

Witness Name: Mr Baljit Sethi
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Dated: 11 January 2022

IN THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF MR BALJIT SETHI

I, MR BALJIT SETHI 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. This statement sets out the experience of myself and my wife, Mrs Anjana Sethi, as our experiences are shared. This statement has been shown to Mrs Anjana Sethi and she has provided a statement confirming the accuracy of the matters set out in this statement.

BACKGROUND

3. I am now 69. My wife Anjana is 67. We have three children. I was born in Kuala Lumpur, in Malaysia. My wife was born in Ratlam, in India. My wife came to the UK in 1966 and I moved to England in 1976.
4. I had already qualified in Law in Bombay before coming to the UK. I studied business studies at Isleworth College, as I wanted to go into business. I took a job at the Bank of Credit and Commerce International. I worked at a number of other banks over the next 20 years.
5. My wife's father had a post office in Gillingham in Kent, and my wife suggested that it would be a good idea for us to also run a post office. Because of or her experience of helping her father in the post office, and my banking experience, we felt that this was a good idea, and that we had the skills and drive to build a good business.
6. In August 1983 my wife got a contract with Post Office to become the subpostmistress for the Harold Park Post Office in Romford, Essex. She and I ran this very successfully for approximately 19 years. We used a manual system for the post office book keeping. This system was time consuming, however it was accurate. If ever there was a problem, you could go back through the ledger to identify where it had occurred. We balanced the books every week and sent them to the Post Office.
7. The Post Office would conduct unannounced audits; auditors always found our books completely in order.
8. The Harold Park Post Office was the subject of 7 attempted armed robberies. On each occasion, we were threatened by armed assailants but refused to give the robbers any money. We repeatedly protected the Post Office's money with our lives.
9. In approximately 2001, the Post Office approached us and encouraged us to take up and run a post office franchise at 99 Kings Road, Brentwood, Essex. We were not keen to do so at first, given that we had no additional help to support running another sub-

Post Office. However Post Office repeatedly encouraged us to agree, on the basis that it was a busy branch and that it would prove profitable. We agreed to take over the Kings Road post office in 2001. We invested very heavily in a long lease and other costs to bring this Post Office up to standard, improving security, stock levels and furnishings.

SHORTFALLS

10. In this section, we 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.
11. We had operated a post office at Harold Park for many years using the paper ledger system, and we had never experienced problems with discrepancies. Initially, things went well at the Kings Road post office. However, after approximately a year (approximately 2002) we started to see shortages reported by the Horizon system of approximately £1,000 per week. We contacted the Post Office asking for assistance.
12. A similar shortfall subsequently occurred. We reported it again, and asked for help from Post Office. We received no guidance or help. We conducted a full internal audit, checking all of the balances, cash, stamps, stock, TV licences etc. However, we still found that the balance was short.
13. I asked a family friend (who was also a subpostmaster) to come to our post office and to independently check the stock. He did so, and he could not find where the short balance was coming from. We concluded that there must be a problem with the Horizon IT system.
14. As a result, I asked the Post Office to come out to our post office to inspect the terminals, as there appeared to be a problem with the Horizon system. The Post Office

did not respond, and auditors did not attend. I repeatedly called the Post Office, but was told that the Area Manager in Chelmsford in Essex was not available. I left messages and I also sent faxes, to ensure there was a paper record of my requests for assistance. I received no responses at all from the Post Office.

15. The shortfall continued to grow and reached a level of approximately £17,000. We received a letter from the Post Office, asking us to make good the shortfall and advising that our contract for the post office would be terminated three months later. We faxed the Post Office, protesting that it was unfair to terminate our contract as for many weeks we had been asking the Post Office for assistance and requesting that it come to our to check what was wrong with the system. We said that it was unfair to terminate our contract.
16. The Post Office responded, maintaining that that within the contract it had the right to give three months' notice, and confirmed the decision to terminate the contract.
17. Surprisingly, over the following 3 months the system balance started showing regular surplus balances, which eventually amounted to almost a £40,000 surplus. Under the contract, we were entitled to withdraw this surplus balance. However, we felt that it was not right to take that balance, as we did not trust the Horizon System to be accurate.
18. On 19 June 2002, the final day of the three month notice period, two Post Office auditors came to the Kings Road post office and conducted an audit, which showed a surplus balance of £38,922.24. The auditors did not allow us to participate in the audit and took away the computers at the end of the audit. Our contract for the Kings Road post office was terminated in circumstances where the Post Office's own auditors found that the Post Office owed us almost £40,000. We asked the Post Office auditors what would happen regarding the surplus balance. The auditors said they would write to us. They did not.

19. I followed the matter up. The Post Office later replied and maintained that we owed the Post Office £53,000. The Post Office maintained that this sum, minus the surplus of £38,922 meant that we owed the Post Office some £17,874.51. Naturally, I rejected this calculation, or any liability, as I maintained that the final audit had been conducted without me or anyone else present, and that the Post Office auditors had taken away the computers. The Post Office then desisted from seeking this sum.

HUMAN IMPACT

20. We lost both of our post offices, including the first branch which we had operated for 22 years, as we simply could not focus on the business with the stress we were put under. We were made insolvent, and were forced to enter into an IVA. As a result, I could not get work or operate bank accounts. I fell into a deep depression and I seriously contemplated suicide.
21. We sought legal advice and instructed a direct access barrister in approximately 2004. We were advised that we stood no chance against the Post Office as it was a massive national organisation, that the post office contract we signed was weighted heavily in favour of the Post Office, and that we would not be able to afford court costs and legal fees.
22. Over the years we have sought help from a number of MPs and Lords including Lord Arbuthnot, Eric Pickles MP, Angela Watkinson MP and Julia Lopez MP amongst others.

MEDIATION AND HISTORIC SHORTFALL SCHEME

23. Some years later (in approximately 2013) we were invited to mediation by the Post Office. The Post Office offered us £1,000, which we rejected. We were eventually offered and accepted £5,000, which came nowhere near to meeting our actual losses, lost opportunities and the harm suffered.

24. More recently we made an application to the Post Office's Historic Shortfall Scheme. That application process is highly complex, and requires evidence that is not easily obtainable, or even available, after 20 years. It is important to note that the Post Office only set up the Historic Shortfall Scheme after the civil action of Bates & Others v Post Office Ltd, when the flaws in the Horizon system were exposed.
25. I asked Post Office if they would make provision for legal or accountancy advice, and they said that they would make no such provision. As such, although the Post Office has the benefit of legal, accounting and other support (including possession of all records and data), I had no such support, and was forced to make the application alone with the assistance of my children. I believe it is deeply unfair that the Post Office will not make any provision to assist someone, whose life they have ruined, in making an application to the complex compensation scheme the Post Office was forced to set up.
26. We made the application to the Shortfall Scheme in February 2020, and have had no substantive response or progress in that application. It is my understanding that there is a massive backlog of over 2000 cases in the Scheme.
27. I am now approaching 70 years of age, and my wife Anjana is 67. We have been seeking justice for twenty years. Our lives were utterly blighted by Post Office's Horizon System, Post Office's failure to assist us when we reported problems, and Post Office's conduct in terminating our contracts and the loss of our post offices. Our livelihoods and reputations have been devastated by the conduct of Post Office.
28. Our attempts to seek compensation for the losses caused by Post Office have been almost fruitless. We received a mere £5,000 under the mediation scheme (and only after fighting for it) and I have no idea if or when we may receive any compensation from the Historic Shortfall Scheme.
29. I am deeply worried that I or my wife will die before we achieve any form of justice and meaningful compensation for the devastation of our lives by the Post Office.

30. We worked for the Post Office for over 20 years, however, the Post Office destroyed our hard-built lives. We have nothing to show for almost 50 years of hard work. We lost our savings, our livelihood, our business, and with 3 young children our life was turned upside down.
31. As can be imagined, we simply could not make up the shortfalls. We simply did not have thousands of pounds to spare to pay the Post Office for these shortfalls. Our working lives and environment became very difficult, as we felt pressure from Post Office management. As such, ordinary daily processes, which we spent years doing, began to cause us stress; out of fear we started having to double and triple check our work to ensure the errors were not caused by us.
32. This additional time and stress meant that we could not return home at the normal times we used to, meaning we could not be there to spend adequate time with our children. We would often not get home till 10 or 11pm, by which time the children would be asleep. Not surprisingly, the problems we faced as a result of the Post Office's actions have had an enormous impact on the family, both financially and emotionally.
33. At the time of our difficulties our eldest son, **GRO** was 21-22 years old, and studying in his final year of university with full knowledge of the financial pressures we were under. On graduating **GRO** was intending to seek work in banking, however, he had huge concerns that he would not be accepted due to a credit check on his name and address which would show the financial issues we were dealing with.
34. Our second son **GRO** was 17-18 and about to start university. He had to apply for a bursary from the local authority as we could no longer afford to pay for his tuition fees. **GRO** also had to work throughout his time at university as we could not afford to provide him any financial support.
35. Our daughter **GRO** was around 7 years old at the time of our difficulties with the Post Office. **GRO** grew up in circumstances where we were financially in extremis and deeply distraught. Further, we had to seek any employment we could get to try to make

ends meet, meaning that we were working more than full time and thus not able to spend time with our young daughter.

36. I was a law graduate and business graduate, with a background in banking; but at the age of 54 the only work I could get was working as a security guard on nightshift. This deeply affected my pride and self-esteem. However, I had to put food on the table for my children, so I swallowed my pride and did whatever I had to do to provide for my family.
37. It was clear to me then and is now clear to everyone that we and other subpostmasters had done nothing wrong. However, we lost so much time with our children, in those golden years that can never be returned, because we were panicking all of the time because of the Horizon system and the poverty the Post Office put us into. Our children grew up in an environment where their parents were frightened, unhappy, crying and depressed, and unable to provide for them properly.
38. I feel a deep sense of shame that I was unable to provide for my children as they were growing up in the way I had hoped and that they deserved.
39. Aside from the time lost with family, the financial situation is something that we have never recovered from. We had invested nearly £150,000 to lease the property and shop, plus thousands more on stock levels, and setting up the shop (improvements etc). We signed a 14 year lease on a good business property, which the Post Office came to us to ask us to run. I also lost the salary for the Kings Road post office (of £35,000 per annum); it was our intention to run this post office until retirement, so we lost this salary for as much as 15 years, as well as losing the salary of the Harold Park post office (of £15,000 per annum).
40. We would have wished to pass this post office and associated business onto our children. The convenience store that ran alongside the post office has an annual turnover of £50,000. Instead, in just 18 months we went from successful business people, who had run a post office without problems for almost 20 years, to losing

everything. The Post Office closed us down and the convenience shop business that ran alongside the post office was no longer viable without the trade the post office brought with it.

41. We had an unblemished record of working for the Post Office. We experienced seven armed robberies where our lives, and our family's lives were at risk. We refused to give up the Post Office's money to the robbers, even though this put our lives at risk.
42. We had such a good reputation as subpostmasters that the Post Office came to us almost begging us to take on the Kings Road post office. Our reputation was trashed by the Post Office, including in public. For example, the Post Office even went as far as offering my wife, Mrs Anjana Sethi's, job publicly whilst she was still employed. People immediately questioned why the Post Office were offering my wife's job out.
43. The Post Office tarnished our name in the community, by undertaking such blatant public defamation. A post office closing because money was disappearing causes word to spread like wildfire. This is particularly the case as Post Office branches and convenience stores, in those days, were central pillars of the community. Friends, relatives, family all thought we were stealing money for our own benefit. We became a topic of conversation in circles in which we used to be held in high regard. No one would believe that the Post Office could be wrong, and that we could be right, despite our insistence.
44. A local newspaper even contacted us (The Brentwood Gazette). We still have a cutting to this day of the report from 2002. In that article we are quoted as saying that these shortfalls were caused by the Post Office's Horizon system, and the article states how the Post Office had totally refuted our claims. For 20 years we have been battling to prove this truth, despite the efforts of the Post Office to undermine our credibility and the credibility of other subpostmasters.

45. As a result of the group litigation and constant campaigning, further evidence of the Horizon system's faults has to come light, but this did not save or help us. The Post Office has been permitted to continue to ruin our lives.
46. Words cannot describe what happened to us. For years after, not only did we have to rebuild from nothing the financial losses we suffered (totalling into the hundreds of thousands and entering insolvency), we had to rebuild our careers as well. We went from a combined salary of £50,000 (of both post offices) and a turnover of £50,000 from the shop, to working at a minimum wage of £6.50 as a security guard on night shifts. Working nightshifts kept me from seeing and enjoying my family throughout the day, as that was the only time I had to rest and sleep.
47. As my wife had worked in post offices since she was young, this was her speciality. Ironically, after the Post Office closed us down, she applied for a job at another post office, which she ran as the manager. The Post Office had no issues around her managing this post office, albeit she was paid less than £6 per hour.
48. No amount of money can compensate for the fear, stress, anxiety, humiliation, loss of livelihood and shame we felt from the actions the Post Office undertook. At this moment in time, people of our age, nearly in their 70s, should be retired and living comfortably as a result of the long and hard work of their lives. We should have money to provide for our children, our grandchildren, and assets to hand down. We would have had all these things but for the Post Office action against us.
49. Instead of a comfortable and safe old age, we are poor. Twenty years on we are still here telling the same story, that the Post Office Horizon system was flawed and destroyed our lives. Twenty years on we are still fighting, still battling, and attending court hearings when we should be in the park pushing our 4 grandchildren on the swings.
50. It is testament to our resolve and the resolve of others like us fighting for the truth that we are still here. However, we are tired; we are tired of fighting. This needs to end, and

end soon so we can focus on the few years we have left with our children and grandchildren instead of continually focusing on the treachery of the Post Office.

CONCLUSION

51. I want an apology from the Post Office. I do not want a standard written apology. I want someone senior from the Post Office to come down and meet my wife and I outside of our former post office, so that we can show that person what was taken from us. I want to tell that person, and for them to hear and see, the pain that they caused us. I want that person so see and feel our tears at our loss. I want that person to look us in the eyes and acknowledge what the Post Office did to us and to apologise, and to mean it.
52. However, an apology without compensating us fairly for what was taken from us is meaningless. The Post Office must be forced to pay fair and urgent compensation. I and other subpostmasters are elderly and we do not have many years to live. We should not have to live our final years in poverty, but should be urgently and fairly compensated now, and not after we are dead.
53. I also want to know how this scandal was allowed to happen and was allowed to continue for so long. It seems to me that no one has been punished for what was done to me and other subpostmasters. The only people who have suffered seem to be the subpostmasters and their families.
54. I am now sure that the Post Office knew from a very early stage that their Horizon System was very flawed. I also believe that the Post Office knew, or should have known, that the shortfalls they were demanding from subpostmasters were the result of failures in their Horizon System. I want to know when the Post Office knew this, and why they did nothing to put matters right.

Statement of Truth

I believe the contents of this statement to be true.

GRO

Signed.....Dated: 11 January 2022

Mr Baljit Sethi