



Isobel Middleton played Kay Linnell, the forensic accountant, in the ITV drama that brought the plight of the sub-postmasters to a mass audience and prompted government action. (ITV)

Post Office used insolvency industry ‘to persecute sub-postmasters’

Kay Linnell, whose role helping victims including Jo Hamilton was portrayed in the hit ITV drama *Mr Bates vs The Post Office* about their battle for justice, claimed that some insolvency practitioners had failed in their duties while handling the bankruptcies of sub-postmasters.

James Hurley

Monday March 04 2024, 12.01am, The Times

“Insolvency practitioners have a great deal of power. What they don’t seem to have done in the majority of cases is to use those powers to investigate the claims of the Post Office, which appeared to be the largest creditor and therefore someone who dictated the running of an insolvency procedure,” Linnell said.

Alongside Alan Bates, Linnell, a chartered accountant, played a key role in the legal battle that resulted in the 2019 settlement the Post Office agreed with 555 group litigants in 2019 which featured in the series.

[Who is responsible for the Post Office scandal?](#)

Between 1999 and 2015, 700 sub-postmasters and postmistresses were wrongly prosecuted by the Post Office after faulty computer software provided by Fujitsu falsely showed that money was missing from branches.

Thousands of others were accused of misconduct by the state-owned organisation.

Linnell said that most insolvency practitioners did not “test the validity” of the Post Office’s position as creditor during bankruptcies and individual voluntary arrangements, a form of personal insolvency.



Jo Hamilton was a prominent campaigner in the fight for justice

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She added that practitioners “weren’t prepared to take any action against the Post Office on behalf of the debtor. They owe a duty to the debtor as well as the creditor. They were played by the Post Office.

“Money is not as important as ethics. And there’s a duty owed to sub-postmasters which has been ignored over the last 25 years. I’m not saying it was done deliberately, I’m sure it wasn’t. I think it’s a matter of, ‘These are small people, the claims are small, we don’t have the resources to act, it isn’t cost effective for us as insolvency practitioners’.”

Addressing an insolvency conference in London, she advised practitioners that “if somebody small turns up being persecuted by somebody big, for goodness sake, look at the creditor situation, look at how they got to where they are”.

The insolvency industry faced similar criticisms by small business owners and their representatives when companies went bust following widespread mistreatment or misselling by banks.

Linnell added: “I don’t blame insolvency practitioners. They are just one of the many tools that the Post Office used. Bad things happen when good men do nothing.”



Kay Linnell said ethics were more important than money and the insolvency experts had a duty to the sub-postmasters.

She said that Neil Dingley and Mustafa Abdulali of Moore, an accountancy and restructuring firm, had been “rather heroes for me in comparison” by being willing to challenge the Post Office “in comparison to some other insolvency practitioners who were only interested in earning fees and not looking after the debtors”.

She said that insolvency practitioners saw “money as king” when she negotiated with them to acquire the rights to sue the Post Office from insolvent branch managers before the group litigation.

A spokesman for R3, the insolvency trade body, said practitioners dealt with “complex situations that can arise when someone becomes insolvent”.

He said they acted in line with the profession’s strict code of ethics” but that there was “no duty for an insolvency practitioner appointed as trustee in bankruptcy to investigate the affairs of the bankrupt”.

He added that any overturning of wrongful convictions by the government would have implications for sub-postmasters made bankrupt following a conviction.

“This is a complex area of law, especially given the period of time that has passed since the orders were made, with likely far-reaching consequences for those

involved with the bankruptcy, including the bankrupt individual and their creditors.

“We are calling for clarity on the position of the bankruptcy orders, and in particular so that the proper treatment of compensation payments made to those postmasters subject to bankruptcy can be ascertained.”

Reprinted from The Times,
Monday 4th March 2024