

Witness Name: Kevin Hollinrake

Statement No.: WITN11460200

Dated: 20/11/2024

POST OFFICE HORIZON IT INQUIRY

SECOND WITNESS STATEMENT OF KEVIN HOLLINRAKE

I, Kevin Hollinrake, will say as follows.

1. This is my second witness statement to the Inquiry. I have prepared it with the support of the Government Legal Department and counsel. I understand that my first witness statement, dated 7 October 2024, has been given the inquiry reference number WITN11460100. I gave oral evidence to the Inquiry on 6 November 2024.
2. I have provided this witness statement in order to address a discrete issue, which I understand first arose after I gave oral evidence on 6 November 2024, which concerns whether I gave my officials the steer that making "*prompt*" compensation was to be treated as more important than ensuring that the payment was "*full and fair*".
3. Emphatically I did not. My clear objective at all times was to ensure that compensation was "*full, fair and prompt*". The steer I and Kemi Badenoch gave was that we should do what we could to accelerate compensation payments, but we never gave the steer that these no longer needed to be "*full and fair*". I did not believe at the time, and I still do not believe, that by offering subpostmasters the choice of accepting or rejecting a fixed sum payment we were abandoning the commitment to "*full and fair*" compensation.

4. When giving oral evidence I was not asked whether I had ever given the steer that “*full and fair*” should take a back seat to “*prompt*”. However, I did explain that I did not agree with the suggestion – and had not given the steer – that our objective was on maximising full and final settlements rather than maximising getting payments out the door (INQ00001202 6 November 2024, page 89 line 6 to page 90 line 10). As I said there:

“You asked whether the aim was to get money out as quickly to claimants or to get full and final settlements to claimants. She says the focus is the latter; I say the focus is on both, because the way the fixed-sum award works, as you will, I’m sure, know is that some people, if they’ve gone through a full and final settlement would have got less than £600,000. Some would get more. So the point is, it shortens the queue for the others. If you take half the people out of the queue -- because one of the problems we heard is getting people heard that -- their claim heard or getting the assessments made, forensic accountants, experts on mental health, physical health, all those things, but if you have fewer people having to go through that process, they can get to the claim point more quickly because people have come out of the process. It was never trying to say to somebody, “Your claim might be worth 1 million, we’re going to give you 600,000 to get you out of this”. It was a choice people could have and they could make the assessment based upon their personal circumstances. It was never trying to shortchange people.”

5. I also explained (INQ00001202 page 93, line 14) that I had not told my officials that the objective behind fixed sum payments was *more* on reaching full and final settlements than on getting payments out the door. These were not alternatives – fixed sum payments have accelerated both.
6. I am aware that when Carl Creswell gave oral evidence on 6 November 2024, the Chair indicated that it might be possible to understand his evidence to mean there was “*a shift in ministerial objective from the three words “full fair and prompt” to at least an emphasis on prompt*” (INQ00001202 page 185, line 14). Mr Creswell

agreed that Kemi Badenoch and I gave the steer "*to prioritise speed, even if it meant overpayment*" (INQ00001202 page 186, line 1). That was entirely correct.

7. However, the Chair then suggested that the steer might also have been to prioritise speed even if it meant underpayment (INQ00001202 page 186, line 5), to which Mr Creswell did not give a direct answer. I am aware that, when Gareth Thomas (the current Minister) gave oral evidence on 8 November 2024, Counsel to the Inquiry asserted that Mr Creswell had suggested in evidence "*that Government policy now elevates promptness of compensation over fullness and fairness*" (INQ00001202 8 November 2024, page 5, line 6), a point which Gareth Thomas rejected (INQ00001202 page 5, line 8; page 8, line 3; page 8, line 6; page 8, line 22; page 9, line 15).
8. Categorically, we did not give such a steer. As I explained when giving oral evidence, "*It was never a case of trying to save money; it was always a case of trying to expedite and accelerate the amount of compensation that goes to individuals. We would never try to shortchange anybody, and the scheme should never do that*" (INQ00001202 page 112, line 8).
9. I have been asked to address the suggestion that fixed sum payments were intended to carry a degree of risk to subpostmasters to incentivise the acceptance of those offers (INQ00001202 page 182, line 7). The whole point of fixed sum payments was to speed up the overall process of remediation, by making fixed sum offers which have resulted in many claimants receiving significantly more than their claim was worth on a strict legal analysis (increasing compensation overall whilst at the same time reducing administrative costs), and therefore reducing the queue and speeding up the process for the remainder.
10. The policy approach of fixed sum awards was always based on generosity and speed and never about creating a "risk". The fixed sum option gives claimants a choice that they would not have otherwise. If a claimant thinks that by accepting the fixed sum offer they are risking being underpaid, they are absolutely entitled to choose have the claim fully assessed according to the usual principles. I think it

perfectly fair and reasonable to allow individuals to make their own judgements and decisions based on their own circumstances.

11. I would welcome the opportunity to give oral evidence to the Inquiry on this issue if that would be helpful.

Statement of truth

I believe the content of this statement to be true.

Signed:

GRO

Dated:

20th Nov 2024

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INQ00001202	Transcript (06/11/2024): Post Office Horizon IT Inquiry - Kevin Hollinrake MP [WITN1146] and Carl Creswell [WITN1173]	INQ00001202