

Victims of Post Office horizon scandal to benefit from new compensation scheme

- Chancellor Rishi Sunak launches new government compensation scheme for postmasters who played crucial role in uncovering Horizon IT scandal
- Scheme will ensure the postmasters who were the first to take legal action against the Post Office over the failings of its Horizon IT computer system will be compensated fully and fairly
- After winning the landmark case, the group only received a fraction of the £43 million pay-out due to a “no win, no fee” agreement with their litigation funding company

Rishi Sunak said a new compensation scheme will be set up in the coming months targeted at the postmasters who brought and won the landmark High Court case against the Post Office over the failings. The 2019 ruling paved the way for millions of pounds worth of future pay-outs and led to the Court of Appeal quashing the convictions of postmasters who were wrongly accused of committing crimes.

Despite winning nearly £43 million in compensation in 2019, the group was left financially disadvantaged after having to pay significant legal costs based on a “no win, no fee” agreement with Therium – the company which funded its litigation. Due to the terms of their legal agreement each postmaster received a small fraction of the settlement – equating to around £20,000 each.

Their action meant they were also ineligible to apply to the Historical Shortfall Scheme (HSS) which was set up to by the Post Office following the scandal to compensate postmasters who had to personally cover shortfalls in their branch’s accounts caused by the Horizon IT.

The new scheme will ensure that those who uncovered the injustice receive the same level of compensation as the postmasters who claimed through the HSS.

Prime Minister Boris Johnson said:

Whilst it cannot take away the years of distress, the postmasters who have suffered terribly over the Post Office Horizon scandal deserve to be fairly compensated.

That’s why we’ll be introducing a new compensation scheme for those who led and won the landmark legal case over the failings, so they

can receive their fair share.

We'll continue to stand by postmasters and their families.

Chancellor of the Exchequer, Rishi Sunak said:

The Horizon IT dispute has had a devastating impact on postmasters and their families, with many losing their livelihoods or being wrongly convicted for crimes they didn't commit.

Without the efforts of these postmasters, this terrible injustice may have never been uncovered so it is only right that they are compensated fully and fairly.

That is why we have set up this new compensation scheme for those who played a crucial role bringing this scandal to light, which I hope provides a measure of comfort.

Postal Affairs Minister Paul Scully said:

The pain and distress that the Horizon scandal has inflicted on hundreds of postmasters over the years cannot be overstated.

Without the efforts of the 555 pioneering postmasters who brought this to court, this injustice may never have seen the light of day nor would the statutory inquiry have been set up, which is why I made it my priority to ensure they are all fairly compensated.

While we can't right the wrongs of the past, I hope this important compensation package is a turning of the page, as we continue working with the Post Office to ensure something like this can never happen again.

The scheme comes after the government announced a separate scheme last year to provide funding for full and final settlements for eligible postmasters who have had their Horizon-related conviction overturned, with those eligible to receive an interim payment of up to £100,000 each.

More details of the new scheme, including how postmasters can submit compensation claims, will be set out by the Department for Business, Energy & Industrial Strategy in due course.