

THE GREAT POST OFFICE SCANDAL

THE FIGHT TO EXPOSE A
MULTIMILLION POUND
SCANDAL WHICH PUT
INNOCENT PEOPLE IN JAIL

Nick Wallis



Originally published October 2021
This paperback edition published October 2022

ISBN 978-1-7390992-0-6

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Bath Publishing Limited
27 Charmouth Road
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BA1 3LJ
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www.bathpublishing.co.uk

Bath Publishing is a company registered in England: 5209173
Registered Office: As above

To Mum, Dad, Nic, Amy, Abi and James.

Thanks for everything.

HORIZON SCANDAL FUND

Many of the Subpostmasters featured in the book – and many more not mentioned – are still fighting for proper compensation or having to seek damages through malicious prosecution claims. Some will not have the resources to raise a claim, find the documents they need or travel to meet their lawyers or parliamentary representatives. Others may be suffering in silence, without peace of mind or the opportunity to afford basic items.

To help those directly affected by the Horizon scandal, Bath Publishing have set up the Horizon Scandal Fund (Registered Charity Number 1199595). Since 2021, the Fund has been distributing money to assist people and their families who have suffered as a result of the Post Office's punitive methods. This has mainly involved counselling for psychological trauma, hardship and travel grants, but the Fund can also provide cash for expert and legal advice, medical equipment, and media and creative projects. A small but significant percentage of revenue from all hardback, paperback, audio and digital sales of this book are diverted into the Fund. We are, however, mainly reliant on donors. You can find out more about the charity and/or make a contribution to the Fund at www.horizonscandalfund.org.

We are delighted that Lord Arbuthnot, who features prominently in this book, has agreed to become patron of the Horizon Scandal Fund charity.

If you are a former or existing Subpostmaster, Postmaster's Assistant or member of Post Office staff, or you are related or close to anyone who has suffered as a result of the Post Office Horizon scandal and some kind of financial assistance is needed, we warmly encourage you to investigate applying for a grant. Email info@horizonscandalfund.org explaining your situation and what you would like a grant for. All applications will be considered in the strictest confidence. Bath Publishing would like to put on the record their thanks to everyone who contributed towards the Horizon Scandal Fund and/or helped make it a reality, including Ian Fagelson, Flora Page, Gauruv Malhan and the current trustees.

Thank you for buying this book. It will make a difference.

ABOUT THE AUTHOR



Nick Wallis is an award-winning journalist and broadcaster. He has worked with the BBC (Panorama, the One Show, Inside Out, Newsbeat), ITV News, Channel 5 and Private Eye. He co-presents the ‘Investigating the Post Office Scandal’ podcast with the journalist Rebecca Thomson. Nick is married and lives in Surrey with his wife and three children.

READER NOTE

For most of the last century the Post Office was known corporately as the General Post Office. The initials GPO were ubiquitous and well-understood. The GPO governed the activities of Royal Mail and Britain’s telephony network (which later became British Telecom).

When the GPO was scrapped the Post Office went through various reorganisations. At one stage it was known as Post Office Counters Limited – or POCL (pronounced ‘pockell’). Soon afterwards it became Post Office Limited, often written up in documents as POL (pronounced ‘poll’). Many Subpostmasters therefore call the Post Office ‘POL,’ though Post Office employees tend to just call it ‘the business.’

If it’s not being called POL or ‘the business,’ there is a habit (mainly among its representatives) of dropping the definite article, so ‘the’ Post Office becomes ‘Post Office.’

The various official and unofficial names the Post Office has gone by are reflected in the hundreds of documents and interviews which have informed this book.

To save confusion and to be as consistent as possible, I have added, where appropriate, the definite article and changed many (but not all) of the POLs and POCLs to ‘the Post Office.’ I hope this aids the reader.

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FOREWORD BY SEEMA MISRA

I have always been a spiritual person. When I was convicted of theft in 2010, my faith and my belief in justice was shattered. I was pregnant at the time. My despair caused me to think of suicide. I wondered if God wanted me to have something in prison to worry about. Thoughts of my unborn child kept a bit of hope, and me, alive.

The Hindu religion has a concept of *Ramarajya*. That is the realm of what Ghandi called the moral authority of the people. It is a realm in which peace, honesty, prosperity and security prevail. I had come to England like many, believing Britain was a place of *Ramarajya* which offered the opportunity to work, to thrive and to prosper.

In 2005, Davinder and I invested our own money in a Post Office branch and retail business. We were proud to have become part of such a famous British institution. When I was sentenced to prison on my eldest son's tenth birthday, all our dreams and hopes were destroyed.

The Post Office did not quite get away with it. They almost did. It was reassuring and comforting to know that others believed something had gone wrong. They have kept the story alive when the Post Office very much wanted the story to die.

Throughout our journey, we have made many wonderful friends who have been like lights in the darkness. Some have helped to restore a bit of faith in English justice. They never believed, even for one moment, that I was a thief.

Reading this book made me cry. Nick brings to life what the Post Office did to me and to my family in a way that makes reading it feel like re-living it. It is a story which broke my heart.

You may think it could never happen to you – or to someone you love. This book shows that you would be wrong. It happened to me.

Seema Misra, former West Byfleet Subpostmaster, July 2021

INTRODUCTION

Seema Misra was sacked as Subpostmaster at the West Byfleet Post Office in Surrey and then charged with theft. A jury at Guildford Crown Court found her guilty of stealing £74,000 from her own Post Office. As Seema says in her foreword to this book, she was sentenced to jail for a crime she didn't commit, on her eldest son's tenth birthday.

When I met Davinder Misra, Seema's husband, his wife was still in prison. Davinder was adamant the case against her was wholly false. Seema, he told me, had been convicted on the basis of evidence from a faulty computer system called Horizon. It took more than ten years for Davinder to be proved right.

The Misras were not alone. In the first decade of this century, accounting evidence generated by the IT system at the heart of the Post Office branch network was being used to bring private prosecutions against counter staff and branch Subpostmasters on an industrial scale. Between 2000 and 2015, more than 700 people were given criminal convictions.

Yet the 'largest non-military IT system in Europe,' as Horizon was proudly described, was riddled with bugs and coding errors. The Post Office – a government-owned company – was using the shaky electronic data produced by Horizon to wrongfully charge its own Subpostmasters with crimes which simply did not exist.

Even if Horizon worked as it should, the sheer number of Post Office-led prosecutions during this fifteen year period (more than one a week) should have raised eyebrows. But no one in the justice system or government seemed to be aware of what was going on. Worse still, when the Post Office realised it might have been responsible for unsafe prosecutions, it orchestrated a cover-up, hiding crucial information from MPs and campaigners.

By 2020, enough details had come to light for the MP Julian Lewis to describe the affair in parliament as 'one of the worst disasters in public life since the infected blood scandal.'

Despite this, no one has been held responsible. Not a single person has been officially censured or blamed for the misery heaped on so many lives.

Over the last decade or so I've spoken to countless Subpostmasters, Post Office workers, politicians, union officials, lawyers, IT experts, accountants and fraud investigators. I've spent hundreds of hours digging through transcripts, parliamentary inquiry evidence, audit reports and court documents. I've also met dozens of innocent people who were criminally prosecuted by the Post Office, some of whom – like Seema – were sent to prison. They were put at the mercy of an organisation stuffed with managerial incompetents, who exercised their responsibilities with a toxic mixture of prejudice and indifference.

The Great Post Office Scandal is an attempt to unravel exactly what went wrong, and determine who is to blame. It also documents the heroics of those who fought long and hard against a powerful and well-resourced opponent to get the truth into the public domain.

It's quite a story.

‘When we came to office, there was probably no greater shambles than
the Horizon project.’

Tony Blair, Prime Minister’s Questions, 12 April 2000.

PART 1

BUILDING AN EMPIRE

Clint parked up outside the lo-rise glass and concrete office block situated on the edge of Hanworth Park in Hounslow. He announced himself at reception and collected an ID pass. As he waited to be accompanied into the building, he reflected on what he'd been told about the project he would soon be getting a direct handle on.

He knew it was in trouble – that's why he was there. How much trouble, he could not begin to imagine.

The late nineties were a good time to be in IT. The globally-connected future, foretold by wide-eyed seers and digital visionaries, was no longer the stuff of fantasy. The dot com boom was, well, booming, and the information super-highway, or World Wide Web, was becoming part of everyday life. Smartphones, Google and Facebook were still a while off, but dial-up modems, Netscape and email had worked their way into Britain's businesses and homes.

Empires need construction workers, and jobs were easy to come by. The IT world was full of brilliant minds, but there were plenty of chancers talking themselves into jobs they weren't qualified to do. Coders, testers, and systems and network engineers were all in demand, alongside the usual project managers, sales and marketing people. There were also plenty of middle-ranking execs with little understanding of what the young turks in their charge were up to, but had learned just about enough to bluff their way through.

Clint was no chancer. Clint was the real deal. He'd been working in IT development his entire career. He knew how to code a system and he knew how to manage a team.

After spending most of the nineties in Brussels developing complex financial systems for the European Parliament and European Commission, Clint had been called by a former colleague who was working on a project to automate the Post Office network. The project's name was Horizon.

TRACY FELSTEAD

In November 1999, 17-year-old Tracy Felstead nervously stepped through the door of her local Crown Post Office¹ in Camberwell Green, South London. She was young, keen, just out of school and had been invited to an interview for the post of counter assistant. Luckily, Tracy had been recommended to the branch manager by a family friend, and the interview went well. She was offered and accepted the job.

Tracy was sent on a two day training course to learn her way round Horizon, the new computerised till system which hadn't long been installed in the branch. Soon, Tracy was using it to serve customers.

There were 12 counter positions at Camberwell Green. Tracy was the youngest assistant, so she was taken under the wing of the experienced staff.

'To be fair, everybody seemed lovely,' she remembers. 'Everybody seemed pretty much on the ball. If you needed any help, you could just ask.'

Each member of staff had their own login, allowing them to switch between counters, but the regime was lax. No one minded if you used somebody else's login. If someone needed a break during a busy period, another member of staff would 'jump on' their Horizon terminal without going through the process of logging off and logging back in again. This ensured minimum disruption for customers, but it had obvious security implications.

Every day, after each shift, Tracy would cash up, checking the money in her till tray against the figures on the Horizon screen. She would then print off and sign a receipt displaying the till tray balance. One day, she found herself with a small deficit. Tracy said her manager was not in the least bit concerned.

'I think because I was the baby, all of them mothered me. She said, "Oh, it's fine, it will rectify itself." I suppose I was a bit naïve, being 17, but I trusted her.'

¹ Crown Post Offices – usually shortened to Crown Offices – are directly owned and managed by the Post Office.

Tracy was a happy girl and a popular employee. She flew through the hectic pre-Christmas period without any serious mishaps. Her understanding of her responsibilities – handling cash, handling Horizon and handling customers – was coming on in leaps and bounds. Outside work, Tracy was getting serious with her partner Jon, who worked as a reprographics manager in the City. They bought a house in Penge and were planning to get married. Life was all set.

Half way through 2000 Tracy suffered another spate of discrepancies. ‘I did a cash up at the end of the week and I had a £1,300 loss,’ she says. Again, her boss seemed relaxed. Tracy said the manager took over at the terminal, ‘did something’ and the loss went up to £1,800. ‘And then she said, “Oh, leave it, I’ll sort it out.”’

Tracy did leave it, but she was concerned.

In February 2001 Tracy locked her till tray in the office safe and went on a family holiday. It was her parents’ 15th wedding anniversary, so they chose somewhere special – the Dominican Republic. While Tracy was away her cash tray could be used by someone else, so long as all the stock and cash was checked before and after each session, and the counter assistant entered the figures under their own login into Horizon.

The day before Tracy got back from holiday, a loss of £11,503.28 was found on her stock unit.² On her return to work, Tracy was questioned about the loss. Her manager’s demeanour was not motherly any more.

‘I’m looking at this woman like, “What on earth is going on?” and she said, “Oh, another member of staff used the till while you were away and found a discrepancy.”’

Tracy was asked if she knew how the discrepancy had come about. She remembers shaking her head and firmly telling her manager she had ‘no idea.’

The next day, Tracy cashed up and signed off her stock unit with the

² Stock units are usually related to, and the responsibility of, individual Horizon users. A counter assistant or Subpostmaster will log in to a Horizon terminal and assign themselves, or be assigned to, a stock unit (usually lettered AA, AB etc). The stock unit will relate to a physical till tray containing cash and stamps. Horizon registers electronic transactions and transfers in, out and through stock units over the course of the day. So, if I take a book of stamps out of my till tray and you pay for it by card, my till tray and my stock unit is down one book of stamps, and the amount of electronic money in my stock unit is up by the cost of a book of stamps (even though there is nothing physical in my till tray). If you give me a £50 note and I change it for 5 x £10 notes from my till tray I would also have to manually register that physical transfer electronically on Horizon, so that the physical cash denominations in my stock unit match those in my till tray.

£11,503.28 discrepancy still outstanding.

There appeared to be a serious amount of money missing from Tracy's till position, but as nothing more was said, she put it to the back of her mind. Tracy continued serving customers, but the atmosphere had changed. Two weeks later she walked into work and was given a shock.

I've got two strapping, great big guys sitting there waiting for me, and they want to interview me. And I said, "Okay, that's absolutely fine." They asked whether I wanted legal representation and I told them, "No, I haven't done anything wrong, so I don't need anybody. Happy to be interviewed. Not a problem."

The two strapping guys were from the Post Office's internal security unit. Tracy's interview turned into an interrogation. "They were constantly asking, "What did you spend the money on?" And I remember looking at them and saying, "Seriously, I haven't taken any money. You can have access to anything you want. Bank accounts ... whatever. I haven't taken any money."

Tracy was suspended. "They said they needed to do some more investigation. I was distraught, absolutely distraught. But part of me actually thought – well, they'll get me sorted because I haven't stolen any money. So they'll fix this."

Three weeks later, at 8am, the same Post Office investigators knocked on the door of Jon's parents' home in Peckham, where Tracy was staying. The investigators were accompanied by two police officers.

"The police told me they were there to keep the peace. What they thought I was going to do, I'm not quite sure. I'm only 5'3" and small, you know, a size 10. And I'm not gonna ... these men are massive, intimidating, huge men. And they said, "Could you escort us down to the police station for interviewing?" And I said, "Yeah, fine."

On this occasion Tracy did ask for a solicitor.