## HORIZON SHORTFALL SCHEME: INDEPENDENT SENIOR LAWYER

## SECOND REVIEW

## REVIEW OF DELAY CLAIMS

### SUMMARY

In December 2025, I was appointed Independent Senior Lawyer ("the ISL") to review any generic issues arising under the Horizon Shortfall Scheme ("the Scheme"); and, if appropriate, make recommendations to ensure that the actions of Post Office Limited ("POL") are consistent with the terms of the Scheme and with a view to ensuring full, fair and prompt redress within the Scheme and, as far as possible, across the Horizon redress schemes as a whole.

The Scheme is administered by POL, but funded by the Department for Business and Trade ("DBT").

This is the second referral to the ISL. The referral was made by the legal representatives for two claimants who expressed concern about not only the substantive delay in resolving their claims but also the lack of clarity and information provided to them about the progress of the claims.

At my request, POL and DBT responded to these issues. They explained that some claims were now taking longer to resolve because, the more straightforward claims having been resolved, the remaining claims are generally more complex and concern particularly vulnerable claimants; and indicating how they were continuing to process these claims as quickly as they reasonably can by (e.g.) identifying and resolving common issues. They accepted that, in the two instant claims, the communication with the claimants and their legal representatives as to the progress of the claims was not as good as it could have been; and they had taken steps to ensure that communication with claimants going forward will be more effective. I set out those steps below.

In the meantime, POL has written to each of the two claimants with an explanation for the delay in their cases – in short, the Panel had advised a nil offer and that decision was being reviewed in the light of further policy decisions in relation to how such offers should be finally reviewed and ratified or changed in favour of some positive offer. In one case, a substantive offer has been made (with further consideration as to whether any further offer should be made outside the Scheme) and in the other a nil offer has been made.

For the reasons set out in this Review, I am satisfied that the systemic approach of POL/DBT to outstanding claims within the Scheme – by the identification and resolution of common issues – is such as to enable more claims to be resolved earlier and, consequently, is in line with the aim of the Scheme to resolve claims quickly. Whilst some claims may run into 2027, the bulk of the claims running through the Scheme will be resolved by the end of 2026. I have asked POL to report to me on a monthly basis as to progress towards resolving the remaining Scheme claims. This POL has agreed to do.

I am also satisfied that the deficiencies in communication to the claimants with regard to the progress of their claims identified in the two claims referred have been considered and addressed by POL by a series of measures. This communication is vital, and its efficacy requires to be kept under constant review. POL has agreed that it will keep it under review.

If any claimant or legal representatives consider there is any form of continuing systemic delay or failure of communication within the Scheme, then they should refer that to me as the ISL.

## THE REVIEW

### Background

1. On 5 May 2026, a legal representative requested a review in respect of delays in respect of two specific claimants whom they represent, in which the representative expressed concern not only in respect of the substantive delay in resolving their claims but also the lack of clarity and information provided by POL and/or the DBT about the progress of the claims which had caused considerable additional distress to the claimants. They considered that these were matters that very likely affected other claimants within the Scheme.

2. I accepted the referral, and have received representations from POL and DBT who have also helpfully responded to requests from me for further information.

3. As to the factual background, Claimant 1 was informed in December 2025 that their claim had been considered and assessed, and an offer letter was being prepared. Seven weeks later, on 19 January 2026, POL indicated that there would be a "short delay" in issuing the offer letter as a policy decision was expected from DBT which might affect the treatment of the claim. There was an indication of neither what the issue was nor when the policy decision would be made. Claimant 1's legal representative pressed for an indication of when the decision would be made, to which POL said that they had been advised that it would hopefully be by the end of January but that could not be guaranteed. The legal representative then requested clarification as to what the policy decision related and how it might affect Claimant 1's claim and other claims within the Scheme. A chasing letter was sent on 11 March 2026, to which POL responded on 19 March 2026, saying that they had been unable to obtain as substantive response from DBT as to the requests made. That is how things stood when the legal representative made this referral to me on 5 May 2026.

4. Claimant 2 worked at two different post offices, one as a postmaster and subsequently at a second post office as an employee. The claimant died by suicide whilst working at the second post office. As at 5 May 2026, the position in respect of the employment in the second post office was still under review by the HSS Independent Advisory Panel.

5. The reference therefore raises potentially systemic issues of (i) delay and (ii) communication by POL to claimants with regard to the progress of claims.

### Delay

6. In its submission on this reference, DBT identifies two particular factors bearing upon the time being taken to resolve the remaining claims within the Scheme.

7. First, the more straightforward claims have now generally been resolved, leaving a remaining cohort with a high proportion of more complex cases. On the evidence I have seen, I accept that. Whilst POL and DBT are continuing to identify and then prioritise issues which are more prevalent in the remaining cohort – because they are likely to enable larger numbers of cases to be settled earlier – issues that are identified bear upon fewer and fewer cases. Furthermore, there is an increasing proportion of cases which involve idiosyncratic issues which have to be considered individually. The rate of resolution of claims is therefore inevitably declining.

8. Second, the process by which Horizon shortfalls are identified or assumed has become better defined and clearer. My first reference as ISL concerned such issues. Amongst other things, that has resulted in a review of those claims in which a nil offer has been made to ensure that, under the new guidance, a nil offer should be reviewed and either maintained or revised. That is why, for example, Claimant 1's claim was delayed: the

HSS Panel determined that a nil offer should be made but, before that was communicated to Claimant 1, the nil offer was held pending policy decisions on how such claims should be dealt with to ensure that a final nil offer was only made on the basis of the generous assumptions within the Scheme in favour of the claimant.

9. Of course, there is a common wish for all claims to be resolved as quickly as possible. However, on the basis of the representations I have received from DBT and POL, I am satisfied that the general approach to the resolution of claims, identifying and resolving common issues where that is possible and prioritising pressing forward with the assessment of individual cases involving those issues on the basis of that resolution, is appropriate and will result in more claims being resolved earlier. I am also satisfied that the review being conducted of claims which have been assessed as a nil offer is appropriate.

10. Claimants and their representatives will understandably wish to know when outstanding claims will be resolved. I have received POL's assurance that it "is working tirelessly towards the resolution of HSS claims as quickly as possible", which is clearly in the interests of everyone (including of course, in particular, the claimants).

11. In giving an estimate for the time by which all Scheme claims will be resolved, POL have emphasised that, as I have indicated above, as claims are resolved, those remaining tend to involve especially vulnerable claimants and greater degree of complexity. It is therefore difficult to predict by when all claims will be resolved. However, with that caveat, POL has indicated to me that it hopes substantially to complete processing the claims in which the Fixed Sum Offer is sought by 30 September 2026, although some claims may take longer where (e.g.) there have been difficulties contacting claimants, or they relate to deceased postmasters or dissolved companies. They expect to have resolved the bulk of the claims involving a Full Assessment by 31 December 2026.

12. In order to monitor progress towards the completion of the resolution of the claims under the Scheme, I have asked POL to report to me monthly on the current position and any envisaged challenges to the timetable they have indicated as above. This POL has agreed to do. If any party considers there is any form of continuing systemic delay within the Scheme to which POL/DBT are not appropriately responding, then they should refer that to me as ISL.

**<u>Communication</u>**

13. It is clear that, leaving aside the substantive decision on each claim, POL failed to keep Claimants 1 and 2 informed of the progress of their respective claims as they should have done. I am told – and accept – that, at least with Claimant 1, that has resulted in the claimant feeling ignored and distressed.

14. The DBT has apologised to Claimant 1 for that and, shortly after the reference to me, explained to Claimants 1 and 2 through their legal representatives why there was a delay in finalising an offer to each of them. Subsequently, the review of the nil offer has been completed, and POL has confirmed to Claimant 1 that a nil offer will be made under the Scheme. The claimant of course has the right to challenge that nil offer under the provisions of the Scheme. Claimant 2's second claim under the Scheme has also been rejected; but POL is considering whether any payment should be made to his Estate, outside the Scheme, because he died by suicide in service. I am satisfied that POL has now properly communicated the progress of these claims to the respective claimants as they should. Given the history of these claims, it is particularly important that, going forward, the claimants are kept informed of the progress of their claims.

15. More broadly, I am informed by POL that it has made substantial efforts to establish clear and effective communication practices with affected postmasters, and it continuously reviews its processes and ways of working to improve its engagement with claimants.

16. The following specific initiatives have been adopted by POL:

(i) The establishment of a specific Customer Support function within the Remediation Unit which is responsible for all claimant communications and engagement.

(ii) Introducing a named "Single Point of Contact" for claimants across all schemes to provide better continuity for claimants with resulting increased trust and rapport.

(iii) Extension of the "Relationship Manager" model so all claimants in HSS Fully Assessed and Dispute Resolution have a dedicated Relationship Manager to support them through the claimant journey whilst providing engagement continuity.

(iv) Those involved in claimant engagement have undertaken training led by the Restorative Justice Council to enhance their capability to support and communicate with claimants.

(v) Substantial and sustained engagement via postmaster groups and unions, which enables key information to be transmitted to claimants by that trusted route.

17. I am satisfied that POL/DBT have considered and addressed the communication deficiencies as to the progress of claims that were apparent in (e.g.) the claims brought by Claimants 1 and 2, both in the individual claims and in respect of the Scheme more generally.

18. However, given the background to the claims, it is especially vital that POL/DBT keep claimants appropriately appraised on the progress of their claims including by indicating when the next step in the process may be expected and explanations of any delays. A failure in communication may cause or compound anxiety and distress in the claimant and their family. The assurance by POL that the effectiveness of communications with claimants will be kept under review is important and welcome.

19. Again, if any party considers there is there is any form of continuing systemic problem with such communications, then they should refer that to me as ISL.

**Sir Gary Hickinbottom**
**28 July 2026**