

Witness Name: Mr Kanagasundaram Prince
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Exhibits: None
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THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR KANAGASUNDARAM PRINCE

I, MR KANAGASUNDARAM PRINCE 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 was a subpostmaster of Tovil Post Office in Tovil, Maidstone between October 2005 and July 2011. I ran a small retail business within the branch.
3. Before becoming a subpostmaster, I worked as a financial accountant for 8 years with the charity, Action Aid, and five years as the Group Finance Director for Spemco Group, an electrical equipment and component manufacturer in Rochester.

4. I was made redundant from Spemco in 2005.
5. I found it extremely difficult to find alternative employment after being made redundant. Particularly given that I was aged 53 at the time.
6. I therefore decided that I would buy the freehold of Tovil post office in October 2005. I bought the post office and the freehold for approximately, £285,000.
7. I ran the branch with my assistant, Sandy Houghton. A long-standing friend of over 20 years. Sandy had been working with the previous subpostmaster and stayed on in the role when I took over.
8. I was very excited with my new business venture and was keen to expand into other services that the post office did not at that time offer.
9. I intended to run the business until my retirement.

TRAINING AND SUPPORT

10. I received two weeks classroom training course in Croydon prior to the commencement of my position.
11. I found the training on the Horizon system to be very basic and completely inadequate.
12. The training did not reflect any real-life scenarios, such as how to carry out month end balancing. I do not feel that the training adequately prepared me to use the Horizon system.

13. There was no on-site training and I had to pick it up as I went along. I received no further training.
14. The previous subpostmaster was kind enough to stay on with me for the first couple of days to assist me with the retail shop and guide me through certain post office transactions.

HELPLINE

15. Prior to the introduction of the Horizon online system in 2010 I did not really experience any problems, so did not have to call the helpline often.
16. However, after Horizon was introduced, I would contact the helpline approximately once a month concerning the regular shortfalls.
17. I was told by the advisors on the helpline not to worry as the shortage would balance itself at the end of the training period.
18. A few weeks later when the shortage increased and did not balance at the end of the trading period, I was told by the helpline that I should put the cash in as I was responsible for making good any cash shortage.
19. It was made clear to me that the shortfall was nothing to do with the Post Office and that I was liable for shortfalls.

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 did not experience any major issues until the introduction of Horizon Online in December 2010. It was after this that I began experiencing shortfalls which could not be explained.
22. I recorded the daily cash shortfalls showing on the Horizon system in my post office diary. I was always very sure of keeping a written record of this.
23. On the 17 December 2010 the Horizon system showed a cash shortfall of £2,400. I checked and re-checked the cash and the transaction log but was not able to work out how this had happened.
24. After running the branch for 5 years, a shortfall of this amount particularly stood out to me.
25. I rang the helpline on 17 December 2010 to advise them of the cash shortfall. I was told by the advisors that it would balance at the next trading period. The advisor was completely uninterested in getting to the cause of the problem. At the end of the next trading period the shortage increased to £5,450.
26. On the 5 January 2011, I rang helpline again to discuss the shortfalls and to hopefully identify the issue that caused them.
27. The advisor again was particularly unhelpful, and after explaining what had happened, she stated that the shortfall had nothing to do with the Horizon system or the Post Office.
28. I was also told by the advisor that I was the only subpostmaster who was experiencing shortfalls and I should "put the cash in".

29. I could not understand how the shortages had happened and was increasingly concerned, as I did not have the cash to make up the shortfall. I contacted my brother, also a subpostmaster, who had been experiencing the same problems. He advised me to find the cash otherwise, the Post Office could close the branch.
30. By the 5 July 2011 a Post Office auditor audited the branch and the shortfall had reached £43,726.85.
31. I was not present during the audit. The post office was immediately closed and I was suspended.

AUDIT AND INVESTIGATION

32. Prior to the migration to Horizon Online in December 2010, a Post Office Ltd auditor, Dave Young carried out an audit at my branch. This was required before Horizon when live.
33. No cash shortfalls were found, and everything was in order.
34. On 5 July 2011 the same Post Office auditor found an alleged shortfall of £43,726.85 cash. I was not present at the branch during the audit.
35. I was at a complete loss to understand how this could have happened and it just did not make any logical sense.
36. Every Friday I had to send cash back to the Post Office, as per the cash position at the end of every Wednesday. I had sent my surplus cash as required on the Friday before the audit, which was on a Tuesday.
37. My branch was a small branch. It would have been near impossible for a cash intake of over £43,000 to occur between the Friday and Tuesday. It was obvious to me it had to be a computer error. Never would I have that amount of cash in the branch.

38. Following the audit on the 5 July 2011, three men from the Post Office security team came to my home, along with the auditor, Paul Johnson. They arrived at approximately 2pm on the 5 July 2011.
39. I would like to point out that this was a particularly low point in my life. The stress of the shortfalls and worrying about finding the money to repay them had made me turn to alcohol. I was under the influence at the time the Post Office searched my home so only have a vague recollection.
40. The Post Office removed all my bank statements and other related documents. The documents were returned to me two months later but only after I had attended the Post Office interviews on the 20 September.2011. I have still not received back my post office diary, in which I had noted all the discrepancies.
41. I was at a loss to explain how the shortfall had occurred and I was not shown any documents by the auditor. I was adamant that there must have been a fault with the Horizon system.
42. The Post Office refused to accept that there could be an error in their computer system which had caused the shortfalls.

SUSPENSION AND TERMINATION

43. I was suspended on 5 July 2011 and the branch was closed for approximately one month and a temporary subpostmaster was appointed.
44. On the 6 July 2011 I was notified in writing by Post Office Agent Contract manager, Carol Balan that I had been suspended. The letter stated:

"This suspension is made under section 19, paragraph 4 of your Subpostmaster Contract. It does not mean that your contract has been terminated"

45. I was denied access to the branch and my keys were kept by the auditors. Since then, I have not seen my Post Office diary, in which I logged all the instances of the shortfalls.
46. I was being advised at the time by Nippy Singh, Chairman of the Postmasters and Agents of the Communications Workers Union. I met with him shortly after my suspension and explained the issue with the shortfalls and that it could not be explained and that I believed it was an error with the Horizon system.
47. Mr Singh refused to even consider the system was at fault. He told me that if I wanted his help, I would have to stop blaming the system and take responsibility. He warned me that I was in a lot of trouble. He also told me that I had to find a way to pay the Post Office back.
48. I received a further letter from Carol Balan, the Post Office Contract Manager on the 12 July 2010 again setting out the shortfall amount of £43,726.85. The letter said that the Post Office were considering terminating my contract and I was called for an interview. I was advised by Mr Nippy, my union representative not to attend the interview.
49. Mr Singh subsequently spoke to Carol Balan on my behalf. I was told by Mr Nippy that if I resigned and paid the shortfall, I would not face prosecution.
50. Fearing that I would be charged with theft and or fraud, I resigned on the 20 July 2011. I cited 'personal reasons' for my decision.

51. However, in early August 2011 at approximately 7:45am, Jon Longman, a Post Office Interviewing Officer came to my home unannounced demanding to speak to me. Mr Longman was very rude and abrupt. I explained that my Union representative and the Post Office Contract Manager were dealing with the case.
52. Mr Longman demanded that I attend an interview which subsequently took place on the 20 September 2011
53. I spoke to my union representative, Mr Nippy, before the interview and told him that I was going to explain that I had logged at the shortfalls, I had contacted the helpline to make the Post Office aware of them and that I had done nothing wrong.
54. However, Mr Nippy advised me against blaming the system and to simply say the missing cash had been in the post office prior to the audit and that I could not explain its disappearance.
55. I trusted Mr Nippy as he was my Union representative. I thought he had my best interest at heart.
56. During the interview I was accused of being at home drunk instead of serving at the post office. My character was attacked. It was a very personal attack that I felt was unfair and unwarranted.
57. I did not blame the errors on the Horizon system and instead went along with Mr Nippy's advice that the money had been in the post office. The Post Office took this as an admission. I was cautioned and told I was liable to be prosecuted.
58. The interview was heavy handed, and I was not allowed to give my version of events. I made the Post Office aware that I was in £50,000 debt owing the credit cards. If I had taken the money, would I not have used it to pay this off?

59. There was no evidence that I had deposited such a large amount of money anywhere. All my personal records were taken from the house. This could have easily been checked.

CIVIL AND CRIMINAL PROCEEDINGS

60. The Post Office did not pursue civil proceedings against me for the recovery of the shortfalls.
61. The Post Office did pursue criminal proceedings against me. They charged me with fraud by false representation and theft. The Post Office said if I pleaded guilty to fraud by false representation, they would drop the theft charge.
62. On the 15 June 2012 I was sentenced to 12 months' imprisonment, suspended for 24 months. I was also ordered to do 200 hours of community service. I was placed on a curfew between 8pm and 7am. I was also placed on a 6-month alcohol treatment programme.
63. I was also ordered to pay a confiscation penalty of £44,000.

LOSSES

64. I was led to believe that I had no alternative but to pay the shortfalls and I believed that a thorough and fair investigation had determined that payment was due.
65. I paid the sum of £43,528.32 confiscation penalty upon my conviction and I wish to claim it back. I was only able to pay the amount with the help of family members, who themselves became in debt to lend this to me.

66. I lost the value of the business, estimated to be approximately £300,000. I could not find a buyer and eventually found a tenant, who would only pay lower than the going. I believe due to the stigma.
67. In 2012 after my conviction, I did find a buyer for the post office. Once the buyer notified the Post Office of his intention, Caroline Hoare, the person responsible for branch transfers at the time, met with the buyer in a Harvester Pub and told him about my situation. The buyer then pulled out. Yet a further example of how the Post Office went out of their way to discredit me.
68. My annual salary was £43,789.95 at the time of my suspension. I intended to remain in the position until my retirement, which would have been 6 years later, making a loss of £262, 739 in earnings.
69. Following my suspension and conviction, it has been impossible for me to obtain any office-based work, which I am more than qualified to do. Instead, I am doing low paid, temporary work.

HUMAN IMPACT

70. I suffered serious problems with the Horizon system including shortfalls. I had to pay £43,500 of my own money.
71. I was privy to mediation in 2013 and received £51,000 in compensation. I was party to the group litigation against Post Office Ltd, as a result I am excluded from the Historic Shortfall Scheme.
72. It would be impossible to put into words how devastating the actions of Post office Ltd have been to my life.

73. I was prosecuted for fraud. I was at a complete loss to explain how my life had taken such a downward turn. I had never been in trouble in my life. I am hardworking and decent but ended up with a criminal record.
74. I sought help from the Post Office throughout the period where I was experiencing issues with the Horizon system. I was completely let down by Post Office Ltd. I was thrown under a bus by the cowards who would not admit to their mistakes.
75. I was also massively let down by members of the Union who did not act in my best interests.
76. I did everything right. I rang the telephone helpline, I noted down all the details of the shortfalls. I could not have done anything more.
77. I felt that the helpline and Post Office Ltd would not even consider that anything could be wrong with the Horizon system and refused to discuss the issues properly to resolve it.
78. It has now come to light that the Post Office were aware of the problems with the Horizon system all along.
79. I was basically interrogated by Post Office officials after my suspension. I was an innocent man under immense pressure. Their treatment towards me verged on inhumane.
80. I was accused of being drunk at home when they raided my house. I was being criticised when all along they were the ones in the wrong. This was a personal, vindictive attack.

81. I felt my home was violated. My personal possessions taken, including my diary, which has never been returned. I was pressured to confess to something I had nothing to do with.
82. I was diagnosed with depression after my suspension. I continue to struggle to this day and have problems trusting people.
83. The case was reported in the local papers. The village is a small community and people knew what had happened. My name and reputation were tarnished beyond repair.
84. I was branded a criminal, meaning it was extremely difficult to find alternative employment. My finances were destroyed. I had to borrow from my brother and sister to pay the Post Office. For a proud, hardworking man, this was very degrading.
85. After I was convicted, I attempted suicide on a day when my whole family was away. I was in a desperate state and could see no way out.
86. I was on the verge of hanging myself when the phone rang. I knew it was my wife and I decided to take the call knowing that it will be the last time I would speak to her.
87. After talking to her I changed my mind. To date she does not know that her call saved my life.
88. My whole family has suffered as a result of what the Post Office put me through.
89. I am now near retirement age and have not been able to find permanent employment.

90. I should have been living a happy comfortable life with my family. I should have been looking forward to a well-earned retirement. Thankfully, my family have stood by me, as have most of my friends as they know me, and they know the injustice I have faced.

CONCLUSION

91. The Post Office action against me ruined my life. I should have been running a successful business, providing well for my family, and enjoying life.
92. I have tried to express the consequences I suffered as a result of the Post Office's actions against me during my time as a subpostmaster, but it is difficult to fully portray the extent of the suffering I endured.
93. The Horizon system has been shown to be deeply flawed and that the Post Office knew.
94. I would like the full truth to come out. I want the world to know that I, and other ordinary hard working, decent people had their lives ruined by Post Office Ltd.
95. I would like it to be publicly shown that Post Office knew its Horizon computer system was completely flawed and unreliable, and that despite this the Post Office pursued subpostmasters and ruined their lives for money that never existed.
96. I am entitled to be properly compensated for the losses I have suffered as a result of Post Office Ltd, and I would like this sooner, rather than later.
97. The Post Office and the Department of Business who own it, have known for years that Horizon was a broken system. I believe that they knew, or should have known, when they were destroying my life and the lives of others that their Horizon System was unreliable.

98. I would like to be compensated for my financial losses but I would also like the life I should have had to be considered in this compensation. I was set up to have a comfortable retirement and the Post Office took this away from me.
99. I want to see the Post office publically held accountable for their actions and the harm they have cause me, my family, and so many others.

STATEMENT OF TRUTH

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

Signed **GRO** Dated 2/2/22
Kanagasundaram Prince