

# Post Office: How Corporate Business Stole People's Lives

*In this article, writer [dave kelloway](#) examines the scandal involving the UK's Post Office falsely prosecuting hundreds of subpostmasters and mistresses due to issues with an accounting system.*

Thanks to the excellent ITV drama **Mr. Bates vs. the Post Office**, most people have now heard about how the Post Office falsely prosecuted 736 subpostmasters and mistresses between 1999 and 2015. As we wrote in an [ACR article](#) in February 2022, the Post Office first refused to acknowledge any problem and then actively covered up the fact that Fujitsu accounting software (Horizon) used in all its offices was faulty.

Post office operators were accused of fraud, often amounting to thousands of pounds. They were all told that *'it was only them'* so it could not be a fault of the system. People sometimes paid up, thinking that it must be their mistake. They lost their livelihoods, were often declared bankrupt, and were pressurised into pleading guilty to avoid imprisonment. Many suffered from the abuse of local people, thinking they had been fiddling the pensioners out of their money. A criminal record meant that moving on to a different career was very difficult. Some were imprisoned. Many lost their homes, suffered severe mental stress, and at least four committed suicide. It is rightly claimed that this is one of the worst miscarriages of justice on record.

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Today we learn through a [Guardian exclusive](#) that even before the full rollout of the system, there had been a pilot scheme in 300 branches in the North East, and there had been a number

of complaints. Two managers were prosecuted during the pilot. Just as with a full rollout, there may be dozens of victims who have not come forward. Since the TV drama, fifty more victims have emerged. If you think it must have been your incompetence and/or if you feared the consequences and shame of public prosecution, then there was strong pressure to pay up and try to move on.

The TV drama brilliantly captures the courageous campaign by the victims and the extraordinary resilience and leadership of Mr. Bates and others. They fought for over 20 years to rescind the convictions and get compensation, both for the money the Post Office took fraudulently from the victims and for their general economic and mental distress. The Post Office has continuously tried to deny there was any systemic failure and tried to tranquillise the campaign by setting up a mediation procedure that failed to overturn the convictions and by delaying any pay outs. It has deliberately prolonged the agony of the victims. A public enquiry was finally set up in 2022 but has still not been reported. Without the media impact of the TV drama, it is probable that the victims would still be stranded in a bureaucratic and legal quagmire.

So it looks like there is now political momentum in this affair, and the government might be looking to remove the Post Office from the compensation process entirely and rule all the prosecutions as null and void. A petition calling for the removal of the CBE honour from the Post Office CEO, Paula Vennells, has gathered over one million signatures in a very short time. She left the Post Office with a £400,000 bonus. The TV show focuses on her and her immediate colleagues as the villains of the piece. There is a powerful scene where it cuts between her delivering a sermon as a Church of England minister and the effects of the scandal on victims.

The political class would not have finally come to this point without the self-organisation of the victims themselves, some lawyers, and the TV drama. There was the exception of Tory MP

James Arbuthnot, who supported the campaign through official channels. Ironically, he had actually fiddled with his parliamentary expenses, claiming for the heating of his swimming pool, among other offences revealed during the 2009 expenses scandal.

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What does the whole affair tell us about how our society works?

**Public services under Thatcher adopted a corporate, capitalist model for its operations, both in terms of how staff were managed and how the service was delivered. Labour has basically endorsed this approach.**

Such an approach was an integral part of the privatisation of services like gas, electricity, water, telecoms, British Rail, and more recently, the Probation Service. At the same time, this model was systematically applied to those sectors that remained under formally common ownership, such as the Post Office, education, or the NHS. Local or national democratic accountability was severely weakened or removed, so local education authorities now have little control over the school system, and privatised academy networks run many secondary schools. High student fees that each student must pay back over time support universities' operations largely as commercial entities. Health services have gone through several models of an internal market with a crude, artificial provider-client relationship imposed. Private capital, particularly US health corporations, has been allowed to take over certain functions and sectors. Private businesses, including hedge funds, are now running social care more and more.

A corporate model, aping the way big private companies

operate, means cutting jobs, attacking trade unions, and reducing the range and quality of services. Salaries for managers, based on targets more related to cutting costs than maintaining quality, have become similar to the hugely unequal distribution in the private sector. Corporate secrecy and lack of accountability, which have always been the norm in the private sector, now became established even in the public sector, which remained under common ownership, like the Post Office. It is no surprise that Post Office managers reacted the way they did to problems with the Horizon network system. They were more concerned about damage to the Post Office 'brand' than supporting their own operatives, as though delivering the post was like selling cars or baked beans.

**Partnerships between digital corporations like Fujitsu reinforce this corporate model, and the systems they impose are not always fit for purpose in a public service environment. The public service managers were not able to critically evaluate the corporate digital projects.**

As a senior manager in the secondary education sector, I saw with my own eyes how schools spent huge amounts of their budgets on adopting private company digital systems, particularly for school networks, attendance, and assessment. This was partly in response to Ofsted and Government requirements for data on exam results, absenteeism, and pupil computer skills. SERCO and other companies made a lot of their initial growth out of this market. However, the big education authorities, particularly the Inner London Education Authority (ILEA), had their own internal computer operations that could have developed to provide school systems. But this was the time when private was good, seen as always more efficient, and public was bad, seen as old-fashioned and inefficient. Of course, these big digital corporations are well organised in promoting and selling their products to public sector managers. Taking on large-scale digital reorganisations further amplified their sense of becoming like their corporate

counterparts. On occasion, there were some direct inducements between these corporations and public service managers. Certainly, you had the revolving door process where public service managers were recruited by corporations to sell their products to former colleagues. In all this, there was a lot of uncritical acceptance of how wonderful such systems were. Obviously, there was also a knowledge or competence gap where the public service manager was not up to speed about the way these systems worked.

**Self-organisation and mass campaigning by victims of miscarriages of justice are vital for any victory against big public or private organisations. The main political parties did not take up the issue.**

The TV drama shows visually how Mr. Bates started with half a dozen victims meeting in a village hall and, over the years, built up to five hundred coming together. The federation of subpostmasters and mistresses did not lead the campaign or help very much at all. Apart from the one Tory MP, the main parties did not respond. In fact, Ed Davey was a minister in the coalition government who was responsible for the area and is today under pressure for why he did nothing. His excuse is that the Post Office lied to him. But why did he never listen to the victims? It is a good example of what many commentators (and Starmer in a recent speech) refer to as a lack of trust in the political system or the way politicians do not really relate to people's real needs or struggles.

***The British legal system is not very slow, and there is always pressure to come to a deal in order to get some sort of result.***

This Government has severely cut back on legal aid; the family of Sarah Perry, the headteacher who committed suicide after a bullying Ofsted inspection, was denied it. Even people who had some savings, such as some of the post office operatives, could not sustain the huge legal fees required to fight the

institutions or the corporations, both of whom have very deep pockets. It is also incredibly slow; cases can take years to progress, as we saw with this case. Bates and his team did take up a class action case for five hundred victims using a top firm. They won, and it was the first decisive victory that put the Post Office on the back foot, but the deal was always that the case was taken up on a no-win no-fee basis, so the damages won were massively eaten into by the legal teams' costs. The TV drama shows this very well, as during the victory report back, the victims discover that this may mean only about twenty thousand each, which is far below the average they were owed and deserve. Even this victory was not total since it was based on a final plea bargain, as the lawyers correctly argued that the Post Office, with their bottomless funds, could keep dragging the case through the courts for years. At least this legal case established that the Post Office was in the wrong and the victims were not crooks.

***The mass media, particularly the print media, rarely take up or campaign in such cases.***

Once the victims are winning, of course they jump on the winning side and pile into those responsible and the Government, as we see with the screaming headlines in the right wing papers like the Express or the Mail this week. Only one small-circulation magazine, Computer Weekly, responded to the scandal. A postmaster rang up for technical advice, and I think I fortunately found Rebecca Thomson, a 26-year-old, who was not a techie. She helped Bates get more victims to come forward through her article. So it would have been really easy for the mainstream media to pick this up and carry the campaign forward. Obviously, the mainstream media is owned predominantly by right wing tycoons who are very pro-business and generally loath to rock the smooth running of the capitalist system. They focus on celebrity scandals, not on miscarriages of justice that affect hundreds of people. Their

considerable investigative resources were spent at the time tapping the phones of people like Huge Grant.

### **Will Fujitsu ever pay up for its faulty system?**

Voices are finally being raised in parliament about the responsibility of this multinational for the faulty system. So far, it has not paid a penny. As today's Daily Mirror (9 January) reports:

*"The Government has continued to work with Fujitsu in the wake of the scandal and has awarded it public sector contracts worth £3billion in the last 10 years. In November, the Post Office extended one contract with the firm – worth an estimated £36million – through to March 2025."*

Of course, these private sector companies make sure their contracts are as watertight as possible to avoid having to pay out any money down the road. We have seen this with the Private Finance Initiative contracts made with hospitals or schools. Their lawyers are usually better than those in the public sector. However, public and political pressure could force them to pay out to avoid reputational damage to their brand. Consumers could boycott their products, for example.

***Even the left, the trade unions, or other progressive forces were slow to take up the issue.***

We have a lot less resources to take up all abuses of power and miscarriages of justice, but we were also slow to make a big deal of this case. Perhaps there was a perception that these people were not really part of the working class; they were not organised in a proper trade union and did not use the language we are used to on the left. Certainly they were small business people, and we should emphasise the word small. The incomes of many of them were less than those of many people organised in unions that we go out and support. There is a lesson here about the need for the left to have a strategic orientation towards those middle layers of society that we

need to win over to a fairer future society. Some may employ one or two people, often family members, but they are not the drivers of exploitation, either of working people or in terms of destroying nature. We need to have policies that relate to their needs for a secure, reasonable income and a better community. Indeed, as the TV drama showed, these people often play a crucial community role, looking after local people with their pensions, helping them sort out bills, and so on. Total digitalisation is not empowering for people who do not own a smart phone.

To a degree, a lot of the points made above were explicit or often implicit in the ITV drama. As always, Toby Jones and Julie Hesmondhalgh gave terrific performances, and the whole cast shone. It looked like they were all committed to the wider impact of the drama, as the actors and actresses have since confirmed. The modest but firm leadership of Bates in particular is an example to all activists about how to listen to people and build a campaign.

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As we write these lines, it looks like victory is finally in sight. Will the Post Office, as an institution, pay any penalty? Will individual managers who conspired to prevent the victims from getting together by saying ‘it was only them’ ever be sanctioned? Will the CEO keep her CBE? The petition has reached over a million now. Can she be pursued today for her actions? We will see how far the political class will go to get full justice.

***Mr. Bates vs. the Post Office is currently available for [streaming on ITVX](#), and there is also a Panorama programme available on IPlayer.***

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<https://anticapitalistresistance.org/post-office-how-corporate-business-stole-peoples-lives/>