

Witness Name: Colin Herbert Baker CBE

Statement No. WITN0378_01

Dated: 22 Sept 2022

Exhibits: None

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF COLIN HERBERT BAKER CBE

I, MR COLIN BAKER CBE, will say as follows:

1. I am grateful for the opportunity to provide a statement to this very important Inquiry and I thank all those who have provided the paperwork to help me to remember and prepare.
2. My contact with the post office began in 1968, when my wife and I purchased Birches Head Post Office Stoke on Trent from my wife's parents, whose father had been the Subpostmaster for around 15 years and they wanted to move to a larger, busier post office. At the time I was a Police Constable in the Staffordshire County Police Force, stationed at Rugeley, South Staffordshire and my wife, Carole, was Deputy Matron at the local cottage hospital. We both worked shifts, therefore the opportunity to have our own business and a normal life sounded idyllic. I applied for the position of Subpostmaster, was successful and we bought the business.

3. I became Subpostmaster and was keen to develop a good rapport with the customers, building up a good business of stationery cards and toys. Carole looked after the private business and I ran the post office with the assistance of Carole when we were busy on pension days and when we balanced the post office books on Friday night.

4. As Subpostmaster and at the behest of my father-in-law I joined the local branch of the National Federation of Subpostmasters and soon became an active member of the North Staffs Branch, elected to the local committee and eventually to Branch Secretary, during that period I was made a delegate to the Midland Region Council and at one of those meetings I was informed that there was a vacancy for an Assistant Secretary at the Federations HQ at Shoreham by Sea, I applied for the Position and to my surprise was successful. We uprooted from Stoke with our two Children and went to live in Sussex.

5. As a full time Official of the Federation I could not remain as a Subpostmaster and I thought that was now my job. I had no intention of progressing, however after a few years in 1986 I was appointed Deputy General Secretary of the Federation. I was not a Trade Unionist, and I was not a member of any Political party and still not. I am therefore indebted to my predecessor Mr Alban Morgan who taught me the Job.

6. I became Deputy General Secretary in 1988 and General Secretary in 1991. With my service as Subpostmaster. followed by my time as Assistant and then Deputy General Secretary gave me a good grounding in post office matters, a good understanding of the way the Post Office operated and where Subpostmasters fitted in.

7. My tenure as General Secretary coincided with a period of great change in the Post Office Counters Ltd, I had realised that a Subpostmasters world was dominated by the cash account. Every day one had to complete a daily book recording the cash received from Post Office Counters, the amount of postage stamps sold, pensions and allowances paid out, Girobank transactions etc, and each Friday night to transfer those totals into a weekly book, add them all up and hope that you struck a balance. If the office balanced a sheet was copied and sent to the Post Office counters along with the pension and allowance slips and other supporting vouchers, If a balance could not be struck it all had to be checked again.
8. I became increasingly aware that the need to report the financial status of the office to Post Office Counters Ltd, but this balancing was onerous and every Subpostmaster would be fixated on the Friday night balance and not service to the customer or the private business.
9. At this time, I became aware that the Benefit Agency wanted to cease the use of order books for the payment of pensions and allowance and pay them through a persons bank account. This would be disaster for Subpostmasters and most pensioners and Chid beneficiaries, but we realised that trying to overturn this would be a long and futile battle we therefore sought to have post offices automated to enable them to continue to pay pensions an allowances.
10. That marked the start of our long standing and vigorous campaign to have a Post Office Card Account, not only for claimants to claim their pension or allowance but which would eventually enable all other Post Office products and services to be automated.

11. We were punching well above our weight; we opened doors which would normally be closed to us, being a small organisation. we gained the support of many influencers, Members of parliament of all political colours, Ministers, Secretaries of State and the Prime Minister of the time. We garnered support for the sub post network by providing our members with the means to explain to customers the problems which we foresaw with the withdrawal of the Pension and allowance book.

12. The automating of the network project was complex and the feedback from members in the pilot varied and with plentiful problems reported to us through our branches and Executive Councils, Including the siting of the equipment, missing appointments, lack of training, the slowness of the system and the number of times the system went down. In May 1999 we were told that the project was considerably behind schedule with higher-than-expected costs, at that point the Government decided to cancel the smart card project but continue with the automation of post offices.

13. Whilst we were naturally pleased that the automation of post offices was continuing we were once again very concerned at the prospect of our customers being forced to have a bank account with all that entailed for them, and the loss of income for members, as we knew that the Benefit Agency wanted the amounts to be paid into the pensioners and child beneficiaries directly into a bank account. We once again campaigned, this time to enable post offices to handle bank cards in order that pensions and child benefit claimants could continue to draw their amounts at the post office. Not only that but the post office could market the system to other clients such as banks and other commercial organisations.

14. We had even more ideas for extending the attractiveness of the network using the system to enable Subpostmasters to become General Practitioners for Government, where people could go the post office to access Government information and services, along with other advantages which the system would provide. Only one's imagination could put a limit on the prospects of a nationwide network which had such capabilities and was so ubiquitous
15. We were full participants of the various initiatives set up to seek the smooth transition of the system into the network and to eventually to maximise its potential, but were not privileged to the negotiations between the Post office and ICL and Government, but for the most part was advised of the hitting of targets or the opposite, for example we were not kept informed of the Governments thinking during that time, but we were informed when Government had decided to cancel the payments card. However, we were aware that the Benefits Agency wanted payments only into claimants' bank accounts and they were determined that should happen.
16. I was prepared to go anywhere and talk to anyone as we were convinced that our cause was just and better for claimants. One such group was the Horizon Working Group, Chaired by Government and containing representatives of the Post Office Unions, set up by Government to oversee the negotiations between POCL and ICL. To contribute actively to, and to facilitate solutions where problems arise in the completion of the development of the Horizon project and the subsequent migration of benefits to modern ACT based methods of payments accessible through post offices and to contribute through ideas to maximising the commercial potential of the Horizon infrastructure and the future viability of the post office network.

17. The Horizon working group were informed in October that formal acceptance of the system planned for August had been postponed because POCL's concern about training, system freezing, screen freezing, data integrity and the effective operation of the help desk, these were the complaints received by the Federation by its members and had been notified to POCL. We were further advised that POCL had commissioned an independent review of the roll out plans.
18. We were having continual meetings on the concerns we had at national level and those reported to us by our members. These meetings were at every level in POCL from the Managing Director and Chief Operating Officer to those personnel in charge of the siting of equipment, the helpline, and the operation of the systems in post offices. These meetings were in the main successful due to the interest of the post office managers concerned; some however were not so. We of course had no choice but to fight to support members.
19. I was a key contributor to the Performance and Innovation Report published by Government in June 2000. One only has to read the Foreword by the Prime Minister of the day, Tony Blair, the executive Summary, and the implementation recommendations to see the influence the Federation had in bringing to the attention of the opinion formers of the time the need for modernisation of the network, the position that Subpostmasters have in communities which they serve, and how to support the network of post offices. The discussions I had with the PIU team were more about the way the network was run and what it needed to continue in the face of the potential loss of Benefit Agency work and the other challenges it faces. If there were discussions regarding technical issues with Horizon they were not in my presence.

20. We were assured by POCL that that it had postponed acceptance of the system because of their concerns on several issues and that they had accepted the system in September on the basis that effective remedial action had been completed or was on hand. Therefore, we expected that the problems reported to us by members had been addressed or at the very least were well known by POCL. We were still receiving complaints and we continued to raise them with David Mills and Paula Vennells and at all levels in the Post Office. I think the stock answer we received was that the "beat rate" to automate the entire network during the rollout was at such a rate that some problems were taking longer to resolve than others but that all would be resolved. Complaints at that time were mainly about training and delays in receiving help from the helpline and we continued to be informed that work was progressing to resolve matters. I recall that reports of losses suffered by Subpostmasters were from individuals and where assistance was requested these were referred to an Executive Officer of the region, Fed HQ would always stand ready to take the case higher if necessary.

21. At the time there was no experience of anything but the usual small number of such cases, now, and with the benefit of hindsight, I must form the view that some members were brow beaten into making good shortages, others may not have been members of the Federation, and some were assisted by a member of the Executive Council.

22. Cases were frequently reported to the POID and I recall being frustrated by the lack of sympathy and understanding demonstrated by the head of the department. No amount of challenging produced anything other than their view that Horizon was not

capable of making changes to a Subpostmasters account and the system was entirely dependent on the information put in by the Subpstmaster. Therefore they argued that the Subpostmaster was guilty. My feeling was that any investigation by the POID was carried out to produce that result and not any other.

23. When I was the General Secretary of the NFSP we were a Federation of independent branches, organised into regions which were coterminous with Post office counters districts and regions. Each branch had a secretary and committees and each region had two executive officers. These executive officers formed the Federations Executive Council who, together with regular Branch Secretaries Circulars and a monthly Journal entitled the "Subpostmaster" were the conduit for the transmission of information to and from the members. The Executive Council met as a council four times a year, and we had an annual conference each year. alternating the venue of such so that the Northeast, Southwest, Northwest and Southeast had an annual Conference in their own region.

24. I feel that we were not part of the decision making for the formal roll out of the Horizon IT system. We certainly paid our full part in securing the system for the network and I feel proud of the role played by the Federation in the fight to have the post offices automated, retain work for members and the nation they served. The system of course was not ours to accept, such decisions were for the Post Office, ICL the Government, and some post office clients. There is no doubt however that for a small organisation we punched much harder than our weight and by any standards the result was amazing as we now see not only every post office automated but every counter position in those post offices.

25. The resulting Horizon system is not all that we wanted, as we wanted to build on the system for post offices to be able to perform new lines of business, banking opportunities and sign -posting customer towards Government information and services. For Subpostmasters to become General Practitioners for Government assisted by the emerging technology, I believe that we properly informed members of the technical issues and challenges relating to Horizon as we knew them at the time, our decisions and actions were based on what we knew at the time and what we wanted to achieve for members.
26. We received lots of feedback from members prior to roll out and beyond, of course whether it was adequate or not is much clearer now than it was then. The feedback we had was about screen freezes, dropouts, printers occupying time when that time was needed for other work, the siting of equipment, most of these were sorted by the time of roll out.
27. I would ask the Chairman to consider that most of this information relates to some 20 years ago. I have done my best to give a full statement and to answer all the questions to assist the Inquiry much of which is based on my memory. I hope that it is valuable to the Inquiry. I would also like to add my gratitude to those who have fought so hard to defend the reputations of the hundred or so Subpostmasters who have been so badly treated by certain members of the Post Office. I congratulate them and applaud their tenacity in this struggle. And my profound regret that innocent people have had their lives, and the lives of their loved ones, destroyed.
28. I pray that a new relationship between Sub Postmasters and the Post can rise out of the ashes of this terrible period.

Statement of Truth

I believe the content of this statement to be true.

Signed

GRO

Colin Baker CBE

Date: 22Sept 2022