

Witness Name: Mrs Rachel Williams
Statement No: WITN0296_01
Exhibits: None
Dated 11/2/22

THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MRS RACHEL WILLIAMS

I, MRS RACHEL WILLIAMS 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 49 years of age. I am married with two sons. I live in Little Moorland, Somerset. I have lived in this particular area for the past 15 years but have always lived in Somerset. I have always worked in a self-employed capacity. My husband, and I own a farm.

3. I was the subpostmistress of Allerton post office, Little Moorland, Chapel Allerton, Axbridge, Somerset from 1 April 2006 to 1 November 2008.
4. I operated a retail business selling, amongst other things, confectionary, refreshments and fresh meat produced on our farm. The post office and farm was our only source of income.
5. Before taking on the post office, I worked the farm, and my husband had a full-time job.
6. We lived in a house in a neighbouring village to the farm. However, the post office near our farm, was run by a couple who were retiring so we decided to take over from them.
7. I have always lived in Somerset, and I was drawn to the idea of being at the heart of the village community as a subpostmistress.
8. In preparation for the move, my husband and I sold our house and moved into a mobile home and the post office was in an adjoining portacabin, which became part of our farm grounds.
9. My husband gave up his full-time job to run the farm and I took over the post office on a full-time basis.
10. We paid approximately £21,200 for the branch, alarm and portacabin in which the branch was located. However, Post Office covered half of this cost and so we contributed approximately £10,600.
11. I trusted the Post Office as a well-established institution that I could do business with and would give us financial security. We intended to continue running the farm and the post office until we retired.

12. We anticipated having a long successful business and fulfilling family life.

TRAINING AND SUPPORT

13. I cannot recall how many days training I had prior to my appointment as subpostmistress. I recall that I had some classroom training in Bristol. This was followed by training at the branch which was conducted by Faith Lavender and Gwyneth Solis.
14. Throughout the training I was taught, in a classroom environment, how to process transactions through Horizon. I do not feel as though this training adequately prepared me to run the branch.
15. In particular, I was not given adequate guidance on how to deal with transaction corrections, which I feel contributed to the shortfalls that I experienced in the branch. I also really struggled with the daily remittance process, as this was not covered in the training in any depth.
16. On 14 September 2006, a Post Office support advisor (whose name I cannot recall) attended the branch as I had been experiencing shortfalls, which related to processing cheques. I had been righting these shortfalls by completing a transaction correction, as I was taught to do in the training. However, I still felt some unease in doing this and was not 100% confident that this is how I should be dealing with the shortfalls.
17. After reviewing all the transaction corrections at the branch, the advisor informed me that all the corrections had been processed correctly.
18. I was assured by the Post Office advisor that each time the Horizon system showed a shortfall, I was to apply a transaction correction and that would solve the issue. The system balanced and I was able to continue trading as normal the following morning.

19. However, I continued to feel unsure and lacked confidence and in September 2006, I requested further training from Post Office. I still did not feel that I had sufficient knowledge of (amongst other things) the remittance process, sending overseas mail and processing travel transactions.
20. On or around 10 October 2006, a Mr Craig Winks of the Post Office visited the branch to conduct this further training. I cannot recall this visit in any depth; however, I did not feel much more confident in processing these transactions after the training.

Helpline

21. I contacted the helpline approximately once every couple of months. Often, when I would call, it would be impossible to get through to an advisor and I would eventually put the phone down.
22. When processing a transaction at the branch, it was not professional to ask a customer to wait whilst I got through to the helpline.
23. I found that the advice given varied greatly in quality. Sometimes, the advisors seemed to know even less than I did and could not resolve my queries. They would regularly tell me to look at the manual provided but this was not helpful when customers were waiting, and I found the manuals difficult to follow.

SHORTFALLS

24. 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.

25. I did not know that there were any losses occurring in the branch until Post Office conducted an audit at the branch on 19 June 2008. I was balancing the system using transaction corrections on each occasion the system showed a loss, as I had been told to do so by the trainers and the helpline. As such, I was not aware of the shortfalls.
26. The audit identified a shortfall of £8,724.62. which I was told was broken down between discrepancies in cash, stamps, stock and cheques.
27. I paid the total shortfall in full around 18 months after the audit took place. I settled the amount centrally. I was led to believe that I had no option but to do so. That it was my fault the losses had occurred, and I had to make them good.
28. I wish to emphasise that I was shown no evidence to support these findings and I was not given access to the data so that I could check the figures of the auditors. I had repeatedly asked for further assistance and training and so I was distraught to discover that I was being blamed for the loss.

AUDITS

29. As detailed above, an audit took place on 19 June 2008, and was conducted by Karen Derbe and Paul Holland, Post Office auditors.
30. I was not told that an audit would be taking place. I was asked to explain the alleged shortfalls. I explained that I could not account for the figures on Horizon and that I was sure that there must be a flaw in the system and that I had been following the procedures set by the Post Office.

SUSPENSION AND TERMINATION

31. Following the audit on the 19 June 2008, the auditors informed me that I was to be suspended from my position as subpostmistress.
32. The Post Office auditors locked the safe, but did not remove it, and took my keys. My husband and I felt very unsafe as we knew a large sum of money was being held in the safe to which we did not have access.
33. I was absolutely devastated and could not comprehend how the loss had happened. I went from thinking the post office was a success to being suspended and treated like a thief, all in one day. I was treated with contempt and disrespect from the very outset by the Post Office staff.
34. On 21 June 2008, I wrote to my contracts manager, Nigel Allen, to dispute the decision to suspend me. I wanted to fight this as it was unjust.
35. Following this, Mr Allen agreed that an outlet field support advisor, Craig Winks to attend the branch to review the Horizon records and investigate the shortfalls. He spent several hours going through the system and paperwork but could not explain why the losses had occurred.
36. On 16 July 2008, I was ordered to attend a fact-finding interview with Nigel Allen, a Post Office investigator.
37. I took a recording device into this interview and Mr Allen informed me that he would be recording the interview as well.
38. I found that Mr Allen had very little knowledge of the Horizon system throughout the interview. He would ask questions about how the shortfalls occurred and would then make calls for clarification as to procedures that I was expected to follow. It

was clear that even the officials hired to investigate the shortfalls had not the first idea of how the Horizon system worked themselves.

39. The threat of criminal or civil action was ever-present during this interview and the following investigation.
40. Following this interview, Mr Allen arranged for Robbie Hermes, also an outlet field support advisor, to attend the branch to investigate the shortfalls.
41. Mr Hermes did attend the branch and he, like Mr Winks, could not identify the causes of the shortfalls.
42. My husband and I went through all the paperwork and realised that all the shortfalls could be directly traced back to the transaction corrections I was putting into the Horizon system. For example, one piece of paperwork showed a minus of £106.60, a transaction correction of £106.60 and yet the paperwork was still showing a deficit of £106.60. We showed our paperwork to Mr Hermes, and this was simply brushed aside.
43. Mr Hermes emailed Mr Allen explaining the outcome of his investigation, this was forwarded to me. In his email Mr Hermes suggested that a combination of the minimal training and poor instructions on how to process transaction corrections given to sub postmasters was to blame for the shortfalls I experienced at the branch.
44. Nevertheless, my contract was terminated by Post Office. I was informed of this decision by letter dated 25 September 2008 from Nigel Allen.
45. My position was terminated for breach of section 12 (paragraphs 4 and 12) of the sub postmaster's contract. Post Office alleged that I failed to keep the accounts in the form prescribed by the Post Office and had caused accounting irregularities as a consequence.

46. I appealed the termination of my contract and attended an appeal interview on or around 28 November 2008 with the appeals manager, Richard Clemerson.
47. I appealed the termination of my contract on the grounds that I was only following the instructions given to me by Post Office Ltd. That I had sought further training on the Horizon system and that it was Post Office Ltd who had failed to properly rectify the shortfalls when I had made them aware of them through the helpline and when their advisors attended my branch.
48. Mr Clemerson wrote to me on 5 February 2009 to inform me that my appeal had been unsuccessful. He stated that he had investigated the shortfalls and concluded that these must have been caused by my errors whilst processing transactions on Horizon, even though the investigation had concluded that I was not given sufficient training on the system.
49. As Post Office could never provide any comprehensive explanation as to how the shortfalls had occurred, I do not feel as though they were ever investigated in any depth.

CIVIL AND CRIMINAL PROCEEDINGS

50. The Post Office did not pursue criminal or civil action against me, but I remained in fear of such action being taken because of the formal interviews I had been subjected to and the termination of my contract.

LOSSES

51. The Post Office's flawed Horizon system undermined the running of my business, and resulted in shortfall repayments, thereby affecting its viability. In total I had to pay more than £8,724.62.

52. As a result of the Horizon system and the Post Office's actions I was financially ruined when my business became unviable.

53. The Post Office closed the branch, so our rural shop lost significant footfall. We lost a great deal of income and had to try and make ends meet as best we could, but in the end had to close our shop.

54. I intended to run the branch until retirement which was approximately 30 years away at the time of my termination. However, the Post Office destroyed my plans for a secure retirement.

HUMAN IMPACT

55. The effect of the events occurring as a result of the Post Office's actions cannot be fully explained or put into words.

56. We had many sleepless nights worrying over shortfalls and were left to work out what had happened. We spent hours going through paperwork and were unaware that others were in the same position.

57. I suffered worry and stress due to having to borrow the money from friends and family to pay the Post Office the shortfall.

58. I believed that we were running a successful business, so I was confused when the Post Office audit discovered a shortfall. I went into a downward spiral of stress and anxiety attempting to understand how that could have happened.

59. I went from being a respected member of the community to someone who was being threatened with criminal and civil action. I was terrified of being criminalised despite being innocent.

60. In my small rural community, I was well known as the subpostmistress and rumours of me being fraudulent circulated when my post office branch was audited and closed.
61. Some people who I knew stopped speaking to me because they believed these rumours and I am still conscious of avoiding certain people if I go out of my home.
62. Shortly after our shop closed my husband become ill, which I believe was down to the stress of the Post Office actions.
63. He did recover and thankfully has remained in good health since, but it took several months to get back to normal.
64. As a result of the Horizon shortfalls, and the Post Office action against me, our financial circumstances were impacted, and we were unable to provide our sons with many things they needed.
65. We missed out on family holidays, outings and could not afford to buy the things their friends were getting.
66. My husband and I suffered many sleepless nights worrying about how the losses occurred. We were at our wits end, poring over paperwork to try to explain it. This was time we should have been spending with our sons.
67. I was also terrified that I would be prosecuted and possibly jailed for theft, branded a thief and labelled as such for the rest of my life.

CONCLUSION

68. The Post Office ruined my financial security, and in doing so impacted my mental health, my family and community relationships.

69. I believe that the Post Office were aware of the problems with their Horizon System for a long time but decided to put the blame onto subpostmasters to hide their own failures.

70. I feel like this is never ending. I have not been able to move on since this happened in 2008.

71. We, as a group of subpostmasters have been in a cycle of hope and then disappointment. I hope more than anything that the Post Office will finally be held to account.

STATEMENT OF TRUTH

I believe the facts contained in this Statement are true.

Signed **GRO** Dated 11/2/22
Rachel Williams