were initially no issues with the post office, until Christmas when a £700 shortfall occurred. Both the area manager, Colin Burnston, and the dedicated helpline were incredibly dismissive when we asked for help, and insisted that we “rollover” the balance.
115. In March 2009, the frequency and intensity of the alleged shortfalls began to increase, becoming £5,000 to £10,000 per week. When we raised the issues with the helpline again, they became accusatory and stated that someone must have been stealing money.
116. I estimate that we had to pay £150,000 of our own funds in order to cover the purchase price, refurbishment, IVA, wages and court costs and alleged shortfalls at the threat of legal action if we did not comply with the Post Office’s demands to pay.
117. I had kept my job with with a waste management company, but I played an increasing role at the post office as the alleged shortfalls and other issues with Horizon took a toll on my wife. My wife’s health seriously deteriorated during this period.
118. The alleged shortfalls had a huge impact on my wife’s health. She was unable to cope with stress and anxiety caused by her experience.
119. The post office has always been a business of its own, in its own premises. So, when it was put it into Cool Foods it did not go down well with the customers. I can understand the community’s frustration when the post office left as it was the only place, they could get money and now they had to travel to get to the nearest post office.
120. We did not take part in mediation in 2013, but were both party to the group litigation against Post Office Ltd. As a result, we are excluded from the Historic Shortfall Scheme.

121. People started going to the post office in Dowlais village, where we live, and they would bump into my wife, this would put Tracey back mentally weeks. The abuse my wife has had has been horrendous and life threatening.
122. My abuse was more of a joke, for example, if I got new car or went on holiday people would say that it is from the money I stole. On one occasion, a boy came in with knife threatening my staff, he put a fire in the waste paper bin and put it on the counter, the police would not come in. There was only one entrance to the post office, there should have been a back entrance but there was not, there should have been two means of egress for Health & Safety reasons.
123. My way of thinking was that people/staff were taking money from our post office because Post Office Ltd kept saying that someone has taken money. When Tracey took an overdose, my suspicion went from my wife and went onto someone else. The Post Office claimed the shortfalls were never Horizon's fault and were always human error or theft.
124. The consequences of having to pay the alleged shortfalls were that we were not receiving enough money to pay our staff, our utility bills and the rent for the premises. This money then had to be taken from my savings and my wages from my full-time employment.
125. We lost all the savings we had saved for years. We even spent £25,000 on renovating the post office. The standard of Post Office Limited required for a counter was that it had to be a fortress counter and I had to pay £12,000 on a glass fortress counter from one of Post Office's suppliers. I could have had the counter for £7,000 but the Post Office had a list of who we could buy from.
126. I had to assume more responsibility in the Post Office after a harrowing experience where Tracey overdosed on prescription medication and was rushed to hospital on a Friday evening.

127. On that Friday, we were short on money again; it built up and built up and Tracey could not cope. When I came home, I did not realize and I thought Tracey was sleeping on the couch but she did not wake up and start talking. I noticed the tablet boxes and I tried to wake Tracey but she was floppy, we spoke and I called 999 and my youngest daughter. The ambulance arrived at the bottom of the street and the paramedics took Tracey in straight away.
128. My daughter took my wife in to the hospital as Tracey did not want me to go in with her. Tracey had her stomach pumped and she was taken to a psychiatrist where the blame was firmly put on the post office and my behaviour because of so much money missing.
129. I felt awful. My wife and I have been together for as long as I can remember and to be told my behaviour caused her overdose felt terrible. It was my behaviour because I was trying to find missing money and I would be at work at 6 am and then I went to the post office and I would be there until 10pm on occasions when money was missing. It took a toll on me and the only way for me to get rid of my anxiety and temper was to take it out on others.
130. The hospital wanted to keep my wife in but I did not want them to, I wanted to be with her, this was all my fault. In late 2010, my family was starting to split. Tracey was very very unwell, she tried to go back to the post office but she would breakdown, we had no one else to run the post office by this time.
131. My wife has been ill since 2010. It is now 2022 and she is still not right; she suffers terrible anxiety attacks and her nerves are terrible. Tracey is on a number of different tablets for her condition and has been on these tablets since we started to have shortfalls. She still breaks down and if she sees anything to do with the Post Office, it sets her off crying. I cannot understand her internal pain, I cannot see her mental health issues and I cannot relate to them or understand them. This has put more strain on my daughters as they come to see her more and more due to the deterioration of her health. Tracey does not go out of the house. She spends more time in bed than downstairs.

132. All my children worked at the post office and everyone was accused of taking money by me. The stress on the family was enormous. We had local people calling us thieves and stones thrown at the windows. This was a scary experience; we were sat in the front room and could see people running down the street shouting 'thieves'.
133. The post office was taken from my wife and I but also from my family. The post office was purchased to be an income for my whole family, instead it nearly ruined me and all my family.
134. My whole family have been devastated by the false accusations made by Post Office Ltd.
135. My wife has still not recovered from the stress and anxiety caused by the accusations and has not been able to work since this has occurred.
136. My wife would not leave the house after returning from the judge's chambers when Post Office Limited's solicitor won the case and took the injunction out on the house. We have been unable to sell the property to move to another area.
137. How my wife and I are still together is a miracle, we argued constantly about money missing and who had taken the money. We dismissed staff and family; we did not speak to our eldest daughter for over 12 months after she left the post office because of the reoccurring problems of money missing. At that time, only my wife and two daughters were involved in working at the post office. I was lining them up wondering who took the money as I had not been there all day. We were constantly told by the Post Office that we were only ones having shortfalls and that no one else having trouble with ATM or machinery. It took time to fix our relationships.
138. My daughter still blames me for buying the post office and all problems with the Etheridge family. We are a hot-headed family and we get on better now, but it has taken

us a long time to get back to how we were before the purchase of the post office.

139. The Gurnos was the second largest post office in Merthyr Tydfil and we would have hundreds of customers per day. It is a close community and they thought that we had closed the post office because we had stolen money. We knew everybody there and my mother-in-law still lives there. That was a big part of the reason why we wanted the Gurnos post office, as we knew everybody and we thought that we would not have problems. The Gurnos is its own little town and the post office was the main source of income in the area.

CONCLUSION

140. I do not think our family would be as we are now if I had not purchased the post office. We were a close-knit family but we are not anymore. If I see my eldest daughter once a week that is a lot, I see my middle daughter about once a month. I see my youngest daughter twice a week. She and my wife became close as she was there when my wife overdosed, and went in the ambulance with her to the hospital.

141. If I had not spent what I had on the post office, I would have retired now but I now will work until I am 67 years old, I am also still paying the mortgage due to purchasing the post office and borrowing money to get back on our feet. If I had not purchased the post office I would not be paying a mortgage now.

142. My wife and I still have bad days, we argue and talk about the post office.

143. For what Post Office Ltd have done to us and what we have received, it is atrocious and diabolical for the pain and suffering we have gone through.

144. If I mention Post Office Ltd to my wife or if she sees it on the TV all the bad memories flood back, we do not like talking about it but I try to keep up with what is happening.

145. I know Post Office Ltd have done wrong and lied, what they have done to my wife, family and myself was not worth it. They have ruined us and impacted on my wife's health. We did not expect to have experiences this in our lifetime.
146. I would like to see someone from the Post Office from directors to area managers take responsibility for what they have done to all these people.
147. The money I have spent and lost I would like back for myself and my wife. My wife has not worked since 2011 due to ill health and will not work for the rest of her life due to Post Office Ltd and I do not want to be working until I am 67 years old.
148. I want someone to be taken to court like I was, and to be made to feel as little as we were made to feel, at least the top people should be taken to court.
149. The biggest thing for us is what the 555 have paid for legal costs to take on the Post Office, it would be nice to have something back that would make us feel like we could pay our house off.

STATEMENT OF TRUTH

I believe the contents of this statement to be true.

Signed **GRO** Dated 14.03.22
Gareth