

Witness Name: Susan McKnight
Statement No.: WITN0312_01
Exhibits: None
Dated..... 4th March 2022

THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF SUSAN MCKNIGHT

I, SUSAN MCKNIGHT 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.
2. I live with my husband William McKnight and we have two children.

BACKGROUND

3. I was a civil servant before I became a subpostmaster. I had worked for the Department of Employment before I had children. Later, I started work at the Equal Opportunities Commission as an executive officer, where I worked for 15 years. I was forced to take retirement from the civil service because I had developed Multiple Sclerosis.

4. After I had retired with multiple sclerosis, taking on a Post Office seemed a good way to keep some income and financial stability.
5. My husband and I had planned to develop a good business that could be left to our children for their inheritance.
6. My husband and I were attracted to the prospect of being pillars of community running a Post Office. My husband enjoys being active in the community and has been on our parish council for 8-9 years. I have served as a magistrate for 20 years. Thus my husband and I have always been civic minded people and running a Post Office fit with that outlook.
7. My husband and I of course trusted the Post Office as an institution and thought that it would be a safe bet to provide security for us and our children.
8. After my father died I inherited his share of his home, so I sold that to pay for the Post Office and my mother moved into the adjoining house. My husband invested a lump sum from his pension into the business and we took out a business loan.
9. I was a Subpostmaster of Appley Bridge Post Office, 272A Miles Lane, Appley Bridge, Wigan, WN6 9AA from 19 January 2005 to September 2009. I operated a retail business from the Post Office. I did not live in adjoining house but my mother, daughter and then my son lived in the property until its repossession in June 2014.
10. I recall that I paid the following for the purchase of the branch: £230,000 house/business premises and £100,000 for the post office and retail business and £1,000 for new electrics.
11. My daughter undertook most of the work at the Post Office and my husband took early retirement from work as a clerk of work in local government to work on the retail side.

12. My daughter had worked in Post Offices before working in ours, and she had also worked in the tourism industry.
13. I would have expected to retire in around 12 years, during which time would have earned approximately £432,000.

TRAINING AND SUPPORT

14. I received two weeks' training (which was carried out Monday - Thursday between 9am and 2pm) in January 2005 in Liverpool.
15. Post office did not insist on this training, however my daughter requested a refresher course as she previously had six months experience in a friend's post office several years earlier.
16. The training covered basic transactions including how to navigate screens, sell stamps and car tax for example.
17. I did not believe that the training was adequate as we encountered issues such as error corrects and customers wanted more complex transactions therefore we had to rely on our more experienced staff or call the helpline to try to resolve issues.
18. When the ATM was installed a ten minute training session was provided by the engineer who did the installation and he left a step by step guide with staff. Even the fraud investigator identified the cash machine as a problem but he could not advise us as he did not know how the ATM worked. I therefore requested further training, which was refused.
19. I understand that when the temporary postmaster took over after our suspension in 2008, he refused to operate the ATM until full training was given to his staff. This was subsequently provided to him despite Post Office's refusal to train us. This is

disturbing to me as Post Office has pursued me for such a large sum of money related to the ATM machine.

HELPLINE

20. I estimate that I contacted the Helpline 2-3 times per month with regard to problems relating to alleged shortfalls and/or balancing. These calls increased with the installation of the ATM machine.
21. We would receive little or no help from the Helpline. They would simply tell us to accept the error notice, and eventually repay the shortfalls, with no effort made to investigate systemic problems.

SHORTFALLS

22. We had a number of problems resulting in shortfalls which we had to repay over the period I was in post via deductions from my salary. The most significant alleged loss arose after the installation of the ATM machine in March 2008, totalling approximately £53,035 for which we currently have a charge on our property.
23. We also experienced a number of smaller shortfalls, usually between £30 and £50. These occurred monthly and we paid them off with our own money

AUDIT AND INVESTIGATION

24. I recall that I was not given notice of the first audit, and was only present because a staff member called me. It took place mid-afternoon by two auditors. I remember that Post Office cleared out much of my paper work at that audit. I was not provided with a copy of the report.

25. Again, I was not provided with notice of the second audit and it was carried out by two auditors at the end of the day in around August 2008. The auditors found a shortfall and said that they needed to get the Post Office investigators in. I was pressured to make payment of the shortfall as Post Office said that I could not be reinstated without having paid it. I agreed with Post Office that I would pay between £800 and £900 per month, which is the minimum they would accept.
26. I was told after this audit that there seemed to be no foul play. The problem seemed to be with the ATM machine. Stephen Bradshaw, the fraud officer, said that the shortfalls appeared to be down to inputting errors.
27. In the third audit, I had alerted Post Office to a shortfall and requested their help. Instead, they sent an auditor in and I was terminated. Post Office instigated a search of the home above the shop, branch and bank accounts. The Post Office Fraud investigators interviewed myself, my daughter and my mother under caution.
28. I have seen no evidence of any adequate investigation despite the fact that I was assured, and believed, that an investigation was being conducted at the time, and I was in fact told after the second audit that there was no foul play suspected.

SUSPENSION AND TERMINATION

29. From 20 August 2008 I was suspended for approximately 12 weeks. I was suspended again in September 2009, which ultimately led to my termination.
30. Due to our loyalty to our customers, we managed to keep the branch going for a number of years. We could no longer continue to make payments towards our mortgage and repossession proceedings begun on our property. At the same time, Post Office relocated the branch and we lost the business and the adjoining retail business, despite the fact that my daughter had undergone a lengthy interview to keep the branch running. This meant that our long standing elderly customers had nowhere to go.

31. Post Office obtained a judgment against me in January 2013 and placed a charge over my home. I was made to pay £20 a month to the Post Office. However, following the group litigation court hearing, the charge was removed, and I was advised to stop the monthly payment.
32. Post Office threatened criminal action. I and my daughter were interviewed under caution by Post Office investigators. They searched my branch, home and financial information. This is despite the previous assurances that I had received from Stephen Bradshaw to say that the problems were clearly related to the ATM machine.

HUMAN IMPACT

33. The financial impact of the Post Office's actions was immense. My family lost the value of our significant investment in the Post Office when we lost it, which we had re-ordered our lives for to be able to afford. We are now unable to leave our children the financial security that we worked hard for.
34. We were able to rent the branch out to another Subpostmaster for a few years, until we lost the business entirely in 2014 when the property was repossessed, and Post Office decided to move the branch to another premises. Lloyds sold for considerably less money than it was worth.
35. My husband has had to return to work, when without the Post Office's malfeasance he would have been able to enjoy retirement with me. We are still paying off debts from our financial difficulties
36. Because we were well known people in a small village, the embarrassment of the Post Office's actions as very hard on us and there was gossip spread about us. It was very embarrassing to have to explain why we had our contract suddenly terminated

or why we had our home possessed. We were forced to hide things from people who we knew, which strained our friendships.

37. My husband and I both suffered terrible anxiety as we were made to feel like criminals by the Post Office. My elderly mother was also interrogated about the shortfalls along with my son and daughter, so we all suffered from the accusations.
38. I already suffered from MS. This was exacerbated by the stress of having our home repossessed by the bank due to the fact we could not maintain payment due to the loss of the post office salary.
39. My multiple sclerosis was exacerbated by the stress of having our home repossessed by the bank. I also developed breast cancer.
40. My children were badly affected by our difficulties. My daughter's mental health was badly affected and my son became terribly depressed.
41. My son began to blame my daughter for the difficulties in the business and this made our family life completely toxic as they would always argue. Our relationship with our son has never recovered.

CONCLUSION

42. The Post Office's actions completely up-ended the lives of myself and my family.
43. We had already made significant changes in our lives to finance the purchase of the Post Office, believing that it was a good investment that would give financial security. However we completely lost everything that we had put into it.
44. We were completely humiliated in our community and my health deteriorated. My children have been badly affected and my relationship with them has been damaged.

STATEMENT OF TRUTH

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

Signed..... **GRO** Dated *4th March 2022*

Susan McKnight