

Witness Name: Mr John Victor Heath

Statement No.: WITN0334\_01

Exhibits: None

Dated.....

31/3/22

**IN THE POST OFFICE HORIZON IT INQUIRY**

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**FIRST WITNESS STATEMENT OF JOHN VICTOR HEATH**

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I, JOHN VICTOR HEATH, 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 to provide context to the detail of the human impact of the Horizon scandal on me and my family.

**BACKGROUND**

2. My Wife, Helen assumed the role of subpostmistress for the Bradford on Avon Post Office in approximately November 2003.
3. I ran an Occupational Safety and Health consultancy business, and the premises were large enough for me to have an office. Post Office Ltd were fully aware of this as was the landlord of the premises. There were no objections from either for this dual use.

### HORIZON

4. In the beginning of my wife's tenure, the Horizon system was in place but not all encompassing. For example, pension payments were made via their pension book. Each week a docket was taken from the pension book in exchange for payment. This generated a paper record of the transaction. During this early period there was never a shortfall in the weekly summary to be submitted to Post Office.

### TRAINING

5. My wife received a very limited training session on the Horizon system. She found this inadequate, particularly given the complexities of the system.

### HELPLINE

6. It wasn't long after Horizon became fully functional, I cannot remember the exact year but it may have been approximately 2005, that shortfalls appeared on the system. These shortfalls ranged from £50 to £800 per week. My wife diligently searched to try to identify where the losses had come from, however the cause was never found.
7. Any call to the helpline resulted in her being told that her branch was the only one experiencing these 'phantom losses. Searching for the cause of these losses could easily last until midnight on summary day, resulting in immense stress for both my wife and me. We even began to suspect that our long-term employee was stealing the money as there was no other explanation. We became paranoid and suspicious, something not previously in our nature.
8. To protect my wife's mental health, I used money from my business to make up the shortfalls. It is regrettable that I never thought to keep a record of the money I ploughed into the post office or the exact amounts. I would estimate, judging from

amounts that subsequently went missing following me taking over the running, it would be in the thousands.

9. Very sadly, my wife died suddenly on the 29th of May 2011.

#### **DECISION TO BECOME A SUBPOSTMASTER**

10. After the immediate shock of losing my wife, I telephoned the Post Office Regional Manager, Gary Adderley and told him of my loss. His offer of condolences could not have been shallower. His immediate question was would I take over the Post Office as subpostmaster. It is worth noting that at no time was there any further contact with the Regional Manager, not even a phone call to ask how we were getting on.

11. My appointment as subpostmaster officially began on the 30 May 2011. There was never an offer of training to assume the role of subpostmaster. The Regional Manager, Gary Adderley asked me if I had ever worked in a post office. I replied that I could post a parcel. This apparently satisfied his requirements for competence.

12. I informed Mr Adderley that my son would be managing the post office on a day-to-day basis as I had my business to run. He readily agreed and simply reminded me that I would be responsible for the post office. Again, no offer of training for my son was made, despite numerous requests.

#### **SHORTFALLS**

13. In this section, I set out in very brief detail my experience of shortfalls arising from deficiencies in the Horizon 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.

14. The first shortfall of a specific amount that I recall was for £500 when my wife was running the post office. I put the cash back into Horizon. Following the shortfall, An

audit was requested but ignored. I repaid the shortfall as my wife was under a contractual obligation to do so. She was sent letters by Post Office demanding payment and threatening that if she did not it would be deducted from her monthly salary.

15. I remember a further shortfall of £9,841.49 in approximately May 2012. I cannot recall the exact date of the shortfall. I paid this via a cheque. After the discovery of the shortfall, I requested an audit on 3 or 4 occasions from the Contracts Manager and it was finally scheduled for 16 May 2012.

#### **AUDIT/INVESTIGATION**

16. We underwent an audit on the 16 May 2012. We were hopeful that they would discover why the shortfalls were occurring. We were pleased that the audit was taking place and finally they had listened to our continued requests to carry one out. We had nothing to hide.
17. I was present for the latter half of the audit. The auditors could not have been more abrasive or unhelpful. At one point they wandered into my office. I told them to leave as there were several highly confidential documents in my office that they were not permitted to see. Their manner was unfriendly and intimidating.
18. We were informed that a shortfall of £9,841.49 was discovered, which we were expecting as we had notified them of it. The Regional Manager told the auditors to lock the front door and prohibit any access to me or my son. Naturally, I told them that I required full access to my office and that if they locked the door and took away the keys, I would simply use my office regardless. I was suspended immediately.
19. We were informed that we would be responsible for the shortfall. I was sent a letter dated 21 May 2012 from the Post Office demanding payment. I wrote a cheque for the full amount using the lump sum payment from my wife's life insurance premium which was paid out to me after her death.

**SUSPENSION/TERMINATION**

20. After the audit the Post Office Security Manager, Jason G Collins, contacted me demanding that I submit myself for an interview. I was worried that I could potentially be prosecuted for false accounting, although I had already paid the shortfall in full. He was very rude. I refused to attend an interview.
21. I initially offered to stay on as the subpostmaster and was willing to work with Post Office to identify how these shortfalls had occurred. However, I was told in very blunt terms that my contract would be terminated forthwith.
22. Following my refusal to be interviewed I received an almost continuous stream of phone calls from the Head of Security demanding that I be interviewed. At the time I was managing a large project for Dairy Crest in East London. The phone calls were embarrassing and unnecessary. They then became threatening, and I was warned that I could be prosecuted for false accounting.
23. I had had enough of his bullying attitude and told him in very plain language to leave me alone.
24. When the Security Officer realized that I would not be bullied, he turned his attention to my son, demanding that he attend for interview. I refused this and said that I would seek legal advice, which I did. My son subsequently attended for interview but took recording equipment with him to record the interview. However, Post Office were not happy about this.
25. I sent the tape recorder and tape to the Legal team dealing with the initial Class Action. It should be still available.

26. During the interview, my son was questioned about why I had paid the shortfall if I did not believe I was responsible for the loss. Suggestions were made that I paid to cover up illegal activity.
27. My son was also repeatedly asked why he had not been trained. He told them that we had made repeated requests for training, which was refused by Post Office. He was advised that he should have been trained by the previous subpostmaster, to which his response was that it would have been very difficult given that the previous subpostmistress was buried in Bradford on Avon cemetery. My son was quite upset by this, and the interview was suspended shortly after.
28. Gary Adderley, the Post Office Regional Manager and my landlord began to force me into allowing Post Office to appoint a temporary subpostmaster in the branch. The landlord advised me I could be in breach of my contract if the premises were not being operated as a post office. Gary Adderley advised me that the rent I was paying was too much for a new temporary sub postmaster to pay and I was pressurised into accepting £400 per month as a rental contribution from a new temporary subpostmaster although I was paying in excess of £1,000 per month.
29. I reluctantly agreed to pay the additional £600 per month to enable Post Office to run their business on my leasehold premises. I was only able to afford the rent because of the revenue I was receiving from my Health and Safety Consultancy. I did not want a civil action for breach of contract, so felt I had no choice.
30. This arrangement did not last very long as the attitude of the temporary subpostmaster was unacceptable. I was told I must pay their phone bill and they would reimburse me. I told them that I had no use for the phone line and would quite happily have the phone line disconnected. At this time, the temporary subpostmaster decided that I could not access the area that previously had been my office where several important files were kept.

31. I told the subpostmaster that he could no longer work in my premises. As a result of this Post Office decided to move the branch to different premises. I was left with premises that could not be used for any other purpose and continued paying £1000 per month for empty premises. This lasted for nearly 2 years until I could invoke the clause that allowed me to surrender my lease early.

### LOSSES

32. I estimate that I paid at least £10,500 to Post Office Ltd to cover the shortfalls. This, however, does not take into account the payments made during the time my wife was alive and working as the subpostmistress. However, if in the year I ran the business I incurred a £10,000 shortfall it is reasonable to assume she was losing the same over the 6 years she ran the branch, which could total £60,000.

33. Due to Post Office moving the branch to another premises, I could not sell on the lease as the building could only be used as a post office which amounted to a loss of the £90,000.

34. I was forced to subsidise the temporary subpostmasters monthly rent for a 6-month period at the cost of £600 per month, totaling £3,600.

35. Due to Post Office removing the branch I was also responsible for the cost for 18 months at £1 000 per month, amounting to £18 000.

36. It is not possible to estimate the financial damage to my consultancy due to the constant payments of the shortfalls. However, all payments made to the Post Office for shortfalls made building liquid assets exceedingly difficult. This impacted on my work in that most of my clients were in the Building, Engineering and Construction Sectors and these sectors are notorious for their delayed or overdue payments. This meant that I had to live and operate on my Army pension with little or no free income due to the Post Office shortfalls. My business finally collapsed in 2016.

37. I did receive £25 000 from the previous class action but this in no way covered the losses incurred, which I estimate still leaves me with a loss of £156,600.

### HUMAN IMPACT

38. It is impossible to fully put into words how devastating Post Office Ltd actions have been on me and my family.

39. Needless to say, 2012 was an incredibly stressful year, culminating in a mini stroke in early 2013. Fortunately, I have suffered little permanent damage other than occasional shaking of my hands and infrequent memory loss.

40. During my medical examination following the mini stroke, I was advised that I had suffered a 'silent' stroke in the recent past that had gone undiagnosed. I believe that my brain was so active at the time, almost on hyper alert, constantly trying to work out figures and details, it was able to rewire itself to cope with or eliminate any lasting effects.

41. My son also suffered as a direct result. His marriage broke down irretrievably due to the pressures placed on them both by the Post Office's actions. His wife was originally from GRO and after all the problems she ended up moving back there. She took their young son with her. They divorced shortly afterwards.

42. My son's ex-wife began hounded me for money, even taking me to court in GRO GRO law allows for the grandfather to be sued for maintenance payments. This was unsuccessful but it added to the ongoing stress. My son ended up moving to Lanzarote in the hope that he could make a new life for himself and start over again.

43. I thought things could not get any worse but in 2015 my daughter was diagnosed GRO Although I cannot attribute this directly to the events caused by Post Office Ltd, but the stress was certainly a contributing factor. She had suffered the



death of her mother and lived through the trauma of seeing her brother and father constantly anxious, stressed and potentially being charged and prosecuted for theft. Thankfully, she is fully recovered.

44. Adding insult to injury, the landlord of the rented premises complained to the police that my daughter had entered the premises after the relinquishment of my lease and stole numerous items. This was easily rebuffed as the items were removed during the last full day of the lease and all belonged to me.

### CONCLUSION

45. The money I paid in shortfalls and additional costs paid due to Post Office's actions contributed heavily to my own Consultancy business eventually failing in 2016.
46. As can be seen above my family and I suffered significant personal and health problems directly or indirectly attributable to Post Office's actions.
47. The original class action did provide a very small refund of the damages that had occurred but in no way did it fully compensate me for my losses. There was, of course, no compensation for the pain and suffering that we experienced.
48. I find it unbelievable that Post Office did not notice that their gross income exceeded the actual sales made. It is a simple calculation that if you sell a given number of services at a fixed cost then the gross income should directly correspond to this. I believe that someone must have known and did nothing.
49. Even basic research would indicate that the actions of Post Office Ltd over such an extended period could easily be seen as serious fraud. I am aware that the Met police are investigating two individuals for perjury, however, I would like Post Office Ltd and its actions to be referred to the Serious Fraud Office for thorough investigation.

50. I want those responsible to be held to account. They need to be suitably punished.  
Their actions have destroyed lives.

**STATEMENT OF TRUTH**

I believe the content of this statement to be true.

Signed

**GRO**

Dated:

31/3/22

Mr John Victor Heath