https://www.thetimes.co.uk/article/victims-of-the-post-office-s-subpostmaster-scandal-on-their-decade-of-hell-gmwgl0pq7

Victims of the Post Office's sub-postmaster scandal on their decade of hell

Hundreds of sub-postmasters had their lives ruined when a faulty IT system led to them being accused of fraud. Katie Glass hears their stories of torment, prison — and the unfinished battle to clear their names

Katie Glass
Sunday February 09 2020, 12.01am, The Sunday Times
Share

In the Yorkshire village of Rawcliffe, the post office overlooked the village green. It was a grand, red-brick building. “The tallest house in the village,” Gary Brown proudly tells me. His wife, Maureen, remembers looking out from its large bay windows in summer at the blossoming trees. A warm, cheerful couple, the Browns had “always dreamt” of running a post office. Maureen smiles, remembering their excitement when they heard the Rawcliffe site was for sale. It took all their savings and a business loan to buy it in 2000. They planned to live in the house “until old age”, buried the ashes of Gary’s parents in the garden and dreamt of “our kids … inheriting this big, beautiful home”. They had no idea what a nightmare the post office would turn out to be.

The work was hard, the days were long, starting at 5am with the newspaper delivery. At first they loved it, putting out chairs and serving tea to local people. Gary was proud to be a sub-postmaster. He recalled his trainer saying: “When you walk out of this post office, everyone will be watching.” They were.

Just as Gary and Maureen took over at Rawcliffe, however, the Post Office, then part of the Royal Mail, was changing. Manual accounting books were being replaced by a new IT system called Horizon, which handled everything from selling stamps to car tax. Gary, who had never used a computer at work, was apprehensive, though the Post Office, he says, was not concerned at his lack of experience.

An essential aspect of the job was balancing the till. Postmasters were responsible for cashing up and balancing their registers with the Horizon system. Any error

was the postmaster's responsibility to correct: the right physical cash had to be in the till.

During his training, Gary was advised to keep a float: an "overs and unders tin" to help him do the balance. If the till was up by 10p, he was told, he should take that 10p out of the till and put it in the tin. If the till was down 10p, he could take 10p back from the tin. This system struck Gary as strange, but he says the trainer from the Post Office assured him it "was correct practice and all postmasters did it".

Gary's "little tin" was useful immediately. But over time more and more money was missing from the till. One week it was down £100. The next, £200. "I thought it was me doing the job wrong," says Gary. He watched the shortfall increase. "I hated balancing. I felt sick every time I had to do it."

Gary and Maureen Brown: "The Post Office has stolen our home and stolen our future"
CHRISTOPHER NUNN

Maureen tried cashing up. They got their staff to do it. Gary repeatedly called the Post Office helpline. He'd ask, "Is this happening only to me?" and, he says, the answer was always "Yes". Gary hired a private auditor who spent five days

interrogating their books. No one could find a solution, and the till's shortfalls grew to thousands of pounds.

To cover their losses, the couple worked longer hours, changed stock and began selling hot food. Maureen did cake decorating. Soon Gary was taking out loans against his wages to cover the disappearing cash. As the shortfall increased they remortgaged their home and borrowed from family and friends, living off leftover food from the shop. There seemed no solution, and no escape.

"You couldn't get away from it. It was downstairs," says Maureen. Gary says: "My confidence in my ability to run my business was on the floor." He drank to go to sleep and turned to his doctor for antidepressants. He remembers "clear as day" when crisis hit. In early 2014, the till was £32,000 short, according to the computer system. "I started to rock in my chair uncontrollably, forward and then back over and over again."

The Browns called the auditors themselves. Two representatives from the Post Office interviewed Gary, searching his house. "It was stomach-churning. I've never stolen in my life. I burst into tears," says Gary, his voice cracking as he remembers being told he might face a prison sentence. "I was frightened," says Maureen, starting to cry. "He was falling to pieces."

As the village gossiped, Gary resigned his position. He sold his home to pay back the Post Office and began having panic attacks. He developed Bell's palsy and fibromyalgia, brought on, he believes, by the stress of it all. "He was desolate," Maureen says. At his lowest, Gary tried to take his own life.

Then one day Gary googled "postmasters" and discovered he wasn't alone — he was among hundreds of sub-postmasters from the Post Office's 11,000-odd branches who were suffering from accounting discrepancies. Many were complaining that they were not to blame: it was the Horizon system that was at

fault, they said. Many were accused of stealing money. Some had to pay the Post Office tens of thousands of pounds; some were declared bankrupt. Many lost their businesses, their homes and their reputations. Gary and more than 500 other former sub-postmasters eventually formed a group to fight for justice and finally won some vindication. Last December, the High Court ruled in their favour: Mr Justice Fraser found they had been falsely blamed for shortfalls caused by the Horizon accounting system, which was fraught with bugs, defects and errors. The Post Office agreed to pay nearly £58m in damages.

James Hartley, partner at Freeths law firm, representing the claimants, said: “This judgment is vindication for the claimant group of postmasters … These claimants can now walk with their heads held high after all these years.”

To Gary it was a huge relief: “People came to knock on our door crying, saying they’d always known we were innocent.”

In a statement after the judgment, the Post Office, which had long resisted the claims from the sub-postmasters, said: “In the past, we got things wrong in our dealings with a number of postmasters and we look forward to moving ahead now.”

However, after legal fees, many claimants in the scandal will barely recoup the funds they have lost. Some estimates suggest they will ultimately receive only £10m in total. Worse, they have suffered in ways money will not compensate.

“The Post Office hasn’t just stolen that money off us,” says Maureen, “they’ve stolen our home and stolen our future.”

One sub-postmaster pressured to pay back money to the Post Office took his own life. Others were tried for fraud and went to prison. So, for some, the battle goes on as they now seek to overturn their criminal convictions.

CONFIDENCE CRUSHED

Questions about the Horizon system were first raised in the early 2000s, yet for years the Post Office publicly denied it was at fault. Instead, it treated hundreds of sub-postmasters as if they were guilty of fraud and theft. Many of the accused formed a campaign group to seek restitution and a long-running battle ensued.
In 2012 Paula Vennells became the Post Office's chief executive and independent forensic accountants were appointed to investigate the controversial IT system and supporting processes. They produced briefings suggesting Horizon was not fit for purpose. But the Post Office rejected the findings — and carried on suggesting that sub-postmasters were at fault.

All the while, lives were being ruined, among them those of Seema Misra and her family. Seema was once a financial controller, and was excited that buying a post office with her husband would put them in control of their own business. Unlike Gary, she was always confident with numbers. She reels them off: £250,000, the amount she and her husband, Dave, put into buying the post office; June 29, 2005, the day they opened a 3,500 sq ft shop on the high street in West Byfleet, Surrey. The Misras were "very proud" of their post office. Seema was proud to serve her community. She shows me a letter from Surrey police thanking her for saving a pensioner from fraud.

Seema Misra, who cannot get work using her financial skills because of her conviction

CHRISTOPHER NUNN

Seema's accounting issues, however, began "on day one". Though supervised by a trainer, she found her till was down £80. She received the same advice as Gary: to put her own money in to make the till balance and wait to take the money out later. Seema was shocked and found such "carelessness" outrageous. "Imagine if banks

just ran £80 short a day," she says. Her trainer assured her things would eventually even out. They never did. After weeks of putting money into her till, Seema complained to her area manager. They called in an auditor. "I was really happy they came," says Seema. The auditor found a £3,699 shortfall. She says that, despite her co-operation, the auditor told her if the till was ever more than £500 short in the future the Post Office could take her business away. "I was so scared," Seema says. "They were there to find where the money was going, but instead they gave me a warning. Imagine, all our life savings were in there. We couldn't just give it up."

As money continued to go missing, Seema began going through transactions by hand, staying at work late as her husband looked after their four-year-old son. In under a year, the losses grew to hundreds of pounds at a time as they tried to balance the tills. They decided to sell. But with the 2007 crash, the business sat on the market for three years. During that time, the shortfalls were constant — and increasing.

Like Gary, her confidence was crushed. "I became a completely different person." To keep their livelihood going, she and her husband borrowed hundreds of pounds, then thousands, from family and friends.

In January 2008 an auditor came in and calculated that there was a shortfall of £80,000. Seema was suspended. Her home was searched, and she was charged with theft and false accounting. She says the thought of a prison sentence never even occurred to her. "I hadn't done anything wrong. I hadn't taken a single penny."

Trusting the legal system would deliver justice, she refused to plead guilty. She was two months pregnant with her second son when she was sentenced to 15 months in jail. It was her first son's 10th birthday. She doesn't remember what happened in court: she woke up in hospital. Her tears fall as she remembers how

she begged a police officer not to handcuff her, begged him to let her leave the hospital by a back door and, when he refused, begged for his jacket to cover her wrists. “It was my local hospital,” she says, “I didn’t want people to see me going out with handcuffs on.”

Seema also cries as she remembers prison, her fear of losing her unborn son. “If I hadn’t been pregnant, I would have killed myself. It was so shameful,” she says. “I trusted the Post Office. I trusted I was working with a good company and this is how I’m treated.”

Seema’s youngest son is now eight. Time has done little to heal her wounds. Paying back the Post Office left the family financially ruined. She and her husband now run a taxi firm to make ends meet. Seema still cannot get other work using her financial skills because of her conviction. So now she, and other postmasters who went to jail, want those convictions overturned.

MAIL DOMINATION

The Royal Mail and Post Office have a long history of bringing private prosecutions for alleged offences relating to their business. In the 18th century an act of parliament prescribed that the penalty for various mail-related crimes was death — and in 1811 a poor man called Arthur Bailey was executed for stealing a letter.

Things have improved since then. But to this day the Post Office continues to bring private prosecutions against individuals.

Several interviewees described Post Office staff as acting like “mafia” or private police when they conducted interviews and searched homes. And in one case in the saga, a judge declared the Post Office had engaged in “oppressive behaviour” when demanding sums of money from sub-postmasters.

Following the High Court ruling in December, the Criminal Cases Review Commission (CCRC), which investigates possible miscarriages of justice, is considering reviewing the convictions of more than 50 people involved with the Post Office. In late January, the CCRC told convicted sub-postmasters that its commissioners would meet in March to decide whether their cases should be sent for appeal.

Janet Skinner: “I’d worked my way up. I loved it — going to work didn’t seem like a job”
CHRISTOPHER NUNN

Among those waiting for the outcome of the investigation is Janet Skinner from Hull. By the time Janet took over her own post office she had been working for Royal Mail for almost a decade. “I was really proud of the fact that I’d managed to work my way from the bottom [serving on the counter] to running my own office,” she says. “I loved the post office that much that going to work didn’t seem like a job.”

Janet tells the same story about managing regular shortfalls in the till — “anything from pennies to pounds”. She remembers clearly the first big discrepancy when she

found the till down £7,000, describing how she felt “sick” as she desperately trawled the transactions “trying to make sense of it”.

Situated on a busy housing estate, Janet’s post office could turn over £90,000 a week. The till’s shortfalls multiplied quickly. By May 2006 it had reached £45,000. Post Office auditors later calculated the shortfall was even higher: £59,000.

The Post Office invited Janet to what she describes as an informal interview. “They started recording and said, ‘Anything you say may be taken down in evidence.’ I said, ‘I thought this was supposed to be informal.’ Can I put it bluntly? I shat myself.” She says she was interviewed for 3½ hours, and that she handed over bank statements when her home was searched.

When Janet was prosecuted for theft and false accounting, her legal-aid solicitor advised her that if she pleaded guilty to false accounting the Post Office would drop the theft charge and she would likely avoid a custodial sentence. “I was petrified,” she says. “I panicked, so I took the plea.”

She still went to jail: she was sentenced to nine months for false accounting. Incarcerated in Wakefield Prison, she was put on suicide watch. “It’s not something I talk about,” she says, dropping her head and crying. “It was one of the hardest things I’ve ever done.”

Her son, Matt, was 14 at the time and taking his GCSEs; he learnt about her conviction from the local paper. “We didn’t get to say goodbye. We came home expecting to see her and she was gone,” he says.

Janet remains angry. “I couldn’t believe I’d ended up in jail for something I hadn’t done,” she says. “Even if I’d known what was going on with the [Horizon] system and the problems they’d been having it wouldn’t have been so straightforward.

They were making it as if it must be someone stealing. It was more of a witch-hunt than a search for truth.”

Her conviction continues to affect her job prospects. Stress has taken a toll on her physical and mental health. Her doctor has prescribed her antidepressants, and she suffered “spinal demyelinating disorder”, which she believes was exacerbated by stress, that left her temporarily paralysed.

“Just to have my life back would be nice. Not to have to worry about where money’s coming from or how to pay the next bill,” she says. “I had my own house, I had security — they’ve stripped all of that away”.

On its website the Post Office describes itself as “the nation’s most trusted brand”. “Not any more,” says Janet. “They’ve destroyed people’s lives. They should be held criminally accountable. Who made these decisions?” She is appalled that Vennells, the former chief executive in charge for much of the time the Post Office suspected sub-postmasters of fraud, was awarded a CBE last year for services to the Post Office and charity. Vennells earned almost £5m while in the top job.

In December, after the High Court judgment, Vennells issued an apology. “I am pleased that the long-standing issues related to the Horizon computer system have finally been resolved,” she said. “It was and remains a source of great regret to me that these colleagues and their families were affected over so many years. I am truly sorry we were unable to find both a solution and a resolution outside of litigation and for the distress this caused.”

A spokesman for Vennells, who is now chairwoman of Imperial College Healthcare NHS Trust and a non-executive board member of the Cabinet Office, said she had nothing to add to her December statement. So far, no senior management figure at the Post Office has suffered any penalty.

In a statement to *The Sunday Times*, the Post Office said: “We have sincerely apologised to those affected by our past shortcomings. A number of former postmasters have applied to have their cases examined by the independent Criminal Cases Review Commission. We are doing everything possible to assist the commission with its work. As we move forward with a new CEO, a sustained programme of improvements is under way, changing our culture, processes and support at every level of the organisation, to enable postmasters to work with us in a genuine partnership.”

In response to a request for comment from *The Sunday Times*, Fujitsu, the company that supplied the Horizon system to the Post Office, said in a statement: “On December 16 the Honourable Mr Justice Fraser published his judgment on the second trial of the Post Office Group Litigation. While Fujitsu was not a party to the litigation, we take this judgment very seriously and will now review the findings in detail.”

In parliament, Lord Arbuthnot of Edrom has been a powerful voice on the issue. He became a supporter of the sub-postmasters when, as MP for Northeast Hampshire, one of his constituents, a sub-postmistress, was threatened with jail for accounting irregularities. Now he wants parliament to take action.

“This is not over,” he tells me. “Now that the court cases have been settled parliament can get back involved. I very much hope the Commons business, energy and industrial strategy select committee will start an inquiry.” The entire Post Office board should resign, he adds. And Vennells, he says, might end up stepping down from the high-profile public roles she continues to hold.

A 20-YEAR SAGA

Early 2000s

Alan Bates, a sub-postmaster in Llandudno, Wales, raises concerns with the Post Office that its new IT system might be causing accounting errors

2003

Bates ceases to be a sub-postmaster. He alleges the Post Office terminated his contract because he was “making a fuss” about Horizon

2004

Bates tells the trade magazine *Computer Weekly* he has lost his “investment and livelihood by daring to raise questions over a computer system”. He seeks other postmasters suffering similar problems

2009

The campaign group Justice for Sub-postmasters Alliance (JFSA) is formed. Sub-postmasters lobby MPs. The Post Office resists complaints, saying its IT system operates correctly

2012

Paula Vennells becomes CEO of the Post Office. The forensic accountants Second Sight are appointed to investigate the disputed IT system

2013

Second Sight’s interim report finds evidence of Horizon glitches causing problems in numerous branches; 150 sub-postmasters file claims against the Post Office, which it resists

2015

The Post Office disbands a scheme intended to oversee the handling of complaints by sub-postmasters. Aggrieved sub-postmasters prepare group litigation

2017

The High Court gives the go-ahead for group litigation. Hundreds of sub-postmasters apply to join the action, claiming they have suffered from handling of complaints

2018

The first case against the Post Office begins, examining contractual relationships with sub-postmasters. A further trial examining the IT system is to follow

2019

Vennells steps down as Post Office CEO. In December, the judge rules in favour of sub-postmasters, finding Horizon was flawed. The Post Office agrees to pay

£58m to settle claims. Vennells and the Post Office apologise. Fujitsu, supplier of the computer system, was not part of the legal action but says it takes the judgment “very seriously” and will review the findings