

Witness Name: Mr Virendra Bajaj

Statement No.: WITN0227_01

Exhibits: None

Dated: 07 January 2022

THE POST OFFICE HORIZON INQUIRY

FIRST WITNESS STATEMENT OF MR VIRENDRA BAJAJ

I, MR VIRENDRA BAJAJ, WILL STATE as follows:

INTRODUCTION

1. I am grateful to the Chair to be invited to provide a “human impact” statement, concerning the consequences to me and my family as a result of the Horizon IT system and Post Office Limited’s actions toward me and my family. The introductory paragraphs below provide a brief summary of my background, and to provide context to the detail of the human impact of the scandal on me and my family.
2. I was born in Glasgow. I am married, for 27 years, and I have one daughter, who is a primary school teacher.
3. My father was an advocate in India and came to the UK in 1967. He worked in the civil service. My mother followed my father, and our family moved to London. My father had a good career in the civil service, however, he wished to go into business for himself. He decided he would like the family to become involved in being subpostmasters, because he felt the Post Office was a trusted organisation, and that work as a subpostmaster would suit the lifestyle he wanted for himself and his family.

4. My father bought my older brother a post office in Dagenham in Essex, and later bought a post office for myself in Chelmsford in April 1990. This was always intended to be a family enterprise.

BACKGROUND PRIOR TO APPOINTMENT AS A SUBPOSTMASTER

5. I studied business studies at college, as it was always intended that I would become a subpostmaster straight after college.
6. While I was studying at college, I worked in my older brother's post office to learn the business, while I studied in preparation for getting my own post office.
7. After leaving college I worked in my brother's post office for 2 years full time.
8. My father, using his money, money from my brother and a loan, purchased a post office for me to run in 1990.
9. I was a Subpostmaster of Torquay Road Post Office, 4 Torquay Road, Springfield, Chelmsford, Essex, CM 1 6NF from April 1990 to 1 June 2006. I resided in linked residential premises. The Post Office was my home
10. I also operated a general convenience store alongside my post office. I employed my father and two part time members of staff. It was a typical family run post office.
11. Between 1990 and 1999 we operated a written book keeping system along with an early computer accounting system. In those 9 – 10 years we never had a serious discrepancy.

TRAINING AND SUPPORT ON THE HORIZON SYSTEM

12. In 1999 I had notice from the Post Office that the Horizon IT system was going to be introduced into post offices. I remember attending a one and a half day training course provided by the Post Office at the Rivenhall Hotel with around 20 other SPMs. I recall assistants were given 1 day's training.
13. At the training day hosted by the Post Office we all had our own computers and the Post Office trainers showed us how to enter transactions into the Horizon system.
14. The half day training was on balancing. We were never warned that there could be discrepancies or how to deal with them if they arose.
15. I remember finding the training rushed and quite overwhelming and confusing, I hoped that it would get easier as we got used to using the new system. I know that other SPMs at the training felt the same way as we discussed it together. The Post Office Trainers told us that if there was anything that we didn't understand we could call the helpline who would be able to assist. This later proved to be untrue

HORIZON HELPLINE

16. After the introduction of the Horizon system, I contacted the Helpline approximately four or five times per week, often I made these calls because of unexplained shortfalls on the system.
17. The support offered by the Horizon helpline was inadequate and did not help to resolve the issues I was having. The helpline staff seemed to know no more than we did, as this was a new system for everyone. Therefore, we relied more on the manuals than on the helpline when we needed assistance with anything on Horizon.

18. Virtually no support or advice was given and I was just told to speak to Mandy Lawless (an Area Intervention Manager). When there were problems with balances (shortfalls) I was told by the helpline staff to simply roll over the system and that it might sort itself out.
19. Nobody on the helpline ever mentioned that other people were experiencing issues with Horizon. I only realised this after my father wrote a letter which was published in the subpostmaster magazine, and other subpostmasters came forward to say they were having big problems with the Horizon System.

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. Shortfalls occurred often in the Horizon system at my post office. I would estimate that throughout my time in the branch, I paid (or Post Office deducted) in excess of £16,259.
22. I ran this same branch for ten years prior to the installation of Horizon, and had no issues regarding shortfalls during those ten years. I only had problems with shortfalls after the installation of Horizon.
23. As I have said, my family had also ran another Post Office branch in Dagenham for several years before the introduction of Horizon, and experienced no difficulties with shortfalls until the introduction of Horizon.
24. My branch began to suffer from discrepancies in around August 2004, and these shortfalls continued until March 2006, when I resigned as SPM.

25. I reported incidents of shortfalls to the helpline and to Area and Regional managers. Many of the issues were not satisfactorily resolved giving rise to the shortfalls claimed by POL or issues were resolved but not explained by Post Office to us.
26. The issues I experienced included, but are not limited to, the following incidents:
- (a) On 18 April 2004 Horizon showed a £20,000 surplus and I had no idea why. I reported this to POL on the helpline. We never withdrew surplus. The helpline member told us that they would look into this when we reported it and so we took no action assuming that Post Office would call us back to explain or rectify. But then on the following week's balance the surplus had disappeared. The Post Office never did explain what this surplus related to or why it had disappeared the following week.
 - (b) In December 2004, Miss D South, a Post Office Area Manager, told us that £22,000 worth of cheques were missing. This sum multiplied a number of times after we reported the problem to the helpline. Miss South promised to correct the issue. The actual figure of £3,800 worth of cheques that had already been received by the clearing office. Miss South was transferred at the end of the trading period and so no further action was taken by Post Office. We never found out what actually happened as we heard nothing further.
 - (c) On 26 January 2005 Post Office auditors visited my branch and carried out an audit and recorded a shortfall of £4,320.56. It appeared that this sum included £3,800 which related to cheques incorrectly stated on Horizon as missing. I told the auditors about this and nothing was done by Post Office. I have not seen a copy of the audit report. I paid this shortfall to POL, despite it being. I felt I had no option, as if I did not pay, they would close my post office.
 - (d) In the week of 13 July 2005, Mandy Lawless, Area Intervention Manager for Post Office, attended the branch and noted when we carried out the balance that Horizon

- showed £18,106.18 for cash overflow for the week but on the balance sheet the cash in pouches figure was £21,395. Mandy Lawless was aware of this discrepancy but took no action to try and get to the bottom of it. In spite of this £3,530.62 was paid by me for the shortfall.
- (e) Also in the week of 13 July 2005, the philatelic (stamp related) items that we had recorded as in stock, being items such as collectors stamps and presentation packs, had been reduced from £1,440.00 from the previous week to £498.98 without any reason, and therefore Horizon showed a shortfall of £941.52; even though we had not sold any philatelic items that week. Copies of the accounts were supplied to Mandy Lawless and subsequently sent to Post Office solicitors. Mandy Lawless reported by way of note on the log that Horizon was faulty but no further action was taken by Post Office.
- (f) On 21 September 2005 Mandy Lawless telephone me at around 1pm and said that Fujitsu had been notified about the shortfalls and my complaints but no remedial action was taken, and I ended up paying £3,001.76 in shortfalls that week.
- (g) On 17 November 2005, Horizon showed a shortfall of £2,555.91 for no apparent reason and I tried to contact Mandy Lawless without success. She never came back to me and I paid this shortfall.
- (h) On 14 December 2005, £345 worth of postage disappeared from Horizon for no reason since nothing had been remitted to Post Office. There was no action taken by Post Office to try and get to the bottom of it and I ended up paying this shortfall.

AUDITS AND INVESTIGATIONS

27. First, I would ask the Chairman to note that the discrepancies were not always shortfalls. In some cases, as with the £20,000 surplus, the system showed errors in my

- favour. However, I would report these to Post Office, and they would simply correct the system and take the money without any comment. So, it is a fact that Post Office knew that there were errors and bugs in Horizon at this time, but did nothing about it.
28. At least two audits were carried out by the Post Office. One audit took place on 26 January 2005 and found a shortfall of £4,320.56. I have not seen a copy of the report. I settled this shortfall, although Post Office provided no reasons for the shortfall, and took no action to investigate why it had occurred. I had to pay, or lose my post office.
 29. The audit which led to my suspension took place on 8 May 2006. Peter Riches, one of the three Post Office auditors who came that day, led the audit. He found a discrepancy of £8,798.24. This was made up of a difference in cash figures of £8,640.67 and a difference in stock of £157.57. I was not provided with a copy of the auditor's report at the time but have seen it since.
 30. The branch remained closed throughout the audit. At the end of the day Mr Riches took my safe key and told me that the post office must remain closed, and that I was not allowed to enter the post office area of the premises. I was shocked. I was given no explanation, other than that I would receive a letter in due course
 31. I then received a letter dated 9 May 2006 stating that I was suspended from that date.
 32. On both occasions the auditors simply arrived, found that there was a shortfall and did not offer any help, investigate or provide any explanation as to why this was the case.
 33. Other audits took place, usually twice per year. Most times they found shortfalls of £200-£300 which I settled straight away.

34. At none of these audits did the Post Office provide any evidence of any adequate investigation. I was simply forced to take their word for the shortfalls and to pay them.
35. I was not provided with access to the computer records so that I could independently check the Post Office auditors' findings. It was completely one sided and unfair. I had no means or opportunity to defend myself and my families' business.

SUSPENSION AND TERMINATION

36. I was suspended from my position as a subpostmaster on 9 May 2006 following an audit by the Post Office taking place on 8 May 2006 which found a shortfall of £8,798.24. I did not work in the branch again and my appointment ended with my resignation, which took effect on 1 June 2006.
37. I had paid out so much money for the alleged shortfalls that I and my family could no longer sustain this drain on our resources. Also, I was deeply afraid that if I continued as a subpostmaster that there would be further shortfalls that would simply ruin the family.
38. I had put 16 years of my life into this business. My father and brother had invested in starting it. My wider family had a big interest in the post office. My wife was employed there. The whole community knew me, and I had status as the local subpostmaster. However, I had to give all this up, as a result of fear of the Post Office and shortfalls in the Horizon system.
39. The branch was closed from 8 May 2006. Mr Najmin Jaffer was appointed for a temporary period from 26 May 2006, as a temporary subpostmaster.
40. I was not allowed into my own post office until a relief subpostmaster was in place. My wife ran the retail side of the business in the meantime.

41. My appointment ended when my resignation took effect on 1 June 2006, having tendered this by way of written notice dated 1 March 2006.
42. The after effects of all of this remain with me to this day. At that time, I was a 37-year-old man with a good busy business with real prospects. I now, at the age of 52, and work night shifts as a security guard GRO My life should not have worked out like this. Horizon and the Post Office are blame for blighting my family's prospects.

CIVIL AND CRIMINAL PROCEEDINGS

43. The Post Office did not pursue me for recovery of any alleged shortfalls by civil proceedings or take criminal action against me.
44. I am sure that this is because I simply felt compelled to pay up and believed that I had no alternative but to pay the shortfalls, through fear of action being taken against me by Post Office Ltd.

LOSSES

45. The actions of the Post Office against me had a devastating impact on my and my family and our finances. As I have said, I estimate that I repaid shortfalls of at least £16,259.
46. I also lost my income of £1,000 per month.
47. However, Post Office's actions led directly to the loss of our family business, which was owned by my father. This was sold in or around September 2006 for £100,000, which was about £50,000 less than it was worth at the time. This was the same price as had been paid for the business in 1990.

48. My family's reputation was tarnished in light of my suspension and I feel that this had an impact on the sale price.
49. I was unable to work from when my resignation took effect on 1 June 2006 until April 2007 because of the stress and depression brought on by Post Office's conduct.
50. I then ran a licensed convenience store for nine years from the same premises. During this period my earnings were nil, and I relied on working tax credits and child credits. Had I been able to continue in my role as a subpostmaster I would have received an average take home salary of £1,000 per month (no doubt rising over time), I estimate that my loss of earnings during this period were a minimum of £110,000.
51. I now work in security at: GRO
52. My family is well-known in the local community and my suspension and the allegations made against us by the Post Office damaged my reputation.

HUMAN IMPACT

53. Above I have given a summary of my experiences and losses, but I have not given a proper understanding of the impact the Post Office action against me had on me and my family.
54. My father bought this post office for me. It was part of our combined families' plan to develop a chain of post offices. He and my brother invested all that they had in purchasing this post office. I studied business at college specifically so that I could prepare for life as a subpostmaster.
55. As I have said, my father was a legal advocate in India. He was a civil servant in the UK. He was and is a man of high moral standards. He was a man who was so deeply

- committed to his family and to building a life for his family. He gave everything he had to his family.
56. My father is now 90 and is suffering memory loss. I feel deeply aggrieved that even if I am vindicated that my father will not fully appreciate any accountability that I will achieve for what happened.
57. My father will never know or understand that I was not a thief and it was not my fault that we lost all of the family money and it was not my fault that the business he built up was lost.
58. It is hard to explain how awful it is to feel that you have let down your father and family in this way.
59. These problems also caused huge tensions within my marriage, as my wife was naturally deeply concerned about how we would live after we lost the post office.
60. My daughter was at the local primary school just around the corner from the post office where we worked and lived. There were constant whispers and rumours about us after my removal from the post office.
61. After losing the post office, I became a recluse. I stayed in bed with so many thoughts going around my mind. I effectively did not leave the house for months, except to go to the job centre.
62. When I was experiencing these problems with the Horizon System and with the Post Office, I started to have bouts of anxiety and depression. I felt like everything was out of my control and I could not believe that something like this could be happening.
63. I began to fear Wednesday's, which we called 'balance days'. I feared them because I simply did not know what the Horizon System would show. I would get knots in my

- stomach and feel anxious. My finger would hover over the button on the system, before I pressed it. When I did press the final balance button, an egg timer symbol would appear on screen and go around and around on the screen. It was horrible waiting for it to stop, as I knew that when it did, it could spell disaster for me and my family.
64. After my suspension due to the apparent shortages, I lost all the income from the post-office, shop and rental of the flat upstairs, I was unemployed for 11 months and received no benefits due to being classed as self-employed.
 65. I felt deeply ashamed. I felt that my reputation had been destroyed. I felt that I had let down my father, my family and myself.
 66. I was living with my mother and father, my wife and 10-year-old daughter. Losing my post, job and our family business was incredibly stressful mentally and financially.
 67. My wife was working with me at the post office, so she had to look for another job.
 68. After losing my post, I went to the Job Centre every two weeks to sign on. It was the first time in my life I had to do this.
 69. My father was using his pension to pay for the mortgage. We had gone from running a successful family business, which I intended to carry on for a least 25+ years, to nothing at all due to the horizon system faults. To this day the knock on effects of it all continue.
 70. The loss of the post office had a huge impact, as the Post-Office was our family business and the main source of income for all of us. We were all shocked and stunned at what happened. Our friends were also hugely concerned about our wellbeing.

71. We are very well known within the local community, and the community was stunned as we had been running the Post-Office for the last 16 years. We were known to everyone in the community, and people could not believe that this had happened. I could not hold my head up in public for years afterwards.
72. I still live GRO walk from my old post office. I have to walk past it often. When I walk past it I feel sadness, and a deep sense of loss for what could and should have been. I imagine what life would have been like. As I could and should be still standing behind the post office counter, with my wife running the shop. Instead, we lost everything and our lives have not been what they should have been

CONCLUSIONS

73. My life and my families' life has been devastated by the actions of the Post Office. As far as I am aware no one at Post Office has ever been held to account.
74. I can never get back the 15 years that I have lost, or the life I and my family should have had. I never thought, as a 37-year-old business man, that at 52 I would be getting up at 1am in the morning to do shift work as a security guard.
75. My mum and dad live with me. I live in a house where I could only afford an interest only mortgage, because after losing my post office my income has always been so low. The mortgage ends in 6 years, and I will have no home.
76. The Post Office must be held to account for what they did to my family and the families of other subpostmasters. They must make good the financial losses we suffered. However, they must also be held to account in public to explain what they did to us and others; to explain why they did it, and to be held truly to account for the lives that they destroyed.

77. I and other subpostmasters were publicly humiliated and lost everything. The Post Office, its directors and managers, should feel at least some of the pain that they caused.
78. They should also openly, publicly and genuinely acknowledge what they did to us, and to offer me and my family a genuine apology, that they actually mean.
79. Someone senior from the post office should come to my family's former post office to stand outside it, to see where our dreams were shattered. That person should look into my eyes, my wife's eyes and the eyes of my elderly father and explain to us why this was done, and to say sorry.

STATEMENT OF TRUTH

I believe the contents of this statement to be true.

Signed: **GRO** _____ Dated: __ 7.1.2022 _____

Mr Virendra Bajaj