

Witness Name: Thomas Cooper
Statement Number: WITN00200400
Dated: 14 November 2024

POST OFFICE HORIZON IT INQUIRY

Fourth Witness Statement of Thomas Cooper

I, Thomas Cooper, will say as follows:

Introduction

1. I make this statement further to my Third Witness Statement, dated 13 June 2024 [WITN00200300]. I confirm that the contents of this statement are true to the best of my knowledge and belief.
2. This witness statement is made to assist the Post Office Horizon IT Inquiry (the "Inquiry") further with the matters set out in the Rule 9 request dated 25 July 2024 (the "**Request**") made to myself. I refer specifically to Annex B of that second Rule 9 request, which asked for information in relation to, amongst other things 'oversight of compensation / redress schemes'. I provided evidence about these issues in my third witness statement [WITN00200300] dated 2 October 2024.
3. I provide this further brief statement in connection with this issue in light of oral evidence heard by the Inquiry during the course of Phase 7, and in particular to

ensure the Inquiry is aware of further documentation and context relevant to statements made in my third witness statement concerning the responsibility for delivering the compensation / redress schemes.

My evidence to date

4. At paragraph 29 of my third witness statement [WITN00200300] I stated that in relation to the delivery of the compensation workstreams *'the Shareholder Team contributed to those discussions by providing advice to the Department concerning the separation of historical liabilities and compensation matters arising from the GLO from the 'business as usual' commercial operations of the Company [UKGI00046340]* and I go on to explain that one of the options proposed was *'to transfer the management of POL's compensation related liabilities into a newly created separate company owned wholly by HMG.'* I refer to the paper for the detail of the options.

5. In paragraph 30 of my third witness statement, I recount the decision that was taken at the Board in July 2020 as follows:

'UKGI's advice was discussed with POL and HMT as well as the Department. HSF assisted POL in preparing its own paper on the topic which was discussed at the Board [BEIS0000022]. The idea of separating the compensation workstreams from POL received little or no support. The Board determined that POL would take responsibility for the compensation workstreams itself rather than pass it to HMG.'

The evidence of Nick Read and Ben Foat

6. In their oral evidence to the Inquiry, both Nick Read¹ and Ben Foat² have asserted (and I summarise) that the Government shareholder would not allow the schemes to be administered by an entity other than by the Post Office.

Additional evidence on the issue

7. The Inquiry is already aware of the content of the 'Liabilities Funding Concept Paper' provided by UKGI to POL setting out two broad options to resolve the historical liabilities issue [UKGI00045655]. The two options involved either an internal restructure (paragraphs 19-20 of that document), or setting up a separate legal entity (paragraphs 21-23 of that document). Neither option is favoured one over the other on the face of the document.
8. The principal benefit of separation was that the entity created would bring a focus to delivering compensation which would also enable POL's management to concentrate on handling the multiple challenges affecting POL's business, including carrying out the remediation work required following the Horizon judgements. As I said in my third witness statement at paragraph 31, the paper did not address the benefit of obtaining the claimants' perspective on separation and I consider this to have been a significant omission. Consideration was also given in the paper to the challenges with creating a separate entity to run the schemes.

¹ Transcript of Nick Read's evidence – Day 1 (9 October 2024) p100, Day 2 (10 October 2024) p1ff, Day 3 (11 October 2024) p1ff.

² Transcript of Ben Foat's evidence – 18 October 2024 p.84.

9. UKGI's paper was produced with the full knowledge of POL. This is demonstrated by drafts of the document being shared via email with POL as follows:

- (a) UKGI shared its liabilities funding concept paper outlining the two options with POL (Nick Read, Alisdair Cameron, and Ben Foat) on 4 June 2020 [UKGI00047894] and there was a discussion that followed;
- (b) UKGI also socialised the paper with BEIS and HMT to obtain their views. Mark Underwood of POL asked Tim McInnis (then at UKGI) to share feedback [UKGI00030517] and whilst Mr McInnis shared that there were some concerns around the complexity of creating a separate entity, he also made clear that *"there was no clear preference"* between creating a ring fenced unit or new entity.
- (c) Mr McInnis did however note *"Between you and me (and those on cc), and hearing Nick earlier in the week wanting to do something about this in the very short term, I think it's pretty clear which option is preferable and I don't think detailed analysis is required to make that recommendation. But then I don't sit on the Board or earn the big bucks."*

10. There is a further email dated 26 June 2020 shared by UKGI with the Government shareholder and stakeholders at BEIS and HM Treasury, which records that the UKGI paper had been shared with POL. POL was reported to be "working up the options, practicalities etc. to take to the POL Board on 28 July [2020]" [UKGI00012084].

11. It is important to note that the discussions that took place between UKGI, BEIS and HMT were at official level. My recollection is that officials were not enthusiastic about the idea of separation. In their view, POL was responsible for the Horizon scandal and so should deal with the consequences including funding as much of the compensation as possible. In his email referred to above, Tim McInnes mentioned that officials had concerns around the complexity of creating a separate entity. It is likely that the view of officials that POL should take responsibility for handling the compensation would also have been relayed to POL at least verbally. However, to my knowledge, UKGI's paper was not shared with Ministers or senior officials, such as the Permanent Secretary, and so the idea of separation was never fully tested within Government as it lacked sponsorship from officials. In order to make progress, POL would therefore need to make a proposal to HMG.

12. The paper that was presented to POL's Board, exhibited to my third witness statement [BEIS0000022], retains the two options set out in the UKGI paper (and has the diagrammatical structures lifted from the UKGI document). The Board paper was sponsored by Ben Foat and provides an extensive analysis of the advantages and disadvantages of creating a separate entity to deliver compensation. Like UKGI's paper it too fails to address the claimants' perspective. The paper makes a clear recommendation against the option of separation on the grounds which included "the associated cost, complexity and timeframes" involved (at paragraph 13). No reference was made in the paper to any views of HMG in relation to the options being considered.

13. The minutes of the Board of 28 July 2020 [UKGI00017761], make no reference to any views of HMG on the options. The minutes record Ben Foat saying that POL's

management “wished to retain the management and oversight of the GLO”. My recollection is in accordance with the documents, namely that POL took the decision not to pursue separation on the basis of its own analysis of the options without reference to the views of HMG. As a result, there was no sponsorship of the idea, either from POL or at official level within HMG and so at that point the idea was effectively moribund. BEIS subsequently took responsibility for managing the GLO compensation workstream in 2022, but this was a result of claimant pressure rather than a revisiting of the separation idea discussed at the Board meeting in July 2020.

Statement of Truth

I believe the content of this statement to be true.

Signature **GRO**

Date 14 November 2024

Index to Fourth Witness Statement of Thomas Cooper

No.	Inquiry URN	Document Description	Inquiry Control Number
1.	WITN00200300	Third Witness Statement of Thomas Cooper	WITN00200300
2.	UKGI00045655	Draft Liabilities Funding Concept Paper	UKGI053482-001
3.	UKGI00047894	Email from Tim McInnes to Nicke Read, Alisdair Cameron, Ben Foat and others RE: POL - Liabilities Funding Concept Paper	UKGI055005-001
4.	UKGI00030517	Email from Joshua Scott to Mark Underwood, Tim McInnes ccing Ben Foat re: Managing Liabilities Arising from GLO Related Matters and Project Starling: Options Available to POL - Ring-Fencing Vs Separate Legal Entity	UKGI039412-001
5.	UKGI00012084	Email from Joshua Scott to Brooks White, Vanisha Patel, Jane Corera and others re: POL and Managing Historical Liabilities - Next Steps	UKGI022881-001
6.	BEIS0000022	Post Office Ltd Board Report - GLO Separation Solution: Managing Issues Arising from GLO Related Matters & Project Starling	VIS00001332
7.	UKGI00017761	Minutes of a Meeting Of The Board Of Directors Of Post Office Limited Held On Tuesday 28 July 2020	UKGI027768-001