



MPs demanded radical reform for the Post Office, which is 100 per cent owned by the government

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MPs call for chief of 'rotten' Post Office to be sacked

Tom Witherow

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The Post Office boss must be sacked and the company mutualised because it is “rotten to the core”, MPs said yesterday.

The postal affairs minister was called to the Commons to answer how a “grotesque” Post Office executive bonus scheme was approved on the basis of false information, allowing the chief executive to scoop a £455,000 payout on top of his salary.

MPs called for bonuses paid to 50 executives and senior managers that were “based on a deliberate lie” to be cancelled, and for Nick Read, the Post Office chief executive, and members of the board, to be sacked.

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The Department for Business and Trade has ordered an independent inquiry into pay decisions, to run alongside an internal review, which will report to the business secretary, to ensure senior managers’ pay is “consistent with corporate governance best practice”.

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Last week it emerged that the board had, in February last year, wrongly signed off a target that said the company had helped the inquiry into the Horizon IT scandal to “finish in line with expectations”. In fact, the inquiry, chaired by Sir Wyn Williams, is continuing.

Between 1999 and 2015, hundreds of sub-postmasters were wrongly convicted of crimes, including fraud and theft, as a result of a faulty computer system. Years later only four have received full payouts.

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Read handed back part of his bonus and apologised, but no one on the board has resigned.

Kevin Hollinrake, a business minister, told the Commons: "This situation is extremely concerning and deeply regrettable, and the Post Office is right to apologise. This is a very serious issue, particularly when it comes at a time when it is essential that the public believe the culture and processes of the Post Office have been improved.

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"The first step is to look at the evidence to find out what has happened, and who's responsible." He added that he would "consider any action that results from that".

MPs demanded "radical reform" to the "badly run" Post Office, which is 100 per cent owned by the government.

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Sir Edward Leigh, a Tory MP, said: "Here we have a nationalised industry, badly run, with people paying themselves huge salaries and bonuses, when all the work is done by the 11,000 sub-postmasters who have been treated absolutely appallingly. We should consider mutualisation, we should pass control of this body to the people who do all the work." Under mutualisation, the Post Office would be owned by its members, who could include employees, subpostmasters and customer representatives.

Hollinrake replied that “it’s certainly not something I would dismiss out of hand”.

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Kevan Jones, the Labour MP who secured the urgent question on the subject, said that the bonus had been obtained by a “deliberate lie” and called for resignations. “There’s no confidence from victims of the Post Office. It is rotten to the core still. It needs to change,” he added.

John Spellar, a veteran Labour MP, asked whether a file would be sent to prosecutors for investigation. “If individual bonuses were based on misleading information then they could be guilty for pertaining pecuniary advantage by deception under the theft act,” he told MPs. “So will he look at referring this matter to the police and Crown Prosecution Service for investigation?”

Tom Cooper, the government’s representative on the Post Office board, knew about the row in early April but did not tell ministers, according to Hollinrake, who added “it’s absolutely right that we should have been notified about this earlier”.

The bosses of the Post Office were already under enormous pressure before the bonus scandal broke because of growing unrest about compensation delays to sub-postmasters in the Horizon computer scandal.

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