

## The Post Office Scandal

# BBC Panorama exposes crimes committed against hundreds of sub-postmasters by the Post Office

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*The Post Office Scandal can be viewed here on BBC iPlayer for another 11 months.*

An important investigation by BBC current affairs programme *Panorama* highlighted the terrible plight of hundreds of Post Office sub-postmasters wrongly accused of theft and false accounting.

Over 58 minutes, *The Post Office Scandal* documents the injustices following the Post Office's introduction in 1999/2000 of a computerised accounting system, Horizon, to every post office in the country. *Panorama* described what befell the sub-postmasters as the "most widespread miscarriage of justice in British legal history". This is no exaggeration. Those caught up in the miscarriages of justice were publicly humiliated, losing their homes and livelihoods. Some even ended up in prison.

The state-owned Post Office runs over 100 major Crown Post Offices in big population centres but there are more than 11,000 sub-post offices serving suburbs or country areas. They are often run as family businesses.

In the 1990s, the Conservative government invited companies to bid to computerise the Post Office accounting network. Japanese multinational IT company Fujitsu and its Horizon system was chosen. *Panorama* explained that in seven out of 11 categories, Horizon was the cheapest option.

Richard Roll, a former Fujitsu engineer, told the programme, "it was well understood the system was wrong... [it needed] throwing away and starting from scratch." His boss told him it's "not going to happen. Do you know how long that would take and how much money it would cost to do it."

Horizon was installed and it began to wrongly detect the existence of financial discrepancies at many Post Office branches. Under their contracts, sub-postmasters were obliged to make up any losses from their own resources or by borrowing. When no longer able to cover the money, the Post Office would launch an investigation.

Nick Wallis, a freelance journalist and author of the comprehensive book, *The Great Post Office Scandal*, explained to *Panorama* that the Post Office has its own private prosecution departments that enabled it to bypass the police and Crown Prosecution Service. He said, "The Post Office was victim, investigator and prosecutor all rolled into one." There was no clear separation of interest.

Wallis explained, "the sub-postmasters who were in a position

where they couldn't prove they hadn't stolen money, were told by the Post Office to plead guilty to the lesser charge of false accounting and theft charges would be dropped."

A barrister of one of the scandal's victims, sub-postmaster Noel Thomas, told him if he did not mention the Horizon accounting system, he could avoid jail. However, in 2006 Thomas was given a nine-month prison sentence and ordered to pay back £9,000.

Susan and her husband Michael Rudkin ran a Post Office in Ibstock, Leicestershire. Faced with losses, according to the Horizon system, Susan put her own money in to cover them. However, at a certain point she realised she could not keep doing that and withdrew her money hoping the system would right itself at some point.

Michael had not been aware of the shortfalls as he had left balancing the books to his wife. He was however a representative of the sub-postmasters federation. As such he was invited to visit Fujitsu's HQ in Bracknell, Berkshire, to give input on how the Horizon system could be improved.

On his visit a Fujitsu representative demonstrated how it was possible to go into a sub-post office account and alter the data. Rudkin who had believed, as did all other sub-postmasters, that only they could alter branch account data, expressed concern. Clarifying that it was live data that was being manipulated he became angry, aware of the implications of data being manipulated externally. Showing his anger, at that point he was escorted from the building.

The next day a Post Office investigator visited the Rudkin's branch. Susan was told if she pleaded guilty, she would not be sent to prison. In 2009, she was convicted of theft and given a 12-month suspended sentence and ordered to pay back £44,000.

The number of convictions kept rising; by 2009 it was a staggering 525.

In May 2009 *Computer Weekly* published an article highlighting problems with Horizon and casting doubts on the growing number of convictions of sub-postmasters.

In 2009, the first meeting of the Justice For Sub-postmasters Alliance (JFSA) took place in Warwickshire, with about 25 in attendance. They realised they had all been told the same story by the Post Office—that they were the only ones raising problems with the new Horizon system.

In 2010, two cases were due in court, that of Seema Misra and Rubina Shaheen. They took succour from the knowledge that other

sub-postmasters had experienced problems with the Horizon system that had led them to appearing in court. *Panorama* explains that they thought with growing recognition of Horizon's problems they would be found not guilty.

However, they were up against the duplicity of the Post Office. *Panorama* showed an email from a senior Post Office lawyer to a Fujitsu engineer appearing as a witness in Misra's case saying it was his job to preserve the Horizon system. Misra's lawyer explained that the prosecution had a duty to reveal anything that could undermine their case.

The year before Misra's trial a request by Post Office HQ staff for an investigation into Horizon's reliability was turned down.

The programme quoted a Post Office report issued just before Misra's trial which stated, "Any perception that the Post Office doubts its own system would mean that all prosecutions be stayed—it would also beg a question for the Court of Appeal over past prosecutions and imprisonments."

Misra, who was pregnant, was found guilty of theft, given a 15-month prison sentence and ordered to pay £40,000. Rubbina Shaheen, given a 15-month prison sentence for false accounting, lost her job and her house was repossessed. Together with her husband she ended up living in a van on the streets of Shrewsbury.

The Post Office bitterly fought to protect its interests and profits, no matter the human cost. *Panorama* revealed a July 2010 email sent between two Post Office lawyers referring to Shaheen's case which read, "it is vital that we win as failure could bring down the whole Royal Mail system."

The scandal produced more deadly results. In September 2013, Martin Griffiths took his own life by walking in front of a bus. He had been hounded by Post Office investigators for holes in his accounts due to the Horizon system. Prior to the introduction of the new system, he had successfully run the sub-post office in Great Sutton, Cheshire for years.

Post Office chief executive from 2012 to 2019, Paula Vennells, an ordained Church of England priest, was appointed by then Conservative Prime Minister David Cameron with a remit to eliminate the £3 million-a-week subsidy to the Post Office the government wanted to make.

The aim of the Tory/Liberal Democrat coalition was to sell off the Post Office. Aware that allegations of major problems with its software accounting system would make a sale difficult, Vennells appointed forensic accountants Second Sight to investigate. The Post Office was hopeful any such investigation would clear Horizon.

The Second Sight team examining Martin Griffith's case concluded he took his own life after the Post Office hounded him and were certain the shortfalls in the account were down to the Horizon system. They prepared a report exonerating him.

*Panorama* explains that before they had the chance to pass it on to Griffith's widow Gina, the Post Office countered by offering her a financial settlement on condition she withdrew from the Second Sight investigation and not discuss the settlement. Gina felt the only option was to accept it.

The Post Office was keen to prevent the facts behind Martin Griffith's suicide becoming public as it would have led to widespread exposure in the media.

In 2014, a group of MPs sympathetic to the sub-postmasters asked Second Sight to look into previous convictions to uncover any possible miscarriages. They looked at the case of Jo Hamilton who had been convicted of false accounting, given a 12-month community

sentence and ordered to pay £32,000 in 2007. When a Second Sight investigator read her file, it said the Post Office had been, "unable to find any evidence of theft". It became clear that it was not just a miscarriage of justice but possible misconduct by prosecutors.

Post Office management sought to stymie Second Sight's operation. They set up a secret sub-committee called Project Sparrow with a government representative attending. The postal affairs minister in the Department for Business, Innovation and Skills department at the time was the Liberal Democrat Jo Swinson, who would in 2019 go on to lead her party.

At a February 2015 hearing of the parliamentary Business Select Committee, Ian Henderson of Second Sight said the Post Office had prevented them accessing prosecution files. He was contradicted by Vennells, who denied any problem with Horizon and declared that any possible evidence of possible miscarriages of justice would have "surfaced".

But the Post Office had already received legal advice in August 2013 that some of its convictions may have been unsafe. The Post Office had by this time stopped pursuing prosecutions but failed to explain why. By March 2015, the Post Office had sacked Second Sight and told them to destroy their papers.

By this time the number of convictions of sub-postmasters had reached 736—an average of one a week.

The 20-year period of persecution only came to an end as the result of the determination of the families to get justice.

The Justice for Sub-postmasters Alliance sued the Post Office and in 2019 its case was heard at the High Court. The court was shown evidence of a document revealing how a Fujitsu engineer had gone into an individual sub-post office account and changed the figures without the sub-postmaster's knowledge, making the situation worse. The document read, "We will then be inserting a new message on the counter ... the branch is not aware of this and its's best that branch is not advised. Journalist Wallis tells *Panorama*, "it was the smoking gun". Shown the document by *Panorama*, Susan Rudkin breaks down in tears asking, "That is disgusting. What I've gone through and other people have gone through, how is that humanly right?"

At the end of 2019, the Post Office finally agreed to pay damages to 555 claimants in civil cases.

Last April, the Court of Appeal quashed in a single ruling the convictions against 39 postmasters, part of a total of 72 such rulings to date, with many more expected to go to court. Seema Misra was among the 39. The bill of compensation for the victims of the injustice meted out by the Post Office is estimated to be £1 billion.

Yet to date no one has been held to account or accepted responsibility for these heinous crimes carried out in pursuit of profit. The government is currently carrying out a public inquiry into the Post Office scandal, utilising its tried and tested mechanism to delay and deflect blame and responsibility.



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