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By Isabel Buchanan,
Lorna Booth

Post Office (Horizon System) Compensation Bill



Summary

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Summary

The Post Office (Horizon System) Compensation Bill was introduced in Parliament on 29 November 2023. The Bill is due to have its second reading and all Commons stages on 19 December 2023.

The Bill, together with its explanatory notes, are available on the Parliament website: [Post Office \(Horizon System\) Compensation Bill](#).

The Government is introducing the Bill with the [aim](#) of ensuring “that the trailblazers who exposed the [Horizon] scandal do not miss out on compensation because of an arbitrary deadline”.

The Bill applies to England, Wales, Scotland and Northern Ireland.

The [Post Office](#) is a limited company owned entirely by the government. The government does not have day-to-day involvement in how it is run but provides some funding, monitors performance and oversees key decisions.

This briefing explains the background to the Bill and what the Bill would do.

What does the Bill do?

The Bill contains two clauses:

- Clause 1 would provide the Secretary of State the power to spend in order to compensate those affected by the Post Office Horizon computer system and issues identified in related High Court judgments.
- Clause 2 provides the Bill’s short title.

The Bill would provide the Secretary of State for Business and Trade with the power to continue to make compensation payments to affected postmasters under the current Group Litigation Order (GLO) compensation scheme, after the current power to do so is no longer available.

The Government has stated that [it aims to complete compensation payments under the GLO scheme within the current deadline](#) (August 2024).

The Bill also would allow the Secretary of State to make payments under other compensation schemes which relate to the Post Office Horizon system.

What was the Horizon affair?

The Post Office Horizon affair has been described as one of the UK's most [widespread miscarriages of justice](#). It has been a long, complicated and contested saga, involving a campaign for justice, various court cases, compensation schemes, and currently a public inquiry.

Beginning in 1999, a number of postmasters (who run individual post offices) experienced difficulties with the Horizon Post Office computer system. The system had faults which showed [false shortfalls on the accounts of postmasters](#). Because of the shortfalls reported by Horizon, some [postmasters were suspended or had their contracts terminated, and others were prosecuted, convicted, and imprisoned](#) (for example, for false accounting and fraud).

In 2016, a group of postmasters used a group litigation order (GLO) to take legal action against the Post Office for damages relating to the consequences from the faulty Horizon system. [Following rulings from the High Court in the Bates v Post Office High Court case, the Post Office settled](#). The [GLO compensation scheme was later introduced to provide further compensation](#) to those who had taken part in this group litigation action.

[A number of other compensation schemes exist](#) with the aim of redressing the various types of loss experienced by postmasters.

Why is the Bill being introduced?

The GLO compensation scheme is being funded using temporary powers, which can last at most two years.

While the Government has said that it intends to complete compensation payments before August 2024, when these temporary powers expire, [it has introduced the Bill to allow it to make payments after this date](#). It says that “time needs to be taken to assess more complex claims, so postmasters receive full and fair compensation and are not unduly rushed into making a decision on their claims”.

This follows a recommendation by Sir Wyn Williams, chair of the Horizon IT inquiry.

1 Policy background

1.1 What was the Horizon affair?

The Post Office Horizon affair has been described as one of the UK's most widespread miscarriages of justice.¹

This has been a long and complicated saga, stretching back over two decades, involving a long campaign for justice, various court cases, compensation schemes and currently a public inquiry.

The compensation schemes are discussed in section 2.

Problems with Horizon and the Post Office response

A number of postmasters, who run individual post office branches, experienced difficulties with the Horizon Post Office computer system, which was introduced from 1999.² Errors in the system showed false shortfalls on the accounts of postmasters, which the Post Office then demanded they cover.³

The Post Office used information from Horizon to investigate and take action against postmasters and employees.⁴ There were suspensions, prosecutions, bankruptcies, health problems, family breakdowns and deaths, as described in the explanatory notes to the Bill:

Some postmasters were suspended (generally without pay) and/or dismissed. Others were prosecuted (by the Post Office itself or by others); some were convicted and imprisoned. Some were made bankrupt (in some cases on the petition of the Post Office: there are allegations that this was done maliciously). Some lost their homes. Some suffered mental or physical health problems as a result of their treatment or of the financial consequences. Some were harried as thieves by their local communities. Some suffered breakdowns in relationships with their partners, children or other families and friends. Several died by suicide.⁵

Prosecutions by the Post Office that may have been related to evidence from Horizon took place between 1999 and 2015. The Post Office estimates that 700 convictions that took place in this time may have been related to Horizon evidence. No private prosecutions related to Horizon have taken place since

¹ See for example BBC, [I feel ashamed says Post Office Horizon Lawyer](#), 15 November 2023

² The Post Office, [Horizon IT Scandal timeline](#) [undated, accessed 11 December 2023]

³ [HC Deb 23 March 2023 vol 730](#)

⁴ UCL, [Analysis: The Post Office scandal is not over yet](#), 10 August 2023

⁵ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 3

2015, and the Post Office has stated it has no intention of carrying out any further prosecutions.⁶

The High Court case

Starting around 2015, a group of claimants, co-ordinated by the Justice for Subpostmasters Alliance (JFSA), began to explore civil legal action against the Post Office.⁷ A civil litigation claim was made by a group of 555 postmasters in 2016, and led to a Group Litigation Order (GLO), “a process for managing claims by people with similar or shared grievances”,⁸ being issued by the Court in 2017. This became the *Bates & Others v Post Office Ltd* High Court case, which is described in the explanatory notes to the Bill:

Following various failed attempts to expose the scandal, in 2016 a group of 555 people (mostly postmasters (individuals or companies) but also some managers, Post Office staff and employees of postmasters) took the Post Office to the High Court in a case managed pursuant to a Group Litigation Order made in March 2017. This legal action culminated in two major judgments (on Common Issues and Horizon Issues) which were very critical of the Post Office’s software, its contracts with postmasters and its general behaviour.⁹

In December 2019, a settlement was agreed between the claimants and the Post Office, and the Post Office accepted that it had “got things wrong in [their] dealings with a number of postmasters”.¹⁰ The JFSA have many relevant documents, including copies of the main judgements, available on their [resources pages](#).

Nick Read, the current CEO of the Post Office, has apologised on behalf of the Post Office.¹¹ He has said that the Post Office will provide full assistance to the inquiry (described in the next section) and said while the inquiry’s work continues, his priority is to provide appropriate, meaningful compensation to victims.¹²

⁶ The Post Office, [Horizon IT Scandal pages, FAQs](#), last updated 20 July 2023

⁷ JFSA, [About Us](#) [undated, accessed 12 December 2023]

⁸ Citizens Advice Northumberland, [Appealing your Post Office Conviction](#), undated, accessed 13 December 2023

⁹ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 4

¹⁰ BBC, [‘Victory against Post Office one of the best days of my life’](#), 11 December 2019; [Joint Statement by the Parties to the Group Litigation in Bates v Post Office](#), 11 December 2019

¹¹ See for example Business, Energy and Industrial Strategy Committee, [Post Office and Horizon](#). 11 January 2022, HC 106 2021-22, Q46

¹² Post Office, [Introduction from our CEO](#) [undated, accessed 12 December 2023] – this statement contains further details of actions the Post Office has taken.

1.2

The Horizon inquiry

The Prime Minister said in February 2020 that there would be an inquiry into the Post Office Ltd Horizon IT system.¹³

The Government announced a review in June 2020, and in September 2020 announced that it would become a non-statutory inquiry, led by retired judge Sir Wyn Williams.¹⁴ The inquiry was converted to a statutory inquiry – with powers to compel witnesses to give evidence – in June 2021.¹⁵

The inquiry's role has been summarised as:

Sir Wyn is tasked with ensuring there is a public summary of the failings which occurred with the Horizon IT system at the Post Office leading to the suspension, termination of subpostmasters' contracts, prosecution and conviction of subpostmasters. The Inquiry will look to establish a clear account of the implementation and failings of the system over its lifetime (a period of over 20 years).

The Inquiry will gather relevant evidence from affected persons, previous and current subpostmasters and subpostmistresses, Post Office Ltd, UK Government Investment (UKGI), Fujitsu, the Department for Business, Energy and Industrial Strategy (BEIS), amongst others. It will also consider whether Post Office Limited has learned the lessons and embedded the cultural change necessary from the findings in Mr Justice Fraser's judgments and the impact on affected postmasters.¹⁶

Sir Wyn Williams published an Interim Report on Compensation in July 2023. Among other things, this called for:

action and legislative change to resolve issues blocking full and fair compensation being delivered to sub-postmasters affected by the Horizon scandal.¹⁷

In particular, he raised the deadline for the GLO compensation scheme for participants in the High Court case (described in Section 2.1):

Sir Wyn has previously stressed that the Government should administer the GLOS in such a way that no applicant feels pressurised into accepting an offer before the 7 August 2024 end date by which it had said all applications had to be resolved.

¹³ [HC Deb 26 February 2020 \[Engagements\]](#)

¹⁴ [HCWS280, 10 June 2020](#); [HCWS477, 30 September 2020](#)

¹⁵ [HC Deb 19 May 2021 \[Post Office Update\]](#)

¹⁶ Post Office Horizon IT Inquiry, [About the Inquiry](#) [undated, accessed 12 December 2023]

¹⁷ Post Office Horizon IT Inquiry, [Chair's interim report calls for action from Government to resolve compensation issues for sub-postmasters](#), 17 July 2023

In today's report he says: "My current, strongly held view, is that the scheme administrators will be unable to deliver compensation payments to all applicants to GLOS by 7 August 2024."¹⁸

1.3

Why is the Bill being introduced now?

Deadline for the GLO compensation scheme

The GLO compensation scheme is for participants in the High Court case (Section 3.1 gives more details). It is being funded using temporary powers, which can last at most two years, as discussed below.

While the Government has stated that it intends to complete compensation payments before August 2024 (when these temporary powers expire), it has introduced the Bill to allow it to make payments after this date.¹⁹

It says that "time needs to be taken to assess more complex claims, so postmasters receive full and fair compensation and are not unduly rushed into making a decision on their claims".²⁰

This follows a report from the Horizon IT inquiry, in July 2023, which recommended that:

HM Government shall bring forward and use its best endeavours to ensure that legislation is enacted so as to allow payments of compensation under GLOs to be made to applicants after midnight on 7 August 2024 if that proves to be necessary.²¹

The Government accepted this recommendation in principle in its response to the report, stating that:

The department is determined to deliver the GLO scheme by August 2024. If it were to appear nearer the time that the deadline was likely to be missed, the government would of course consider whether legislation was necessary.²²

Authorisation of public spending

All public spending has to be authorised by Parliament.²³ This is partly done by Supply and Appropriation Acts, which are themselves part of the Estimates process. The most recent Estimates were the [Main Estimates for 2023/24](#),

¹⁸ Post Office Horizon IT Inquiry, [Chair's interim report calls for action from Government to resolve compensation issues for sub-postmasters](#), 17 July 2023

¹⁹ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), paras 1, 22

²⁰ Department for Business and Trade, [Government introduces new Post Office Compensation Bill](#), 29 November 2023

²¹ Horizon IT inquiry, [Interim Report on Compensation](#), 17 July 2023

²² Department for Business and Trade, [DBT response to the Post Office Horizon IT inquiry's first interim report: compensation](#), 26 October 2023

²³ This is an extremely old constitutional convention – see Erskine May, [paragraph 33.8](#).

which were debated in July 2023 and resulted in the [Supply and Appropriation \(Main Estimates\) Act 2023](#). This included authorisation for compensation to be paid out under the GLO scheme.

HM Treasury has accepted the view of the Public Accounts Committee that it is not constitutionally acceptable to authorise ongoing spending only under Supply and Appropriation Acts, and that specific legislation should also be introduced to give authorisation to spend money.

In practice, this means that spending authorised only by a Supply and Appropriation Act can last no more than two years.²⁴ The current Bill therefore provides this specific and longer-lasting authorisation to spend money on compensation.²⁵

²⁴ This agreement is known as the Baldwin convention, and dates back to 1932. For more details see Erskine May, [paragraph 3.11](#), and HM Treasury's [Managing Public Money](#), section 2.5 and annexes 2.3 & 2.4.

²⁵ Note, however, that this does not remove the requirement for spending to be approved in the Estimates. If any compensation is paid out in 2024/25, this money will have to be approved by Parliament via an Estimates resolution in that year.

2 Compensation schemes

2.1 Group Litigation Order (GLO) scheme

As described in section 1.1, a group of 555 postmasters and others took the Post Office to the High Court, via a Group Litigation Order (GLO).²⁶ In December 2019, the Post Office settled out of court for £42.5 million plus costs (“the GLO settlement agreement”).²⁷

The postmasters paid approximately £31 million of this sum to the company which had funded their action, which ultimately meant that these postmasters who had taken part in the GLO did not receive as much compensation as was available under other schemes (Horizon Shortfall Scheme or for overturned convictions, both discussed later).²⁸

The Government announced the GLO compensation scheme in March 2022, aiming to ensure that “postmasters who were part of the GLO and not eligible to seek compensation from the Post Office have access to fair compensation for their Horizon-related losses”.²⁹

The scheme is funded and administered by the government (the Department for Business and Trade (DBT)).³⁰ The DBT receive advice from an independent board on how best to run this scheme, as discussed further in section 2.6.

The scheme’s ‘overarching principle’ is to deliver full and fair compensation to postmasters, to restore them to the position they would have been in if not for the actions of the Post Office in relation to Horizon.³¹

The terms of the GLO scheme are set out in the guidance and principles document, published by the Department for Business and Trade.³²

²⁶ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 4

²⁷ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 6. The Post Office have published the [\(Redacted\) Settlement Deed between Post Office Limited and GLO cohort](#) [PDF], December 2019

²⁸ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), paras 6, 10

²⁹ Department for Business and Trade, [GLO compensation scheme guidance and principles](#), revised 29 November 2023 – para 1.1.1

³⁰ Department for Business and Trade, [The GLO Compensation Scheme: questions and answers](#), updated 29 November 2023

³¹ Department for Business and Trade, [GLO compensation scheme guidance and principles](#), revised 29 November 2023 – para 1.1.2

³² Department for Business and Trade, [GLO compensation scheme guidance and principles](#), revised 29 November 2023

The GLO scheme is open only to postmasters who were part of the GLO action and who do not have a Horizon-related conviction.³³ Those with an overturned conviction can apply for compensation under the overturned conviction scheme, as discussed in section 3.2. Full eligibility guidance, such as for individuals applying on behalf of a deceased postmaster, is available in the GLO compensation scheme eligibility and principles.³⁴

The government has recently set a target of making 90% of offers within 40 working days of submission of fully completed claims.³⁵

For links to documents relating to the GLO scheme see the ‘further information’ section of this briefing.

1 Compensation schemes, tax and benefits

Payments under the GLO scheme are exempt from income tax and capital gains tax, as well as inheritance tax, and are disregarded in the calculation of benefits.³⁶

Tax exemptions or additional payments to cover tax have been announced for other schemes.³⁷

2.2

Horizon Shortfall Scheme

The Horizon Shortfall Scheme (HSS) (previously the Historic Shortfall Scheme) is a claims scheme that aims to offer redress for current and former postmasters who had to cover shortfalls that arose from errors in the Horizon system, but who were either not convicted or did not take part in the GLO action.³⁸

³³ Department for Business and Trade, [GLO compensation scheme guidance and principles](#), revised 29 November 2023 – para 2.1.3

³⁴ Department for Business and Trade, [GLO compensation scheme guidance and principles](#), revised 29 November 2023 – para 2

³⁵ Department for Business & Trade, [Horizon Compensation Advisory Board Report of ninth meeting held on 29 November 2023](#).

³⁶ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 23

³⁷ For Historical Shortfall Scheme see [HLWS845 \[Post Office Compensation Update\], 19 June 2023](#) and Post Office, [The Horizon Shortfall Scheme](#), information as of 24 October 2023; for the suspension remuneration review and the process review scheme see [HCWS8 \[Post Office Limited Update\], 8 November 2023](#). For overturned convictions see [HCWS303 \[Tax exemptions for compensation payments paid by the Post Office for Overturned Historical Convictions\], 22 September 2022](#)

³⁸ Department for Business, Energy and Industrial Strategy, [Government supports postmasters impacted by Horizon scandal by providing funding for late applications to Historical Shortfall Scheme](#), 6 October 2022; Post Office, [Horizon Shortfall Scheme Eligibility Criteria](#), updated July 2023

The establishment of the scheme was part of the GLO settlement agreement.³⁹

As well as the direct shortfall losses, the HSS aims to provide for the ‘human costs’ caused as a result of the shortfalls, which the Post Office lists as including personal injury, distress and inconvenience, harassment, loss of reputation and bankruptcy costs related to shortfalls.⁴⁰

The HSS is administered by the Post Office.⁴¹

Dan Neidle, founder of [Tax Policy Associates](#) (a non-profit company that aims to improve public understanding of tax policy), has argued that the scheme is unfair. For example, he suggests postmasters would need legal advice to fill in the complex claim form. The Post Office have said that the scheme was designed to be straightforward to apply to and that incomplete applications are still progressed.⁴²

Sir Ross Cranston, Independent Reviewer for the GLO scheme, has also commented that the HSS is seen as having fundamental issues:

Sir Ross noted that the HSS was perceived to have structural problems. Regardless of the diligence and professionalism of the HSS Panel the process was tainted by the involvement of the Post Office and issues such as the design of the form and absence of medical and legal advice.⁴³

Options for resolving this were discussed at a November 2023 meeting of the Horizon Compensation Advisory Board.⁴⁴

2.3

Overtured Convictions compensation

Overtured Conviction compensation payments are made by the Post Office to people who have had a conviction overturned because it involved evidence from the Horizon system.⁴⁵

³⁹ Post Office, the [\(Redacted\) Settlement Deed between Post Office Limited and GLO cohort](#) [PDF], 10 December 2019 – para 9 and sch 6

⁴⁰ The Post Office, [Latest data on compensation progress and redress](#) [undated, accessed 8 December 2023]; Post Office, [Historical Shortfall Scheme Consequential Loss Principles and Guidance](#), updated July 2023

⁴¹ Department for Business & Trade and Post Office, [Post Office Horizon compensation data: December 2023](#), updated 8 December 2023

⁴² Dan Neidle, [Eight reasons why the Post Office compensation scheme is a scandal](#), 3 June 2023

⁴³ Department for Business & Trade, [Horizon Compensation Advisory Board Report of ninth meeting held on 29 November 2023](#)

⁴⁴ Department for Business & Trade, [Horizon Compensation Advisory Board Report of ninth meeting held on 29 November 2023](#)

⁴⁵ The Post Office, [Overtured Convictions and Compensation: Information on Progress](#) [undated, accessed 11 December 2023]

They are compensated through arrangements which are separate to the GLO scheme, even if they took part in the GLO action.⁴⁶ This is because, as discussed in section 2.1, the GLO compensation scheme is available only to those who have not been convicted.⁴⁷

Interim payments, currently of £163,000 (previously £100,000), are available to those with overturned Horizon convictions.⁴⁸

Postmasters are also being offered £600,000 to settle their claim (the total is reduced by amounts already paid in interim payments and partial settlements).⁴⁹

The government has provided funding to the Post Office for these payments and settlements.⁵⁰

A total of 93 people have had their convictions overturned, as of 1 December 2023.⁵¹

2.4 Other schemes

Two other schemes have been announced, involving smaller amounts in comparison with the main compensation schemes.⁵²

The Suspension Remuneration Review

Before March 2019, postmasters were not remunerated while their contract was suspended.

One of the findings in a key judgement of the Horizon High Court case in 2019 was that clauses in postmaster contracts allowing Post Office to withhold remuneration during any period of suspension were unreasonable.

⁴⁶ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 9

⁴⁷ Post Office, [Compensation schemes](#), see flowchart in particular, undated, accessed 13 December 2023

⁴⁸ [HC Deb 18 Sep 2023 cc1131-1140](#); Department for Business & Trade, [Government announces £600,000 of new compensation for every wrongfully convicted Postmaster](#), 18 September 2023

⁴⁹ Department for Business & Trade, [Government announces £600,000 of new compensation for every wrongfully convicted Postmaster](#), 18 September 2023

⁵⁰ [Post Office Compensation](#) – Ministerial Statement in the House of Commons, HC Deb 18 Sep 2023 cc1131-1140

⁵¹ Department for Business & Trade and Post Office, [Post Office Horizon compensation data: December 2023](#), updated 8 December 2023

⁵² Department for Business and Trade, [Horizon Compensation Advisory Board: Report of ninth meeting held on 29 November 2023](#)

The Post Office has since changed its policy and introduced redress for postmasters who were not remunerated during a suspension under the previous policy.⁵³

The scheme offers postmasters the remuneration that was withheld during their suspension, with an additional interest rate of 8%.⁵⁴ The scheme is administered by the Post Office with funding from government.⁵⁵

Post Office Process Review

Alongside work directly related to Horizon, the Post Office has been reviewing its operational processes and policies. It has identified previous operational issues such that impacted postmasters financially.

The Post Office is therefore establishing a compensation scheme intended to redress Postmasters for the financial impacts caused by operational issues. The government will provide funding.⁵⁶

2.5 Compensation schemes: Claimants and payments

In total, £138 million has been paid to at least 2,700 claimants under three compensation schemes: the Group Litigation Order Scheme, the Horizon Shortfall Scheme and Overturned Convictions.

The tables below show the amount paid and the number of claimants under each scheme.

Horizon compensation schemes - amounts paid	
Group Litigation Order Scheme (GLO)	£27 million
Horizon Shortfall Scheme (HSS)	£87 million
Overturned Convictions (OC)	£24 million
Total	£138 million

⁵³ [HCWS384 \[Postmaster Suspension Pay\]](#), 24 November 2022

⁵⁴ Post Office, [Suspension Remuneration Review Q&A](#), July 2023

⁵⁵ [HCWS384 \[Postmaster Suspension Pay\]](#), 24 November 2022

⁵⁶ [HCWS8 \[Post Office Limited Update\]](#), 8 November 2023

Source: Department for Business & Trade and Post Office, [Post Office Horizon compensation data: December 2023](#), updated 8 December 2023

Notes:

Information as of 1 December 2023.

Figure for GLO scheme includes shares of the £19.5 million interim payment announced June 2022 where these have been paid.

Figure for HSS includes £17.2 million in interim payments to original claimants and £1.6 million in interim payments to late applications.

Horizon compensation schemes - claims received and paid			
	Number of claims received	Number of offers made	Number of claims paid
Group Litigation Order Scheme (GLO):			
initial interim payment	N/A	N/A	475
full and final	67	28	Withheld
Horizon Shortfall Scheme (HSS):			
eligible claims before deadline	2,417	2,417	2,034
eligible late claims	291	224	128
Overturned Convictions (OC):			
initial interim payments	87	83	83
pecuniary	22	10	5
non-pecuniary	76	76	60

Source: Department for Business & Trade and Post Office, [Post Office Horizon compensation data: December 2023](#), updated 8 December 2023

Notes:

Information as of 1 December 2023.

Some data is withheld by Department for Business and Trade (DBT) for claimant privacy.

Figures for Overturned Convictions may include the same individual in more than one category.

Non-pecuniary damages related to personal damage, such as mental distress and loss of liberty. Pecuniary damages are financial damages, such as loss of earnings.

Further statistics are also available:

- Post Office, [Latest data on compensation progress and redress](#) – covers the Horizon Shortfall Scheme, updated monthly
- Post Office, [Overturned Convictions and Compensation: Information on Progress](#) – updated monthly

2.6

Horizon Compensation Advisory Board

The Horizon Compensation Advisory Board is an independent board which was established with the aim of advising government ministers on the delivery of the GLO scheme. It was then expanded to include advising on the delivery of other compensation schemes which were linked to Horizon.⁵⁷

The terms of reference of the advisory board say that it will advise, amongst other things, on how to promptly provide GLO compensation, and how to do this before the deadline of August 2024.⁵⁸

The board is made up of two academic experts in the field of alternative dispute resolution and legal ethics and two parliamentarians recognised for their campaigning in support of postmasters – Lord Arbuthnot and Kevan Jones MP.⁵⁹

A list of [Horizon Compensation Advisory Board documents](#) is available via their gov.uk page – this includes terms of reference, notes of meetings and correspondence.

⁵⁷ Gov.uk, [Horizon Compensation Advisory Board](#) [undated, accessed 8 December 2023]

⁵⁸ Department for Business & Trade, [Horizon Compensation Advisory Board: terms of reference](#), [updated, accessed 8 December 2023]

⁵⁹ Department for Business & Trade, [Horizon Compensation Advisory Board: terms of reference](#), [updated, accessed 8 December 2023]

3 The Bill

The Post Office (Horizon System) Compensation Bill was introduced on 29 November 2023. The Bill, with its explanatory notes, is published on [the Bill's page on Parliament.uk](#).

3.1 The contents of the Bill

The long title of the Bill is as follows:

A Bill to provide for the payment out of money provided by Parliament of expenditure incurred by the Secretary of State under, or in connection with, schemes or other arrangements to compensate persons affected by the Horizon system and in respect of other matters identified in legal proceedings relating to the Horizon system.

The Bill contains two clauses.

Clause 1 would give the Secretary of State the power to spend to compensate those affected by the Horizon scheme – not limited to the Group Litigation Order (GLO) scheme – and by issues identified in related High Court judgments:

There may be paid out of money provided by Parliament expenditure incurred by the Secretary of State under, or in connection with, schemes or other arrangements —

(a) to compensate persons affected by the Horizon system;

(b) to compensate persons in respect of other matters identified in High Court judgments given in proceedings relating to the Horizon system.

The explanatory notes explain that the reference to matters in High Court judgments includes “detriments such as the failure by the Post Office to pay suspension pay to postmasters”.⁶⁰ See section 2.4 of this briefing for more on compensation for suspension pay.

There were two major judgments in the *Bates & Others v Post Office Ltd* High Court case discussed in section 1.1 of this briefing, both running to more than 300 pages.⁶¹

⁶⁰ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 30

⁶¹ [Bates v Post Office \[2019\] EWHC 606](#) Judgement (No.3) “Common Issues” [PDF], 15 March 2019; [Bates v Post Office \[2019\] EWHC 3408](#) Judgement (No.6) “Horizon Issues” [PDF], 16 December 2019

The ‘Common Issues’ judgment broadly related to contractual issues between the Post Office and postmasters.⁶² The journalist Nick Wallis has summarised the judgment in a [Common Issues trial judgment: cheat sheet](#) (5 April 2019).

The ‘Horizon Issues’ judgment related to the operation and functionality of the Horizon system itself.⁶³

Clause 2 specifies the Bill’s short title.

If passed, the Act would commence on Royal Assent.⁶⁴

Devolution

The Bill extends and applies to the whole of the UK. Post services are generally not devolved,⁶⁵ and the Bill does not touch on matters that are devolved to Scotland or Wales or transferred to Northern Ireland.⁶⁶ Postmasters receiving compensation live in each of England, Wales, Scotland and Northern Ireland.⁶⁷

3.2 Comment on the bill

There has been relatively little comment specifically on the bill, although much has been said about aspects of the Horizon scandal and responses to it (see links in the ‘Further information’ section of this briefing).

Government

On the introduction of the Bill, the Minister for Postal Affairs, Kevin Hollinrake, said it would alleviate the pressure on postmasters to make their claim to meet a deadline:

The Post Office Scandal is widely described as the biggest miscarriage of justice in our history, and it is imperative that the victims get the justice and compensation they deserve.

⁶² [Bates v Post Office \[2019\] EWHC 606](#) Judgement (No.3) “Common Issues” [PDF], 15 March 2019 – para 44

⁶³ [Bates v Post Office \[2019\] EWHC 3408](#) Judgement (No.6) “Horizon Issues” [PDF], 16 December 2019 – para 2

⁶⁴ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 33

⁶⁵ The main exception to this rule is that the devolved administrations may provide financial assistance for the provision of services from post offices. In Scotland consumer advocacy and advice can also be provided. See [Schedule 5 to the Scotland Act 1998](#), [schedule 7A to the Government of Wales Act 2006](#) and [Schedule 3 to the Northern Ireland Act 1998](#).

⁶⁶ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 42

⁶⁷ [Explanatory Notes to The Post Office \(Horizon System\) Compensation Bill, Bill 16 of 2023-24](#), para 25

I am determined that lessons are learnt from this scandal to prevent anything like this ever happening again. This Bill will ensure postmasters aren't tied to an arbitrary deadline when making their claims or unnecessarily pressurised.⁶⁸

Alan Bates and the Justice for Subpostmasters Alliance

The Justice for Subpostmasters Alliance argues that Group Litigation Order (GLO) scheme compensation is being paid out too slowly. Earlier this year, they wrote:

At the time of this update, it is over 15 months since the March 2022 statement to the House and not one of 492 has received the full compensation they were promised, yet the scheme has to close and all payments have to be completed by 7 August 2024. In fact when a number of the GLO 492 group met Grant Shapps, who was then Secretary of State for BEIS and Kevin Hollinrake, the Minister with the responsibility for Post Office, in Westminster at the start of December 2022, they had both expressed to the group that they wanted to see most victims paid by Christmas. True, they didn't state which Christmas, but all doubted they meant Christmas 2025 or 2026, which seems to be where the scheme is now heading, despite the March 2022 assurance that "we want this compensation to be paid as promptly as possible."⁶⁹

The Bill allows payments to be made after the earlier deadline of August 2024. Alan Bates, who leads the Justice for Subpostmasters Alliance, is reported as saying:

It's all well and good extending the deadline, but the government has to try to meet the current deadline. The lives of the victims who have lived with this for a long time are not being extended.⁷⁰

See section 2.5 of this briefing for figures on the number of claims received and offers made.

Advisory Board

Lord Arbuthnot, member of the Horizon Compensation Advisory Board, welcomed the Bill but also commented on the need to provide compensation as quickly as possible:

I welcome the principle of the Government's Bill lifting the deadline on compensation payments under the Group Litigation Scheme.

We shall have to look at the precise details, but the Bill confirms that the Government does intend to provide full and fair compensation to the sub-postmasters and will not be deflected from that by arbitrary timescales.

⁶⁸ Department for Business and Trade, [Government introduces new Post Office Compensation Bill](#), 29 November 2023

⁶⁹ JFSA, [Latest](#) [undated, presumably from summer 2023, accessed 8 Dec 2023]

⁷⁰ Computer Weekly, [Slow government response to Post Office scandal compensation forces new legislation](#), 30 Nov 2023

Nevertheless, speed of payment is of the essence, and the Advisory Board will do all we can to ensure that payments are made as early as possible.⁷¹

Post Office Horizon IT inquiry

As set out in section 1.2 of this briefing Sir Wyn Williams, chair of the Horizon Inquiry, recommended in July 2023 that there should be legislation to allow payments of compensation under the GLO scheme to be made to applicants after August 2024.⁷²

Other comment

Campaigner Eleanor Shaikh asked on X/Twitter whether the scope of the bill might exclude some people from compensation:

1/2: The Post Office Compensation Bill, as presented yesterday, is to release funds for the Secretary of State: ‘to compensate persons affected by the Horizon system and in respect of other matters identified in legal proceedings relating to the Horizon system’.

2/2: Is this setting in concrete the false dichotomy between ‘Horizon’ vs ‘non-Horizon’ cases, potentially excluding some claimants from access to compensation?⁷³

The Horizon Compensation Advisory Board has also expressed concerns as to whether Post Office convictions that do not relate to Horizon might possibly also be unjust.⁷⁴

⁷¹ Department for Business and Trade, [Government introduces new Post Office Compensation Bill](#), 29 November 2023

⁷² Post Office Horizon IT Inquiry, [Interim Report on Compensation](#), 17 July 2023

⁷³ Eleanor Shaikh (@ELCShaikh), [X \(Twitter\)](#), 30 November 2023 [accessed 8 December 2023]

⁷⁴ [Horizon Advisory Board to Chair and Chief Executive of Criminal Cases Review Commission](#), 15 August 2023

4 Further information relating to Horizon

4.1 Commons Library briefings

House of Commons Library, [the Post Office](#), 18 October 2021

House of Commons Library, [Management culture at Post Office Ltd](#), 11 July 2023

House of Commons Library, [Statutory public inquiries: the Inquiries Act 2005](#), 19 Sept 2023

4.2 Post Office Horizon IT Inquiry

[Post Office Horizon IT Inquiry website](#) – includes:

- [Terms of Reference](#)
- [List of issues](#), updated Jan 2022 – includes more than 200 issues,
- [Timeline](#) – the inquiry is currently in Phase 4 (of 7), covering “Action against Sub-postmasters and others”.

Post Office Horizon IT Inquiry, [Interim Report on Compensation](#), 17 July 2023 – for government response, see Department for Business & Trade, [Response to Post Office Horizon IT inquiry interim report: compensation](#), 26 October 2023

4.3 Information published by the Post Office

Post Office, [The Horizon IT scandal](#) (website) – includes:

- [Timeline of key events relevant to Horizon IT Scandal](#)
- [FAQs](#)
- [Context](#)

4.4 Information published by the government

Department for Business and Trade, [Government introduces new Post Office Compensation Bill](#), 29 November 2023

Department for Business and Trade, [Compensation scheme for Group Litigation Order case postmasters](#) – material includes:

- [GLO compensation scheme timeline](#), updated 29 November 2023
- [GLO Compensation Scheme Guidance and Principles](#), revised 29 November 2023
- [The GLO Compensation Scheme: questions and answers](#), updated 29 November 2023

4.5 News and commentary

[Post Office Scandal website](#), from journalist Nick Wallis – author of [The Great Post Office Scandal](#) book (updated Nov 2022) and presenter of [The Great Post Office Trial](#) BBC radio series (episodes from May 2020 to Nov 2023).

Computer Weekly, [Slow government response to Post Office scandal compensation forces new legislation](#), 30 Nov 2023 – see end of article for more than 300 previous articles on Horizon.

The affair has also been widely reported in the press – see for example [BBC articles relating to the affair](#).

4.6 Organisations representing postmasters and postal workers

The [Justice for Subpostmasters Alliance \(JFSA\)](#)

The National Federation of Subpostmasters, [Horizon webpage](#)

CWU (Communication Workers Union), [Postal news](#)

4.7 Parliamentary material

Parliamentary material for 2022 and 2023 relating to Horizon.

Debates, oral statements and questions

- [Post Office Compensation](#) – Ministerial Statement in the House of Commons, HC Deb 18 Sep 2023 cc1131-1140 & corresponding statement in the House of Lords [Post Office Compensation](#) HL Deb 19 Sept 2023, cc1398-1409
- [Post Office Horizon IT Scandal: Compensation](#) – Urgent Question in the House of Commons, HC Deb 18 Jul 2023 cc767-775
- [Westminster Hall debate on Post Office Ltd: Management Culture](#), 13 July 2023
- [Post Office: Horizon Compensation](#) – Ministerial Statement in the House of Commons, HC Deb 23 Mar 2023 cc467-475
- [Post Office: GLO Compensation Scheme](#) – Ministerial Statement in the House of Commons, HC Deb 7 Dec 2022 cc353-364
- [Post Office: Compensation for Horizon Scandal](#) – Ministerial Statement in the House of Commons, HC Deb 30 Jun 2022 cc469-480 & corresponding statement in the House of Lords [Post Office: Horizon Compensation](#) HL Deb 30 Jun 2022 cc804-811
- [Post Office: Horizon Compensation Arrangements](#) – Urgent Question in the House of Commons, HC Deb 24 Feb 2022 cc455-467 & corresponding statement in the House of Lords [Post Office: Horizon](#) HL Deb 24 Feb 2022 cc343-7

Written statements and questions

Written statements mentioning the Post Office and Horizon made in the House of Commons:

- [Post Office Limited Update](#), 8 November 2023, HCWS8
- [Tax Exemptions for Post Office Compensation Schemes: Suspension Remuneration Review and the Process Review Scheme](#), 8 November 2023, HCWS10
- [Business and Trade update on trade negotiations, smarter regulation and recent departmental activity](#), 7 September 2023, HCWS1010
- [Post Office Limited: Additional Funding Update](#), 20 October 2023, HCWS1081
- [Finance Bill: draft legislation and tax documents](#), 18 July 2023, HCWS972
- [Post Office Horizon IT Inquiry: Interim Report](#), 17 July 2023, HCWS950
- [Post Office Compensation Update](#), 29 June 2023, HCWS896

- [Post Office Compensation Update](#), 19 June 2023, HCWS860
- [Post Office Horizon Compensation](#), 26 April 2023, HCWS742
- [Post Office: Compensation for Horizon Scandal](#), 23 March 2023, HCWS664
- [Post Office: Compensation for Horizon scandal](#), 7 December 2022, HCWS420
- [Postmaster Suspension Pay](#), 24 November 2022 | UIN HCWS384
- [Historical Shortfall Scheme – Late Applicants](#), 12 October 2022, HCWS314
- [Tax exemptions for compensation payments paid by the Post Office for Overturned Historical Convictions](#), 23 September 2022, HCWS303
- [Post Office: Compensation for Horizon scandal](#), 30 June 2022, HCWS161
- [Post Office update](#), 22 March 2022, HCWS705

Please see link for [Parliamentary Questions mentioning the Post Office and Horizon](#).

Committee

Business and Trade Committee, [Post Office Horizon inquiry reaction: Business Committee Chair Darren Jones](#), 17 July 2023

Business and Trade Committee, [The Post Office: Non-inquiry session](#), 20 July 2023 – transcript of oral evidence session with witnesses from the Post Office

Business, Energy and Industrial Strategy Committee, [Royal Mail and the Post Office: Non-inquiry session](#), 17 January 2023 – transcript of oral evidence session with witnesses from the Post Office

Please see link for [correspondence involving the Business & Trade committee relating to the Post Office](#) – includes various updates from government

Business, Energy and Industrial Strategy Committee, [Post Office and Horizon - Compensation: interim report](#), 17 February 2022, HC 1129 2021–22

Business, Energy and Industrial Strategy Committee, [Post Office and Horizon Compensation: interim report. Government Response](#), 27 April 2022, HC 1267 2021–22

Other material

[Letter dated 29/11/2023 from John Glen MP to Diana Johnson MP and Peter Bottomley MP, APPG on Haemophilia and Contaminated Blood, regarding the introduction of the Post Office \(Horizon System\) Compensation Bill](#) – DEP2023-0922

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