

Witness Name: Mr Manhar Mistry  
Statement No.: WITN0216\_01  
Exhibits: None  
Dated...13/1/2022.....

## THE POST OFFICE HORIZON INQUIRY

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### FIRST WITNESS STATEMENT OF MR MANHAR MISTRY

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I, MR MANHAR MISTRY 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 am 71 Years of age and I am married with two daughters. I have been living in Thurmaston, Leicester for the past 5 years. I have always been in work whether that's been employed or self-employed.
3. Before becoming a subpostmaster I was working as manager at a petrol station for Shell. I was under this managerial role for 6 years in Blaby, Leicestershire.

4. I decided to become a subpostmaster as I wanted the flexibility of working hours. While working at the petrol station I was working approximately 60 hours a week, I felt over worked and wanted something with lesser hours and normal working hours.
5. I also thought by being a subpostmaster it would be a better opportunity than my managerial role at the petrol station; I would have a steady increased income for my family as I was the main provider.
6. The post office on Malabar Road, Leicester was on sale and decided to approach the owner at that time.
7. I took out a loan from the bank in the sum of £40,000.00 and used approximately £30,000.00 from personal savings. As I was taking over the post office, I paid £75,000.00 for stock and good will.
8. I was a subpostmaster of 46 Malabar Road, Leicester LE1 2PD from 9 January 2002 to 20 Jan 2020.
9. I operated a retail business from the premises, a small shop selling confectionary and stationary. I had two part time assistant when taking over the post office.

### **Training and Support**

10. I received 5 days of training during the first week of appointment which was conducted in my branch. A trainer came in to provide the training and it seemed good training as far as it went. The training covered day to day operations and back office report, weekly report and balancing.

11. The negative was that training did not provide any information about audit trails and how to look back on the Horizon system to trace an unexplained shortages.
12. I did a weekly balance with the trainer present and it balanced nicely.
13. I received no other initial training apart from product information.
14. I did feel the training was adequate at that time. However, I did feel that the balance and back office training was not enough. I was not given enough training on how to deal with transaction corrections which then contributed toward the shortfalls at a later date. At times I was struggling with the weekly balance showing a shortfall when there should be and balance should have been 0. This started to become a problem.
15. I was advised by the trainer to contact the Helpline if I experienced any problems and they would help me.
16. The Horizon system was updated in 2008/2009 and I received further training for 1-2 days. We went through the updates but this did not cover any problems I had experienced regarding the unexplained shortfalls.

### Helpline

17. I estimate that I contacted the Helpline less than once a month with regard to problems relating to alleged shortfalls or balancing. I was led to believe by the Helpline that the errors reported were mistakes on my part, or an error by one of my staff in counting stock or cash. The Helpline could not tell me how to look into the errors through the transaction logs; there was no information available to trace any discrepancies. The problem was still the same 2019 as it was in 2002.

18. I would say the Helpline were good for helping me in navigating the system, in terms of what keys to press when doing certain transactions, but not very good when it came to explaining shortages/discrepancies and conducting a transaction audit. I felt that more training was required and this should have been done at the start or provided as when a problem would occur. It would have been helpful to have a trainer come and explain things as there is so much you could do over the phone.
19. That year I had a shortfall of £500 (details below) and the Helpline was of no help. They just asked me to look over historic transactions, which I could not do. In this respect, I would say the Helpline did not provide adequate support or simply that did not have answers to actual problems I was facing.
20. Some of the advisors, when calling the Helpline said to refer to the manual but this was again not helpful.
21. The main issue was how to rectify the shortfall and bringing the balance back to 0 but the helpline could not answer my query.

### **Shortfalls**

22. 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.
23. I would estimate that throughout my position in the branch, I paid approximately £2500.00 to the Post office. The auditor identified part of shortfalls but also the Horizon system showed a shortfall. The shortfalls are broken as:

24. The majority of the shortfalls I experienced comprised were less than £100.00 which were made up of cash, postage, hand and stock figures. I cannot breakdown this any further as shortfall was minimal. These happened often.
25. As an example, shortages were anything between £50 to £90. The instance are too numerous to recall specific dates. I paid the shortages out of my own money either in cash or a cheque which I put in the post office safe. I would count the cash and stock again. If there still shortage it could not be accounted for and I would end up usually making up the shortfall in cash or in cheque using my own money and put it into the safe. I would then declare the accounts as balanced on Horizon.
26. However there were much larger shortfalls. For example, in early in 2017, I experienced an alleged shortage of £500 this was the monthly balance. I cannot remember the exact date. The shortfall was showing on the Horizon system. I recall calling the Helpline and I was given some guidance on how to look into it on the system. I tried looking into it after the call but could not see anything.
27. There is an option on the Horizon system to "settle centrally" which I chose to do after the unsuccessful assistance from the helpline. I then received a letter from Post Office saying that I owed this amount. I am sure I called the Helpline again to say that I could not find where the shortfall had occurred. The Helpline told me to check back through historic transaction logs and if I could not find the shortfall it was my responsibility to make good the loss. The Helpline said that if I did not pay then the matter would be escalated to the Contracts Manager.
28. I then received a further letter from Post Office again saying that I owned the sum. Eventually, I just gave in and I sent a cheque to Post Office for £500 to settle the alleged shortfall.
29. I was led to believe that I had no alternative but to pay the shortfalls out of my own pocket.

### **Audit and investigation**

30. The first audit was soon after I took over the branch this was approximately 6 months after taking over and the next one was in 2012. These were initial/ routine audits. Both audits were uninformed audits.
31. In the first audit, it was identified the balance was negative and the auditor confirmed a shortfall of approximately £20-30. With the shortfall I had 2 options; to pay for the shortfall out of my own pocket or to have a deduction from my salary. There were no questions to look into how the shortfall occurred or query whether there was error with the Horizon system. I paid by cheque from my own pocket for the loss.
32. In the next audit it was identified that there was a small security issue. The lock on the parcel hatch was not secured properly. The issue was resolved swiftly. The auditor notified me that one of part time assistants did not complete a module on sales.
33. I am not aware of any investigations taken place and nor have I seen an evidence of an adequate investigation.

### **Suspension and Termination**

34. I was not suspended or terminated as a subpostmaster. I decided to resign from my post as I wanted to retire and at the time I was 70 years of age. While deciding to retire I found another buyer who wanted to take over the Post Office.
35. I was not really given an option but to pay for the shortfalls and was not directly threatened with action by the Post Office. However, because of the regular shortfalls, I was fearful of such action that could result of the formal interviews or to be subject of termination of my contract.

## HUMAN IMPACT

36. I suffered serious problems with the Horizon system including alleged shortfalls. I had to pay approximately £2,500.00 of my own money to cover these alleged shortfalls. I sought assistance from the Post Office Helpline over a long period of time and I feel very let down by the fact I received no meaningful assistance for the issues I was facing.
37. I was not involved in mediation in 2013. I was party to the group litigation against Post Office Ltd, as a result I am excluded from the Historic Shortfall Scheme.
38. I was advised at audits that I had to pay for the shortfalls one way or another. I was only given 2 options; to pay out of my own pocket or to receive a deduction in my salary.
39. I always worried about putting money into the Post Office from my pocket when any shortfall occurred. I believe the training from Post Office was extremely inadequate when it came to doing the weekly or monthly balancing. The Post Office did not provide any training to cover incidences where there manager had to go back and try to find the error that caused the shortfall to occur. You may call it 'self-auditing' of the weekly transactions. This was required for small or large shortfalls.
40. I know that recently the Post Office has had issues and there are some guidelines so that any shortfalls can be asked to be looked into by their expert on Horizon. These guidelines were issued only after the civil case in which I was involved.
41. Due to lack of auditing training, I was always lead to believe that I had no option but to accept *"it could be your/your member of staff's mistake that has resulted into shortfalls"*. On many occasions I tried to trace the shortfall, it would take hours of work to count and recount stock, cash etc. Sometimes, shortfalls were due to obvious reasons, like ' professional hazard ' for which there is no redress.

42. I was annoyed when I found out that I had to pay out my own pocket for every shortfall. Whether this was out my pocket or through a deduction in my salary. At the end of the day it was always me out of pocket.
43. I felt that there could be no error on part of the Post Office and Horizon system. A lot more could have been done at the time when I was experiencing shortfalls and investigated further as to why this was happening instead of just asking me to pay for the shortfall to resolve the matter quickly.
44. I was worried each time when there was a shortfall until it was resolved. I did not want to burden my family with the issues so I kept this all to myself.

#### **CONCLUSION**

45. From my experience with the Post Office, I feel there should be a different approach between the Post Office and subpostmasters. They should sympathise more with the subpostmaster and look into the issue with the Horizon system.
46. I feel as a Subpostmaster I was solely responsible for any error that occurred resulting in shortfalls. I feel that I have been treated unfairly by the Post Office.
47. The Post Office have failed to acknowledge that there and has been a fault with the Horizon system and the Subpostmasters have not been treated fairly. They have been left to deal with everything which has affected every aspect of their life.
48. I would like to see some clarity as to what the issue really is and would to know which party is responsible.

#### **Statement of Truth**

I believe the contents of this statement to be true



Signed.....

**GRO**

Dated.....

13-01-2022

Manhar Mistry