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Claim No. BL 2025 000341

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
BUSINESS AND PROPERTY LIST

LEE CASTLETON

Claimant

-and-

(1) POST OFFICE LIMITED
(2) FUJITSU SERVICES LIMITED

Defendants

PARTICULARS OF CLAIM

References: In square brackets are to documents published by the Post Office Horizon IT Inquiry or otherwise extensively quoted from during public hearings.

Glossary

The Judgment	Means the judgment of His Honour Judge Havery K.C. given on 22 January 2007 *Post Office Ltd v Castleton* [2007] EWHC 5 (QB).
Common Issues	Means *Bates and ors. v Post Office Ltd (No.3 Common Issues)* [2019] EWHC 606 QB and Appendices.
Horizon Issues	Means *Bates and ors. v Post Office Ltd (No.6 Horizon Issues Rev. 1)* [2019] EWHC 3408 QB.
The Group Litigation	Means group litigation brought by some 555 claimants by order of Chief Master Fontaine on 22 March 2017 under the title *Alan Bates and others v Post Office Limited* (Nos. HQ16X01238, HQ17X02637 and HQ 17X04248) with six lead claimants. ("Group Claimants" similar.)
The Settlement Deed	Means the Settlement Deed dated 10 December 2019 between the Group Claimants and First Defendant in the Common Issues and Horizon Issues trials settling the claims brought by the Group Claimants against the First Defendant.
Horizon	Unless otherwise clear from the context, means the First Defendant's IT platform and electronic accounting system described in the Common Issues at paras [5]-[13] and the Horizon Issues at paras [11]-[17] and its Appendices.
The First Defendant	Post Office Ltd was formerly known as Post Office Counters Ltd and until 2012 was part of the Royal Mail Group. No distinction is drawn.
The Second Defendant	No distinction is drawn between ICL Pathway and Fujitsu Services Ltd.

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Introduction and summary of the Claimant's claims

1. These Particulars of Claim are arranged as follows:

   a. Introduction and Summary.

   b. **Part A** the Claimant's claim that the Settlement Deed does not apply to the Claimant's claims/the Settlement Deed was obtained by Fraud by the First Defendant.

   c. **Part B** the Claimant's claim that the First Defendant's pursuit of the claim against him was an abuse of the process of the Court for an improper collateral purpose and was a conspiracy to injure him by unlawful means.

   d. **Part C** the Claimant's claim that the Judgment was obtained by fraud by the First Defendant and by unlawful means conspiracy between the First Defendant and the Second Defendant and others to obtain judgment by fraud and to pervert the course of justice. The deliberately and dishonestly withheld evidence included:

i.	AI 376:	para	56 ff.
ii.	'Remote access':	para	65.
iii.	PEAKs, PinICLs and the KEL:	para	91 ff.
iv.	The 'Callendar Square' bug:	para	104 ff.
v.	Default attribution of "user error":	para	109 ff.

2. The First Defendant offers products and services to the public by a network of branch post offices nationally. Post Office branches were and are operated under contracts with postmasters who trade their branch post office as sole traders under a contractual licence granted by the First Defendant.

3. The Second Defendant has registered offices at Lovelace Road, Bracknell, Berkshire, RG12 8SN. The Second Defendant was and is the supplier to the First Defendant of a distributed computer accounting system (software and hardware), known as "Horizon", under a facilities management contract.

4. The Claimant was appointed postmaster of a Post Office branch post office at 14, South Marine Drive, Bridlington, Yorkshire YO15 3DB on 18 July 2003.

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5. The First Defendant suspended the Claimant from his Bridlington branch office on 23 March 2004, contending, wrongly and unlawfully, that the Claimant was under a contractual obligation to make good alleged losses ('Horizon shortfall') of £25,758.75, identified upon a so-called 'audit' undertaken by Ms Helen Rose. The First Defendant issued a claim to recover the said sum against the Claimant in the County Court that was transferred to the High Court. The First Defendant suspended the Claimant and excluded him from his Marine Drive branch and brought the claim against him without evidence that the loss claimed was caused by any fault or error by the Claimant in running his branch post office or accounts. The same constituted a repudiation by the First Defendant of the Claimant's post office contract that the Claimant had no option but to accept. (Common Issues para [911].)

6. On 22 January 2007 judgment was given by His Honour Judge Richard Havery K.C. against the Claimant in *Post Office Ltd v Castleton* [2007] EWHC 5 (QB), following a 6-day High Court trial (6 December 2006-11 January 2007). The Claimant acted as a Litigant in Person. The judgment debt was £25,858.95 (excl. interest). The Court held that the Claimant's losses were "real deficiencies" and losses and "not illusory", and the result of Horizon faults, as he had contended. C.f., *Post Office Horizon IT Inquiry* Report Vol 1, 8 July 2025, HC 1119, paras 1.8 and 1.9.

7. Costs were awarded against the Claimant by the Court in the sum of £321,000.

8. In December 2019, the First Defendant settled all claims in the Group Litigation brought by some 555 claimants, including the Claimant, who claimed that that Horizon was unreliable and prone to generate account balancing errors ('Cash Account Discrepancies') of the kind that they and he had experienced, under the terms of the Settlement Deed: **Appendix 1**. Settlement was negotiated and reached on 10 December 2019, before Fraser J. handed-down the Horizon Issues judgment on 16 December 2019, finding for the Group Claimants on almost every disputed issue regarding the unreliability of Horizon (a draft had been circulated).

A. The Settlement Deed has no application to the Claimant's claims/is avoided for fraudulent misrepresentation

9. The Claimant's claims herein are outside the terms of the Settlement Deed as a matter of law. The Settlement Deed is not to be construed as including settlement of claims for fraud or conspiracy or settlement of claims of which the Claimant was unaware and could not reasonably have been aware at the time of the settlement

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but of which the First Defendant was aware (sharp practice). Alternatively, it would be unconscionable for the First Defendant to rely on the general release under the Settlement Deed in circumstances where the First Defendant knew that the Claimant had a claim in fraud and knew that the Claimant was unaware of that claim. In the further alternative, the Claimant is entitled to avoid and rescind the Settlement Deed on the grounds of fraud and does so.

10. Cl. 4.1 of the Settlement Deed provided a general release: "Save as expressly set out in clause 4.2 below, this Agreement is in full and final settlement of the Action, the Claimants' Claims, the Defendant's Counterclaims and any further claims which arise out of or are in any way connected to, whether directly or indirectly, the claims or counterclaims made or the facts and matters alleged by any party in the Action (the "Settled Claims")."

a. "Claimants' Claims" are defined: "all and any of the claims or potential claims alleged by any of the Claimants in the Action and arising as a result of the PTA Application (including those made in the Generic Particulars of Claim, the Claimants' Schedules of Information, the lead Claimants' Individual Particulars of Claim (in each case including any amendments) and/or in any correspondence between the Parties in or relating to the facts and matters referred to in the Action including, without limitation, claims in respect of the losses and causes of action set out at Schedule 2. The Claimants' Claims shall also include all claims for interest, costs and expenses (including the costs of the PTA Application) and any Like Claims." (The causes of action do not extend to fraud or conspiracy.)

b. "Like Claims": "... shall mean any and all actual, alleged, threatened, potential or derivative claims, defences, actions, causes of action, lawsuits, counterclaims, set-offs, disputes, demands, charges, liabilities, complaints and matters of whatsoever nature (including any claims for interest, fees, expenses or costs), save for Malicious Prosecution as set out in clause 4.2, that the Claimants or the Defendant or any of their Related Parties have or may have against any other party to the Action or Related Party whether actual, contingent, in relation to past, present or future losses, whether or not presently known to the Parties or any Related Party, whether or not arising from any other change of circumstance of any sort and whether arising out of negligent, wilful or intentional conduct

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or otherwise. For the avoidance of doubt, the definition of Like Claims is subject always to Clause 4.2." (Clause 4.2 does not apply.)

11. At the date of the Settlement Deed, the Claimant did not know and could not have known, but the First Defendant did know, that the First Defendant had combined with others to injure the Claimant by abusing the process of the Court for the collateral unlawful purpose of obtaining judgment against the Claimant without expectation of recovering any net financial gain, in circumstances in which the First Defendant's Counsel described the litigation as "madness" (below) and its solicitor had said of the First Defendant's claim against the Claimant that "... if you look at the case in isolation it is completely nonsensical...". The claim was pursued against the Claimant, regardless of cost, for the First Defendant's "broader" collateral purpose that a judgment should serve as a deterrent and "clear message" to its postmasters against challenging the reliability of the Horizon system in civil proceedings. After the judgment by HH Judge Havery K.C. in January 2007, until the Group Litigation in 2019 no civil claim was successfully brought or defended by a postmaster on grounds of the alleged unreliability of/fault in the Horizon system. The costs order against the Claimant resulted in his bankruptcy, from which he was discharged in January 2023.

12. Further, at the date of the Settlement Deed, the Claimant did not and could not have known that Mrs Anne Chambers, a systems specialist employed in the Second Defendant's System Support Centre (SSC), who gave evidence for the First Defendant at trial, had been instructed by her managers that she should not refer in her evidence to the Second Defendant's Known Error Log, that was maintained by the SSC (below). Neither could the Claimant have been aware that, following judgment in January 2007, Mrs Chambers had communicated her concern that "Fujitsu made a major legal blunder by not disclosing all the relevant evidence that was in existence".

13. Further, in 2019, the First Defendant dishonestly misrepresented the reason for Mr Gareth Jenkins, one of the most senior software engineers employed by the Second Defendant and an architect of the Horizon system, not being called as a witness at the Horizon Issues trial in 2019 and had concealed the true reason. The true reason for him not being called as a witness was that, from July 2013, the First Defendant had known that Mr Jenkins had misled the Court by his evidence (below). From 2013 the First Defendant concealed and withheld that information from the many postmaster (and other) defendants convicted on its (private) prosecutions entitled to that information as a matter of law: *R (on the application of Nunn) v. Chief Constable*

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of Suffolk [2014] UKSC 14, [2015] 1 AC 225. ("Convicted Claimants" under the Settlement Deed surrendered all their claims against the First Defendant for no payment/consideration (i.e. for £0.00) retaining under the settlement terms a mere residual contingent claim for malicious prosecution, as a carve-out under the terms, in the event they might later succeed in appealing against their conviction.) During and after settlement of the Group Litigation in December 2019 the First Defendant remained concerned to conceal relevant information about Mr Jenkins.

14. Agreement to the Settlement Deed was induced by fraudulent misrepresentation by the First Defendant of the reason for Mr Gareth Jenkins not being called as a witness by the First Defendant at the Horizon Issues trial.

15. At the trial of the Horizon Issues, the First Defendant's principal technical expert witness of fact was Mr Torstein Godeseth, an employee of the Second Defendant. After trial, the First Defendant and its then solicitors, Womble Bond Dickinson, took the view that his evidence made an unfavourable impression on the trial judge: Womble Bond Dickinson Memorandum of Conference dated 14 November 2019 ("the Memorandum" [POL00043284]): **Appendix 2**.

16. Fraser J. considered that Mr Jenkins was a central person so far as the operation, efficiency and robustness of Horizon was concerned, but he was not a witness for the First Defendant at the trial.

17. In response to complaint by the Group Claimants to the trial judge, Fraser J., that much of Mr Godeseth's evidence was second-hand and indirectly without attribution derived from Mr Jenkins, but that Mr Jenkins had not been called by the First Defendant as a witness and, accordingly, he was not cross-examined on the evidence derived from him, the First Defendant submitted to the Court that Mr Jenkins might have been a better witness, but explained and stated in written submissions to the Court, that the reason why Mr Jenkins was not called was that:

> "144.1 … Mr McLachlan's evidence specifically addressed things said or done by Mr Jenkins in relation to the Misra trial, Post Office was concerned that the Horizon Issues trial could become an investigation of his role in this and other criminal cases. 144.2 Moreover, Post Office was conscious that if it only adduced first hand evidence in the trial, it would end up having to call more witnesses than could be

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accommodated within the trial timetable.' ("the Representation".)
(Horizon Issues para [512].)

18. The First Defendant made the Representation with the intention that the Court and the Group Claimants including the Claimant should rely upon it and accept it as the true reason for Mr Jenkins not being called as a witness by the First Defendant.

19. The Representation concealed from the Group Claimants and the Court that the First Defendant from July 2013 had known that Mr Jenkins could not be called as a witness.

20. The Representation was a continuing representation maintained by the First Defendant, uncorrected, in negotiating the Settlement Deed.

21. The Group Claimants including the Claimant were influenced by the Representation as meeting their complaints to the trial judge about the absence of Mr Jenkins and were induced to agree the Settlement Deed by the Representation made to allay their stated concern and complaint about Mr Jenkins's absence as a witness and their being denied the opportunity to cross-examine him on his evidence.

22. Womble Bond Dickinson in the Memorandum recorded that "The Claimants also made submissions about Dr. Jenkins not being called as a witness and the adverse inferences that should be drawn from this, but not as strongly as they could have done".

23. The Representation was false and misleading and was intended to mislead.

Particulars of Falsity

In July 2013, Mr Simon Clarke, a barrister employed by Cartwright King LLP Solicitors, in response to findings by Second Sight, had been instructed by the First Defendant to review 5 cases in which Mr Jenkins, an employee of the Second Defendant and an 'architect' of the Horizon system, had given evidence to the Court on Post Office prosecutions in connection with the working and performance of the Horizon system. Clarke had concluded: (i) that Jenkins had not complied with his duties to the Court, the prosecution or the defence, in any of the cases that he (Clarke) had reviewed; (ii) that Jenkins had failed to disclose material known to him that undermined his expert opinion, a failure Clarke considered to be in breach of Jenkins's duty as an expert witness; (iii) that Jenkins's credibility as an expert was "fatally

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undermined" and that Jenkins should not be asked to provide expert evidence in any current or future prosecution by the First Defendant; (iv) that in (2013) current/on-going cases in which Jenkins had provided statements, he should not be called by the First Defendant to give that evidence at trial; (v) that Jenkins's failure had profound implications for the First Defendant and the First Defendant's prosecutions, because material that should have been disclosed to defendants in such prosecutions was not disclosed, placing the First Defendant in breach of its duty as prosecutor; (vi) that, because of Jenkins's disclosure failure, in 2013 there were a number of convicted defendants to whom the existence of bugs should have been disclosed but was not disclosed; (vii) that there was a requirement for the First Defendant to review all prosecutions to identify those to whom material ought to have been disclosed; (viii) that there were a number of (2013) current cases where there had been no disclosure where there ought to have been; (ix) that, where a convicted defendant considered that the material to be disclosed revealed an arguable ground of appeal, leave to appeal the conviction might be sought; and (x) that, in the event an appeal against conviction, the Court of Appeal "may well inquire into the reasons for [Mr] Jenkins's failure to refer to the existence of bugs in his expert witness statements and evidence".

24. The Defendant knew that the explanation for Mr Jenkins not being called as a witness at the Horizon Issues trial given in the First Defendant's written submissions was false by reason of omitted facts that rendered the explanation that was given false and wholly misleading.

Particulars of knowledge of falsity

a. The Memorandum recorded: "... Jenkins did not comply with his duties to the court, the prosecution or the defence. He failed to disclose material known to him, but which undermined his expert opinion. That failure was a serious, and possibly criminal, breach of his duty as an expert witness."

b. The Memorandum recorded that, at a previous conference attended by Anthony de Garr Robinson K.C., Simon Henderson, Andy Parsons, Roderic Williams and Martin Smith and Simon Clarke (of Cartwright King LLP), consideration was given to calling Mr Jenkins as a witness for the First Defendant at the Horizon Issues trial in 2019. The Second Defendant's

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position, as communicated to the First Defendant on or about September 2018, was that Jenkins would be best placed to deal with issues concerning the allegation that "Post Office remotely edits branch data" and "specific bugs identified by the [Group Claimants]". "Cartwright King strongly advised against Post Office calling Mr Jenkins as a witness in the Horizon Issues trial on the basis of "the problems identified above" because, among other matters, on 13 February 2013, Helen Rose in an email to Mr Jenkins had written: "I know that you are aware of all the Horizon integrity issues".

c. The Memorandum recorded that, at that (September 2018) meeting the decision was taken that "Dr (sic) Jenkins could not be called". "It was explained to Fujitsu that Post Office did not wish to call [Mr] Jenkins because we did not wish to mix civil and criminal evidence. We do not believe that Fujitsu are aware of the issues in this paper".

d. The Memorandum recorded (para 5.6): "Post Office's witness evidence was served in September 2018 and November 2018. On 30 January 2019 Freeths wrote to us asking why Dr Jenkins was not being called as a witness. We responded on 12 February 2019, pointing out that [Mr] Jenkins had acted as an expert witness in relation to a number of prosecutions that are being reviewed by the CCRC and it was *therefore* not appropriate to call him" (italics supplied). (The Further Representation.). The Further Representation was false and known by the First Defendant to be false (by omission) for all the foregoing reasons.

25. By reason of the First Defendant's fraudulent misrepresentation and deceit the Settlement Deed is voidable at the instance of the Claimant.

26. For all the reasons hereinbefore pleaded the Claimant is entitled to rescind and hereby rescinds and avoids the Settlement Deed.

27. Had the Group Claimants been aware of the true reason why the First Defendant could not call Mr Jenkins, the character of the litigation would have assumed an entirely different complexion. In truth, the First Defendant had been concealing and 'managing' its knowledge of the false basis for its prosecutions and knowledge of the risk that that presented to its business and commercial interests from 2013. From 2014 it had largely ceased prosecuting for 'Horizon shortfalls' at branch offices (letter

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Paula Vennells to Darren Jones MP, Chair BIS Committee, July 2020). The First Defendant ceased prosecuting for shortfalls knowing of bugs errors and defects in Horizon because no replacement witness could be found to replace Mr Jenkins.

28. The Claimant seeks a declaration from the Court that the Settlement Deed is rescinded and avoided and that the Settlement Deed is not binding upon him.

29. The Claimant is willing to give restitution of the sum of £28,500 he received (that does not include the sum paid to his Trustee in Bankruptcy) at the direction of the Group Litigation Steering Committee out of the £57 million "Settlement Sum" (as defined by the Settlement Deed).

30. The Claimant claims damages for deceit or for misrepresentation or under the Misrepresentation Act 1967.

31. The Claimant claims aggravated and exemplary damages and interest.

B. Abuse of the process of the Court

32. The Judgment against the Claimant in January 2007 was for £25,858.95 (excl. of interest).

33. Costs were awarded against the Claimant by HH Judge Havery Q.C. in the sum of £321,000.

34. The Claimant was adjudged bankrupt by Order made in the Scarborough County Court on 23 May 2007 "the Bankruptcy Order".

35. The Bankruptcy Order was annulled in January 2023, the Claimant having paid his creditors. (The First Defendant, after judgment in the Horizon Issues, agreed not to pursue or enforce the Judgment or Orders made by HH Judge Havery K.C..)

36. Mrs Mandy Talbot, in 2004, was a senior solicitor in the First Defendant's civil litigation services in the Company Secretary's office. She was a Team Leader with responsibility for co-ordinating the First Defendant's response to claims in relation to the Horizon system. Mrs Talbot had responsibility (within the First Defendant) for the First Defendant's claim against the Claimant, subject to Ms Clare Wardle, her line manager, Ms Catherine Churchard, Solicitor for the First Defendant and the directors, CEO and Managing Director, David Smith, and the Board of the First Defendant.

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37. The First Defendant pursued its claim against the Claimant in the context of increasing challenge to the reliability and integrity of Horizon. There was no formalised or established procedure or process by which fault on the part of a postmaster, as the cause of a branch Horizon 'shortfall' and the basis for their alleged liability to make good a loss, could be demonstrated by reference to Horizon data. In practice, liability was rarely contested and the Second Defendant worked to fix problems as they arose.

Particulars

a. A 'master' PEAK (further below) PC0065021 dated 17 April 2001 related to multiple branches (Horizon Issues para [211]) and "phantom transactions" and how such transactions were not investigated by the Second Defendant. The 'ROMEC' - Royal Mail - engineers had attended a branch and seen phantom transactions. At least one postmaster threatened legal action. ROMEC engineers attended one site to fit equipment in an attempt to rectify the problem. The conclusion reached by the Second Defendant, recorded in the PEAK, was that "Phantom transactions have not been proven in circumstances which preclude user error. In all cases where these have occurred a user error related cause can be attributed to the phenomenon". The PEAK (incorrectly) concluded "No fault in product". (Horizon Issues para [212].)

b. In 2004 the First Defendant had received an opinion from an IT expert jointly appointed by the First Defendant in a claim brought by the First Defendant against the former postmaster of the Cleveleys branch post office, Mrs Julie Wolstenholme. The First Defendant's claim against Mrs Wolstenholme (Blackpool County Court Claim No. CR101947) was that branch Horizon account "shortfalls" at the Cleveleys branch were caused by her fault – that is to say, by "user error", the same claim made by the First Defendant against the Claimant in relation to alleged shortfalls identified at his Marine Drive branch in 2004. In 2000, the First Defendant had suspended and terminated the contract of Mrs Julie Wolstenholme because she had refused to use the then recently installed Horizon hardware at her branch office on grounds that Horizon caused accounting discrepancies. The First Defendant issued a claim that was defended by Mrs Wolstenholme on grounds that the Horizon system was unreliable and prone to generate account misbalances. The First Defendant was represented by the solicitors Weightman Vizards. Mr Jason

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Coyne was appointed a joint IT expert for the parties. Mr Coyne expressed his opinion, in writing, that 'user error' was not a true representation on the evidence he had seen. In his opinion, 63 of the calls were "without doubt system related failures" and "[o]nly 13 could be considered as Mrs Wolstenholme calling the wrong support help desk". Mr Coyne's opinion was that "[T]he majority of the system issues were screen locks, freezes, and blue screen errors which are clearly not a fault of Mrs Wolstenholme's making, but most probably due to faulty computer hardware software, interfaces or power" and that "[f]rom a computer system installation perspective it is my opinion that the technology installed at the Cleveleys sub-post office was clearly defective in elements of its hardware, software or interfaces".

c. Both the First and the Second Defendant encouraged Mr Coyne to change his opinion. He declined to do so.

d. An email [FUJ00121637] dated 7 June 2004 from Jan Holmes of the Second Defendant to Colin Lenton Smith in connection with the forthcoming trial in the Wolstenholme case stated: "Mandy's view/belief was that the safest way to manage this is to throw money at it and get a confidentiality agreement signed [omitted text] ... The liability question is removed and it's then just about 'how much to go away and keep your mouth shut'".

e. The First Defendant's Counsel's advice [POL00118229] on 26 July 2004 recorded that: "... I am asked to take into particular account that the Post Office is anxious for the negative computer experts' report to be given as little publicity as possible." The First Defendant's Counsel's opinion was that the First Defendant's claim against Mrs Wolstenholme was likely to fail and that her counterclaims would succeed.

f. Counsel's opinion in the Cleveleys case was provided to the First Defendant's Chief Operating Officer, Mr David Miller. The level of the settlement payment to Mrs Wolstenholme (more than £100,000) was authorised at Board level.

g. Towards the end of 2004, Mrs Talbot made clear to David Smith, the manager of the First Defendant's back-office accounts management facility at Chesterfield (where the "Agent Debt" facility was based), that she was "most

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concerned" that the Cleveleys case might create a precedent in other cases. Mrs Talbot considered it of the greatest importance that there should not be a repeat of the Wolstenholme/Cleveleys case and asked Mr Smith if he might suggest a way for the First Defendant to "get out of this hole".

h. In November 2005 the Claimant's then solicitors, Rowe Cohen, wrote to Bond Pearce (later, Womble Bond Dickinson), solicitors for the First Defendant [POL00070563]: "... We are instructed that your client has been forced to settle claims bought against other subpostmasters, some of which involved very substantial payments being made to the subpostmaster, rather than take the matter to trial. Your client then commonly insists on the insertion of a confidentiality clause into the settlement agreement to prevent the subpostmaster discussing either the dispute or the terms of the settlement. One entirely reasonable assumption, based on the above, is that your client is only too aware that the Horizon System does not perform properly but that it cannot and will not publicly acknowledge that fact because to do so would potentially expose it to a wave of claims from subpostmasters who have been accused of shortfalls and who have made good the alleged losses. ... In short, this not an isolated incidence of problems with Horizon. This is entirely consistent with our client's position since the dispute first arose. Your client flatly refused to countenance that the alleged shortfall could be the result of anything other than user error (or even outright fraud) on the part of our client or his employees, despite the fact that it knew very well that there are numerous other cases with similar, if not identical facts, around the country."

i. In November 2005, in the context of the civil claims brought by the First Defendant against the Claimant, and another by Mr Bajaj, under the heading "Challenge to Horizon", Mrs Talbot wrote [POL00107426] to David Smith, (the First Defendant's Chief Accountant and manager of the First Defendant's back office facility at Chesterfield associated with branch accounting, who frequently attended Board meetings of the First Defendant), to Jennifer Robson (employed in the First Defendant's Agent Debt Team at Chesterfield), to Tony Utting, the First Defendant's Head of Security, and to Rod Ismay, Head of Product and Branch Accounting (to whom Tony Utting reported): "... In each case the postmasters are challenging the validity of data provided by

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the Horizon System and the cases became litigious before that evidence could be properly investigated. In each case it was known that Horizon was going to be challenged but there was no procedure in place to (a) acquire the necessary data (b) identify somebody with the relevant knowledge and capacity to interpret the data...".

j. In December 2005, at meeting between Keith Baines, the First Defendant's contracts manager, and Mandy Talbot, under the heading "Findings", it was recorded [POL00119895] that: "There is no generally understood process for identifying emerging cases in which the integrity of accounting information produced by Horizon may become an issue. ... To date, the number of cases in which the integrity of Horizon data has been an issue is small; however, recent correspondence in the SubPostmaster [magazine] may well cause an increase; also there may also be an effect from the introduction of transaction corrections, replacing error notices. [omitted text]... If all potential cases were to require Horizon data to be analysed early in the process, then the workload would be considerable ... currently there are around 12 suspensions per week, and a significant proportion of them will relate to financial discrepancies. ...".

38. The context of increasing challenge to Horizon provided the impetus/motive for the First Defendant to pursue its claim against the Claimant, regardless of the wholly disproportionate cost of doing so. Mrs Talbot had formed, or had received from management, the view that if the First Defendant compromised the claim against the Claimant, the whole Horizon system would, in her words, "come crashing down" and that "[i]f the challenge is not met the ability of the [First Defendant] to rely on Horizon for data will be compromised and the future prosperity of the network compromised. ... Fujitsu's reputation will be affected." (November 2005) [POL00107426]. (The First Defendant, until 2019, continued to hold the perception that claims that Horizon shortfalls were the result of faults/bugs errors and defects in the system constituted an existential threat to its business: Common Issues, para [11].)

39. By March 2006, the First Defendant still had received no evidence from the Second Defendant to support the contention that the losses at the Claimant's Marine Drive branch had been caused by fault on the part of the Claimant. By an email dated 1 March 2006 (i.e. 2 years after his suspension from his branch post office) Mrs Talbot

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wrote to Tony Utting, Marie Cockett, Graham Ward, David Smith (the First Defendant's then Managing Director), Keith Baines and others, and enquired when someone would be appointed to analyse Fujitsu data: "... I would have thought that as a very minimum they [the Second Defendant] should be able to say that they have run a check on the whole network ... and can confirm that either there were no problems affecting the whole system, detail the ones which did occur, comment upon which areas they affected and whether they would be likely to cause the problems complained of by Castleton... I don't see any reason why Fujitsu couldn't supply this information ... to confirm whether or not they have found any evidence of the problems complained of by Castleton ... I need to know whether there's any justification for this allegation".

40. No such confirmation was provided by the Second Defendant or received by the First Defendant. After the conclusion of the Claimant's trial in 2007, Mrs Anne Chambers of the Second Defendant wrote a memorandum, entitled "Afterthoughts". Mrs Chambers had been asked in the summer of 2006 to give evidence for the First Defendant, and had done so, someone else in the SSC having refused. The request had come from Mr Brian Pinder, the then Head of Security for the First Defendant responsible for investigations and the Second Defendant's contractual litigation support function within the Customer Support Services Directorate, headed by Ms Naomi Elliot. Mrs Chambers wrote [FUJ00152299]: "I am concerned that there was no technical review of the Horizon evidence between the original call [2004] and the case going to court [2006]" and that "If there is a similar case in the future, where the system is being blamed, would it not be sensible to have a technical review of all the evidence, at the first indication that a case may be going to court? ... [omitted text] Fujitsu made a major legal blunder by not disclosing all the relevant evidence that was in existence".

41. Accordingly, both Mrs Talbot and Mrs Chambers knew that, by the time of the Claimant's trial, the Second Defendant had undertaken no technical review of the Horizon evidence between 2004 and 2006.

42. Sometime around August 2006, the First Defendant determined that, despite it not then having evidence that the shortfall alleged against the Claimant was caused by his fault and that the costs of pursuing the Claimant to judgment outweighed any financial benefit it might gain by doing so, a judgment given by the Court against the

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Claimant would serve the First Defendant's wider commercial purposes and interests. That determination was accepted and recognised by the First Defendant's solicitors, Bond Pearce, who conducted the litigation on behalf of the First Defendant accordingly.

Particulars

a. The opinion of Counsel instructed by the First Defendant, Richard Morgan, given on 16 August 2006, was that the litigation brought by the First Defendant against the Claimant "... is madness and [that] we could settle with drop hands and the confidentiality clause".

b. On 18 August 2006 Ms Cheryl Woodward, part of the 'Agent Debt Team' at the First Defendant's facility at Chesterfield, wrote [POL00119897] "I've passed the case on to a Senior Manager who is going to speak to Mandy Talbot regarding not being happy about the costing of this matter going to trial." Mr Stephen Dilley, an assistant solicitor at Bond Pearce made an attendance note of a discussion with Ms Woodward; he recorded: "... what initially started as a debt recovery matter has now turned into a much broader point given the Horizon type defence of Mr Castleton and that Post Office Legal consider that if they are seen to settle on this case, or walk away, then that will open floodgates for lots of other subpostmaster claims ... explaining ... the costs given 7-10 days in court and ten or more witnesses could well be [£200,000 or £300,000]. Accordingly, if you look at the case in isolation it is completely nonsensical, especially given that Mr Castleton's asset position suggests that he would be unable to pay. However, the PO have taken a broader view."

c. Mr Tom Beezer, the partner at Bond Pearce wrote to Ms Mandy Talbot: "I know you are aware of this advice -- but I raise it here for the sake of completeness), the costs of pursuing this claim will significantly exceed what is at stake. Accordingly, even if you win, the [First Defendant] will almost certainly not make a net gain....".

d. On 9 November 2006, Mr Dilley, made an attendance note of a telephone discussion with the First Defendant's Counsel, Mr Morgan, recording that he (Dilley) had said: "ultimately, the Post Office driver had been getting a

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judgment" in order to "show that the computer system wasn't wrong" and to "deter other postmasters from bringing a claim".

e. In May 2009 Mr Dilley recorded that: "It is frustrating that there is no financial recovery in this instance although we knew that the prospects were slim particularly after he was made bankrupt. Post Office Limited's main goal in pursuing Mr Castleton was achieved in that we had a good judgment precedent which helps us to defend the Horizon System."

f. In a written advice for the First Defendant, on 22 January 2007, Mr Morgan advised the First Defendant that:

> "I have been asked to provide a short written advice on the key points that have emerged from ... the case as a whole and the judgment in particular. ... this Advice has been written as a short preliminary overview and should not be relied upon as providing a final and definitive consideration of all steps that should be taken in order to ensure that the Post Office derives maximum advantage from the judgment. [omitted text] ... the Post Office derives a significant advantage in litigation if the subpostmaster bears the burden of proof to show that the account sued on by the Post Office, such as the Cash Account (Final), is wrong, rather than the Post Office having to prove that the account sued on is right". "...The third and final point is that if and when it is decided that a sub-postmaster is to be suspended or removed from post, he should be required, in accordance with the terms of his contract, to produce and sign a final account to the date of his removal, whether or not the Post Office has conducted its own audit. The purpose of requiring this is simply to rely on the reversal of the burden of proof and remove the necessity (though not the desirability) of having to call the auditors to prove the loss".

43. The "main goal" ((d) above) was an unlawful (tortious) malicious abuse of the process of the Court for an improper purpose outside the range of remedies that the law grants, the claim against the Claimant being a "stalking horse" (*Crawford Adjusters Cayman Ltd v Sagicor General Insurance (Cayman) Ltd* [2014] AC 366 (PC), *Land Securities v Fladgate Fielder* [2009] EWCA 1402) for the true and predominant purpose of the First Defendant which was to obtain a judgment that would serve as a deterrent to its other postmasters. As Mr Beezer put it, the purpose of the First

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Defendant in pursuing the claim was "not to make a net financial recovery", but for the purpose of protecting the Horizon system against challenge by sending out "a clear message" to postmasters.

44. From August 2006, the First Defendant combined with others, including Mandy Talbot, Tony Utting, Richard Morgan, Tom Beezer, Stephen Dilley, Keith Baines, David Smith, Rod Ismay, David Miller, and Graham Ward to injure the Claimant by pursuing its claim against the Claimant where the costs incurred by the First Defendant in obtaining judgment would exceed by more than 12 times the nominal value of the claim. There was no realistic prospect of the Claimant paying those costs. Nor was there expectation by the First Defendant that he would be able to pay them. Nor was it reasonable or proportionate that the Claimant should pay them. It was envisaged that by his defending the claim, the Claimant, in Mr Stephen Dilley's word, would be "ruined". That is what happened.

45. The First Defendant acted unlawfully in a way foreseen as likely to ruin, and that financially ruined, the Claimant, for its wider, improper, collateral purpose of establishing a deterrent against other postmasters alleging/claiming in civil proceedings fault in Horizon.

46. In the premises, the First Defendant maliciously caused the Claimant's bankruptcy from which he was not discharged until the bankruptcy Order was annulled in January 2023.

47. By reason of matters aforesaid, the Claimant suffered loss and damage and was put to expense.

48. The Claimant abused the process of the Court for its commercial purposes, advantage and profit: *Rookes v Barnard* [1963] AC 1129.

49. The Claimant claims aggravated and exemplary damages for abuse of process and for unlawful means conspiracy between the First Defendant and others to injure him by unlawful means.

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C. The Judgment was obtained by fraud and conspiracy between the First and Second Defendants to injure the Claimant by unlawful means

50. Further to the First Defendant's abuse of the process of the Court by pursuing a claim against the Claimant regardless of the fact that doing so would likely incur cost in excess of any financial benefit recoverable against the Claimant, for the purpose of deterring its other postmasters from challenging Horizon, the First Defendant dishonestly withheld from the Claimant and the Court evidence that would have materially affected the judgment of the Court, for the First Defendant's purpose of obtaining judgment against the Claimant.

51. For reasons here pleaded, it is to be inferred that between about March 2006 and January 2007 (and possibly thereafter) the First Defendant combined with the Second Defendant and others, by agreement or common understanding and joint purpose between them, to injure the Claimant by dishonestly withholding from the Court material evidence that would undermine the First Defendant's case against the Claimant, that the shortfalls/branch losses identified by Ms Helen Rose at the time of the Claimant's suspension in March 2004 were caused by his "user error" and fault (the same claim that First Defendant made against Mrs Wolstenholme in the Cleveleys case) rather than, as he contended, caused by faults in Horizon; those losses being, on his case at trial "... entirely the product of problems with the Horizon computer and accounting system" (per HH Judge Havery K.C.), and thereby by unlawful means to interfere with and pervert the course of public justice and to obtain judgment against the Claimant by fraud: *Total Network SL v Commissioners of Customs & Excise* [2008] UKHL 19, 1 AC 1174.

52. In November 2005 under the heading Challenges to Horizon Mrs Talbot had written the email cited under paragraph 37(i) above (p13), [POL00107426] to David Smith and others (referred to above): "In each case the postmasters are challenging the validity of data provided by the Horizon System and the cases became litigious before that evidence could be properly investigated....".

53. In November 2005 the First Defendant's solicitors, Bond Pearce, had received the letter from Rowe Cohen, the Claimant's then solicitors cited at paragraph 37(h) above (p 13) suggesting that "... your client is only too aware that the Horizon System does not perform properly but that it cannot and will not publicly acknowledge that fact

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because to do so would potentially expose it to a wave of claims from subpostmasters who have been accused of shortfalls and who have made good the alleged losses".

54. In December 2005 at a meeting between the late Keith Baines, the First Defendant's contracts manager, and Mandy Talbot, under the heading "Findings", it was recorded [POL00119895] that "... currently there are around 12 suspensions per week, and a significant proportion of them will relate to financial discrepancies. Most of these are subsequently settled by agreement, or are not contested. Where a case does go to court, it is essential that Post Office is able to refute any suggestion that Horizon is unreliable (in general) or that it could have caused specific losses to the subpostmaster bringing the case".

55. Mrs Talbot and the First Defendant adopted an approach by which, once a claim had been issued against a postmaster, the requirement only arose subsequently to support the claim with evidence, after a postmaster's contract had been terminated, in the event that the claim "does go to court" - as happened in the Wolstenholme case (rather than such evidence being the basis for the claim and the termination).

AI 376

56. Mr Baines held a senior position within the First Defendant. He had been involved in the terms upon which the Horizon system was accepted by the First Defendant from ICL Pathway/the First Defendant in 1999. At the time of acceptance, it was expressly contractually recognised and agreed between the First Defendant and the Second Defendant that bugs, errors and defects in the software coding for Horizon would cause Cash Account Discrepancies at branch accounts (below). This could not be avoided or resolved without a re-write of the software, that was not commercially viable. The occurrence of Cash Account Discrepancies at branch accounts was acknowledged and accepted by the First Defendant, albeit it would claim those discrepancies against its postmasters as their liability under the terms of the postmaster contract ("SPMC" per Fraser J.).

57. Accordingly, Mr Baines and the First Defendant and the Second Defendant all knew (below) that Horizon, from its inception/roll out to the First Defendant's then 17,000 branch offices from 1999, had a propensity to generate Cash Account Discrepancies at branch, the cause of which (software coding faults) was not capable of being resolved/fixed in advance, as happened.

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58. Horizon's functionality required it to maintain accounting integrity. At its most elementary, that required that Horizon accurately recorded and securely processed transactions at branches. Horizon was the origin of sales and inventory information from branch post offices that flowed into the financial systems of the First Defendant. Consequently, Horizon was intended to be a reliable "source of truth" for data for these fundamental accounting facts. Any errors deriving from the Horizon IT System would, if not otherwise rectified, be reflected in all downstream processes and systems. The First Defendant accepted Horizon on 24 September 1999. Acceptance triggered an ICL invoice dated 27 September for £68 million payable by the First Defendant to the Second Defendant.

59. On acceptance, Horizon had software defects that were unresolved and had the propensity to cause Cash Account Discrepancies at branch accounts:

a. On 24 September 1999 the First Defendant and the Second Defendant entered into an agreement in writing known as the Second Supplemental Agreement by a Change Control Note No. 560 supplemental to the Codified Agreement of July 1999.

b. Schedule 4 Part B to the Second Supplemental Agreement provided for Cash Account Discrepancies under the heading “TIP Accounting Integrity (AI 376)” – “AI” referring to “Acceptance Issue”.

c. There was Third Supplemental Agreement.

60. From 1999, Cash Account Discrepancies were recorded on the PinICL system (in PinICLs) (and from 2003 in PEAKs below) and remained a serious system problem/issue. An example of a bug that caused Cash Account Discrepancies was the Callendar Square bug, that existed from about 1999 and was ‘fixed’ only in about March 2006 (below).

61. Incidence of Cash Account Discrepancies (accounting integrity) was information/data available to the First Defendant under the terms of the Horizon contract with the Second Defendant for the purpose of evaluating performance by the Second Defendant against agreed contract performance criteria/agreed service level targets (SLTs) under service level agreements (SLAs) (the achievement of which carried cost implications).

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62. The persistence of reference data mismanagement, recorded in PinICLs and PEAKs, degraded the integrity of Horizon, including during the period between 2000 (the time of Mrs Wolstenholme's suspension and her Horizon Helpdesk calls) and March 2004 (the time of the suspension of the Claimant and his Horizon Helpdesk calls) and the date of trial in 2006. Horizon was not "working properly in all material respects" (per HH Judge Havery K.C.) but had the known and persistent propensity to generate unresolvable Cash Account Discrepancies at branch accounts. Both the First Defendant and the Second Defendant knew that, at the time of the Claimant's trial, but dishonestly withheld that evidence from the Court and from the Claimant.

63. The acceptance by the First Defendant of Cash Account Discrepancies under the terms of acceptance of Horizon under AI 376 and records of the incidence of such discrepancies in PinICLs, PEAKs and in KELs and in the KEL, that was material available to and familiar to all the system specialists who worked in the Second Defendant's SSC (and to others), was material evidence dishonestly withheld from the Court and from the Claimant by both the First Defendant and the Second Defendant for the First Defendant's purpose and object of obtaining judgment against the Claimant.

64. There is no reference to AI 376 in the Horizon Issues judgment. The inference is that it, being important disclosable adverse material, was withheld by the First Defendant from disclosure in the Group Litigation.

Withholding of evidence of "Remote Access"

65. Further, Cash Account Discrepancies caused by software/coding and other defects in Horizon required corrections, fixes and workarounds that included the Second Defendant making Transaction Corrections and 'remotely' editing branch accounts and inserting ('injecting') transactions into branch accounts without a postmaster's knowledge or consent (below) (including by impersonating them using their ID) to repair or correct accounts. Evidence of that facility and its routine exercise (that was not recorded by the Second Defendant, either as to access or as to actions (editing transactions without postmaster knowledge) taken in effecting access to postmaster accounts) would have wholly undermined the integrity and evidential value of postmaster accounts, but was dishonestly withheld from the Claimant and from the Court. (Horizon Issues, Issues (7), (10), (11), (12), (13) paras [153] - [184] esp. [321] [1001]-[1016]).

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The conspiracy between the First Defendant and the Second Defendant

66. By March 2006, although the First Defendant, in breach of contract, by its Agent Debt facility in Chesterfield had issued a claim in the County Court against the Claimant (before terminating his contract), it had no evidence that the Horizon shortfall/loss identified by Helen Rose at the time of his suspension in March 2004 was caused by fault on his part. The alleged loss had not been investigated by the First Defendant.

67. By an email dated 1 March 2006 Mrs Talbot wrote to Tony Utting, Marie Cockett, Graham Ward, David Smith (the First Defendant's then Managing Director), Keith Baines and others, and enquired when someone would be appointed to analyse Fujitsu data and she suggested that Fujitsu should be able to run a check on the whole network and referred to what "Fujitsu should be able to provide by way of evidence and what they are obliged to provide under the contract". After the conclusion of trial in 2007, Mrs Anne Chambers, a software systems specialist employed by the Second Defendant in the SSC, wrote a report entitled "Afterthoughts" in which she expressed her concerns referred to under paragraph 40 above.

68. The factual context for events that took place between March 2006 and August 2006 that informed the First and Second Defendant's decision-making on the claim against the Claimant included:

    a. a letter from Rowe Cohen of November 2005, in which on behalf of the Claimant they wrote: "... this not an isolated incidence of problems with Horizon. This is entirely consistent with our client's position since the dispute first arose. Your client flatly refused to countenance that the alleged shortfall could be the result of anything other than user error (or even outright fraud) on the part of our client or his employees, despite the fact that it knew very well that there are numerous other cases with similar, if not identical facts, around the country".

    b. The email from Mrs Talbot email of November 2005 to David Smith, Jennifer Robson, Tony Utting and Rob Ismay of November 2005, in which she stated: "If the challenge is not met the ability of [the First Defendant] to rely on Horizon for data will be compromised and the future prosperity of the network compromised. ... Fujitsu's reputation will be affected."

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c. On 22 March 2006 Mr Graham Ward, a case manager for the First Defendant wrote an email [FUJ00122197] (who worked for Tony Utting) to the Second Defendant including Penny Thomas, who worked in the Second Defendant's Security Team that provided litigation support to the First Defendant, copied to Brian Pinder, Head of the Second Defendant's Security Team: ".... Whilst Marine Drive and Torquay Road are not criminal matters, given the allegations made by the postmasters, I'm sure you'll agree that it is very much in both ourselves and Fujitsu's interests to challenge the allegations and provide evidence that the system is not to blame for losses being reported".

d. The facts that (i) the First Defendant had no evidence that the losses claimed against the First Defendant were caused by his fault, and that (ii) it had received Mr Coyne's opinion in the Cleveleys case that the overwhelming majority of Horizon Helpdesk calls in that case had been caused by Horizon hardware or software faults - and it had been necessary to contain that information and protect against it becoming more widely disseminated or known.

69. The kind of evidence Mr Ward envisaged ((a) above) could only be provided by (extensive) evidence and the First Defendant's and Second Defendant's knowledge that the Horizon system was susceptible to (widespread) system integrity failure and data loss being withheld by both the First Defendant and the Second Defendant from the Court and from the Claimant, as happened. Part of the common understanding between the First Defendant and the Second Defendant, without which the conspiracy would not have succeeded, was that relevant and material evidence would not be disclosed to the Claimant or to the Court (below) for being contrary to their mutual interest. At the time of the Claimant's trial, both the First Defendant and the Second Defendant knew that Horizon was subject to widespread data integrity failure/loss (including losses caused by the instability of the 'Riposte' communications/data transfer platform).

70. In August 2006, 4 months before the trial of the claim against the Claimant, the First Defendant had received views:

a. From its Counsel, Mr Richard Morgan, that the litigation "is madness and [that] we should settle with drop hands and the confidentiality clause";

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b. Expressed on 18 August 2006 by Mr Stephen Dilley, the assistant solicitor in Bond Pearce, to Ms Cheryl Woodward at the Agent Debt Team at Chesterfield, who had expressed concerns about the costs incurred by the First Defendant, that: "...if you look at the case in isolation it is completely nonsensical..." but that settlement of the Claimant's claim, in Mr Dilley's words would: "... open floodgates for lots of other subpostmaster claims". The inference is that that perception was the First Defendant's perception, as communicated to Mr Dilley by Mrs Talbot – being the same view Rowe Cohen had earlier expressed in November 2005. Mr Dilley expressed his understanding that, in the circumstances, "the PO have taken a broader view" (overriding Ms Woodward's stated concerns).

71. The "broader view" was that the First Defendant, by August 2006, had determined that it would pursue its claim against the Claimant, regardless of the prospectively irrecoverable cost that it would incur in doing so, for the purpose of protecting Horizon and "the future prosperity of the network" and to deter postmasters from "challenging" Horizon. The "driver" (in Mr Stephen Dilley's word (9 November 2006)) was getting a judgment to "show that the computer wasn't wrong" and "to deter other postmasters from bringing a claim".

72. Showing the "computer wasn't wrong" would have required expert evidence, and the First Defendant's Counsel recognised that it would have been very difficult for the First Defendant to prove affirmatively that the alleged Horizon 'shortfalls' (losses) identified at the Claimant's Marine Drive branch were debts payable by him to the First Defendant. (In truth, proving the "computer wasn't wrong" was technically not possible. All large-scale distributed computer systems (including safety critical systems) have bugs that remain unidentified and thus unidentified as to their latent effects (i.e. 'unknown unknowns'). That is to say, it was not possible to demonstrate affirmatively that the Horizon system was working as intended.) (Fraser J. later in 2019 (rejecting Dr Worden's evidence for the First Defendant) identified that the required approach was to identify (i) known bugs and (ii) their known effects and (iii) to evaluate whether those effects were consistent with the experience of postmasters. No disclosure of known bugs or their effects was given by the First Defendant (below)). (The First Defendant, as a Law Commission consultee, had supported repeal by Parliament of provisions under s. 69(1) of the Police and Criminal

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Evidence Act 1984 (and the parallel provisions under s.9 of the Civil Evidence Act 1968).)

73. Mrs Talbot had expressed her anxiety to David Smith that there should be no repeat of the Wolstenholme case. Expert evidence, of the kind received by the First Defendant from Mr Jason Coyne in that case represented a risk to the First Defendant of such a repeat – emphasised by a report in September from BDO (below).

74. On 21 August 2006, Mr Beezer, a partner in Bond Pearce, recorded that he had had a discussion with Mr Morgan and recorded that: "[a] further point made by Richard Morgan was that we should endeavour to move the main area of focus in the case away from the Horizon System if possible".

75. Mr Morgan, recognising the difficulty confronting the First Defendant in establishing that the Horizon system was reliable and not faulty, devised a legal strategy for the First Defendant to move the main area of focus in the case away from Horizon. Mr Morgan's strategy:

a. obviated the requirement for the First Defendant to obtain expert evidence (below);

b. relieved the First Defendant of the burden of proving that the sums claimed as debts were owed by the Claimant (below).

c. imposed upon the Second Defendant the burden of showing why weekly accounts signed by him (that he had to sign to enable him to continue to trade), were wrong (below) and not debts owed by him.

76. As to expert evidence, the First Defendant, in the claim against Mrs Wolstenholme, had received the provisional joint opinion and report of Mr Jason Coyne that expressed his professional opinion referred to above. The consequence of Mr Coyne's opinion was the First Defendant's Counsel's advice that the claim by the First Defendant would likely fail and that Mrs Wolstenholme's claims for wrongful termination of her contract would likely succeed. That advice was escalated to the First Defendant's Chief Operating Officer and settlement of the claim against Mrs Wolstenholme by payment by the First Defendant was approved at Board level. Mrs Talbot had been active in the settlement of the claim and in securing protection against the wider dissemination of Mr Coyne's report and opinion.

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77. In the scheme to impose upon the Claimant the burden of knowing that his weekly cash account statements signed by him were wrong, the First Defendant, as advised by Mr Morgan, was willing to engage in a strategy of "brinkmanship" in connection with expert evidence. Mr Dilley made an attendance note of a telephone conversation in which he recorded: "Richard [Morgan] thinks we should play some brinkmanship and press for a December trial. If they [the Claimant] disclose an expert's report that harms us then as they are doing so late, we can always ask the court to vacate the trial... at the moment... he thinks we [should] go to trial without one. However he wants us to get approval for this strategy". That strategy was endorsed and approved by Mrs Talbot, Ms Clare Wardle, her immediate line manager, and by Ms Catherine Churchard, the Solicitor for the First Defendant.

78. In November 2006, the Claimant became a litigant in person.

79. Expert evidence was foreseeably fatal to the First Defendant's claim against the Claimant, as was known to Mrs Talbot and all those in the First Defendant who had knowledge of the circumstances of the settlement of the Wolstenholme case. By December 2006 there was no independent expert report available to the First Defendant that expressed a view different from Mr Jason Coyne's. The Second Defendant had received Mr Coyne's report in the Wolstenholme case, and, with the First Defendant, had sought to persuade Mr Coyne to change his view, an invitation that he had declined.

80. Neither the First Defendant nor the Second Defendant, between the date of settlement of the Wolstenholme case in 2004 and December 2006 received evidence that can have caused them to form the view that Mr Coyne's conclusion, that the majority of the Horizon Helpdesk calls made by Mrs Wolstenholme were caused by Horizon hardware or software faults, was in any respect incorrect/unfounded.

81. Further, the only independent expert evidence that, by the date of trial in December 2006, the First Defendant *had* obtained in connection with the Horizon system in the claim against the Claimant, was from the accountants BDO Stoy Hayward. In a draft report dated 5 September 2006, BDO expressed their view: "We realise this is a complex matter with possible implications that are far wider than just Mr Castleton's operation of his sub post office" ... "We have found there is some indication of possible problems with Horizon from our initial review of the electronic information you sent us. You sent the transaction summaries for January, February and March

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2004. In theory the system should reflect the double entry nature of each transaction, e.g. the system should show the sale of a stamp and the receipt of the cash paid by customer. Therefore the Horizon transaction entries for a period .. should total zero. From our initial review we can see that the March balances but January is out by £2.47 and February by £4.05. We have found which transactions cause the differences and will investigate them in due course. Although these are very small amounts they do indicate that some problems may exist, i.e. that the double entry is not being put through".

82. In the premises, at the time of the Claimant's trial in December 2006 the only external independent evidence that the First Defendant had received from its own experts was that there appeared to be faults in the Horizon system, which was the Claimant's case at trial.

83. Mrs Talbot instructed Mr Dilley that the BDO report should not be disclosed and the First Defendant's Counsel advised Bond Pearce not to disclose it and that he did not consider the First Defendant required the BDO (draft) report to prove its case.

84. The BDO report was entirely consistent with the problem addressed by AI 376 and was also consistent with/supportive of the Claimant's evidence that he had missing transactions in week 42. Mrs Anne Chambers had identified missing data in week 42 in the Marine Drive accounts but withheld that in her evidence to the Court.

85. Prior to December 2006, the First Defendant undertook no further inquiries to evaluate the validity or otherwise of the views expressed by BDO and by Mr Coyne. The First Defendant was put on inquiry but deliberately and dishonestly shut its eyes to the obvious, for the purpose of it securing judgment against the Claimant.

86. HH Judge Havery K.C. applied a principle of law he found in *Shaw v. Picton* (1825) 4 B. & C. 715, 729. He accepted Mr Morgan's submission that the burden of proof lay with the Claimant to show that weekly cash accounts (later, 'Branch Trading Statements') (final cash account balances) signed by him were wrong, because it was contended, the weekly signed cash accounts were 'an account' in law and represented the acknowledgment by the Claimant of a debt owed by him as agent to the First Defendant as his principal. Mr Castleton, as a litigant in person, was wrongly persuaded to wrongly concede that he was the/an 'accounting party'.

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87. The Claimant was unable to show why the accounts were wrong, because the extensive evidential material required to do so, that existed, was dishonestly withheld from him and from the Court by the First Defendant and by the Second Defendant.

88. As a matter of law, branch weekly cash accounts signed by a postmaster were not an account and the Claimant was not an accounting party (Common Issues paras [806], [810]). The entire legal basis of the claim against the Claimant, as put by Mr Morgan on behalf of the First Defendant at trial in December 2006, was wrong in law. The common law in *Shaw v Picton* had no application, as the First Defendant knew/is to be taken to have known, and the express terms of the postmaster contract (SPMC) were disregarded. The way that the Horizon system was designed, required disputed items to be "accepted" and included in the weekly cash accounts signed by a postmaster. Therefore, a branch weekly cash account with (for example) £3,000 of non-agreed and disputed items arising in the branch trading period would look exactly the same as one which included no disputed items and was wholly agreed by the SPM (Common Issues para [808]). The consequence was that a signed weekly cash account was not evidence of acknowledgement of a debt, nor could reasonably/properly be interpreted as such as the First Defendant knew/is to be taken to have known at the time. The accounting function which the Claimant was required to perform was one which the First Defendant prescribed/mandated by Section 12 cl. 4 of the SPMC. If the First Defendant chose – as it did – to prescribe a system that would lead to the inclusion of disputed items, the postmaster contractually was bound to comply with that instruction. (Common Issues para [809]). The sole mechanism available to postmaster to challenge or dispute a transaction entry or figure in the Horizon system, or otherwise to report a problem or issue experienced at branch, was to telephone the Horizon Helpdesk (not part of the Horizon system).

Horizon Helpdesk calls

89. As the First Defendant knew, the Claimant had successfully managed and operated his Marine Drive branch from July 2003 until his week ended 23 December 2003 (week 39) without any issue in balancing his accounts. Thereafter, the Claimant reported his concerns to Ms Cath Oglesby, his area manager, after the first occurrence of problems experienced by him in balancing between Christmas 2003 and January 2004. From that time, he experienced several weeks of almost constant failures to balance his accounts, that he reported to the Horizon Helpdesk. The Claimant's balancing problems were recorded in the Helpdesk Log. The Claimant had made 65

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calls to the Horizon Helpdesk between 1 December 2003 and 22 March 2004. The Claimant explained to Mrs Oglesby that he was convinced that, because he had a processor changed about the time the losses started occurring, it was the processor that was causing the losses and that he thought that the 2 computer processors were not communicating with each other, and that when he "remmed-in" the stock the Horizon system altered the figures. (The explanation was consistent with a change that had occurred within the Horizon system that impacted The Claimant's branch from December 2003.) Problems and transaction failures experienced by the Claimant were recorded on many occasions, including important events on: 9 December 2003; 20 January 2004; 26 January 2004 "Both counters upgraded ADSL and memory upgraded ... ithica printers upgraded"; 28 January 2004 the Claimant reported discrepancies going through the system for three weeks in a row; 29 January 2004 "every time he enters in the new stock, it left him with a discrepancy"; 2 February 2004 (engineer set to replace a faulty Horizon terminal); 13 February 2004; 13 February 2004 "his system was doubling up cash declarations...the problem had been happening for five week and that every time stock had been remmed in, they had a loss that night", and 25 February 2004. After the Claimant's suspension, the Marine Drive branch continued to experience Horizon communication probems/issues: 19 April 2004; 27 April 2004; 1 May 2004.

90. When Helen Rose arrived to 'audit' the Claimant's accounts on 23 March 2004, the Claimant was recorded by her as pleased at her arrival (expecting his balancing problems would be resolved, instead of which he was suspended). Helen Rose gave perjured evidence to the Court for the First Defendant at the Claimant's trial, that the Claimant was a careless postmaster. HH Judge Havery Q.C. held that the Marine Drive branch was not properly managed and the losses were caused by the Claimant's errors or those of his assistants.

Withholding PinICLs, PEAKs and the Fujitsu Known Error Log

91. As a fundamental component of the incident management process for the Horizon system ICL Pathway/the First Defendant utilized a Fujitsu proprietary call management system for logging software errors and defects known as PinICL. From about 2003 the PEAK system replaced PinICL.

92. The way in which Horizon Helpdesk recorded, handled and escalated problems encountered by postmasters with their Horizon branch accounts/terminals with the

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Second Defendant, as with reported Cash Account Discrepancies under AI 376, was recorded in PinICLs and PEAKs and the Second Defendant's knowledge or "Known Error Log" (KEL) maintained by its System Support Centre (SSC) where Mrs Anne Chambers and her line manager, Mik Peach, worked, as part of that specialist systems team (and where Mr Richard Roll had worked from 1999 (Horizon Issues)).

93. The First Defendant succeeded in its claim against the Claimant by dishonestly withholding from him and from the Court records of PinICLs and PEAKs held in the Second Defendants Known Error Log (KEL) maintained by the Second Defendant's SSC from 1999. Those included records of the Callendar Square bug, a bug identified by the Claimant himself and communicated to him to Bond Pearce before trial in December 2006, his having received information about it from Mr Alan Brown, postmaster of the Falkirk branch post office (below).

94. The First Defendant and Second Defendant dishonestly withheld from the Court and the Claimant PinICLs, PEAKs and the KEL for the purpose of misleading the Court. There were many issues recorded in the KEL/KELs that could affect the accuracy of a branch's accounts or the secure transmission and storage of information/data. It was the eventual disclosure of the KEL by the First Defendant in the Group Litigation in 2019 that enabled Mr Coyne to discover the existence of numerous different bugs and their effects (Horizon Issues paras [610], [611], Appendix A).

95. The First Defendant and the Second Defendant withheld material evidence from the Court and combined together for the purposes of perverting the course of justice and the First Defendant obtaining judgment by fraud for their mutual commercial benefit and advantage - as identified by Mr Graham Ward: *Rookes v Barnard* [1963] AC 1129.

96. Internal issues were raised directly into PinICL. These could have been identified during testing or routine monitoring of the system by ICL/the Second Defendant. The First Defendant could also raise incidents that the First Defendant had identified, or which could have come from feedback from postmasters. External users, postmasters, who experienced issues would contact the Horizon Systems Helpdesk ('HSH' or 'Horizon Helpdesk') who logged the incident via their own dedicated system ("PowerHelp"). If the Helpdesk was unable to resolve the problem, the incident would be routed to a second level support group called the System Management Centre ("SMC"). Each incident logged on the PinICL system was referred to as 'a PinICL'. Hardware issues (usually attended to by the First Defendant's 'ROMEC' engineers)

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were generally not routed to the SSC. The SSC was responsible for resolving the incidents escalated to it by the SMC, as recorded in the PinICL system. The maintenance of PINIcls and PEAKs was the responsibility of the SSC through resolution and closure with communications passed back to PowerHelp. The SSC also assisted in maintaining the Known Error Logs (KELs) (below). The KEL contained records, in individual KELs, of PinICLs and PEAKs (Horizon Issues para [573] ff and [615] ff.).

97. Both the First Defendant and the Second Defendant understood the PinICL/PEAK system and the function of the Known Error Log as fundamental components of the Horizon incident/fault management system that provided the mechanism by which contractual performance by the Second Defendant could be evaluated/measured by the First Defendant.

98. The KEL was a document (series of documents) maintained by the Second Defendant in its SSC to which the First Defendant was contractually entitled.

99. The First Defendant continued to mislead about records in the KEL and PinICLs and PEAKs up to 2019 and the Group Litigation. The First Defendant's Generic Defence in the Group Litigation stated:

> "It is admitted that Fujitsu maintain a "Known Error Log". This is not used by Post Office and nor is it in Post Office's control. To the best of Post Office's information and belief, the Known Error Log is a knowledge base document used by Fujitsu which explains how to deal with, or work around, minor issues that can sometimes arise in Horizon for which (often because of their triviality) system-wide fixes have not been developed and implemented. It is not a record of software coding errors or bugs for which system-wide fixes have been developed and implemented. To the best of Post Office's knowledge and belief, there is no issue in the Known Error Log that could affect the accuracy of a branch's accounts or the secure transmission and storage of transaction data."

100. In almost every respect, that statement was false and can only have been made by the First Defendant knowing it to be false or else reckless as to whether true or false.

101. Any creation of a new KEL, or updating of an existing KEL, required to be authorised by SSC before it could be seen by all users: Horizon Issues para [573]. Mrs Chambers worked in the SSC where PinICLs, PEAKs and KELs were created and updated.

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102. HH Judge Havery K.C. recorded that he heard evidence from Mrs Anne Chambers and said that Mrs Chambers was "a system specialist employed by Fujitsu, the company that provides the Horizon service. She has a working knowledge of the Horizon computer system used by the claimant. She said that calls from postmasters relating to potential system problems are initially taken and logged by the Horizon system Helpdesk." The Court recorded that Mrs Chambers's evidence was that she had "concluded that there was no evidence whatever of any problem with the system". Judge Havery K.C. "found Mrs Chambers to be a clear, knowledgeable and reliable witness, and I accept her evidence".

103. Mrs Chambers was not a reliable witness. In 2006 Mrs Chambers had been instructed by the Second Defendant by Mik Peach, her line manager in the SSC, or by Brian Pinder, Fujitsu's head of Security, or by Naomi Elliot the Second Defendant's Customer Services director, not to refer to the KEL in her evidence. She did not do so. Its disclosure would have had a similar effect on the claim against the Claimant and the judgment of HH Judge Havery K.C. as its disclosure had on the Group Litigation in 2019, in the Horizon Issues.

The 'Callendar Square' bug (Horizon Issues paras [401]-[454], Appendix 2 para 6)

104. Further, Mrs Chambers gave dishonest and misleading evidence of the Callendar Square bug, with the intention of misleading the Court, which was misled. HH Judge Havery K.C. recorded that: "Mr. Castleton cross-examined [Mrs Chambers] about complaints from another branch, which he did not identify. She immediately recognized the branch with confidence as being a branch at Callender Square in Falkirk. The problem at Callender Square had, she said, arisen from an error in the Horizon system, but there was no evidence of such a thing at Mr. Castleton's branch." Fraser J., in his Horizon Issues judgment, noted that it was a matter of public record that Mrs Chambers gave evidence to HH Judge Havery K.C. that the Callendar Square bug affected "a single" branch: Horizon Issues para [416]. In 2016 and 2019, the First Defendant's Solicitors Womble Bond Dickinson (formerly known as Bond Pearce) stated to Freeths (Solicitors for the Group Claimants) that (a) the bug was only discovered in 2005 and that (b) the bug had only affected a single branch (Horizon Issues para [422]).

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105. The true nature, scale and effect of the Callendar Square bug is recorded by Fraser J. in the Horizon Issues from para [398]-[426]. It had, in Mr Godeseth's evidence (Horizon Issues para [425]), probably been around since the inception of Horizon in 2000. It affected at least 30 branches and had caused account mismatches in at least 19 branches (Horizon Issues para [417]). Its effects included "Receipts and Payments mismatch" (i.e. Cash Account Discrepancies) (Horizon Issues para [419]). A 'fix' for the bug was introduced as recently as March 2006, that is to say, the same month that Mr Graham Ward wrote to the Second Defendant, copied to Brian Pinder, the Second Defendant's Head of Security: "I'm sure you'll agree that it is very much in both ourselves and Fujitsu's interests to challenge the allegations and provide evidence that the system is not to blame for losses being reported...".

106. Had the truth about the Callendar Square bug been disclosed at the Claimant's trial in 2006, HH Judge Havery K.C. could not and would not have given judgment against the Claimant.

107. In 2007, Mrs Chambers knew that incomplete and misleading evidence had been given by her to the Court. She wrote: "Fujitsu made a major legal blunder in not disclosing all the relevant evidence that was in existence". Brian Pinder, head of the Second Defendant's Security Team, responded: "... there was no intention to have a wash up on this particular case as such but I must stress that from the outset this was 'new ground' and a particularly unusual case (1st of its kind in 10yrs) for all concerned. It involved many different variables which, at any point in time could have culminated in a totally different outcome".

108. Fraser J. was so concerned about the incomplete evidence given by Mrs Chambers at the trial before HH Judge Havery K.C. in 2006 that, in January 2020, he wrote to the Director of Public Prosecutions about her evidence and her then knowledge of the existence of bugs: **Appendix 3**. Fraser J. wrote:

> "Mrs Chambers herself in her e mail of 23 February 2006 had written..., in respect of the Callendar Square bug...: "Haven't looked at the recent evidence, but I know in the past this site had hit this Riposte lock problem 2 or 3 times within a few weeks. This problem has been around for years and affects a number of sites most weeks, and finally Escher say they have done something about it." The relevant KEL for this bug, given the reference "JSimpkins338Q", identified that it related to problems with the Riposte part of the software and what

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was sometimes called the Riposte lock or unlock problem. This was when an unexpected error occurred in the software while attempting to insert a message. The KEL shows it ran from 2002, with other events occurring in 2003, 2004 and 2005. The entry in this KEL for September 2005 expressly states that: "this problem is occurring every week, in one case at the same site on 2 consecutive weeks".

This did not form any part of the evidence of Mrs Chambers in the Castleton case. Indeed, the Callendar Square bug had affected 30 different branches, this number being identified by Fujitsu when the bug was investigated in 2005. This information was not provided to the court in the Castleton case even though, as her own e mail shows, Mrs Chambers plainly knew about it. Nor does there appear to have been any evidence from her during the Castleton case that there was a bug that "affects a number of sites most weeks". Mrs Chambers also knew about the TPSC 250 Report bug, another bug which does not appear to have been mentioned at all by her in her evidence in the Castleton case. This occurred during the years 2005 to 2009. Not only the PEAK, but the KEL itself was created by her and this defect required a software upgrade. The Technical Design Authority for the release note, dated 13 October 2005 and accompanying this upgrade, was Gareth Jenkins."

The Second Defendant withheld evidence that "user error" was attributed where the cause of a fault in Horizon could not be identified

109. Further to paragraph 37(a) above, the Second Defendant and Mrs Chambers dishonestly withheld from the Court the fact that the Second Defendant's practice in its 'third line' System Support Centre (SSC), was to attribute "user error" as the default reason recorded in PINIcls and PEAKs in circumstances where the cause of a postmaster's experience of a problem with the Horizon system/Cash Account Discrepancy could not be attributed to an identified bug or known cause.

110. In April 2001 a call was logged at the Horizon Helpdesk [POL00028743]: the postmaster was "... extremely unhappy about the problems with his counters. He says he has had to pay out over £1,500 in losses that are due to these problems. He has informed POCL they can suspend him because he is refusing to make good any further losses." He asks for a face-to-face meeting: "[He] feels very strongly about this and says he is willing to take POCL to a tribunal/court because of the stress he has suffered because of the problems." .... "THIS CALL IS ONLY TO BE CLOSED WITH

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THE EXPRESS PERMISSION OF JULIAN HALL." ... "PM would like to add to the current complaint that transactions are currently appearing and disappearing on screen and also the PM's counter printer has not been working either." "PM had a message on screen stating [about the] transaction then the screen froze and timed out. When logged back in, the transaction was not on screen. PM rebooted the printer, and a receipt for this transaction was printed. Now the printer won't print any receipts" .... "PM feels the system is unreliable. PM cannot trust this system." That record was closed: "I am therefore closing this call as [it is] no fault in product." But the First Defendant's ROMEC engineers had witnessed phantom transactions so the 'no fault' closure was wrong and known to be so.

111. On 9 November 2022 Mr John Simpkins, a software developer employed by the Second Defendant during the relevant period (1999-2007), gave evidence to Sir Wyn Williams, Chair of the Public Inquiry. Asked: "Q. What I'm getting at here is, if you had known, if you had been told explicitly and clearly that there would be errors which could only be picked up by subpostmasters making calls and saying that they are experiencing, let's say, phantom transactions, or whatever it may be, do you think you and your team would have been as willing to close down calls on the basis that it must be user error?", Mr Simpkins answered: "I don't know how many calls we closed down as user error without good proof". (See further, Horizon Issues, paras [403]-[407], [410].)

112. 'User error' was the basis of the First Defendant's claim against the Claimant, as it had been against Mrs Wolstenholme: per HH Judge Havery K.C.: "Marine Drive was not properly managed ...the losses must have been caused by [the Claimant's] own error...". Both findings by the Court were wrong, as the First Defendant knew.

113. From 2007, the First Defendant obstructed the Claimant's right of access to the Court and denied him the opportunity to appeal the Judgment out of time on evidence available to and known to the First Defendant but concealed and withheld by the First Defendant. The First Defendant had available to it 7 sources of evidence that showed/suggested that the Judgment was wrong:

a. the Known Error Log;

b. the Clarke Advice of July 2013;

c. the two Second Sight reports of 2013 and 2015;

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d. the Detica Net Reveal report of October 2013;

e. the First Defendant's notification of its insurers in August 2013 of Mr Jenkins's evidence and the (in)adequacy of its disclosure (of bugs) to the Court;

f. knowledge and information about remote access to branch accounts;

g. the Swift Review.

The failure of the First Defendant to disclose any of that evidence to the Claimant, that would have enabled him to appeal the Judgment, was a serious abuse of process, obstruction of his right of access to the Court and an interference with the course of justice on the part of the First Defendant, because it deprived the Claimant of a right of appeal including a right to appeal out of time against the Judgment.

114. The Claimant seeks a declaration from the Court that the Judgment was obtained by fraud.

115. The Claimant seeks an Order that the Judgment be set aside on grounds that it was obtained by fraud.

116. The Claimant seeks an Order that the Bankruptcy Order be set aside for having been caused by the First Defendant's fraud.

117. By reason of matters aforesaid the Claimant has suffered loss and damage and continues and will continue to suffer future losses and has been put to expense, as further pleaded under the Claimant's Schedule of Damages and Future Loss annexed hereto.

118. The Claimant claims interest pursuant to s. 35A of the Senior Courts Act 1981 or in the Court's equitable jurisdiction.

AND THE CLAIMANT CLAIMS:

(1) A declaration that the Settlement Deed is avoided/rescinded or unenforceable or damages in lieu pursuant to the Misrepresentation Act 1967.

(2) A declaration by the Court that the Judgment was obtained by fraud.

(3) An Order that the Judgment be set side and the Orders made against him be cancelled and annulled for having been obtained by the First Defendant by fraud.

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(4) A declaration by the Court that the Bankruptcy Order was the result of the First Defendant's fraud.

(5) An Order that the Bankruptcy Order be set aside on grounds of fraud.

(6) Judgment for the Claimant on his Counterclaim in *Post Office v Castleton [2007] EWHC 5 (QB)* on grounds that the Counterclaim was dismissed as a result of the First Defendant's fraud.

(7) Against the First Defendant, general damages under the following heads of claim:

a. Mental distress, in the sum of £30,000, plus interest in the sum of £5,001 to date and continuing at a daily rate of £1.65;

b. Stigma and damage to reputation, in the sum of £30,000 plus interest in the sum of £5,001 to date and continuing at a daily rate of £1.65;

c. Harassment, in the sum of £45,000 plus interest in the sum of £7,501.50 to date and continuing at a daily rate of £2.47;

d. Loss of congenial occupation, in the sum of £25,000 plus interest in the sum of £4,167.50 to date and continuing at a daily rate of £1.37;

e. Damages for fraud in connection with the Settlement in the sum of £50,000 plus interest in the sum of £5,500 to date and continuing at a daily rate of £2.74.

f. Aggravated damages for post-trial abuse of process, in the sum of £50,000 plus interest in the sum of £8,335 to date and continuing at a daily rate of £2.74;

g. Exemplary damages for post-trial abuse of process, in the sum of £50,000 plus interest in the sum of £8,335 to date and continuing at a daily rate of £2.74;

h. Damages for maliciously causing the Claimant's bankruptcy, in the sum of £50,000 plus interest in the sum of £11,000 to date and continuing at a daily rate of £30.14;

i. Aggravated damages for fraud and conspiracy to injure, in the sum of £50,000 plus interest in the sum of £8,335 to date and continuing at a daily rate of £2.74;

j. Exemplary damages for fraud and conspiracy to injure, in the sum of £125,000 plus interest in the sum of £20,838 to date and continuing at a daily rate of £6.85.

Total general damages:	**£505,000.00**
Total interest to date:	**£84,013.00**

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(8) Against the First Defendant, pecuniary damages under the following heads of claim:

a. Past loss of earnings, in the sum of £940,018 plus interest in the sum of £464,722 to date and continuing at a daily rate of £88.85;

b. Past lost rental profits, in the sum of £232,210 plus interest in the sum of £83,349 and continuing at a daily rate of £21.95;

c. Past property losses, in the sum of £132,809;

d. Past pension losses, in the sum of £932,891;

e. Other past losses, in the sum of £81,761 plus interest in the sum of £53,479 and continuing at a daily rate of £7.73;

f. Loss from sale of business, in the sum of £108,900 plus interest in the sum of £3,757 and continuing at a daily rate of £10.29;

g. Future loss of earnings, in the sum of £864,513.

Total pecuniary damages:	**£3,293,102.00**
Total interest to date:	**£605,307.00**

(9) Against the Second Defendant, general damages under the following heads of claim:

a. Mental distress, in the sum of £30,000, plus interest in the sum of £5,001 to date and continuing at a daily rate of £1.65;

b. Stigma and damage, to reputation in the sum of £30,000 plus interest in the sum of £5,001 to date and continuing at a daily rate of £1.65;

c. Harassment, in the sum of £45,000 plus interest in the sum of £7,501.50 to date and continuing at a daily rate of £2.47;

d. Loss of congenial occupation, in the sum of £25,000 plus interest in the sum of £4,167.50 to date and continuing at a daily rate of £1.37;

e. Aggravated damages for fraud and conspiracy to injure, in the sum of £50,000 plus interest in the sum of £8,335 to date and continuing at a daily rate of £2.74;

f. Exemplary damages for fraud and conspiracy to injure, in the sum of £125,000 plus interest in the sum of £20,838 to date and continuing at a daily rate of £6.85.

Total general damages:	**£305,000.00**
Total interest to date:	**£508,44.00**

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(10) Against the Second Defendant, pecuniary damages under the following heads of claim:

a. Past loss of earnings in the sum of £940,018 plus interest in the sum of £464,722 to date and continuing at a daily rate of £88.85;

b. Past lost rental profits in the sum of £232,210 plus interest in the sum of £83,349 and continuing at a daily rate of £21.95;

c. Past property losses in the sum of £132,809;

d. Past pension losses in the sum of £932,891;

e. Other past losses in the sum of £81,761 plus interest in the sum of £53,479 and continuing at a daily rate of £7.73;

f. Loss from sale of business in the sum of £108,900 plus interest in the sum of £3,757 and continuing at a daily rate of £10.29;

g. Future loss of earnings in the sum of £864,513.

Total pecuniary damages:	**£3,293,102.00**
Total interest to date:	**£605,307.00**

PAUL MARSHALL ANDREW YOUNG
10th July 2025

Statement of Truth

I, LEE CASTLETON O.B.E, believe that the facts stated in these Particulars of Claim are true.
I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Signed: Dated: 10th July 2025

SERVED on 10th July 2025 by **SIMONS MUIRHEAD BURTON LLP** of 89-91 Newman Street, London, W1 3EY, Solicitors for the Claimant

Claim No. BL 2025 000341

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
BUSINESS AND PROPERTY LISTC

LEE CASTLETON

Claimant

-and-

(1) POST OFFICE LIMITED
(2) FUJITSU SERVICES LIMITED

Defendants

PARTICULARS OF CLAIM

SIMONS MUIRHEAD BURTON LLP
89-91 Newman Street
London
W1 3EY

Solicitors for the Claimant