

Witness Name: Mr Graham Stanley
Statement No: WITN0306_01
Exhibits: None
Dated: 4.3.22

THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MR GRAHAM STANLEY

I, MR GRAHAM STANLEY 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 the subpostmaster of Longford post office, Gough Avenue in Longford, Warrington from 1 February 2001 to 31 December 2009. I also ran a general store within the branch
3. I live with my wife: GRO in a very nice village called Parbold, West Lancashire.

4. I met my wife GRO through my son's daughter. GRO was my granddaughter's nursery teacher.
5. My mother passed away 2 years ago. Before she died, she told me that she wanted me to marry GRO. After my previous relationship broke down due to the effects of the Post Office scandal, she wanted me to be happy again.
6. I have 2 children. My son has his own business and my daughter is an artist. They have both done well and I am a very proud father.
7. When I left school I started working in the clothing industry as trainee manager. I went on to become a manager and factory manager.
8. I set up my own business making clothes, I employed about 80 people. Unfortunately, the clothing industry went abroad and was declining so I had to close the business.
9. I am 65 and have no pension as I put all my pension into the shop to keep it going. Fortunately, the Spar took it over and kept me on as manager.
10. I decided to become a subpostmaster because I thought it was a good opportunity. The UK clothing industry was declining, and I realised that I needed to find alternative employment. The post office branch close to my business was for sale and I began to process of applying to be a subpostmaster.
11. I intended to run the post office until my retirement and then sell it to make a nice nest egg.

TRAINING AND SUPPORT

12. I undertook 5 days of training in February 2001. The training provided was totally inadequate. The training took place in my branch and covered the full usage of Horizon; however, the training was poor.

13. The first trainer had a nervous breakdown and had to be replaced. The second trainer, also a union representative was always off sick and was eventually replaced by a young inexperienced girl.
14. I requested further training from the Helpline. They told me that they didn't think that they had anyone available and would get someone to come back to me, but they never did.
15. I was very much left to get on with it and had to learn as I went.

HELPLINE

16. I estimate that I contacted the Helpline two to three times a month regarding problems relating to shortfalls and balancing.
17. Members of my staff in the post office rang the Helpline more regularly than I did. They did not find them helpful. The Helpline would advise that any loss would be corrected by the Horizon system.
18. The Helpline always promised to investigate the shortfall and find out what the problem was and how it had occurred, but they never had enough staff and rarely got back to us.
19. When the Helpline did not get back to us after we contacted them about the shortfalls, I just assumed that they had found the source of the errors

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 would estimate that throughout my position in the branch, I paid (or the Post Office deducted) in excess of £30,000.
22. There were various smaller shortfalls on various dates which were considerable over time. I paid the Post Office for these shortfalls by borrowing money from my ex-partner. I called the Helpline, checked all journals and recounted cash.
23. The amount grew and grew until I could no longer cover the losses. I contacted the helpline on a regular basis and searched through all the transactional records to try and find the funds. When the discrepancies could not be found, I was told the amount had to be rolled over.
24. On the 31 March 2009 a shortfall of £22,010.10 was identified following an audit. I paid £6,268.76 immediately by cheque at the audit. I paid the remaining £15,000 in instalments over a period of time.

AUDIT AND INVESTIGATION

25. On 31 March 2009, two or three auditors attended the branch. I was present when they counted the cash and they advised me of the £22,010.10 shortfall. I made a partial payment of £6,268.76 immediately by cheque but was still suspended.
26. I was summoned to a room above the main local Post Office and was interviewed by a detective and the Post Office Investigation team under caution.
27. I found the detective intimidating and his tone aggressive.
28. I was very scared as I had never been interviewed under caution before, it was quite stressful and I was made to feel like a criminal.

29. After I was interviewed under caution, both the Post Office Investigation team and detective came to my home and searched it. They requested to see the bank statements of my partner at the time and myself. I got all my bank statements out as I had nothing to hide.
30. They went upstairs into my bedroom and opened drawers and threw clothes around. They were there for some time and eventually said "*That's ok we've seen enough now*" and just left. They didn't tell me what they were looking for or what was going to happen.
31. The Post Office sent me a letter banning me from the premises and I have not set foot in that post office or shop again. Even now I would not return to that post office because of the shame I still feel, and I would not like to be recognised.

SUSPENSION AND TERMINATION

32. I was suspended without pay on 31 March 2009 due to the alleged shortfalls.
33. They appointed a Mr [GRO] as temporary subpostmaster who started immediately after I was suspended. I was not allowed any contact. I was banned from the premises but the post office I owned continued to trade and still does. I have never seen or spoken to Mr [GRO]
34. My appointment was terminated by the Post Office. The reason stated by Post Office for my termination was due to shortfalls, alleged breach of contract, and misappropriation of Post Office Limited funds and falsification of accounts.
35. I was not given the option to appeal my termination or advised that I could.
36. The Post Office would not allow me to sell the business and it was taken from me.

CIVIL AND CRIMINAL PROCEEDINGS

37. The Post Office did not pursue civil or criminal proceedings against me in relation to the alleged shortfalls.

LOSSES

38. I was led to believe that I had no alternative but to pay the shortfalls. I repaid the Post Office in the region of £30,000.
39. I lost value in the post office. I paid £220,000 for the purchase of the business to the previous owner of the shop and post office. As the branch was taken off me, I believe I lost the sale value of the branch.
40. My contract was suspended until I was terminated, which took around 9 months. I lost earnings during my suspension, £3000 per month for 9 months which amounted to £27,000.
41. The Post Office failed to give me notice. Based on 12 months' notice I would have been entitled to approximately £36,000, or in the alternative based 6 months approximately £18,000; or in the alternative 3 months approximately £9,000
42. The post office was my main source of income and I owned two large properties with mortgages based on this income. I narrowly avoided bankruptcy with the help of family and both properties have now been sold, one with negative equity. I no longer own my own home and have no assets at all.

HUMAN IMPACT

43. I suffered serious problems and shortfalls as a result of the Horizon system. I reported these problems to the Post Office and sought assistance. An audit was conducted, and I was suspended by the Post Office and a new postmaster brought in to run the post office.
44. I was threatened with prosecution and dismissed. I was compelled to make payments to the Post Office that I had no information on how or why they had occurred.
45. I now suffer from depression, anxiety, stress and a constant upset stomach.
46. I had to borrow money from an ex-partner to pay the shortfalls, I found this embarrassing and very awkward.
47. It used to weigh on my mind a lot that I owed my ex-partner money and so I gave all the money that I received from the Group Litigation settlement to my ex-partner to pay her back the money I owed.
48. I also had to take equity from my home to make good the shortfalls. When I bought the post office and shop I owned and lived in a detached house by the beach in Merseyside. When the shortfalls started occurring, I couldn't afford to live in my house, so I had to put it up for rent.
49. The Post Office's actions led to the breakup of my relationship. After the investigators came to our home and looked through our bank statements my ex-partner and I had a huge row. My ex-partner was annoyed that I let them into our house, but I had only let them in because I had nothing to hide.
50. My ex-partner was a senior manager with HBOS banking group, and she thought that I had taken the money as she didn't think that the Post Office would fabricate these

allegations. This caused mistrust and friction between us as she didn't believe that I was innocent.

51. When the investigators came to our house it was horrendous and I found it insulting when the investigators asked "How can you afford all this?" when he came to my home and saw my car. I told him that I had worked all my life to afford such things. I could not believe I had to justify myself.
52. I was forced to sell my house and there was no equity in it which left me without funds. It was beautiful 5 bedroom detached house by the sea. It was my dream home that I planned to live in for the rest of my life. It was emotional for me to sell the house as it was where my kids were born and brought up.
53. After they took the post office off me, I had no income. The shop was no longer making money without the post office, and I didn't have an opportunity to sell the post office and make back what I paid for it.
54. When I was accused of being responsible for the shortfalls it was very stressful. I was working long hours and would stay at the post office until 11pm to try and find the shortfalls every week.
55. It affected my self-esteem and had a negative effect on my mental health.
56. I couldn't sleep at night; my stomach would be churning, and I was always thinking about the shortfalls and how I was could be held responsible.
57. It was horrible all the time for a long time.
58. I became very depressed about the whole situation, and I was suicidal.
59. I knew why I was feeling down but I do not like taking tablets and have never taken them in my life, so I didn't go to my GP because I didn't want to be put on anti-

depressants. It was a mental battle for me. I tried to focus on my granddaughter who is the apple of my eye.

60. I was treated like a criminal by the Post Office. They told me that if I didn't make the shortfalls good, they would take criminal action against me. I felt that the Post Office knew what was happening was not right but they did nothing to stop it.
61. I couldn't pay the shortfalls anymore and when the auditors came I was glad because I thought that they could see the discrepancies that had been happening during the week and would find the problem and I would get the money back.
62. I ended up living with my elderly mother because there was friction with ex-partner caused by her not believing me.
63. I had worked hard all my life and I managed to buy my dream home by the sea but because of the Post Office I ended up back where I started in a terraced house with my mum.
64. I did not speak to my mum about the shortfalls or share my stresses with her, I kept it bottled up and put on a brave face in front of her. My mum was 92 and I did not want to worry her.
65. My mum had dementia and was quite poorly. She recently died on my birthday and because of Covid I couldn't even go to her funeral.
66. I became very depressed about the whole situation. My life had been ruined and as a result of being held responsible I lost everything; my businesses, my home, my partner, my good name, hope and my mental well-being. I still feel down at times.
67. I had hoped that I would get my post office back as I hadn't done anything wrong. I liked being a subpostmaster and I hoped that the Post Office would find that something was wrong and everything would go back to normal and I could continue being a subpostmaster.

68. This nightmare still goes on for me as I am coming up to retirement have no pension left as I had to use it to try and keep the shop going. This adds to my financial worries for the future.
69. My children both asked me separately if I had taken the money but they believed me and knew I wouldn't do anything like that. When my kids asked me I felt very low and tearful. It was a hard and emotional conversation to have with them.
70. My reputation was important to me, and I was a big part of the community.
71. I was well known in Warrington and now I feel that I cannot show my face there. Even though I knew I was innocent I felt that people thought that there is no smoke without fire. The Post Office have made me feel like a criminal.
72. I used to play and coach football. I had taken over my son's football team from when he was 10 and I would take him to tournaments, they were all good times. I haven't been in the sports club since and feel like those good times were taken away from me.
73. I stopped going out socially as I felt uncomfortable being in company, I used to go to football club and the pub all the time. I used to have a big group of friends, but I stopped seeing them. I felt low and I couldn't go because I did not want people looking at me or talking about me.
74. Only my best friend reached out to me. We have known each other since I was 5 or 6 years old, and he was my next-door neighbour. After I started withdrawing into myself, he asked me to go to football club with him, but I told him that I could not face them there as I worried people would be talking about me.
75. When it started getting reported in the media that subpostmasters were prosecuted and some had taken their own lives due to the Horizon system my best friend asked me if that was what happened with my post office.

76. My children have been worried about my welfare and say that I am not the same person since the scandal. I used to be the life and soul of the party whereas I don't go out anymore and I am more reserved and subdued now.

CONCLUSION

77. I am happy now for the first time in a long time because I have **GRO** now. She believed me right from the start which was really important to me.

78. I now live in **GRO** house, whereas I used to have own house.

79. Things are better now but I went through a traumatic few years

80. I feel bitter towards the Post Office because they knew about the problems with the Horizon system for a long time but still carried on accusing subpostmasters.

81. I would like the Inquiry to get compensation and financial redress for the victims.

82. I would like for the Post Office to give a proper apology for what they put everyone through.

83. I would like the Inquiry to clear my name.

STATEMENT OF TRUTH

I believe the facts contained in this Statement to be true.

Signed.....**GRO**.....Dated.....4.3.22.....

Graham Stanley