

The Post Office drags out the Horizon crisis

The Labour government elected in 1997 reviewed the proposal of the previous Conservative government to put in a new computer system for the Post Office and the benefits Agency. By 1999 with problems already emerging with the initial contract they decided to cancel the Social security part of the contract and rebase the Post Office contract. They agreed revised terms with ICL for the Horizon project shorn of the other features of the original proposal.

Following Horizon computer roll out in 1999 to 2000 a number of sub postmasters already went into deficit on the computer numbers. The Post Office prosecuted 41 in 2001 and 64 in 2002. These prosecutions continued throughout the Labour years up to 2010, and for most of the five years of the Coalition government 2010-15 under 3 Liberal Democrat Ministers. Prosecutions stopped in 2015. The Conservative majority government elected in 2015 did not preside over any. Over the period 2010-15 increasing attention was drawn to alleged errors in the system by sub post masters, and in articles published in Computer Weekly. An independent investigation opened in 2012 led to four reports between 2013 and 2015. These reports drew attention to problems with the system but were not accepted by the Post Office. There were attempts from 2014 to resolve some of the disputes by mediation. It was these growing doubts that could have led Ministers to ask more questions and deter premature prosecutions before the issues over the computer properly answered.

Things only started to change meaningfully for the sub postmasters following victories in courts in 2019, 2020 and 2021. The courts came to accept that there were problems with the Horizon software and some of the successful prosecutions needed to be overturned. In 2020 the government set up a full enquiry into the scandal, and set up the first compensation scheme for victims.

This was all profoundly shocking. Honest people serving their local communities well had their reputations damaged, lost their businesses, in some case were sent to jail wrongly, and four committed suicide. The courts made wrongful judgements finding people guilty of fraud or false accounting when they had done no such thing. What should we learn from this bitter experience and what changes should now be made?

1. The Post Office and other nationalised industries should lose the right to prosecute people or companies. They have too much power. They should refer allegations to the police and prosecuting authorities rather than handling them themselves.
2. Chief executives of public services should not be paid large private sector style bonuses as they are bank rolled by the state and often have monopoly powers over customers. They do not take the same risks as CEOs of competitive large companies and are rarely removed from office for

incompetence.

3. Ministers will be ultimately held to blame for the actions of a nationalised business. Ministers control their access to public funds and may wish to direct their activities in the public interest. To reflect these truths the importance of Ministers should be clearer and their accountability for these matters should be direct to Parliament. Ministers need to manage the managers.
4. The current review should consider how the public sector might get some financial redress for its losses imposed by Horizon from both the computer company supplier and the well rewarded senior management who got bonuses as if they had done well.
5. The review should examine if the published Post Office accounts were accurate for the period concerned and see how the sums obtained from sub postmasters for alleged losses were recorded.