

**Witness Name: Ms Julie Carter**  
**Statement No: WITN0244\_01**  
**Exhibits: None**  
**Dated 10 January 2022**

## **THE POST OFFICE HORIZON IT INQUIRY**

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### **FIRST WITNESS STATEMENT OF MS JULIE CARTER**

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I, MS JULIE CARTER WILL STATE 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.
2. I have been married to my husband, **GRO** for 21 years. We live together in South Shields. **GRO** is my full time career as I suffer from severe MS.

#### **BACKGROUND PRIOR TO APPOINTMENT AS SPM AND DECISION TO BECOME A SPM**

3. Prior to becoming subpostmistress I ran a care home for the elderly. I was the manager for about 8 years.

4. My husband, **GRO** has been in business his whole life, he ran 4 newsagents one of which had a Post Office.
5. After we got married, **GRO** had just bought another shop and was in need of some extra help. As I was trained in management, it made sense for me to join the family business, so I left the care home and went to work with **GRO**
6. **GRO** and I had long terms plans for the business and would have liked to have bought more stores.
7. I started working in the branch as an assistant and then eventually, after about 1 ½ years, I became subpostmistress.
8. I was a Subpostmistress of 12 Dickens Avenue, Biddick Hall Estate, South Shields NE34 9SY from 2 March 2004 to 11 June 2009.
9. We also operated a newsagent and off licence from the premises and employed three part time assistants.

### **Training and Support**

10. Whilst I was not a subpostmistress initially, I did receive some training on Horizon when it was introduced. I attended a two-day course provided by the Post Office.
11. As I had been working in the post office for a few years, the Post Office retail network manager, Phil Allen, did not feel further Horizon training was necessary.
12. We also requested training on Horizon for all of our staff in the Post Office but this never went ahead.

## Helpline

13. I contacted the helpline 2-3 times per week.
14. I frequently rang the helpdesk to discuss my concerns regarding giros going missing at head office or the Girobank. However, I was just told that these things simply cannot happen and/or that the relevant person to discuss this matter with was not available.
15. Around November 2007 after the installation of the Bank of Ireland ATM (the provider Post Office Ltd contracted with to provide ATM services in their post offices), I contacted the helpline to request someone to come into the branch and look at the situation with the ATM as my shortfalls had escalated following the installation of the machine.
16. I also requested that someone call me back to go through the account with me. I was simply advised that the helpline would pass my query on and get the relevant person to contact me.
17. Three weeks later I had to contact the Helpline again, as no one had called me back or come out to the branch, and my problems were getting worse.
18. A man called John Wilson did finally come out, however after the training the branch was still having issues, so I called the helpline again to request Mr Wilson returned to the branch.
19. Mr Wilson did not however return to the branch, and I do not know whether my request was ever passed on by the Helpline.
20. The shortfalls kept arising and all the Helpline advised me to do was place this money into the suspense account until the shortfalls got so bad that I actually contacted the helpline to request an audit.

21. The person on the helpline said that this was an unusual request and that they had never had anyone request an audit before.
22. I contacted the Helpline numerous times to request that an auditor was sent to the office, each time I was advised that someone would come back to me and each time my request was ignored and no one had the courtesy to call me back as promised.
23. I also asked for transactional records for the ATM machine transactions, but these were never provided.
24. I once contacted the helpline to advise them that I had a shortfall of £5,000.00. I was advised to remove all the figures from the balance on Horizon and re-enter these.
25. When I logged back on in the morning, after following the advice provided by the helpline, my account was showing a £10,000.00 shortfall. I again contacted the helpdesk and they simply told me that the problem would sort itself out.

### **SHORTFALLS**

26. 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.
27. I would estimate that throughout my position in the branch, I paid or Post Office deducted in excess of £69,000.00.
28. I had a £5,000.00 shortfall that subsequently doubled to £10,000.00 after speaking to the helpline. I did not pay the Post Office straight away, as it was placed into the suspense account and most likely is included in the final shortfall figure.

29. On discovering the discrepancy, I contacted the helpline who told me to remove and re-enter the figures on horizon which appeared to double the shortfall and on contacting the helpline again, was simply told the problem would sort itself out.
30. I therefore transferred it to the suspense account. I tried to discuss the issue with my regional line manager, Phil Allen however, he said he would need to speak to someone else as his main duties related to promotions and sales.
31. On 21 May 2009 a shortfall amounting to £69,655.24 occurred, this was then corrected to around £57,000.00. I paid the Post Office for this shortfall in instalments.
32. After contacting the helpline on numerous occasions in relation to the issues with the ATM and shortfalls, I received a call from Post Office Limited requesting me to attend a meeting in Gateshead to discuss the shortfall.
33. I attended the meeting with my husband GRO
34. On entering the meeting I was advised that this was not a formal disciplinary meeting. I was shocked as I had constantly been crying out for help.
35. In the meeting, rather than discussing issues or ways we could investigate the problem, all the Post Office was concerned about was how I was going to repay the £36,000.00 back that was in the suspense account.
36. I was distraught and in shock.
37. After the meeting my husband and I spoke to Barclays bank and re-mortgaged £15,000 on the family home, and forwarded the cheque to the Post Office.
38. It was also agreed that I would repay £500.00 a month to the Post Office to pay back the supposed shortfalls.

39. The shortfalls however, kept escalating until they reached the amount stated above.
40. I have also paid various amounts in relation to missing Giro's.

#### **Audit and investigation**

41. Two auditors, one of whom was a trainee came to the branch on 21 May 2009 to complete the audit. On completing the audit, I was told there was a shortfall of £69,655.24.
42. I noted that the auditors had left out certain items in the audit and when I questioned this, the auditor said, "what is £50- £60 in comparison to £60,000".
43. The auditors made a few phone calls and passed the telephone to me. I spoke to the contracts manager who told me I was suspended with immediate effect and that I was required to leave the Post Office Immediately.
44. No reason was provided to me to explain why I had been suspended and no explanation was provided as to where the discrepancy/shortfall lay.
45. The Post Office also searched my home. I felt like this was a violation of my privacy.

#### **Suspension and Termination**

46. I was suspended on 21 May 2009 following the audit, because of the alleged shortfall. I went home in tears after this.
47. After I was suspended the area was secured and I was not allowed to enter the office again.

48. The Post Office recommended that we request the services of GRO (a temporary subpostmaster) to take over the running of the Post Office.
49. We did this and he took over and ran the post office for about 2 years.
50. On the Thursday, following my suspension two people from the Post Office Fraud team came to my home to interview me. Following the interview, I was advised that I may face prosecution.
51. The day after the interview, I received a call from the Area manager, Andy Carpenter whom I had never met before. He told me to go to Durham for a disciplinary meeting.
52. I explained my situation to the area manager and asked if the building had wheel chair access. He replied to me saying, "*do yourself a favour pet, resign because you are going to get sacked*". When I asked him what grounds I was going to be sacked, he stated for misrunning of the post office.
53. Following our discussion, I decided to resign. I forwarded my letter of resignation the following day, citing my deteriorating medical condition.
54. Due to the Post Office's demands for payment we had to sell the business for what I believe was a significant undervalue. I believe the business was worth around £200,000, but we ended up selling it for £125,000 due to the pressure from the Post Office.

### **Civil and Criminal Proceedings**

55. The Post Office did not pursue civil or criminal proceedings against me for the recovery of any alleged shortfalls. However, they did threaten me with prosecution and I feared they would take action against me.

56. Since being told I could be prosecuted I was never told that I wouldn't be and I have had this hanging over my head ever since, constantly worried that I may be prosecuted at any time.

### **HUMAN IMPACT**

57. I suffered serious problems with the Horizon system including many shortfalls, which I paid from my own funds. I reported these to the Post Office seeking assistance.
58. Instead, I was investigated and threatened with prosecution. I was told to resign. I was forced to sell the post office at a loss.
59. My husband and I re-mortgaged our home. My husband ran a news agent/convenience shop to repay the Post Office. Finally, we could not continue and were forced to sell our shop. We lost our home and went into social housing. I estimate that my losses were in the region of £250,000, not including lost salary and lost profits from our retail shop.
60. I participated in the mediation scheme but it was wound up before my case could be considered. I was party to the group litigation against Post Office Limited, as such I am excluded from the Historic Shortfall Scheme
61. The requirement to make good the shortfalls meant that I had large amounts of money being taken out of my salary every month.
62. We had to borrow and use credit cards to cover losses. We had to scrimp and scrape whatever we could.
63. Eventually we had to re-mortgage our house in order to be able to continue paying monies to the Post Office.



64. After my suspension, my husband **GRO** had to keep the shop running in order to be able to pay to Post Office. We were having to use profits from the retail side to repay the shortfalls which meant the shop was losing out.
65. We became unable to keep the business running, and with my health deteriorating rapidly. **GRO** needed to support and look after me because the pressure from the Post Office had escalated my illness so we ended up having to sell.
66. When we sold the business we had no choice but to sell it undervalue. We were left with about £15,000.00 to live on for the foreseeable future, with no prospect of either us finding alternative employment because my MS meant I could no longer work and **GRO** need to care for me.
67. We only just managed to avoid being declared bankrupt.
68. I was devastated when I was alleged to be responsible for the shortfalls.
69. I could not believe it, I always said that they were errors on Horizon and they would be found. Never did I think I would have to pay for them.
70. **GRO** and I were under immense stress. During this time **GRO** had a heart attack, that we believe was directly attributed to the stress the Post Office was putting him under.
71. Since I joined the Post Office the stress has caused my health to deteriorate so much that it has exacerbated my MS, and I cannot go anywhere without a wheelchair or motorised vehicle as I cannot control anything below my waist.
72. As a consequence of being held responsible for the shortfalls we ended up having to sell our home. We had to use all the money from the sale of our house to pay back the Post Office.

73. As my MS was deteriorating, GRO had been in the process of applying to the local council for affordable disability housing.
74. Luckily we managed to secure a bungalow, but quite frankly had it not have been for my deteriorating condition we would have become homeless.
75. Our good name was also tarnished as a result of the accusations. GRO had been in business for years and this damaged his reputation.
76. When the issues started to become public knowledge GRO had to pay for a large article the South Shields Gazette to inform the local community what had happened with the Post Office and state that it wasn't our fault.
77. I had the threat of prosecution looming over my head for years, living in fear that I could be prosecuted.
78. Whilst GRO carried on running the convenience side of the store, he could not bring himself to go into the shop. His family had been running businesses for over 30 years and he could not even walk into his own because of what the post office put us through.
79. Having kept the retail side running for 2 years after my suspension it came to a point where we just had to sell up. GRO would have been happy to keep going but it just was not worth the stress anymore.
80. My health was getting worse from the ongoing stress and GRO needed to look after me, so we just needed out.
81. Neither of us have been able to work since leaving the post office and GRO is now my full time career.

82. I was not convicted of any criminal offences and we were told this was because we were able to find a buyer quickly. We were told the Post Office were convinced that we had someone to take over the post office and pay them back.
83. The only thing the Post Office cared about was the money.
84. They did not care about their subpostmasters and the lives they were destroying along the way.
85. Whilst I was certain that I was not a thief, this put a tremendous strain on my marriage and made me a recluse.
86. I could not mix with friends or socialise with anyone because I felt that my name was tarnished in the community.
87. We kept our struggles to ourselves, which was damaged our relationship, as we had nowhere to blow off steam so we often ended up taking our frustrations out on each other.
88. I became depressed and anxious that I am still on antidepressants to this day, in fact I have to take 38 tablets a day.
89. My husband, **GRO** is a very strong willed person and not much can defeat him, but even this impacted and his mental health suffered as a result.
90. Our family were not really aware of the impact that this was having on us because we kept it to ourselves.
91. Family Christmas were a nightmare for us because we did not have the money to buy our grandchildren gifts and we couldn't bear to even face our family.

92. This was very hard on us and it has been a very hard pill to swallow having to walk away from your business after so many years.
93. I still struggle to come to terms with the fact that we were in business for so many years and through no fault of our own someone just ripped it out from under our feet.

### **CONCLUSION**

94. The Post Office destroyed our livelihood.
95. We now live in affordable housing and our standard of living has dropped dramatically.
96. We live in an accessible bungalow. It is the little luxuries in life we miss our on, like having a dining room so that we could eat dinner at the dining table.
97. Had none of the above happened we would still have a business, we would have our own home and be living in an area that wanted to.
98. I despise the Post Office now, and if I had my way I would never buy a stamp off them again.
99. I would like all the money they took from me back, we are far from being squared up with them and they should right their wrong doings.
100. The Post Office need to be held accountable for the financial and emotional hardship they have caused us and so many others.
101. The very least the Post Office could do is apologise to all the people whose lives they have wrecked.

**Statement of Truth**

I believe the contents of this Statement to be true.

Signed: **GRO**

Dated 10/1/22