



HL Bill 37 of 2023–24

Post Office (Horizon System) Compensation Bill

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Date published: 22 December 2023

On 16 January 2024, the second reading of the [Post Office \(Horizon System\) Compensation Bill](#) is scheduled to take place in the House of Lords. This short, two-clause bill was introduced into the House of Commons on 29 November 2023 and underwent all of its stages on 19 December 2023. The House of Commons speaker has certified it as a money bill.

The bill relates to compensation available to individuals who suffered after the Post Office introduced the Horizon computer system into branches in 1999. The system, used for accounting and stock-taking, inaccurately recorded losses and money missing in branches. Under the standard postmaster contracts, individuals were responsible for the losses at their branches. The Post Office was resistant to repeated assertions that the Horizon system was flawed and IT glitches were causing the issues. Between 2000 and 2014, the Post Office prosecuted over 730 individuals leading to bankruptcies, imprisonments and in some cases suicides. In 2019, following decades of repeated attempts to expose the problems, the High Court ruled that the original Horizon system had not been sufficiently robust and had suffered from a number of bugs and errors. The judgment was highly critical of what it described as the Post Office's institutional obstinacy to consider issues with Horizon despite factual evidence of issues with it. Several compensation schemes for the victims of the system have been established since the judgment.





The bill would establish a financial authority enabling the secretary of state for business and trade to provide ex gratia compensation to those individuals who were the victims of faults in the Horizon system. This could be via both the ‘Group litigation order (GLO) scheme’ and other compensation schemes. Currently, the temporary power to pay compensation under the existing GLO scheme ceases in August 2024. Concerns have been raised by the chair of the statutory inquiry into the scandal that the current deadline cannot be met.

The bill would extend and apply to England and Wales, Scotland and Northern Ireland. Its provisions come into force at royal assent.

I. Background

The Post Office is a limited company owned entirely by the government and overseen by the Department for Business and Trade.¹ The Post Office Ltd Board has responsibility for the day-to-day operations. As of March 2022, there were 11,635 post office branches open across the UK.² Of this number, 11,518 are run by independent postmasters/sub-postmasters and companies as franchises, with only 117 branches (0.01%) run by Post Office Ltd.³

¹ More information about the structure and history of the Post Office is available in the House of Commons Library briefings, ‘[The Post Office](#)’ (18 October 2021) and ‘[Post office numbers](#)’ (9 January 2023).

² Post Office, ‘[Network report 2022](#)’, January 2023, p 4.

³ As above, p 7. The terms postmaster and sub-postmaster are used interchangeably by different sources. For example, the Post Office and the explanatory notes to the bill refer to postmasters, whilst the statutory Post Office Horizon IT Inquiry refers to sub-postmasters. This briefing uses both terms according to source material.



In 2021/22, the Post Office's trading profit was £42mn, an increase of £7mn from the £35mn recorded in 2020/21.⁴ Commenting on the impact of post office branches to the end of March 2022, the Post Office stated:

[...] none of these achievements would have been possible without the determination, grit and support of our postmasters and retail partners who have, and continue, to support communities across the country, day-in-and-day-out.⁵

1.1 Horizon computer system

In 2000, the Post Office introduced the Horizon computer system into its network of branches.⁶ The system was used for stock-taking, accounting and recording financial transactions. The provider of this original system was ICL. ICL was partly owned by Fujitsu and was fully incorporated within Fujitsu in 2001.

Following the introduction of Horizon, a number of sub-postmasters experienced difficulty with it and errors were first reported as early as 2000.⁷ In particular, the system made it appear as though money was missing from the branches. Under the standard postmaster contract, individual sub-postmasters were responsible for any

⁴ Post Office, '[Annual report and consolidated financial statements 2021/22](#)', 17 August 2022, p 9.

⁵ Post Office, '[Network report 2022](#)', January 2023, p 5.

⁶ [Explanatory notes](#), p 2.

⁷ House of Commons Business, Energy and Industrial Strategy Committee, '[Post Office and Horizon: Compensation—interim report](#)', 17 February 2022, HC 1129 of session 2021–22, p 3.



accounting shortfalls.⁸ Unless postmasters were able to demonstrate that the losses were caused by something other than what the contract described as their “negligence, carelessness and error”, they were liable for making good the losses without delay.

In addition, the Post Office held a unique position as a private prosecutor. Many private organisations that bring private prosecutions engage private investigators or specialist lawyers to conduct prosecutions.⁹ In contrast, the Post Office relied on its own internal investigators and lawyers to carry out the prosecution of its workers. This has led to concern about a lack of safeguards in situations where an organisation acts as both investigator and prosecutor in cases where it is also the alleged victim.¹⁰

Computer Weekly highlighted that by 2009, a number of sub-postmasters who had reported issues with Horizon were facing prosecution, bankruptcy and jail.¹¹ Sub-postmasters argued that the losses were caused by glitches in the IT system. The Post Office was resistant to this argument. As outlined in the explanatory notes to the bill, a range of penalties were imposed on sub-postmasters deemed to be at fault:

The Post Office obliged postmasters to “repay” these false shortfalls. Some postmasters were suspended (generally without pay) and/or dismissed. Others were prosecuted (by the Post

⁸ Computer Weekly, [‘Former Post Office executive admits he wouldn’t sign unfair contract he pushed on sub-postmasters’](#), 18 October 2023.

⁹ House of Commons Justice Committee, [‘Private prosecutions: Safeguards’](#), 2 October 2020, HC 497 of session 2019–21, p 7.

¹⁰ As above, p 5.

¹¹ Computer Weekly, [‘Bankruptcy, prosecution and disrupted livelihoods: Postmasters tell their story’](#), 11 May 2009.



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.¹²

From the introduction of Horizon in 2000 until 2014, 736 sub-postmasters were prosecuted using the information provided by Horizon.¹³ As of December 2023, the Post Office had identified a total of 700 convictions in cases it prosecuted “in which Horizon evidence may have featured”.¹⁴

1.2 Exposing issues with Horizon

Various attempts, predominantly driven by sub-postmasters, were made to expose the issues with the Horizon system. The below timeline provides an overview of some of the key events in the last two decades since the system was introduced.¹⁵

¹² [Explanatory notes](#), p 2.

¹³ BBC News, [‘Post Office scandal: What the Horizon saga is all about’](#), 22 March 2022.

¹⁴ Post Office, [‘Horizon scandal: FAQs’](#), last updated 20 July 2023.

¹⁵ House of Lords Library, [‘Bates v Post Office: Horizon accounting system’](#), 12 February 2020.



2009

The campaign group Justice for Sub-postmasters Alliance (JFSA) was established.¹⁶ Members of the group argued that the Horizon accounting system was incorrectly showing sub-postmasters in some branches to be in arrears in their payments to the Post Office as a result of technical faults. The group said sub-postmasters were being incorrectly accused of false accounting and fraud by the Post Office. It argued this had resulted in sub-postmasters losing their jobs, facing bankruptcy and possible imprisonment.

2012

The Post Office set up an independent inquiry conducted by the accountancy company Second Sight.

2013

An interim report highlighting faults in the Horizon system was published. The Post Office established a complaint review and mediation scheme to examine cases raised in the report. This scheme was closed to new applicants later that year. The JFSA argued there had not been enough opportunity for sub-postmasters to enter the scheme.

2015

The mediation scheme was closed by the Post Office. The JFSA began legal action against the Post Office. The case involved a group of 555 people, most of whom were postmasters (individuals or companies). The JFSA took the Post Office to the High Court in a case managed using a group litigation order (GLO) made in March 2017. A GLO is

¹⁶ Justice for Sub-postmasters Alliance, '[About us](#)', accessed 18 December 2023.



the principal procedure for collective actions.¹⁷

2019

On 11 December 2019, the Post Office and the sub-postmasters concerned announced they had reached an out-of-court settlement (the GLO settlement agreement) for £42.5mn plus costs. However, postmasters had to pay £31mn of the settlement to the company which had funded their action. The government has noted that this left them with “meagre compensation”.¹⁸ The sum left was divided amongst the postmasters using a formula set by the group’s steering committee with the help of their legal advisors.

The GLO settlement agreement also required the Post Office to create a compensation scheme for those postmasters who had not been party to the GLO legal action. This was implemented as the ‘Historic shortfall scheme’ (HSS), now renamed the ‘Horizon shortfall scheme’.¹⁹ (A full list of the relevant compensation schemes is provided in [section 1.4 below](#).)

In the subsequent judgment on the Horizon issues, published on 16 December 2019, the High Court ruled that the original Horizon system had not been sufficiently robust and had suffered from a number of bugs and errors. In his judgment, Mr Justice Fraser stated that the Post Office’s approach:

[...] demonstrates a simple institutional obstinacy or refusal to consider any possible alternatives to their view of Horizon, which

¹⁷ For more information on GLOs, see: Stewarts, ‘[Collective redress and group litigation orders](#)’, accessed 14 December 2023.

¹⁸ [Explanatory notes](#), p 3.

¹⁹ As above.



was maintained regardless of the weight of factual evidence to the contrary [...] This approach by the Post Office has amounted, in reality, to bare assertions and denials that ignore what has actually occurred, at least so far as the witnesses called before me in the Horizon Issues trial are concerned. It amounts to the 21st century equivalent of maintaining that the earth is flat.²⁰

The court also made several findings regarding the contract to which the postmasters were subject. For example, it noted that the withholding of postmasters' remuneration to any period of suspension prior to March 2019 failed the test of reasonableness imposed by the Unfair Contract Terms Act 1977.²¹

In addition, the court expressed concern about the Post Office's conduct towards the claimants, its approach to evidence and its disclosure, and its resistance to objective scrutiny.²² Fujitsu was not a party to the litigation. However, the judge in the High Court said he would refer Fujitsu to the director of public prosecutions for possible further action.²³

In October 2020, the Post Office confirmed it would not contest the appeals of 44 out of 47 individuals against their convictions. In April 2021, the Court of Appeal overturned the convictions of 39 postmasters whose cases had been referred by the Criminal Cases Review Commission (CCRC), the independent body which looks into criminal cases where people have argued they have been wrongly

²⁰ [Bates v Post Office \[2019\] EWHC 3408](#), paras 928–9.

²¹ [Explanatory notes](#), pp 2–3.

²² House of Commons Justice Committee, '[Private prosecutions: Safeguards](#)', 2 October 2020, HC 497 of session 2019–21, para 7.

²³ As above, para 8.



convicted or sentenced. This followed the over-turning of six other convictions in December 2020. Further convictions have since been overturned, taking the total to 93.²⁴

The CCRC described the events as “the most widespread miscarriage of justice the CCRC has ever seen”.²⁵ Commenting on the events, the Post Office itself stated:

We are sincerely sorry for past events and recognise both the impact on individual lives and the length of time many victims have waited for justice. Providing compensation is a priority for us and we have already offered over £130mn and continue to take determined action to reform our business.²⁶

1.3 Statutory inquiry

In February 2020, the then prime minister Boris Johnson committed to “getting to the bottom of the matter” of the problems caused by the Horizon system through the use of an independent inquiry.²⁷ The Post Office Horizon IT Inquiry was established in non-statutory form on 29 September 2020. It is led by retired high court judge Sir Wyn Williams. The inquiry was converted to a statutory inquiry on 1 June 2021.²⁸ Paul Scully, then minister at the Department for Business,

²⁴ [Explanatory notes](#), p 3.

²⁵ Criminal Cases Review Commission, [‘Post Office/Horizon scandal’](#), accessed 13 December 2023.

²⁶ Post Office, [‘Horizon scandal: Context’](#), last updated 13 December 2023.

²⁷ [HC Hansard, 26 February 2020, col 315](#).

²⁸ Post Office Horizon IT Inquiry, [‘About the inquiry’](#), accessed 19 December 2023.



Energy and Industrial Strategy, argued that change was necessary because:

[...] the context for the inquiry has changed in the light of the judgment by the Court of Appeal and that now is the right moment to convert the inquiry to a statutory footing [...] these changes will give Sir Wyn the powers and the time that he needs to conduct an in-depth analysis of the decision-making processes that led to the Horizon scandal. He will be able to compel organisations to provide documents and witnesses to give evidence, under oath if necessary.²⁹

The website for the inquiry summarises its purpose as follows:

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 sub-postmasters' contracts, prosecution and conviction of sub-postmasters. 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 sub-postmasters and subpostmistresses, Post Office Ltd, UK Government Investment (UKGI), Fujitsu, the Department for Business and Trade (DBT), 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.³⁰

²⁹ [HC Hansard, 19 May 2021, col 717.](#)

³⁰ Post Office Horizon IT Inquiry, '[About the inquiry](#)', accessed 19 December 2023.

Initially, the inquiry planned to make recommendations and submit its findings to the secretary of state for business, energy and industrial strategy in autumn 2022. However, Sir Wyn has indicated these timings have changed in light of the substantial documentation to be considered by the inquiry.³¹ An indicative timeline provided by the inquiry suggests that hearings will conclude in spring/summer 2024.³²

1.4 Compensation schemes

Several different compensation schemes, with different timescales and eligibility criteria, have been created in order to address the victims of the Horizon scandal. Table I provides an overview of these schemes.

Table I. Horizon scandal compensation schemes

	Group litigation order (GLO) compensation scheme	Horizon shortfall scheme (HSS)	Overtaken historical conviction scheme (OHCS)
Date launched	Announced by the government in March 2022.	Launched in May 2020. Post Office responsible for administering.	Announced on 22 July 2021. Payments determined and administered by the Post Office.

³¹ Post Office Horizon IT Inquiry, '[Terms of reference](#)', accessed 19 December 2023.

³² Post Office Horizon IT Inquiry, '[Public hearings timeline](#)', accessed 19 December 2023.



	Group litigation order (GLO) compensation scheme	Horizon shortfall scheme (HSS)	Overtured historical conviction scheme (OHCS)
Eligibility	<p>Postmasters that were part of the GLO and settlement agreement. To be eligible individuals must not have been convicted; “claims from convicted postmasters will be processed by the Post Office once the conviction has been overturned”.³³ Individuals who were prosecuted but not convicted, or who received a caution, are eligible for the scheme.</p> <p>Those GLO members who were convicted and had their convictions quashed</p>	<p>Postmasters who had not been part of the GLO legal action.</p>	<p>Postmasters (both participants in GLO and others) whose convictions for dishonesty which relied on Horizon data have been quashed.</p>

³³ Department for Business and Trade, '[GLO compensation scheme guidance and principles](#)', 27 November 2023.



	Group litigation order (GLO) compensation scheme	Horizon shortfall scheme (HSS)	Overtured historical conviction scheme (OHCS)
	should use the OHCS.		
Deadlines	All payments of compensation must be made by 7 August 2024.	Initial application deadline of 14 August 2020. Subsequently amended to 27 November 2020. Some late applications received after deadline.	N/A
Tax status	Exempt from income tax, capital gains tax and inheritance tax. ³⁴ Secondary GLO scheme payments are also disregarded in the calculation of benefits. ³⁵	The government announced in June 2023 that additional payments would be made by the Post Office to individuals to “ensure that compensation is not unduly lost to	In September 2022 the government announced that compensation would be exempt from income tax, capital gains tax, national insurance contributions and

³⁴ Post Office Horizon IT Inquiry, '[First interim report: Compensation](#)', 17 July 2023, p 8.

³⁵ [Explanatory notes](#), p 5.



	Group litigation order (GLO) compensation scheme	Horizon shortfall scheme (HSS)	Overtured historical conviction scheme (OHCS)
		tax”. ³⁶	inheritance tax. ³⁷
Other relevant information	Sir Wyn Williams has expressed concern that it will be “challenging” to consider all the claims in the short timeframe dictated by statute. ³⁸ He argued “no applicant should feel pressurised into accepting an offer to avoid the possibility that the end date for payment would arrive and yet no payment would	Concerns at the length of time taken to resolve some of the cases of compensation. ⁴⁰	

³⁶ Post Office Horizon IT Inquiry, ‘[First interim report: Compensation](#)’, 17 July 2023, HC 1749 of session 2022–23, pp 25–6.

³⁷ House of Commons, ‘[Written statement: Tax exemptions for compensation payments paid by the Post Office for overturned historical convictions \(HCWS303\)](#)’, 23 September 2022.

³⁸ As above, pp 10–11.

⁴⁰ Post Office Horizon IT Inquiry, ‘[First interim report: Compensation](#)’, 17 July 2023, HC 1749 of session 2022–23, p 20.



Group litigation order (GLO) compensation scheme	Horizon shortfall scheme (HSS)	Overtured historical conviction scheme (OHCS)
have been received". ³⁹		

The Horizon Compensation Advisory Board (HCAB) is an independent advisory board of parliamentarians and academics which was established to advise ministers how to manage delivery of the GLO scheme. It contains two academics who are experts in the field of alternative dispute resolution and legal ethics. In addition, the panel includes two parliamentarians recognised for their past involvement in pursuing the resolution of the Horizon scandal, Lord Arbuthnot of Edrom (formerly Conservative MP for Wanstead and Woodford and North East Hampshire) and Kevan Jones (Labour MP for North Durham). The panel does not have a role in individual cases but monitors the overall progress of the scheme. It is supported by a Department for Business and Trade (DBT) secretariat and officials.⁴¹

In March 2023, the government announced the expansion of the HCAB's remit to cover the historical shortfall scheme, postmasters' suspension pay, and compensation for postmasters with overturned convictions.⁴²

³⁹ As above, p 11.

⁴¹ HM Government, '[Group Litigation Order \(GLO\) Compensation Scheme Advisory Board](#)', accessed 20 December 2023.

⁴² [HC Hansard, 23 March 2023, cols 468–9.](#)



On 14 December 2023, HCAB chair Chris Hodges wrote to Lord Chancellor Alex Chalk calling for the 900 plus convictions from the Horizon scandal to be overturned.⁴³ He argued the convictions were unsafe, but that the fact that only 93 of the 900 plus individuals had had convictions overturned showed the current approach to redress was not working.

As of 1 December 2023, £138mn has been paid in compensation to over 2,700 claimants across the three schemes, broken down as follows:

- Horizon shortfall scheme (HSS): £87mn
- Group litigation order (GLO) scheme: £27mn total value of all payments including interim payments
- Overturned convictions (OC): 93 convictions have been overturned and £24mn total value of all payments have been made including further interim payments.⁴⁴

In December 2023 the BBC reported that the Post Office has revised down the amount of money set aside for the OHCS from £487mn to £244mn. The Post Office has said that it was the management's latest and best estimate of the amount of future claims, but had no bearing on the funding availability or amount to be paid out to victims.⁴⁵

⁴³ Department for Business and Trade, '[Correspondence between advisory board and the Ministry of Justice](#)', 14 December 2023.

⁴⁴ Department for Business and Trade, '[Post Office Horizon compensation data: December 2023](#)', updated 8 December 2023.

⁴⁵ BBC News, '[Post Office victims' compensation pot cut by half](#)', 21 December 2023.



The statutory Post Office Horizon IT Inquiry published an interim report about compensation in July 2023.⁴⁶ The report recommended maximising the role of HCAB and allowing it to monitor individual cases, and extending the deadline for the GLO scheme to allow payments to be made after 7 August 2024 if necessary. It also raised concerns regarding bankruptcy and taxation issues and the progress of complex cases under the HSS.⁴⁷

On 18 September 2023, the government announced that postmasters who have their convictions on the basis of Horizon evidence overturned would be able to accept, up front, an offer of a fixed sum in full and final settlement of their claim of £600,000.⁴⁸ This would be delivered by the Post Office with funding from the government. Postmasters can continue with the existing process if they do not wish to accept the offer. The government has stated the scheme “will provide more reassurance and quicker compensation” to postmasters.

On 8 November 2023, the minister for enterprise, markets and small business, Kevin Hollinrake, announced that the government would also be providing compensation for “previous operational issues such as processes and/or policies regarding certain services that impacted postmasters financially”.⁴⁹ He said that these were separate to the compensation paid for the Horizon IT scandal. The compensation will be exempt from income tax, national insurance contributions, capital gains tax and corporation tax.

⁴⁶ Post Office Horizon IT Inquiry, ‘[First interim report: Compensation](#)’, 17 July 2023, HC 1749 of session 2022–23.

⁴⁷ Post Office Horizon IT Inquiry, ‘[Chair’s interim report calls for action from government to resolve compensation issues for sub-postmasters](#)’, 17 July 2023.

⁴⁸ [HC Hansard, 18 September 2023, cols 1132–3](#).

⁴⁹ House of Commons, ‘[Written statement: Post Office Ltd: Horizon \(HCWS8\)](#)’, 8 November 2023.



2. Overview of the bill

The Post Office (Horizon System) Compensation Bill is a short, two-clause bill. The main purpose of the bill is to provide a financial power to the secretary of state for expenditure on the GLO compensation scheme. This would remove the deadline of 7 August 2024, as recommended by chair of the statutory inquiry into the scandal, Sir Wyn Williams. The bill would also allow expenditure on other compensation schemes.

The speaker of the House of Commons certified the Post Office (Horizon System) Compensation Bill as a money bill.⁵⁰ This will limit the extent to which the House of Lords can propose significant changes. The House of Lords can amend money bills, but the House of Commons is not obliged to consider any amendments the Lords may propose. The latest edition of the ‘Companion to the standing orders and guide to the proceedings of the House of Lords’ notes that “on a few occasions minor amendments have been made by the Lords to such bills and have been accepted by the Commons”.⁵¹ However, a money bill can also be presented for royal assent a month after being passed by the House of Commons with or without the approval of the House of Lords.

Clause 1 would provide the secretary of state with power to incur expenditure to compensate individuals affected by the Horizon system. The purpose of this clause is to provide ongoing financial authority to the secretary of state after the current power, exercised under the GLO scheme, runs out in August 2024.

⁵⁰ [HL Hansard, 19 December 2023, col 2243.](#)

⁵¹ House of Lords, ‘[Companion to the standing orders and guide to the proceedings of the House of Lords](#)’, 28 November 2023, para 8.207.



Parliament has not previously granted specific statutory authority to incur expenditure which can be used as the basis for the GLO scheme. Instead, payments have been made under a temporary programme of expenditure undertaken under the sole authority of successive supply and appropriation acts. The Supply and Appropriate (Main Estimates) Act 2023 allows for funding to provide compensation for the GLO claimants.⁵²

However, this temporary power would cease on 7 August 2024, two years after the first payment of the GLO scheme was made. This is because, under the Treasury's 1932 concordat with the House of Commons Public Accounts Committee, payments that are not emergency or non-continuing should be made through amending legislation.⁵³ The government has emphasised that it intends to complete the scheme prior to the 7 August 2024 deadline.⁵⁴ However, the extension seeks to avoid postmasters being rushed into making decisions about compensation and being timed out of receiving it.⁵⁵ It has been recommended by chair of the statutory inquiry into the Post Office Horizon IT system, Sir Wyn Williams.⁵⁶

Subsection I of clause I would give the secretary of state the financial authority to pay compensation to individuals in both the GLO scheme and other schemes and arrangements. The subsection states that the purpose of payments will be to compensate:

- persons affected by the Horizon system

⁵² [Explanatory notes](#), pp 4–5.

⁵³ As above.

⁵⁴ As above, p 2.

⁵⁵ [HC Hansard, 19 December 2023, col 1290](#).

⁵⁶ [Post Office Horizon IT Inquiry, 'Chair's interim report calls for action from government to resolve compensation issues for sub-postmasters'](#), 17 July 2023.



- persons in respect of other matters identified in High Court judgments given in proceedings relating to the Horizon system.

The reference to matters in High Court judgments includes detriments such as the failure by the Post Office to pay suspension pay to postmasters.⁵⁷

Subsection 2 of clause 1 defines “the Horizon system” as previous versions of the computer system known as Horizon (and sometimes referred to as Legacy Horizon, Horizon Online or HNG-X) used by Post Office Ltd.

Clause 2 specifies the bill’s short title. The provisions in the bill would extend and apply to England and Wales, Scotland, and Northern Ireland.⁵⁸ All of the provisions in the bill would commence upon the granting of royal assent.⁵⁹

3. House of Commons stages

The bill completed all of its House of Commons stages on the same day, 19 December 2023. A short summary of those stages is provided below.

⁵⁷ [Explanatory notes](#), p 5.

⁵⁸ As above, p 8.

⁵⁹ As above, p 6.



3.1 Second reading

Introducing the bill at second reading, the minister for small business, enterprise and markets, Kevin Hollinrake, said the Horizon issue had been “rightly described as one of the biggest miscarriages of justice in our history”.⁶⁰ Emphasising that the government was committed to delivering justice for all Horizon victims, Mr Hollinrake highlighted the work of the statutory inquiry on the scandal, noting:

The work of that inquiry to date is commendable—it is doing important work in exposing the truth. From that truth will follow corporate and individual accountability, for which there is a strong appetite in this House and beyond. I sympathise with hon. members’ desire to see accountability right now, but we must let justice take its course.⁶¹

He explained the purpose of the bill was to remove the deadline of 7 August 2024 for GLO payments to be made, something the chair of the statutory inquiry into the Horizon system had recommended. However, he stressed “this certainly does not mean we are taking our foot off the gas” when it came to delivering compensation to those affected by the scandal.⁶²

Replying for the Labour party, shadow minister Rushanara Ali said she supported the bill. However, she noted that, as of 10 August 2023, at least 60 postmasters had died without seeing justice or compensation.⁶³ She urged the government to confirm how the extra

⁶⁰ [HC Hansard, 19 December 2023, col 1287.](#)

⁶¹ [HC Hansard, 19 December 2023, col 1288.](#)

⁶² [HC Hansard, 19 December 2023, col 1290.](#)

⁶³ [HC Hansard, 19 December 2023, col 1291.](#)



time granted by the bill would be used to deliver justice and compensation as quickly as possible.

The former minister for small business, enterprise and markets, Paul Scully (Conservative MP for Sutton and Cheam), also welcomed the bill, commenting:

[...] nothing has kept me awake at night more than the plight of the sub-postmasters who fell within the Horizon scandal and the biggest miscarriage of justice in British court history.⁶⁴

However, Mr Scully argued against the use of the extended deadline to “kick it into the long grass”, stating “I hope we do not need that extra time and that it is there to get ahead of the process”.⁶⁵

Similarly, SNP spokesperson Marion Fellows, a member of the APPG on post offices, noted that while the bill was welcome to ensure no eligible postmasters missed out on the GLO scheme compensation, the government should ensure victims were compensated promptly. Criticising the “clear culpability” at every level of Post Office Ltd, she argued that the bill should be broadened to ensure that everyone who has been investigated and convicted by Post Office Ltd had their case investigated.⁶⁶

Ms Fellows praised the work of tax specialist Dan Neidle and journalists Nick Wallis, Karl Flinders and Tom Witherow in uncovering the scandal. She also highlighted concerns regarding both

⁶⁴ [HC Hansard, 19 December 2023, col 1292.](#)

⁶⁵ [HC Hansard, 19 December 2023, col 1293.](#)

⁶⁶ [HC Hansard, 19 December 2023, col 1295.](#)



the Post Office's cooperation with the statutory inquiry and the role of Fujitsu in the scandal, in particular the fact it had avoided any financial penalties as a result of the faulty software. She welcomed the minister's commitments that both corporate and individual responsibility would follow from the statutory inquiry.⁶⁷

Labour MP for North Durham Kevan Jones, a member of the Horizon Compensation Advisory Board, also supported the bill, arguing that the previous “arbitrary” deadline would have been unjust.⁶⁸ As with previous contributors, he paid tribute to the work of the victims of the scandal ensuring that it came to light. Mr Jones was also highly critical of the Post Office noting “this was clearly a cover-up conspiracy and, I think, downright criminality on the part of certain individuals”.⁶⁹ He expressed concern that of the nearly 900 people convicted only 93 of the convictions had been overturned and concluded:

First, we have to get the compensation paid. The minister has committed to trying to put people in the position they would have been in if they had not been affected, which is what we need to do. Will the compensation ever fully compensate them for what they have been through? No, it will not—they will have a scar—but it will help. The other important thing is that the people responsible should be brought to justice and have their day in court. Clearly, they need to answer for it.⁷⁰

Concluding the debate, Kevin Hollinrake emphasised that the bill sought to prevent “an arbitrary date being set” so that individuals

⁶⁷ [HC Hansard, 19 December 2023, col 1296.](#)

⁶⁸ [HC Hansard, 19 December 2023, cols 1296–7.](#)

⁶⁹ [HC Hansard, 19 December 2023, col 1299.](#)

⁷⁰ [HC Hansard, 19 December 2023, col 1300.](#)



could get compensation. It was not, he said, about further delays.

The bill was read for a second time and committed to a committee of the whole House.⁷¹ Prior to committee stage, the House of Commons approved a money resolution.⁷² This was required as the bill authorised new public expenditure.

3.2 Committee stage

Committee stage directly followed second reading on the floor of the House of Commons. Clauses 1 and 2 of the bill were agreed without debate or division.⁷³

The committee then considered new clause 1, a cross-party amendment to the bill put forward by Kevan Jones, Marion Fellows, David Davis (Conservative MP for Haltemprice and Howden), Sammy Wilson (Democratic Unionist Party MP for East Antrim) and Kate Osborne (Labour MP for Jarrow). The clause related to the eligibility of potential claimants of compensation. Introducing the proposed clause, Mr Jones stated:

[New clause 1] would do two things: first, it would provide that all those with overturned convictions would receive compensation on the same basis, including the so-called public interest cases. Secondly, it would provide for all those with convictions that have not been overturned to receive compensation on the same basis as those with overturned

⁷¹ [HC Hansard, 19 December 2023, col 1308.](#)

⁷² [HC Hansard, 19 December 2023, col 1308.](#)

⁷³ [HC Hansard, 19 December 2023, cols 1309–10.](#)



convictions.⁷⁴

Mr Jones explained that in public interest cases, where the Post Office concludes that a retrial would not be in the public interest, the conviction is overturned but the postmaster is denied full compensation. He noted that this might apply where individuals may have pleaded guilty on legal advice to get a lesser punishment. New clause 1 would have ensured those affected by such cases could claim compensation on the same basis as other postmasters with overturned convictions. In addition, the clause would have allowed those who had not had their convictions overturned to get compensation.

The new clause was supported by Labour shadow minister Rushanara Ali who urged the government to “get ahead of the issue” and work to ensure that the issues facing these groups of sub-postmasters were addressed.⁷⁵

Responding for the government, the minister, Kevin Hollinrake, set out the current conditions on claiming compensation:

Eligibility for compensation currently depends on a conviction being overturned. Appeals against convictions in a magistrates court go to the Crown court, where a retrial of the original offence is held. When deciding whether to oppose an appeal in the Crown court, the prosecution must apply the relevant test in the code for Crown prosecutors. That test has two parts. First, the evidence must be such that there is a realistic prospect of conviction. In some cases, that test is met because a prosecution

⁷⁴ [HC Hansard, 19 December 2023, col 1310.](#)

⁷⁵ [HC Hansard, 19 December 2023, col 1313.](#)



concludes that Horizon evidence was not essential to the case. In those cases, the prosecution must consider the second test, which is whether it is in the public interest to hold a retrial. Retrying someone for an offence allegedly committed years ago, for which they have already been punished, would be harsh. In such cases, the convictions are quashed on public interest, rather than on evidential grounds. Those cases differ from those where Horizon evidence was essential to the prosecution and an appeal is conceded by the Post Office.⁷⁶

He acknowledged widely expressed concerns regarding the way in which the Post Office “appears to have discharged prosecutorial powers” stating that he “remain[ed] open to considering any new evidence on liability in relation to the specific public interest cases”.⁷⁷

Commenting on the letter from HCAB chair Chris Hodges to Lord Chancellor Alex Chalk on 14 December 2023 regarding overturned convictions, he committed to examine both these and Mr Jones’ ideas:

Last week, the advisory board released some significant recommendations and its contribution is very welcome. I am sure the right hon. Member for North Durham will be interested to note that I have already asked for legal advice on what more can be done in this area, so I want to look closely at the ideas he has floated and the ideas of the advisory board [...]

I honestly do not think there is anything between the position of the right hon. Member for North Durham and my position in

⁷⁶ [HC Hansard, 19 December 2023, cols 1313–14.](#)

⁷⁷ [HC Hansard, 19 December 2023, col 1314.](#)



terms of our desire to see justice done and compensation paid. That is what he is calling for, and it is the government's job to try to achieve it. I promise him that we shall do our best. I hope that in the light of that assurance and the other assurances I have given, he will be willing to withdraw the new clause.⁷⁸

Mr Jones withdrew new clause 1.⁷⁹ The bill was subsequently reported without debate or amendment.⁸⁰

3.3 Third reading

Opening debate at third reading, Kevin Hollinrake stressed that what he called the “small but important” bill would mean that postmasters “are not timed out on their rightful compensation because of an arbitrary deadline”.⁸¹

Shadow minister Rushanara Ali again called on the government to act quickly to process claims and provide compensation. She praised the tireless work of sub-postmasters and all who had supported them in bringing the Horizon issue to the fore.⁸²

Similarly, Horizon Compensation Advisory Board member Kevan Jones described the bill as “another small step on a long road”.⁸³

⁷⁸ [HC Hansard, 19 December 2023, cols 1314–15.](#)

⁷⁹ [HC Hansard 19 December 2023, col 1315.](#)

⁸⁰ [HC Hansard 19 December 2023, col 1315.](#)

⁸¹ [HC Hansard, 19 December 2023, col 1315.](#)

⁸² [HC Hansard, 19 December 2023, col 1316.](#)

⁸³ [HC Hansard, 19 December 2023, col 1316.](#)



The bill was given a third reading without division.⁸⁴

4. Read more

- Post Office Horizon IT Inquiry, '[First interim report: Compensation](#)', 17 July 2023, HC 1749 of session 2022–23
- House of Commons Library, '[Management culture at Post Office Ltd](#)', 11 July 2023
- Post Office, '[Horizon scandal: Context](#)', last updated 13 December 2023
- Post Office Scandal, '[About](#)' accessed 20 December 2023
- Justice for Sub-postmasters Alliance, '[About us](#)', accessed 20 December 2023

⁸⁴ [HC Hansard, 19 December 2023, col 1317.](#)

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