

# Why is Britain's Labour Party soft-peddalling the Post Office Horizon scandal?

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The Conservative government is in full damage-limitation mode over the Horizon scandal, which saw hundreds of post office workers in the UK wrongfully convicted and held financially responsible for errors produced by faulty Fujitsu accountancy software between 1999 and 2015. The errors were covered up for years and official foot-dragging has denied the victims exoneration and proper compensation.

The release of the four-part *Mr Bates vs The Post Office* television drama earlier this month—viewed almost 15 million times—has supercharged the campaign for justice. In response, Prime Minister Rishi Sunak has promised “new primary legislation” to deliver a blanket exoneration.

Those who have already had convictions quashed in the courts—just 93 out of 900—will be fast-tracked into an Overturned Convictions Scheme and made eligible to receive £600,000 in compensation, with an interim payment of £163,000.

The government will also offer an “upfront payment of £75,000” to each of the 555 sub-postmasters who won a class action in 2019 but were fobbed off with insulting compensation awards. Up to two-thirds are expected to decline Sunak’s proposal and fight for more, each going through a gruelling reassessment of their case.

What compensation is being offered is given in an attempt put the issue to bed and avoid any question of responsibility ahead of a general election this year. Post Office Minister Kevin Hollinrake has said in Parliament that it is only after the official inquiry into the scandal concludes next year that “we will be able to assess more clearly who is actually responsible.”

The answer to this question is an open secret, with the Metropolitan Police investigating “matters concerning Fujitsu Horizon and the Post Office... into potential offences of perjury and perverting the course of justice”, as well as “potential fraud offences”, including an

allegation that the Post Office boosted its profits by recovering money from sub-postmasters as it forced them into criminal or civil courts. Many lost thousands, or tens of thousands of pounds. In one case a couple lost £200,000 due to their prosecution.

All the while, Fujitsu—which has contracts with UK governmental departments worth billions—and the Post Office were protected by government officials.

In other circumstances, the opposition Labour Party would be seizing on such a scandal as a major element of its election campaign. Instead, it is helping the Tory Party downplay the situation because it knows it is also exposed.

When the party’s shadow business secretary Jonathon Reynolds declared, “Labour stands ready to work with the Government to deliver a solution that achieves long-awaited justice and compensation,” this was a pact between two criminals not to rat on each other.

Not only were most of the years covered by the Horizon prosecutions during Labour governments, but current party leader Sir Keir Starmer was Director of Public Prosecutions and the Crown Prosecution Service for five of them (2008-2013).

Although cases were overwhelmingly prosecuted privately by the Post Office, 38 were taken forward by the CPS, with 10 resulting in convictions, three of them on Starmer’s watch. The Labour leader has claimed he “wasn’t aware of any of them” and a spokesperson claimed that they “didn’t go to his desk.”

Horizon originally got the go-ahead to be rolled out nationally under the 1997 Labour government, even as ministers received warnings that the system was not fit for purpose.

The *Financial Times* noted, “Concerns first emerged about the accuracy of the Horizon computer system developed by Japanese company Fujitsu in 1998 when Harriet Harman, then secretary of state for work and

pensions, wrote to Prime Minister Tony Blair telling him there was ‘a serious risk’ that the project would fail either to deliver its objectives or to do so within a worthwhile timescale.”

A memo by Blair’s special adviser Geoff Mulgan in 1998 was also heavily critical of Horizon, which was described as “possibly unreliable”.

The software was implemented nonetheless, with then Business Secretary Peter Mandelson, now a Lord and closely involved with Starmer’s leadership, declaring it the “only sensible choice”, and arguing that cancelling the contract would damage relations with Fujitsu, a “major investor in the UK over the past decade.”

The FT continues, “Blair received a Treasury briefing in 1999 outlining a list of failures relating to the Horizon system. But ministers failed to investigate the extent of the problem and broadly relied on evidence provided by the Post Office, which had strong financial incentives to downplay concerns, according to evidence given to the Horizon inquiry.

“The official rollout of Horizon began across thousands of Post Office branches in January 2000; later that year the first six postmasters were convicted of false accounting and theft. The prosecutions of postmasters began to flow, with another 41 sub-postmasters prosecuted in 2001, and 64 in 2002.”

By 2009, prosecutions had risen to 525, all under Labour governments.

Pat McFadden, now a leading Labour strategist under Starmer, was the minister responsible for postal services in 2009 under Blair’s successor Gordon Brown. The FT noted that he “conceded... that he may have been told about the Horizon scandal but said he was focused on Post Office closures, which were more pressing and controversial at the time.”

Labour would dearly like to stop these issues coming under public scrutiny. Moreover, even if the party had nothing to hide, there are major political considerations making it averse to any attempt to exploit the well of anti-Tory sentiment unleashed by the revelations.

Labour does not want to fight an election on any issue that might encourage any form of popular opposition. And the outrage over the Horizon scandal has been directed not only against the Tories, but big business and the courts—institutions the Labour Party is sworn to protect.

Starmer cannot promise to be a safer pair of hands for British capitalism than Sunak if he takes up a case in which managers and shareholders are on the hook for using wrongful legal proceedings to extort money to the

tune of millions from their employees. Asked at the inquiry if money clawed out of postmaster could have found its way into “hefty remuneration packages for executives”, Post Office Chief Executive Nick Read had to admit, “It’s possible, absolutely it’s possible”.

As much as self-preservation, Starmer’s restraint is another pitch to the ruling class that he can be trusted to keep a lid on such devastating exposures of the capitalist system.

The Communication Workers Union is a close partner to Royal Mail and an enthusiastic supporter of a Labour government. Widely hated for its betrayal of the postal workers last year, its leadership is guided by the same concerns as Starmer and company. It did nothing to advance the fight of the sub-postmasters, mostly members of the National Federation of Sub Postmasters (NFSB), who the CWU now say were “abandoned” by the NFSB, despite having a postmaster branch itself.

The CWU’s website lists just 11 articles referring to the Horizon scandal, and its Twitter/X account (set up in 2011) just 21 posts.

No action was taken to organise a unified campaign of sub-postmasters and the hundreds of thousands of Post Office workers and Royal Mail workers who are members of the unions. Any efforts have been directed towards calls for a judge-led inquiry and demands that Post Office CEO Paula Vennells hand back her Commander of the British Empire award, given for “services to the Post Office” which she has done.

The Horizon scandal not only proves that neither the CWU nor the Labour Party can be trusted to right any of the wrongs done to the working class largely on their watch. It points to the character of any Labour government as a servile defender of the major corporations and the strategic interests of British imperialism. It confirms also that the trade unions’ alliance with Labour centres on their role in suppressing opposition to Labour’s pro-business, pro-austerity and warmongering agenda.



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