

Baroness Newlove of Warrington
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05 November 2025

Dear Baroness Newlove,

VICTIMS OF THE POST OFFICE SCANDAL

Thank you for your letter dated 3 October. I appreciate you taking the time to write and am sorry I have not been able to reply to your letter sooner; unfortunately, your letter was not received by my department until 24 October. I want to acknowledge the importance of the work you do in supporting victims and amplifying their voices. I would be happy to work with you more directly going forwards and my team stands ready to work with yours to make that happen.

Like you, I am deeply moved by the gravity of the Horizon scandal and the profound impact it has had on so many lives over many years. Since taking up this role in September, ensuring that Horizon victims receive the justice and support they deserve has been one of my highest priorities. This Government has been committed to improving the compensation arrangements for postmasters, and I'm pleased that our efforts have led to significant progress. The total amount of compensation paid has increased fivefold to over £1.2 billion. While some of the criticisms you referenced were indeed valid in the early stages of the schemes, many have since been addressed through the changes we've made. However, I fully recognise that there is still more to do, and we remain focused on making further improvements. Many of the concerns you raised are familiar and already being actively addressed. For instance, we have introduced a fixed offer of £75,000 for claimants in the Horizon Shortfall Scheme (HSS), which has underpinned much of the recent acceleration of redress. We have also created a new independent route of appeal against HSS decisions.

Beyond financial compensation, we are also working to support postmasters in other meaningful ways. My Department – together with the Post Office and Fujitsu – are developing a restorative justice programme in partnership with the Restorative Justice Council which aims to address some of the non-financial hurt which postmasters are still experiencing.

Several of the points you raised have been considered by the statutory Post Office Horizon IT Inquiry, chaired by Sir Wyn Williams. He has taken extensive evidence from postmasters and others. He published his [report](#) on compensation and the human impacts of the scandal in July; we published a [Government response](#) in October. You may find these documents helpful in considering any further work on Horizon issues.

We have also established the independent Horizon Compensation Advisory Board, which includes respected advocates for postmasters. Their insights continue to shape and strengthen our approach to compensation. I understand your concerns about accountability. Work on individual accountability must await the Inquiry's final report, but I can assure you that the Metropolitan Police are dedicating substantial resources to investigating potential Horizon-related offences. I attach a note which responds in turn to each of the issues which you raise. Please feel free to share it with the postmasters who have attended your sessions. I would also encourage you to continue to engage with my officials who can keep you updated on developments in this rapidly evolving area.

Thanks again for your work on this.

Yours sincerely,

A handwritten signature in black ink, reading "Blair McDougall". The signature is written in a cursive, flowing style.

BLAIR McDOUGALL MP
Minister for Small Business and Economic Transformation

DBT response to issues raised by Victims Commissioner

This note reproduces in blue the text of your letter about individual issues. My response is given in black.

Through my conversations, I have identified an extensive list of key issues that require urgent attention from the DBT. Before I share these, it goes without saying that the range of different compensation schemes in place is unfortunate and adds a further layer of complexity. It is also disappointing to learn that one of the schemes is being administered by the Post Office.

This Government inherited that plethora of schemes, with Post Office delivering two of them. I agree that it would have been preferable if – from the start – the arrangements for redress had been simpler and the Post Office had not been involved in delivery.

The delivery of one scheme – for people with overturned convictions – has now been transferred to my Department. However that scheme only had a few dozen unresolved claims. The dislocation and delay which would be involved in transferring responsibility for the Post Office's remaining scheme – the HSS, which has nearly 3,000 outstanding claims – would be damaging to postmasters. The Williams Inquiry has considered this point. Its conclusion aligns with the Department's view:

"I do not consider that the Post Office should be removed from delivering and administering HSS at this stage or in the foreseeable future."

We have announced that we are considering whether redress for future scandals could be delivered by an independent body. Any such change would come too late to affect delivery of the programme of Horizon redress.

Communication:

One of the overriding issues raised by victims is the time in which it is taking to pursue justice and process claims. I understand both the complexities and the sheer scale of these tasks. My observation is that there needs to be clear and consistent communication with those affected. Your official referred to a platform victims can access but in all of my meetings to date, neither I nor my officials recall any of the attendees referring to this platform.

It might be helpful to have a continuous campaign to promote victim awareness of any sources of up-to-date information. One letter or email to victims will not suffice. It might also be helpful if the DBT and the police could meet to discuss having a joint platform so that victims can receive all their updates from a single source.

I appreciate that there will be times when there is nothing new to report. I hear this all the time from criminal justice agencies. For a victim who is anxious and distressed, long periods of silence can be debilitating. It is better to regularly feedback even if only to say that you have no new developments.

People in the Horizon Shortfall Scheme (HSS) – the largest group, with nearly 3,000 outstanding claims – have access to a dedicated Post Office phone number

(0333 665 1093) from which they can get an update on their case whenever they wish. Each person who has a “live” HSS application has been assigned a named single point of contact to provide them with tailored support through the redress process, with engagement and updates provided at a frequency agreed with the applicant.

Those in the other schemes – which are run by DBT – are mostly legally represented (at Government expense), and it would be inappropriate for DBT to engage them directly. DBT keeps their lawyers fully briefed on the progress of their claims. Where claimants are unrepresented, we follow the processes set out in line with scheme guidance and principles. I do not recognise your reference to a “platform”, which may have been based on a misunderstanding of your conversation.

I do not think it would be appropriate to have a shared platform with the police. Investigation and prosecution of crime are rightly independent of Government, and we should not blur that distinction.

Compensation:

At every meeting, a constant theme from victims that the compensation process, far from offering catharsis, was seen to be as bad as or even worse an experience than the initial investigation, prosecution and injustice itself. Hearing this from victims, time and again, shocked me and I have tried to identify the reasons behind this.

The process, from the perspective of victims, is perceived to be adversarial. Victims talked about the stress of meeting deadlines, and given many are suffering trauma, this is no surprise. They referred to the Post Office and the DBT extending their own deadlines for issuing responses and how distressing this was. (I understand from your official that the DBT records show them meeting the 40-day deadline in 90% of cases, but it is not clear whether this has been the case from the outset). Victims build themselves up to receiving an offer, only to be told there would be further delay.

A frequent complaint was that the initial offer was insultingly low, causing both offence and distress. From the victim perspective, a low offer can be seen as an attempt to diminish their pain and suffering. When raising this with the solicitors, they too said there was a pattern of low initial offers. I recognise this is a frequently used tactic in insurance claims and commercial negotiations, but I feel it is not appropriate when dealing with traumatised victims. As a tactic, it should be avoided at all costs. It might be better to come back with a request for more information, rather than make an offer that is guaranteed to offend the victim.

I appreciate that the process of claiming redress can require victims to revisit difficult experiences. We have made every effort in designing redress schemes to minimise this.

In considering these issues we need to distinguish between the different schemes. The target of responding to claims or challenges within 40 working days applies only to the schemes which are run by DBT. The schemes have delivered at or very near that target throughout their lifetimes. Each month, data on that performance are published [here](#).

You are right to say that it has taken much too long to resolve claims to the HSS, which is run by Post Office. However the pace at which redress has been delivered has accelerated markedly, largely thanks to our £75,000 fixed sum offer in the HSS. The total amount paid in redress has increased fivefold to more than £1.2 billion since summer 2024. There are still too many long-outstanding HSS claims but one effect of the fixed sum offer is to allow resources to be switched from smaller claims to larger ones, driving acceleration across the board.

Both DBT and Post Office are doing all we can to remove blockers to claim resolution. For instance we have recently found a way to deal with the difficult issue of cases where there was (at least initially) no evidence of shortfalls.

Our aim is to make full and fair offers to all postmasters from the outset. The report of the Williams Inquiry recognises that “the commitments to provide financial redress which is full and fair and to provide it promptly were made in good faith and represented the genuinely held aims of the Post Office, the Department and Ministers”. In response to a recommendation from the Inquiry we have recently published a [statement](#) making clear our interpretation of the term “full and fair”.

Offers of public money can only reflect the available evidence. Both Post Office and DBT aim to give the benefit of the doubt to postmasters in respect of the weight of evidence which can be provided, but there are still occasions on which we need to ask for more information if we are to make the best offer for the postmaster concerned.

Offers which represent a low proportion of the amount claimed are only made if the available evidence does not support a higher figure. Neither DBT nor the Post Office uses low offers tactically in the manner of an insurance offer.

Process:

Another cause of angst is the constant request for receipts and documents dating back over 20 years. Victims rightly feel this is not reasonable. In some cases, they say the documents they are being asked to provide were in the possession of the Post Office, having been seized during the original investigation. Victims feel they are coming under pressure to produce documents, and yet the Post Office is often found wanting in its retention of documentation.

When speaking to your official and solicitors, I sense DBT is often inclined to give the benefit of the doubt when historic documents cannot be found. Under the circumstances, this must be right thing to do. It would be helpful if this could be conveyed to the victims.

Our guidance on the GLO scheme already does this. It states:

“Although it is in your interests that your claim is well evidenced and quantified in respect of each head of loss, the Scheme recognises that this may not always be possible given the circumstances and the length of time which has passed, and that there will be an absence of evidence. As such, DBT will take a proportionate and considerate approach to the availability of evidence albeit there will be some claims in which expert evidence may be required and we have made this clear in the guidance below.”

We take a similar approach in other schemes.

The solicitors have raised concern about the policy in making interim payments. An offer is made, it is rejected by the victim, knowing that any fresh offer cannot be below the existing offer. Whilst the dispute continues, the victim requests an interim payment and is only allowed 80% of the existing offer. I understand this is a tactic to encourage resolution and this is standard practice. Under the circumstances, I feel this tactic is inappropriate and I ask that it be reviewed.

The provision of 80% of the offered amount provides claimants with substantial help in bringing their lives back on track. We aim to resolve challenges to claims quickly, so that the remainder of redress can be paid. But without some abatement of the amount paid, there would be little incentive on claimants' lawyers to progress claims to a resolution. Delays by claimants' lawyers have been a substantial issue in some cases.

I welcome that victims are able to access free legal advice to help them make a claim. This was not available for some of the earlier applicants, who might have been disadvantaged as a result. Is it possible these early cases can be reviewed to ensure everyone has been treated fairly and equally.

Claimants are given support for legal representation in all of the DBT schemes. The remaining scheme, the HSS, was designed to be accessed without legal help. Earlier this year the Department announced its HSS Appeals process, which it delivers independent of Post Office. Anyone who wishes to appeal against an HSS settlement can do so, and will get funding for legal advice.

Duress:

At one of my meetings, an attendee raised concern that victims still employed by the Post Office were being placed under pressure by some managers not to make a claim. I do not know the extent to which this is happening. Can steps be taken to ensure this is not the case.

This should of course not be happening. So that we can take action to prevent it, please could you or the postmasters concerned provide details to my office. We will ask the Post Office to investigate

Family Impact:

Many victims share with me the impact of the scandal, not just on them, but also their families. Some of the most painful accounts related to the impact this had on children growing up at the time. Victims have said that they believe the compensation scheme should recognise the suffering of close family members. I understand the DBT is considering this and I would welcome any information you may have on your proposals to address this.

We acknowledge the problems which the scandal has caused for the families of many postmasters. My predecessor announced in July that we would be developing a scheme to help those family members most severely affected by the scandal. Further announcements will be made as the details of the scheme are worked up.

Mental Health Support:

I understand awards will include money to pay for mental health support if there is medical evidence to show this is required. Access to much needed mental health support is inconsistent, often depending on where the victim lives. Mental health support shouldn't feel like a postcode lottery, and we need to do more to ensure it is available to any victim who needs it. We were also told by victims that mental health workers lacked an understanding of the background of the Post Office scandal, leaving the victim having to try and explain. Clearly, this can be retraumatising. I suggest we provide a generic background brief designed mental health professionals, setting out what happened and how victims have been affected.

This is a very helpful suggestion. My officials have previously offered to help you in developing such a brief.

Redress should not just be financial. For example, we have been told of a victim who has lost his position as a magistrate because of false allegations made by the Post Office. He is keen to reapply. How can we help victims in these circumstances to rebuild their lives?

As part of our response to the Williams Inquiry, we announced that the Department, together with Fujitsu and the Post Office, would be delivering a programme of restorative justice. Further details of this were announced on 31 October. The programme will be driven by postmasters' views.

Equally, there are others who still cannot get credit because of the Post Office action. Again, this also needs to be addressed.

Any postmaster in this situation can ask the Post Office (DisputeResolutionTeam@postoffice.co.uk) to clarify their position with the relevant credit reference agency. We cannot ask agencies to make corrections en masse because to do so would require us to release individuals' confidential information.

Accountability:

Understandably, accountability is a big factor for victims. Some told me they felt there has never been an admission of culpability, or an apology offered by the Post Office. Your official has advised there has been a scheme where victims can meet senior managers in the Post Office who will offer an apology. Have we understood this correctly and if so, how has this been advertised or communicated to victims?

Post Office has communicated this offer to Horizon victims via their legal representatives, through direct communication with claimants as appropriate and through engagement with Postmaster representation groups such as the National Federation of Subpostmasters and Voice of the Postmaster, in addition to sharing this openly to all during the Inquiry hearings.

The arrangements will now segue into the restorative justice programme described above.

Victims are concerned that Fujitsu continues to be allowed to work with the UK Government in some capacity despite serious questions about the company's integrity. Is this an issue the government is looking to address?

Ministers have made numerous statements welcoming Fujitsu's decision not to bid for further Government contracts while the Williams Inquiry is ongoing, unless they are invited to do so. Such invitations are only given when Fujitsu's involvement is essential to maintaining important public services. Decisions on Fujitsu's future involvement with Government contracts will be taken once the Inquiry has published its final report.

I understand that the DBT is working with Restorative Justice (RJ) charities to make an RJ offer to victims. I know from my work with victims that RJ can help some victims to recover and therefore I very much welcome this. I also know it is not for everyone. It is important victims are not placed under any pressure to participate in an RJ exercise.

Our restorative justice plans are outlined above. Participation will of course be voluntary.

Victims also raised the issue of whether action will be taken against directors of the Post Office at the time of the scandal to prevent them from taking up company directorships. Victims recognise some directors may not be criminally liable, but they feel very strongly that they were negligent in carrying out their responsibilities.

Again, Ministers have made numerous statements to the effect that accountability for the scandal cannot be considered until the Inquiry's final report has been published.