



Department for Business & Trade

Blair McDougall MP
Parliamentary Under-Secretary of State
Minister for Small Business & Economic
Transformation
Department for Business and Trade
Old Admiralty Building
Admiralty Place
London
SW1A 2DY
United Kingdom

Rebekah Foot, Katie Burrows
Lost Chances

T: +44 (0) 020 4551 0011
E: mcdougall.correspondence@businessandtrade.gov.uk
W: www.gov.uk

By email to:
rebekah.foot@lostchances.org.uk
katie.burrows@lostchances.org.uk

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Dear Rebekah and Katie,

Horizon Family Members Redress Scheme

Thank you for meeting me and my officials over recent months, and for your tireless work in representing the families of postmasters. In the light of your various discussions with me and with my officials, we have developed our proposals for the way in which the redress scheme for family members of postmasters should work.

This letter sets out more details of our proposals. I am publishing it and reporting it to Parliament. You will be familiar with much of the thinking from your conversations with my officials. As the scheme is still in development, some of the details below may change.

The outline scheme announced last July focussed on personal injury, which in many cases we expect to mean damage to mental health. As you know, that outline scheme would have required contemporaneous evidence of medical issues or a fresh assessment of an ongoing medical condition arising from Horizon.

Because you told us that few people would be able to provide such evidence, we have created an alternative route to redress for people whose postmaster relatives faced some of the most stressful specific consequences of the Horizon scandal (such as prosecution or bankruptcy) and hence were most likely to have experienced significant harm. So long as we can confirm the event was experienced by the claimant's postmaster relative, we will not require the family member to evidence any further consequences. We hope this will minimise the traumatic effect of providing detailed medical evidence that many postmasters have noted in other schemes.

Because we are not asking claimants for specific evidence of any further harm where a claim is linked to a specific event, we cannot differentiate between claims. We will therefore offer flat-rate "recognition payments" to people who claim through this route. This will, unfortunately, mean that some receive an amount which differs from what they might have received if they had been able to make an evidenced personal injury claim. However given the evidential problems, the alternative would have been to give them no compensation at all. Should they wish to do so, those who do have evidence will still be able to apply based

upon contemporaneous evidence or a fresh medical assessment and will receive redress tailored to the specific injury they suffered.

Details of the proposed scheme are set out in the attached paper. I am publishing this letter and copying it to other interested parties. I would welcome feedback on it and my officials would be happy to discuss further with you.

We remain committed to delivering swift and fair redress, recognising the enduring hardship, and the need for a trusted, transparent process ensuring those family members most seriously affected by the Horizon system receive what they deserve.

I believe that this enhanced scheme is the best we can do to meet our original promise, and Sir Wyn Williams's recommendation, that we should help those family members who were most severely affected by the scandal.

Yours sincerely,

A handwritten signature in black ink, reading "Blair McDougall". The signature is written in a cursive style with a large, stylized 'B' and 'M'.

BLAIR McDOUGALL MP

Minister for Small Businesses & Economic Transformation

Horizon family members redress scheme – detailed proposals

Eligibility Review

To be eligible for the scheme, claimants must demonstrate that they were the partner, spouse, child, parent, or sibling of the affected postmaster, and that they were living with the postmaster at the time the postmaster was affected by Horizon.

Each claimant will undergo an initial eligibility review before the substance of their claim is assessed.

Options for how to claim

To ensure the process is fair and accessible, the scheme will provide two distinct routes for applicants seeking redress:

- a route based on individual assessment of personal injury as outlined in the original announcement; and
- a route based on events which are likely to have caused significant harm to family members.

Applicants with both event-based and individually assessed claims will have to choose an award from one route or the other, not both. Applicants can choose to see both offers, where they are eligible for both routes, and choose whichever award is of higher value, to ensure they are not unfairly disadvantaged.

Event-based claims

Under the event-based route, eligible applicants may apply for a flat recognition payment based on events experienced within their family which may have caused them harm. The relevant events we plan to use for this route are the postmaster's:

- bankruptcy,
- prosecution (whether or not leading to conviction or imprisonment), and/or
- wrongful death.

These will all be objectively tested by reference to the redress settlement of the postmaster relative.

This will be a light-touch process that will not require legal knowledge or submission of any evidence (beyond that required to show eligibility for the scheme). Events-based claims will be verified using the Department for Business and Trade and Post Office Limited's existing data.

Any applicant who is eligible for the scheme and for whom there is evidence of the relevant event having occurred will be entitled to a recognition payment, regardless of the actual impact on them. Because we will not be asking for evidence of the harm suffered by individuals making event-based claims, this recognition payment will be a flat amount depending only on the event or events experienced.

The department is still considering the appropriate level for recognition payments. One potential comparator is the amount of £15,120 to which relatives are entitled under the Fatal Accidents Act 1976 in the event of wrongful death. We will be in touch with further information relating to recognition payment levels in due course.

We recognise that this approach will mean that some applicants receive an amount which differs from what they might have received under an assessed claim. This is unfortunately the unavoidable consequence of this light touch approach where we do not ask for evidence of actual harm. Any move to tailor awards further would require more evidence and would in turn mean fewer applicants would qualify for an award.

Individually assessed claims

For some applicants a more detailed assessment, tailored to their individual circumstances, will better meet their needs. In these instances, applicants will have the option to make an individually assessed personal injury claim. Applicants will be asked to provide contemporaneous evidence of a personal injury where available. Those without such evidence but with a serious ongoing medical condition will be offered a new medical assessment.

As part of an individually assessed claim, eligible applicants can also receive compensation for other losses that were caused by their personal injury. These losses will be awarded based on a broad assessment of impact, rather than a full assessment of individual heads of loss. A similar approach is being used in our Capture redress scheme and initial reports suggest that it is working well.

All individually assessed claims will be reviewed by an independent panel, who will consider what is an appropriate payment based on the Judicial College Guidelines (which are the standard guidance to Courts and other redress schemes on personal injury compensation). Claimants will have the right to appeal the assessors' conclusions in defined circumstances, consistent with other redress schemes. To ensure impartiality, the panel will operate independently of government and will comprise experts across relevant fields.

Legal advice

We will provide funding so that claimants can receive legal advice on whether to accept an event-based offer or go on to submit an alternative individually assessed claim. Applicants will also have legal support when submitting an individually assessed claim. As in the Department for Business and Trade's other Horizon-related schemes, funding will be according to a tariff to be agreed with claimants' legal representatives.

Administration of the scheme

As in the other Horizon schemes, we will appoint an independent claims facilitator. All assessed personal injury offers under the scheme will be considered by an independent panel. The panel will be appointed and supported by the claims facilitators and will include medical and legal experts. Procurement of the claims facilitators is now under way.

The Department for Business and Trade will be responsible for overseeing the work of the claims facilitators, including assurance about fraud prevention and value for money in the processing of claims. The Post Office will not be involved in running the scheme, although it will provide some data relating to postmasters' claims under the Post Office-run schemes.

Medical and other specialist advice under the scheme will be provided by experts appointed by the claims facilitators, on the basis of standard instructions to be developed in consultation with claimants' lawyers and the Horizon Compensation Advisory Board. Claimants and

their legal advisors will not need to appoint their own experts. This will ensure neutral advice which can be relied on by all parties.

Next Steps

We expect the scheme to be open for applications in Summer 2026. Over the coming months, we will finalise guidance and publish further details on how to apply. We will continue to engage with stakeholders and will consider their feedback as the scheme design is finalised.