

# Former UK Post Office chairman Henry Staunton exposes government efforts to deny victimised sub-postmasters compensation

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Between 1999 and 2015, more than 900 sub-postmasters were wrongly prosecuted for errors arising from faulty Fujitsu-designed accounting software, named Horizon. Thousands more were forced into using their own money to cover discrepancies at the Post Offices they managed.

Some sub-postmasters were sent to prison, and many were financially ruined. At least 251 have died before any full reckoning has taken place. Those affected, many elderly, are dying without justice at a rate of about three a week. The former sub-postmaster who has led the campaign for justice, Alan Bates, says he has yet to receive any compensation and can see “no end” to the scandal.

Meanwhile, not a single executive of the Post Office, Fujitsu, or any of the government ministers involved in running the Post Office has been punished.

In mid-February, a revealing row broke out between the government’s Business Secretary Kemi Badenoch and former Post Office Chairman Henry Staunton. Badenoch sacked Staunton in January, allegedly telling him, “Someone has to take the rap”. She countered that Staunton “had a lack of grip getting justice for postmasters.”

In an interview with the *Sunday Times* published February 18, Staunton claimed he had been told to delay compensation pay-outs to Post Office sub-postmasters by the most senior official at the Business Department, former permanent secretary Sarah Munby. Munby subsequently wrote to the Business Secretary to deny the allegation.

Appearing before the Commons, Badenoch denied the former Post Office chair had been told to stall payments. She claimed there was “no evidence” to

support Staunton’s claims and accused him of spreading “completely false” and “made-up anecdotes”, “full of lies”. Badenoch insisted the government was doing “everything it can” to speed up payments.

During the same Commons sitting MPs pointed out that many sub-postmasters were having problems with slow and derisory responses to compensation claims, including the Conservative’s own Post Office minister Kevin Hollinrake, who accepted the government had been slow to deal with the scandal prior to the ITV drama. The Business Secretary denied all of this.

Staunton responded by releasing a note he said proved he was told to stall compensation claims. Staunton’s memo records Munby telling him “now was not the time for dealing with long-term issues” and that they should “hobble” up to the election. Sources close to Staunton said he understood from the conversation that “long-term issues” included potential payments to sub-postmasters.

He added that his recollection of the conversation was “very clear” and that because he felt the government’s view was so surprising, he made a record of it immediately afterwards. Staunton emailed colleagues, including Post Office chief executive Nick Read, notes of the conversation with Munby. Nobody objected to the content and tenor of his message.

In the memo, Staunton laid out the serious financial challenges facing the Post Office, which included the growing bill from the Horizon scandal. He included his interpretation of Munby’s comments as a warning against taking swift action to resolve it. Staunton’s spokesperson added he could not “explain why Ms. Munby appears now to have a different recollection of

the context of the conversation.”

Staunton reiterated “the clear message” he took away from that conversation was that some way needed to be found “of avoiding any additional call on the Treasury this side of the election”.

At a Commons Business and Trade Select Committee on February 27 Staunton spoke publicly for the first time since his row with Badenoch and doubled down on his accusations. Asked whether Munby may have a different interpretation of the conversation, he insisted there was not much room for misinterpretation.

Post Office chief executive Nick Read “categorically” denied being asked to slow down payments.

Earlier in the proceedings, MPs on the Select Committee were told by witnesses that an internal investigation was underway into Staunton over his alleged behavior while he chaired the company. Staunton claimed he was the subject of a “smear campaign” and that he had pushed for greater compensation for sub-postmasters with convictions already overturned.

He stunned the Select Committee when he countered that the investigation is actually being carried out into Read, something the Post Office confirmed. Staunton said Read had fallen out with his HR director and showed MPs a page from a redacted document indicating he wished to resign from the Post Office because he was unhappy with his salary of over £400,000—plus hundreds of thousands more in perks.

Read admitted he had been coached for his appearance by a PR firm on an annual £15,000 Post Office contract.

Select Committee Chair Byrne summed up the evidence as “bombshell revelations about a boardroom that is in disarray, a chief executive [Read] that is under investigation and a chief executive who has sought to resign, even though he told us on oath that he has not”.

Read is already exposed for acting against sub-postmasters. In a letter dated January 9, less than a week after the ITV drama “Mr Bates vs the Post Office” finished airing, he told Justice Secretary Alex Chalk that the Post Office “would be bound to oppose” attempts to overturn the prosecutions of 369 sub-postmasters.

The letter was quietly published by the Post Office on February 22, the same day the government confirmed it

was pressing ahead with its legislation to automatically quash convictions linked to the scandal. Read wrote that 11 cases were still under review, and that in a further 132 cases there was insufficient evidence to take a decision either way. Only 30 further convictions were identified as likely to be wrongful, claimed Read.

Attached to Read’s letter was a legal opinion from the Post Office’s solicitors Peters and Peters, whose head of business crime, Nick Vamos, wrote that “it is highly likely that the vast majority of people who have not yet appealed were, in fact, guilty as charged and were safely convicted”. The Post Office absurdly claimed on its website that the opinion expressed “the personal views of its author” and that the company “was in no way seeking to persuade the government against mass exoneration”.

The Post Office’s letter was copied to Badenoch and Hollinrake. According to Staunton, Read sent this letter at the behest of UK Government Investments, the body that manages the government’s ownership of the Post Office, which denies the allegation.

On February 26 Badenoch told MPs, “The only possible answer is that Nick Read himself decided to write that letter. I did not ask him to write it, the Post Office says that it did not, and UKGI did not.”

Amid all the claims and counter-claims, what is clear is that the Horizon scandal continues and that the real criminals—responsible for the initial prosecutions and cover ups, and now the denial of justice and sabotage of compensation—are still at large. The episode over Staunton shows that a serious investigation into the Post Office, Fujitsu and the government would uncover a dense web of lies and wrongdoing still largely hidden from the victims and the public.



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