



Date
4 December 2025

Post Office
100 Wood Street
London EC2V 9ER

Your Ref:

Classification:
Public

Dear [REDACTED],

Freedom of Information Request – FOI2025/00576

We are writing in response to your email received by Post Office Limited (**"Post Office"**) on 13 August 2025, which has been dealt with under the terms of the Freedom of Information Act 2000 (**"FOIA"**). We sincerely apologise for the delay in response and any inconvenience this may have caused.

In your email, you have requested the information shown verbatim in bold, with our answers in turn below:

"1. Copies of all records, email and other correspondence between CPO Jane Davies and CEO Nick Read, CFO Al Cameron or Chair Henry Staunton on the subjects of potential IR35 risks with HMRC between 1st December 2022 and 31st July 2023."

Following reasonable and proportionate searches across relevant systems and departments, we have found no information held that falls within the scope of this request.

"2. Copies of all records, email and other correspondence between CPO Jane Davies and CEO Nick Read on the subjects 'flipping' permanent employees to Contractors in breach of various POL and HMG Policies including 'Management of Public Money Guidance'."

Following reasonable and proportionate searches across relevant systems and departments, we have found no information held that falls within the scope of this request.

“3. The total amount of money spent on Severance/Redundancy Payments made to Permanent Employees who were then engaged as Contractors on daily rates.”

Data is based on records held since 2018, when Post Office implemented its current HR records system. Information prior to this date is no longer held.

The total amount is £281,550.30. This amount represents severance or redundancy payments made to former permanent employees who were subsequently re-engaged as contractors. On average, there was a gap of over two years between the end of their employment and their return in a contracted role.

Please note that this figure may not account for cases where individuals changed their names (e.g., due to marriage) or used different name variations (e.g., “Joseph” as an employee and “Joe” as a contractor) between their employment and contractor engagement.

“4. The total number of Contractors who failed the HMRC 'Rule of Substitution Test.’

5. A breakdown of the £72 Million provision for potential IR35 Liabilities and Fines payable to HMRC in the 2023/24 Statutory Accounts.

If any portion of this request is deemed exempt or exceeds the applicable cost limits, please provide non-exempt portions where possible and indicate reasons for refusal, including relevant exemptions.”

With respect to parts 4 and 5 of your request, we can confirm that Post Office holds some of the information you have requested. However, after careful assessment, we have determined that it should be withheld under Section 43(2) of the Freedom of Information Act 2000, which relates to information that would, or would be likely to, prejudice the commercial interests of any person, including the public authority holding it. In applying this exemption, we have had to balance the public interest in withholding the information against the public interest in disclosure.

We recognise there is a public interest in transparency, particularly regarding the use of public funds and accountability in tax compliance, as disclosure would support

public understanding of Post Office's financial governance and contractor management.

However, for part 4, while the term "HMRC rule of substitution test" is not formally used, the right to reject a substitute contractor is a key factor in IR35 status determinations. The number of contractors where Post Office's position may have been challenged by HMRC is currently part of ongoing and final negotiations. Disclosure of this information would reveal internal compliance and financial assessments at a sensitive stage, potentially undermining Post Office's negotiating position and prejudicing its commercial interests.

For part 5, the breakdown of the £72 million provision for potential IR35 liabilities and fines payable to HMRC in the 2023/24 Statutory Accounts reflects internal financial assessments, risk modelling, and assumptions relating to potential exposure under IR35 legislation. This information also forms part of live and sensitive discussions with HMRC. Disclosure again could weaken Post Office's position in future negotiations or settlements and harm relationships with third parties, such as suppliers and contractors, by revealing sensitive internal evaluations not available in the public domain, potentially damaging our ability to operate fairly and competitively.

Having considered both sides, we conclude that, given the sensitivity and ongoing nature of these matters, the public interest in protecting commercial confidentiality outweighs the public interest in disclosure.

If you are dissatisfied with the handling of this response, you do have a right to request an internal review. You can do this by writing to the address above within 40 working days of receipt of this response stating your reasons for your internal review request or alternatively, by emailing information.rights@postoffice.co.uk.

If, having requested an internal review by Post Office, you are still not satisfied with our response you also have a right of appeal to the Information Commissioner at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire SK9 5AF

Telephone: 0303 123 1113
www.ico.org.uk/foicomplaints

Yours sincerely,

Information Rights Team
information.rights@postoffice.co.uk
<https://corporate.postoffice.co.uk/en/governance/access-to-information/access-to-information/>

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