



National Audit Office




REPORT

Government's compensation and financial recognition schemes

Cross-government

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Government's compensation and financial recognition schemes

Cross-government

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

9 April 2026

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What this investigation is about

1 This investigation builds on the findings of our 2024 report *Lessons learned: Government compensation schemes*, which provided insights from previous and ongoing compensation schemes, drew out good practice and identified risks to assist officials when developing similar schemes in the future.¹ This report focuses on the operational phase of a selection of seven government compensation and financial recognition schemes.

- The Windrush Compensation Scheme.
- The Horizon Shortfall Scheme – closed in January 2026.
- The Horizon Group Litigation Order Scheme.
- The Horizon Overturned Convictions Scheme – closed in June 2025.
- The Horizon Convictions Redress Scheme.
- The LGBT Financial Recognition Scheme.
- The Infected Blood Compensation Scheme.

2 This report is a factual assessment of the schemes' progress.

- It sets out each scheme's progress and performance at encouraging claims from eligible claimants, assessing claims, making offers and paying claimants.
- It examines reasons for any performance issues, particularly in relation to the time taken to make offers to eligible applicants.
- It sets out how schemes have introduced changes and improvements to encourage more potentially eligible people to claim, speed up the assessment process, and improve the rate and number of accepted offers.

¹ Comptroller and Auditor General, *Lessons learned: Government compensation schemes*, Session 2024-25, HC 121, National Audit Office, July 2024.

3 The schemes differ in fundamental ways that affect their complexity and progress to date; for example, the number of potential claimants, the time elapsed since the events that necessitated the schemes, or evidential requirements.

Figure 1 on pages 6 and 7 sets out, for each scheme, the departments responsible, the organisations involved in operating the schemes and key dates.

4 We do not examine the issues that led to the schemes being needed, details of the schemes' design (except where important in understanding operational performance), other government compensation schemes (closed or ongoing) or the claims or circumstances of individual people making claims. The report is factual and does not seek to evaluate the success or otherwise of the schemes, nor report on value for money.

Figure 1
Scheme summaries

Scheme	Date scheme announced	People eligible for compensation	Lead government department	Organisation running scheme	Other government departments actively involved	Date opened to claims	Date closed/ planned closure	Change to closure date after launch
Windrush Compensation Scheme	April 2018	Members of the Windrush generation and their families who incurred losses due to difficulties proving their legal immigration status in the UK. This was extended to any eligible person who arrived in the UK before the end of 1988 from any country and who is lawfully in the UK.	Home Office	Home Office	HM Revenue & Customs (HMRC) and Department for Work & Pensions (DWP)	April 2019	No set end date	Home Office removed the initial two-year application window because of a slower than expected rate of applications.
Horizon Shortfall Scheme	December 2019	Current and former subpostmasters with Post Office contracts who were wrongly held liable by Post Office Limited for shortfalls in branch accounts and who were neither convicted nor litigants in the group litigation.	Department for Business & Trade (DBT)	Post Office Limited	HM Treasury (HMT) and HMRC	May 2020	January 2026	Initially open for new claims for six months, based on a few hundred expected claims; extended when many times that number of claims were received.
Horizon Group Litigation Order Scheme	March 2022	492 of the 555 subpostmasters involved in the group litigation that resulted in a 2019 High Court settlement, following a judgement which ruled that the Horizon IT system was faulty.	DBT	DBT	HMT, HMRC and DWP	March 2023	No set end date	Initially set to close by August 2024; the end date was removed because not many claims had been submitted and it was unable to pay its complete cohort of eligible claimants in time.
Horizon Overturned Convictions Scheme	July 2021 ¹	Current and former subpostmasters whose criminal convictions were overturned by the courts, or who were prosecuted but not convicted nor received a caution.	DBT	Post Office Limited	HMT, HMRC and DWP	July 2021	June 2025	Closed in June 2025 and outstanding claims transferred to the Horizon Convictions Redress Scheme.
Horizon Convictions Redress Scheme	March 2024	Current and former subpostmasters whose criminal convictions were deemed to have been malicious and were quashed by legislation.	DBT	DBT	HMT, HMRC, Ministry of Justice and DWP	July 2024	No set end date	No
LGBT Financial Recognition Scheme	December 2023	LGBT veterans of the UK Armed Forces who were dismissed or discharged because of the pre-2000 ban on homosexuality (Dismissed or Discharged Payment) and those negatively affected by the ban (Impact Payment).	Ministry of Defence (MoD)	MoD	HMRC and DWP – to ensure Statutory Instruments in place to disregard payments from income tax and means-tested benefits.	December 2024	December 2026	No
Infected Blood Compensation Scheme	May 2024	NHS patients who became infected through receiving contaminated blood transfusions or products, and those affected such as family members and carers.	Cabinet Office	Infected Blood Compensation Authority	HMRC and DWP	October 2024 ²	March 2031 ³	No

Notes

- ¹ In July 2021, the Department for Business & Trade announced interim payments for eligible people whose convictions were quashed through individual court decisions, which was effectively the start of the Overturned Convictions Scheme. It did not formally launch or open to claims, however, and existed as a claim settlement process before formally consolidating as a scheme in January 2024.
- ² The Infected Blood Compensation Scheme opened for additional people to register their intention to claim in October 2025, following a pilot phase of around a year during which people already receiving support were invited to claim.
- ³ On the Infected Blood Compensation Scheme, any affected individual diagnosed before 1 April 2025 has until 31 March 2031 to make a claim, and any affected individual diagnosed after 1 April 2025 will be able to make their claim up to six years after their diagnosis.

Source: National Audit Office analysis of Home Office, Department for Business & Trade, Ministry of Defence, Infected Blood Compensation Authority and Post Office Limited data

Summary

Progress compensating eligible people

5 By February 2026, the government had paid around £3.5 billion in total across all the schemes, with up to another £11.4 billion potentially yet to be paid.

The total amount that departments anticipate will be paid out across all the schemes we examined totals nearly £14.9 billion. The Infected Blood Compensation Scheme alone is expected to pay out £12.8 billion. Some schemes have had to increase their estimates of expected total amounts to be paid, reflecting revised estimates of numbers of eligible people and increases to amounts awarded per claim due to both complexity and harm caused (paragraphs 1.10, 1.16, 1.18, 2.3, 2.28, 3.6, 4.6).

6 Of the five schemes that remain open, four have now received claims from two-thirds or more of the expected total number of eligible people, although for most schemes this number is an estimate with considerable uncertainty. Only the Group Litigation Order Scheme has a known number of eligible claimants, and by January 2026 that scheme had received almost the total number of claims it expects to receive. The Windrush Compensation Scheme and the LGBT Financial Recognition Scheme have ranges for the estimated total number of claims because there are no firm assessments of the number of eligible people for either scheme. At January 2026, the former had received between 79% and 100% of expected claims and the latter between 73% and 85% of estimated applications. The Horizon Convictions Redress Scheme had received claims from 67% of the 700 people it estimates are eligible for the scheme. The Infected Blood Compensation Authority's estimate of the number of people who were infected with contaminated blood is a broad range, reflecting that the first infections were several decades ago and infected people are still being identified, so its estimate of the number of affected people (such as family members or carers) who may claim is even more uncertain. By January 2026, the scheme had received less than half the number of claims from infected people at the lower end of this range (paragraphs 1.10, 1.17, 2.3, 2.14, 2.16, 3.5, 3.10, 3.11, 4.3, 4.14).

7 In most cases, initial estimates of the rate at which schemes would receive and could process claims were wrong. Reasons for initial estimates being wrong included unanticipated low levels of awareness and trust in the schemes by potentially eligible people (for example the Windrush Compensation Scheme), underestimating the anticipated number of claims (for example the Horizon Shortfall Scheme and the LGBT Financial Recognition Scheme) and underestimating how long it would take to retrieve loss information required to fully assess claims (for example the Group Litigation Order Scheme). As a result, some schemes built up backlogs of cases, resulting in lengthening processing times. Some schemes introduced targets after they were launched to manage or improve performance, recognising the impact on claimants. In the more recent LGBT Financial Recognition Scheme, the Ministry of Defence (MoD) launched an app in August 2025 that allows claimants who applied digitally to follow the progress of their claims (paragraphs 1.9, 2.3, 2.14, 2.20, 3.10, 3.12 to 3.14, 4.15).

8 There is substantial variation between and within each scheme in the time taken to conclude claims, with some claimants waiting over a year for an offer. Different factors impact the time taken. For example, some claims to the Windrush Compensation Scheme have been delayed due to probate issues and other claims can take longer if further information is required from third parties, other government departments or claimants. As of January 2026, there were 27 claims to the Windrush Compensation Scheme that had been in progress for 12–18 months, and a further 15 claims which had been in progress for longer than 18 months, out of 528 claims in progress at the time. On the Horizon schemes, complex claims or claims that have a full assessment take longer to conclude than claims for a fixed sum offer. For example, as at January 2026, fully assessed claims on the Horizon Group Litigation Order Scheme took on average 147 working days from a full claim with the required information being received by the Department for Business & Trade (DBT) to the final payment, and fixed sum claims took 24 working days. The end-to-end process on the Group Litigation Order Scheme is substantially longer, however, from a claimant registering for the scheme to receiving a final payment, taking 521 working days on average for a fully assessed claim and 224 working days for a fixed sum claim. On the LGBT Financial Recognition Scheme, most people who applied in the first month after the scheme opened for the Dismissed or Discharged Payment received payment six to ten months after they made their claim (paragraphs 1.12, 1.15, 2.7, 2.18, 2.19, 3.14).

Changes to schemes after launch

9 Three schemes have extended the time periods over which they are open to new claimants after the schemes were launched, recognising that many eligible claimants had not applied within original timescales. The five schemes that are currently live have been open to claims for between seven years (the Windrush Compensation Scheme, opened April 2019) and 18 months (the Infected Blood Compensation Scheme, opened October 2024). The Windrush Compensation Scheme removed the end date for new claims when far fewer people than anticipated submitted claims during its original two-year open period, and it is now open-ended. The Horizon Shortfall Scheme, which closed to new claims in January 2026, extended the period over which it was open to new claims in response to Post Office Limited underestimating the number of eligible people who would apply to the scheme and receive compensation. The Horizon Group Litigation Order Scheme removed the end date for new claims and has been open longer than expected, as it removed its claim deadline because not many claims had been submitted (Figure 1; paragraphs 1.2, 2.3, 2.13, 2.14, 4.6).

10 All schemes now include fixed sum offers or ranges of tariff payments depending on claimants' circumstances, with most paying eligible claimants an interim payment ahead of the claimant taking a fixed sum offer or having their claim fully assessed. The introduction of fixed sum offers to the Horizon Shortfall Scheme after it had launched resulted in an increase in new claims and faster settlement of those opting for the fixed sum. Learning from this, the MoD included fixed sum offers in the LGBT Financial Recognition Scheme for one of the two payments in the scheme. Several schemes assess claims against a range of categories of harm, each with either one of more specified tariff payments depending on the severity of harm, or a discretionary payment based on the person's individual experience. Some schemes have introduced interim payments to enable people to receive part payment ahead of assessing claimants' full payment, recognising the impact that delays could have on the quality of life of those who had experienced the associated harm (paragraphs 1.5, 1.7, 2.6 to 2.8, 2.13 to 2.16, 2.18, 2.28, 2.32, 3.6, 4.3, 4.10, 4.17).

11 Schemes have needed to consider their risk appetite when balancing options for speeding up the assessment of claims with the increased likelihood of overpayments, underpayments and fraud. All schemes include identification checks to mitigate against false applications, including the risk that schemes could be targeted by organised crime groups. DBT recognises that there is a greater risk of overpaying or underpaying claimants, or of fraud, through the use of fixed sum offers. It accepts this risk, as claims for fixed sum offers are quicker to conclude than those that are fully assessed and claimants receive their compensation sooner. DBT told us that its fraud controls have improved over time on the Horizon schemes and include measures such as enhanced identity verification. Earlier schemes have, after launch, lowered the standard of evidence required for claims to be paid, which speeds up assessment, and later schemes have adopted similar standards from the outset. The Infected Blood Compensation Authority (IBCA) recognises that the Infected Blood Compensation Scheme has fraud risks due to the size of payments made and the aim of making payments as quickly as possible. It has built-in controls and assurances throughout the claims process and the scheme is included within the Public Sector Fraud Authority's High Fraud Risk Portfolio (paragraphs 1.5, 1.7, 1.15, 2.5, 2.17, 3.9, 4.9, 4.10, 4.12).

Confidence in schemes

12 For some schemes, groups representing affected communities have been critical that the assessment processes in some schemes are not sufficiently independent. Only the Infected Blood Compensation Scheme, which is administered by IBCA at arm's length from the Cabinet Office, is run independently of the department or organisation responsible for the original harm. Schemes have typically addressed such concerns by introducing independent stages into the assessment process or by appointing independent people to provide oversight of the schemes. For example, the Home Office included the role of an independent adjudicator within the Windrush Compensation Scheme, established an Independent Person to oversee the delivery of the scheme, and introduced the Windrush Commissioner to provide independent oversight. The MoD included an independent panel to assess applications for the Impact Payment of the LGBT Financial Recognition Scheme. The Post Office Horizon IT Inquiry recommended that the government should establish a standing public body to devise, administer and deliver schemes for providing financial redress to persons harmed by the action or inaction of public bodies, reflecting a recommendation in our *Lessons learned: Government compensation schemes* report. DBT acknowledged the advantages of an independent body but noted that it was unlikely that one could be established in time to take over delivery of existing time-limited compensation schemes (Figure 1; paragraphs 1.3, 1.4, 1.6, 2.24, 2.26, 3.8, 4.4).²

² Comptroller and Auditor General, *Lessons learned: Government compensation schemes* report, Session 2024-25, HC 121, National Audit Office, July 2024.

13 All schemes conduct outreach or, if feasible, contact potential claimants directly, alongside providing or facilitating support for claimants to apply to the schemes. Some schemes contacted known eligible individuals to invite them to claim when they had their names and could obtain up-to-date contact details (for example the Infected Blood Compensation Scheme and the Horizon schemes). On the Horizon Shortfall Scheme in particular, the direct contact resulted in an increase in claims. The Windrush Compensation Scheme held events with community groups to raise awareness, and the LGBT Financial Recognition Scheme ran promotional activity, including on social media. The support offered to claimants varies across the schemes. Most offer funding for legal support, which is comprehensive on some schemes (the Infected Blood Compensation Scheme, the Horizon Group Litigation Order Scheme and the Horizon Convictions Redress Scheme) and restricted to specific circumstances on others (the Windrush Compensation Scheme and the Horizon Shortfall Scheme). Some groups representing affected communities dispute that the Windrush Compensation Scheme is accessible to all without the need for legal representation, citing some claims that were initially turned down, but reconsidered and awarded payment after solicitors filed the claims. General support for completing applications is available on each scheme. DBT launched the Information and Support Service on Horizon schemes for claimants without legal support. The Home Office and the MoD provide funding to external organisations that support claimants with their applications on the Windrush Compensation Scheme and the LGBT Financial Recognition Scheme respectively. Claimants to the Infected Blood Compensation Scheme can also receive psychological and financial support (paragraphs 1.19 to 1.23, 2.35 to 2.38, 3.20, 3.21, 4.18).

14 For some schemes, groups representing affected communities have expressed a need for greater transparency and clarity about how long the claims process is expected to take. Groups representing affected communities criticised a lack of information to claimants about how long they might wait for an offer or how their claims were progressing. For the Horizon schemes, they told us that insufficient transparency during the claims process was causing individuals stress and anxiety. The Infected Blood Compensation Scheme and the Windrush Compensation Scheme provide claimants with a single point of contact to support them and provide continuity during the claims process, but groups representing affected communities told us they still need more clarity about how long a claimant can expect to wait and better communications during the process. The MoD accepted that it could have better managed applicants' expectations about how long it would take to receive an offer when it launched the LGBT Financial Recognition Scheme and now provides applicants with an app that allows them to view the status of their application (paragraphs 1.13 to 1.15, 2.11, 3.12, 3.22, 4.8, 4.20).

Concluding remarks

15 Compensation and financial recognition schemes are expected to provide redress to all people who have experienced harm, either directly or indirectly, from the actions or inaction of public bodies. It is important therefore that people potentially eligible for payments or other restorative measures can confidently access schemes, that their claims are processed without unreasonable delay and that payment levels are regarded as fair by recipients. To achieve this, those responsible for administering schemes must accept some risk of overpaying claimants or making payments to ineligible individuals when deciding upon aspects such as the payment framework, evidential requirements, and the period over which the scheme is open to claims.

16 Some schemes have experienced significant issues in their early stages, with compensation not getting to those affected in a timely way and backlogs of claims building up. These schemes made major changes in how they operated as a result, including relaxing evidential requirements. These changes appear to have improved claims processing (for example, final payments have been made on over 80% of eligible claims to the Horizon schemes). However, five of the schemes we examined are still open and have not yet compensated all of the expected number of eligible people, despite two of these schemes remaining open for several years longer than planned. By February 2026, the government had paid around £3.5 billion in total across all the schemes, with up to another £11.4 billion potentially yet to be paid. Some eligible people have been waiting over a year after submitting their claim before receiving a payment. All schemes have more to do to reach as many potentially eligible people as possible and support them to make claims.

17 Later schemes have not yet needed to make significant changes, having learnt from the experiences of the earlier schemes and replicating some of their improvements, such as the option to claim a fixed sum payment. Officials designing and running schemes have set up a cross-Whitehall working group to share their learning and identify good practice; however, there remains no dedicated team within the government that has central oversight of, or offers support to, those setting up or administering government compensation schemes. Without such oversight, the government risks losing its expertise to ensure compensation schemes operate in a timely, efficient and effective manner and that claimants have confidence in their administration.

Part One

The Windrush Compensation Scheme

1.1 In 2018, the Home Office acknowledged serious shortcomings in its treatment of the Windrush generation – those who arrived in the UK from Commonwealth (mainly Caribbean) countries between 1948 and 1973, typically to work in the NHS and sectors affected by the UK's post-war labour shortage. Members of the Windrush generation suffered harm due to the Home Office's 'hostile environment' policies introduced from 2012, which required them to demonstrate their lawful immigration status in order to access public services, housing and jobs. Some struggled to do this even though they were living in the UK legally.

Scheme history

1.2 The Home Office introduced measures to redress the harm experienced by those affected, including the launch of the Windrush Compensation Scheme in April 2019.³ The scheme aimed to compensate members of the Windrush generation and their families for the losses and impacts they suffered due to not being able to demonstrate their lawful immigration status. The Home Office decided to open the scheme to a broader range of potentially affected people – any eligible person who arrived in the UK before the end of 1988 from any country and who is lawfully in the UK. In addition, the separate Windrush Scheme helped provide individuals with formal documentation of their lawful right to live in the UK. Initially, the Home Office planned to keep the Windrush Compensation Scheme open for a two-year window, but removed the end date in July 2021 because of a slower than expected rate of applications, and the scheme remains open-ended.

1.3 The Home Office appointed the Independent Person for the Windrush Compensation Scheme in March 2021, with a remit to provide oversight and reassurance on the scheme and to report to the Home Secretary on its operation, policy and effectiveness. He published three reports between March 2022 and November 2023, which included recommendations for clearer linkage between the Windrush Scheme and the Windrush Compensation Scheme, and additional support and signposting for claimants.⁴

³ The Home Office announced the scheme in April 2018.

⁴ The Independent Person to the Windrush Compensation Scheme, *Independent Person report on the Windrush Compensation Scheme oversight and performance*, March 2022; The Independent Person to the Windrush Compensation Scheme, *Second Independent Person report on the Windrush Compensation Scheme: oversight and performance one year on*, May 2023; and The Independent Person to the Windrush Compensation Scheme, *Third Independent Person report on the Windrush Compensation Scheme: how the Home Office is doing on international engagement, a Jamaica perspective*, November 2023.

1.4 In June 2025, in response to a recommendation from the 2020 Windrush Lessons Learned Review, the Home Secretary appointed the Independent Windrush Commissioner to oversee the government's work to address the Windrush scandal and provide a voice for victims and their families. In September 2025, following the commissioner's work with affected communities, he advocated for independent reviews of the scheme's high proportion of nil awards;⁵ of cases where a claimant's compensation was increased after a review; and of longstanding claims. He said that most people he had spoken with knew at least one person who had received a nil award or who had had their compensation significantly increased after review, and that this was undermining trust in the fairness and consistency of the scheme.

Application process

1.5 Claimants can claim financial compensation from 13 categories; for example inability to access health or housing services, or loss of access to benefits. Claimants must submit an application form with relevant information, including proof of identity and address, and indicate which categories of compensation their claim is made for. The amounts awarded are based on tariffs for some categories – for example, £500 for denial of access to NHS care – and discretionary amounts for other categories – for example, actual lost earnings if employment was terminated (**Figure 2** overleaf). The range of eligible claimants includes close family members and relatives of deceased individuals. After a claim is assessed, the Home Office contacts claimants with the outcome of their claim and any offer of compensation. Claimants must write back to the Home Office accepting their offer before payment is made.

1.6 If a claimant is dissatisfied with the outcome of their claim, they can ask for a review and appeal the decision or offer. The Home Office has a two-tiered review process in place, where a senior reviewer not involved in the decision will review the case in the first instance. If the claimant is dissatisfied with the outcome of the first review, they can request a second review, which will be conducted by an independent adjudicator.

1.7 In October 2020, the Home Office lowered the standard of evidence required for some claim categories from 'satisfied as to be sure' and 'beyond reasonable doubt' to 'on the balance of probabilities' for all categories across the scheme. In December 2020, it increased some payment levels to better reflect the suffering endured by the Windrush generation, including substantially increasing the compensation paid in the impact on life category from £10,000 to £100,000 at the highest level of impact, and increasing compensation for loss of access to employment. To get money to claimants faster, it introduced a preliminary payment of £10,000 as soon as a claimant has demonstrated they have suffered harm caused by difficulties in demonstrating their status.

5 'Nil awards' are defined as claims from people who meet the eligibility criteria but are not entitled to compensation.

Figure 2
Overview of the Windrush Compensation Scheme

		Paragraph reference
Expected number of eligible people	11,500 to 14,500	1.10
Expected total compensation	£156 million to £243 million	1.16
Number of claims received	11,475 claims	1.17
Number of claims paid	9,224 claims closed in total, of which 3,148 claims paid out and 5,203 nil awards ¹	1.17
Total amount paid	£124.2 million	1.16
Average payment per claim	£32,100	1.18
Average processing time for claims	5 months (2025)	1.12
Shortest time taken to settle a claim	12 days	1.12
Longest time taken to settle a claim	1,282 days ²	1.12
Scheme performance targets	No formal targets	
Use of fixed sum offers or tariff payments	Schedule of tariff payments for most of the categories of financial compensation	1.5
Support for claimants to prepare claims	The Home Office funded £1.5 million for claims support from external organisations. The scheme was designed to be accessible to potentially eligible people without the need for legal representation or advice	1.22
Communication or outreach to claimants	The Home Office has been participating in community events attended by particular groups with whom it wants to raise awareness and understanding of the scheme	1.20

Notes

- 1 The remainder relates to claims that were either ineligible or withdrawn.
- 2 Correct at 31 January 2026 in relation to a claim for which the Home Office has offered a final award that the claimant has yet to accept.

Source: National Audit Office analysis of Home Office data

1.8 Other policy changes include the introduction of new categories for compensation and the review of categories for compensation to expand their definitions. Three significant examples include the following.

- **Homelessness category:** This category for compensation initially required homelessness of the claimant to result directly from the inability to prove a claimant's lawful immigration status. This was revised in August 2022 to include cases where the inability to resolve homelessness was due to a claimant's inability to prove their immigration status. The cap on compensation in this category was also removed.
- **Living costs category:** This is a category for costs incurred by close family members whilst supporting someone who had lost their employment or benefits due to their immigration status. It was introduced in August 2022.
- **Occupational and personal pension losses:** The scheme rules were amended to compensate for occupational and personal pension losses. With support from government actuaries, the Home Office developed a tariff approach to compensate these losses. This change to the scheme was announced in October 2025 and implemented in January 2026.

Scheme progress

Claims received

1.9 Over the first year of the scheme, the rate of claims being received declined markedly, from around 200 per month to less than 50 per month, against the Home Office's expectations (**Figure 3** overleaf). The Home Office identified a lack of awareness and trust among potential claimants, including a fear that engagement with the Home Office might lead to immigration enforcement action, and a perception that low compensation awards and low likelihood of success did not warrant the effort of applying. The Home Office subsequently launched an advertising campaign but did not see a substantial increase in claim numbers until after it announced the increases in some payment levels in December 2020.

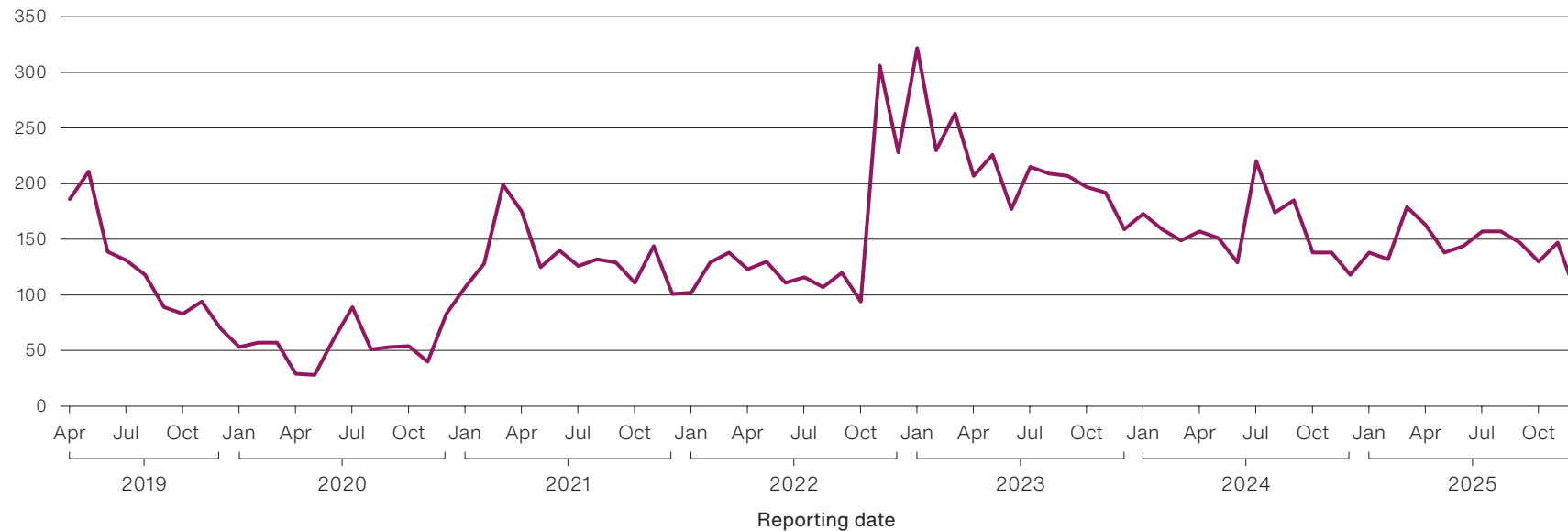
1.10 In January 2023, the scheme received 322 claims, the highest number of claims per month to date. The spike in claims between November 2022 and January 2023 was related to a social media campaign unrelated to the Home Office, which encouraged a wide audience to apply to the scheme, many of whom did not meet any criteria for entitlement and were therefore ineligible. In 2025, around 145 claims were received per month on average. As of February 2025, the Home Office estimates the total number of eligible claims over the lifetime of the scheme will be between 11,500 and 14,500, a change from its 2020 estimate of 11,500 potential eligible claimants.

Figure 3

Number of claims received per month by the Windrush Compensation Scheme, April 2019 to December 2025

The number of claims received declined after the launch of the scheme but increased after changes to the scheme were announced in December 2020, and again in early 2023 due to a social media campaign

Number of claims received

**Notes**

- 1 An individual can have more than one claim under the Windrush Compensation Scheme rules. An individual can claim as a primary claimant, close family member or on behalf of an estate. A claim may change between claim categories over time.
- 2 The figures quoted are a count of all claims that have been received by the Windrush Compensation Scheme.

Source: National Audit Office analysis of internal Home Office data

Assessing claims

1.11 After the scheme launched, a backlog of in-progress claims built up, peaking in March 2023 with 2,257 cases in progress (**Figure 4** overleaf). To clear the backlog, the Home Office made several changes to its operation of the scheme. It embedded quality assurance managers within casework teams and streamlined the casework process to combine the registration and initial assessment stages. It increased the number of caseworkers by around 20 and invested in training. By February 2025, the backlog was reduced to 595 cases in progress, equating to around four months of the average intake of claims. Over 2025, the Home Office maintained around 600 in-progress claims. As of January 2026, 3,192 (28%) of all claims had been submitted for a first-tier review, and 1,002 (9%) of all claims had been submitted for a second-tier review. The Home Office forecasts that in 2026, 1,753 claims will be processed in total, 146 per month on average.

1.12 The average time taken to conclude eligible claims in 2020 was around 14 months. By 2025, eligible claims were being concluded within five months on average. From August 2025 to January 2026, 62% (448) of all eligible claims received a decision within less than three months. As at 31 January 2026, the time taken to settle claims that resulted in an offer has ranged from 12 days to 1,282 days. As of January 2026, there were 27 claims that had been in progress for 12–18 months, and a further 15 claims which had been in progress for longer than 18 months, out of 528 claims in progress at the time.

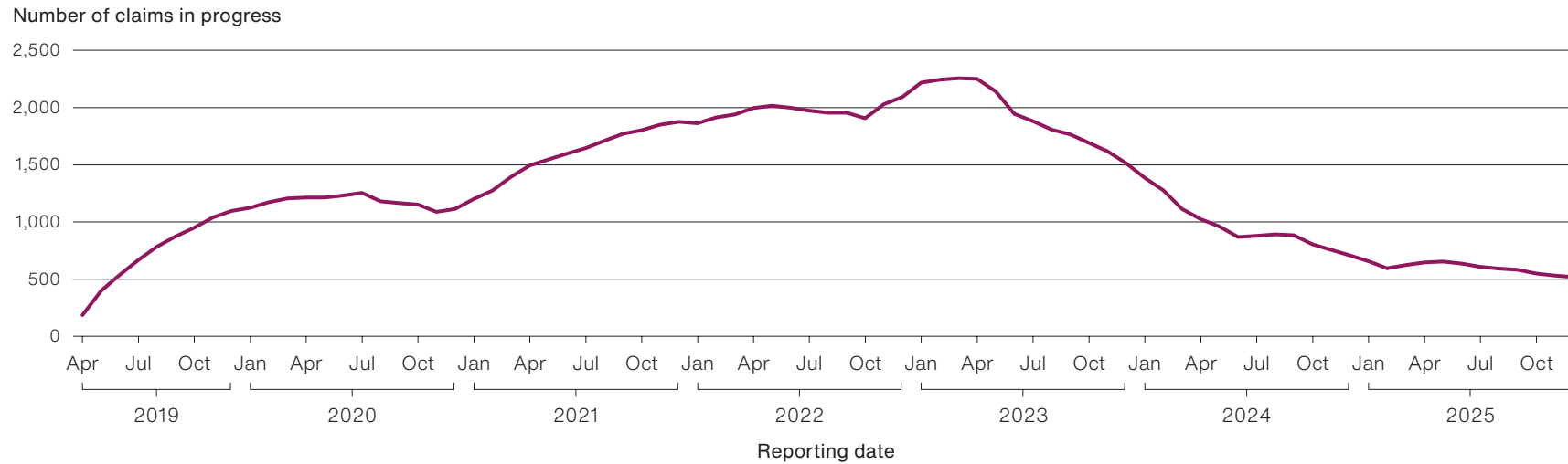
1.13 In July 2024, in response to feedback from claimants and groups representing affected communities, the Home Office adopted a single caseworker approach under which each claimant has a single point of contact throughout their claims process. The revised approach reduced the time taken to process claims and built trust with claimants. The Home Office is now able to allocate new cases to a caseworker immediately once confirmed as eligible. Groups representing affected communities have called for further improvements in caseworkers' communication with claimants (for example, enhanced training in cultural understanding and empathy).

1.14 The Home Office recognises that the clarity of its communication to claimants regarding expected processing times could be improved. While groups representing affected communities acknowledge that processing times have decreased since the launch of the scheme, they criticise that long waiting times for decisions and payments remain a major concern for claimants. Suggestions for improvements include being able to track the progress of applications and regular updates on progress.

Figure 4

Number of claims in progress for the Windrush Compensation Scheme per month, April 2019 to December 2025

Between the launch of the scheme and April 2023, a backlog of cases in progress built up



Notes

- 1 The number of claims in progress is defined as claims at registration, eligibility, preliminary payment consideration, casework and quality assurance, excluding any claim that has received a final offer at payment, and any claim undergoing a first or second appeals review.
- 2 Prior to July 2022, all claims being actioned by the team sending out decision letters to claimants were excluded from the number of claims in progress; now only claims that have received a final offer are excluded from the number of claims in progress.

Source: National Audit Office analysis of internal Home Office data

1.15 The Home Office told us that the main reason some claims take much longer to process than others is because probate issues need to be resolved. Some claims are missing necessary information from claimants, which the assigned caseworker then chases. For certain steps in the claims process, the Home Office depends on information from other departments. For example, to reduce the standard of evidence for claimants, the Home Office has service level agreements with the Department for Work and Pensions and with HM Revenue & Customs to obtain claimants' employment and tax records within 30 days. However, groups representing affected communities have said that the standard of evidence required is still too high, particularly where records are missing due to past Home Office shortcomings related to the Windrush generation.

Outcomes

1.16 As of January 2026, a total of £130.1 million had been offered to claimants of which the Home Office had paid out £124.2 million. In February 2025, the Home Office estimated the total amount the scheme will pay out at between £156 million and £243 million, an increase from its April 2024 estimate of between £135 million and £216 million.

1.17 By January 2026, Home Office data show that 11,475 full claims had been received – between 79% and 100% of expected claims based on the February 2025 Home Office forecast of expected claims – of which 9,224 claims had concluded. Some 3,148 (33%) of the concluded claims resulted in payments, 5,203 (56%) received nil awards, with the remainder being claims that were either ineligible or withdrawn. The Home Office attributes this to applications from people who successfully applied to have their legal status confirmed through the Windrush Scheme but did not suffer any financial detriment, or people who have experienced other detrimental treatment, impacts or losses that are not covered by the Windrush Compensation Scheme, such as lived experiences of racism on arrival to the UK and throughout their lives. The Home Office recognises the importance of communicating the difference between eligibility and entitlement to the public to reduce instances of nil awards and is working to strengthen that message in its outreach. The Windrush Commissioner has raised his concern that the high rate of nil awards contributes to retraumatising of claimants and undermines trust in the scheme. The Windrush Commissioner told us that his office intends to carry out a sample-based review of nil-award decisions to understand reasons for nil awards, identify trends and propose ways to reduce the proportion of nil awards.

1.18 The monthly average amount paid per claim, excluding nil awards, peaked in April 2021 at around £120,000, two years after the launch of the scheme, a period over which the average amount paid was around £30,000 (**Figure 5**). The rapid increase to a monthly average amount paid per claim of £120,000 followed the December 2020 increase in the maximum amount potentially payable in the impact on life category from £10,000 to £100,000. Since then, the monthly average amount has declined to around £23,800 in 2025. Over the life of the scheme, the average payment is around £32,100.

Support for claimants and awareness raising

1.19 Our May 2021 report *Investigation into the Windrush Compensation Scheme* found that while the Home Office designed the scheme with the aim of compensating claimants quickly while protecting public money from abuse, it started accepting applications before the scheme was ready.⁶ In December 2020, following criticism about the scheme's performance from Parliament and groups representing affected communities, and feedback from caseworkers, the Home Office announced changes to the scheme, including launching a £500,000 Windrush Community Fund to raise awareness of the Windrush schemes and address a widespread lack of trust in the Home Office that was deterring some people from claiming.

1.20 Between April and December 2025, the Home Office participated in 95 community and outreach events related to the Windrush schemes. It continues to engage with potential and existing claimants to raise awareness and understanding of the schemes. It works closely with groups representing affected communities and other community groups, participating in events including carnivals, coffee mornings and online sessions.

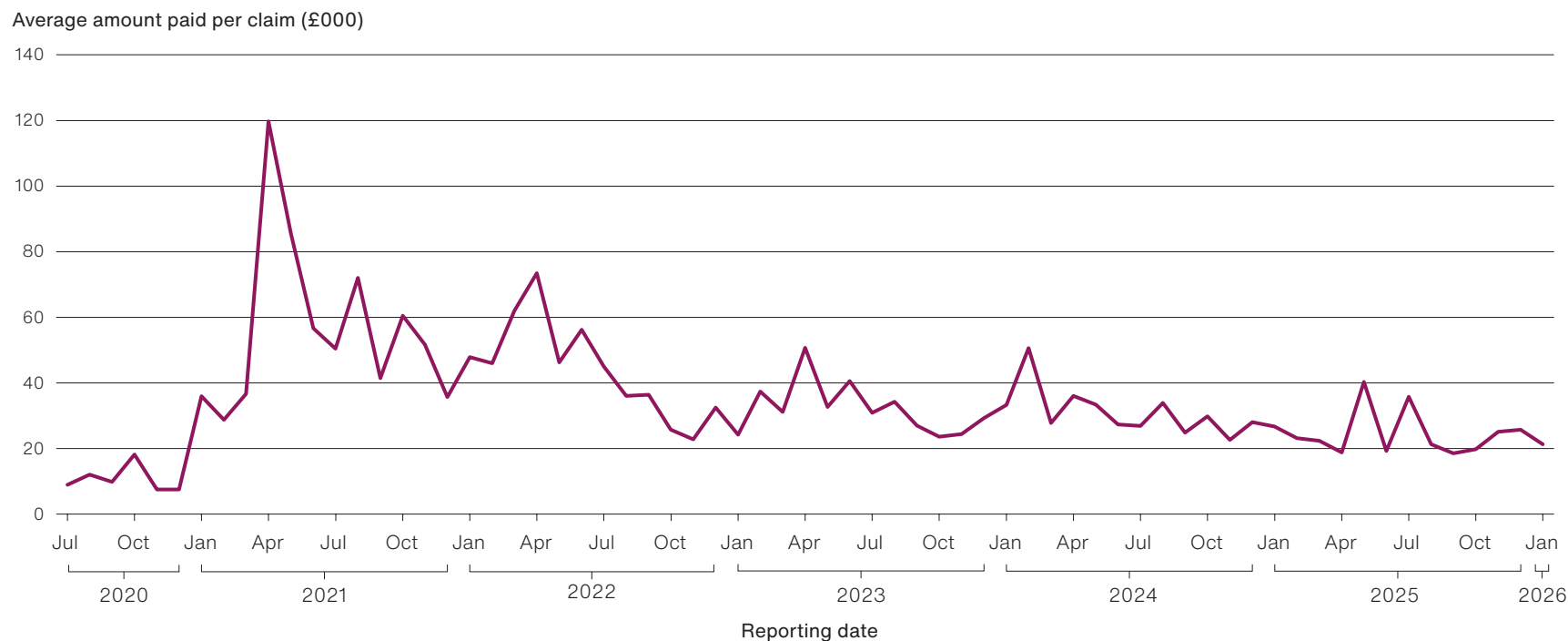
1.21 The Home Office told us that dialogue with claimant groups has been more constructive over the last 18 months, as it has learned lessons from earlier outreach activities. Examples include bringing Windrush-era memorabilia as conversation starters and including Commonwealth flags on banners displayed at event stalls. The Home Office has expanded these events to ensure communities in all regions of the country are included. It has also widened its outreach activities to South Asian communities and adapted its messaging. Groups representing affected communities recognise the value of improved outreach activity and public commitments to listen to claimants, but some criticise that these have not yet led to direct changes in claims processing, and that proactive communication about timescales and claims processing steps could be improved.

⁶ Comptroller and Auditor General, *Investigation into the Windrush Compensation Scheme*, Session 2021-22, HC 65, National Audit Office, May 2021.

Figure 5

Average amount paid per claim to the Windrush Compensation Scheme, July 2020 to January 2026

The average amount paid per claim peaked in April 2021, after the Home Office increased the compensation paid in the impact on life category from £10,000 to £100,000 at the highest level of impact



Notes

- 1 The average amount paid per claim is calculated by dividing the total amount paid under the Windrush Compensation Scheme per month by the respective number of claims receiving payment in that month. Therefore nil awards have not been included in our analysis.
- 2 An individual can be paid under more than one type of claim, which will then count as more than one claim.
- 3 A claim may receive a preliminary, interim and/or full and final payment(s). A claim could receive more than one type of payment in different months. This would not be an additional claim paid; however, the cumulative amount paid would increase in the respective quarter.

Source: National Audit Office analysis of Home Office data

1.22 The scheme provides up to £1,500 for legal costs incurred obtaining probate for those who need to do so before submitting a compensation claim on behalf of a deceased person's estate, but otherwise it does not pay for legal costs incurred by claimants in applying for compensation. The Home Office told us the scheme was designed to be accessible without the need for legal representation. The Home Office provides detailed guidance on the claims form and has a dedicated helpline to support applicants to the Windrush schemes. Free practical assistance is also available from We Are Group, an independent organisation.⁷ Advocacy support is also offered by external organisations, which the Home Office supported with funding of £1.5 million in April 2025.

1.23 Groups representing affected communities welcomed the funding for advocacy support, but the Windrush Commissioner raised that communities indicate that the level of funding is not sufficient to meet demand. One representative group reports that some cases initially turned down by the Home Office were reconsidered and compensation awarded when solicitors filed the same cases. Other groups representing affected communities, and the Windrush Commissioner argue that targeted legal support would improve the quality of applications, limit the need for costly appeals procedures and reduce nil awards.

⁷ <https://www.wearegroup.com/windrush>.

Part Two

The Horizon compensation schemes

2.1 Post Office Limited began rolling out the Horizon IT systems to its network of branches in 1999. Between 1999 and 2015, Post Office Limited prosecuted 700 subpostmasters and others across England and Wales that it held liable for apparent losses indicated by accounting data produced by Horizon. The Horizon IT software, however, was flawed and created incorrect losses or gains in branches' accounts. Post Office Limited has also identified 283 cases prosecuted by other public bodies over this period that may have featured Horizon-related evidence. In total, many hundreds of people were wrongly prosecuted or convicted of criminal offences, and many thousands more were wrongly held responsible for illusory losses. Many subpostmasters made up losses with their own money, causing some to be made bankrupt or lose their homes due to the financial consequences. Many people suffered mental or physical health problems and issues in their personal lives as a result of their treatment.

Scheme history

2.2 In 2016, 555 subpostmasters took Post Office Limited to court, in a group litigation, over the reliability of Horizon and related disputes. In December 2019, the High Court ruled that the Horizon IT system had "bugs, errors and defects" that could have caused shortfalls in branch accounts. The parties agreed a £42.75 million settlement and £15 million of legal costs that ended the group litigation. As part of the settlement, Post Office Limited, with government approval, agreed that subpostmasters who had wrongfully suffered losses should also receive full, fair and prompt compensation.

2.3 The four Horizon compensation schemes examined in this report were established to provide individuals with full compensation for the harms caused by the Horizon IT scandal. Which scheme a person is eligible to claim from depends on their individual circumstances and the harm they suffered. The different compensation schemes are as follows.

- **Horizon Shortfall Scheme:**⁸ Launched in May 2020 to provide redress to subpostmasters who suffered losses as a result of the Horizon IT System and who were neither convicted of Horizon-related offences nor part of the group litigation. Post Office Limited administers the scheme while the Department for Business & Trade (DBT) provides assurance. Post Office Limited initially expected a few hundred people would apply to the scheme, but by the initial claim deadline of November 2020, 2,417 had applied.⁹ Post Office Limited could not afford the total amount of compensation due, which led it to pause processing claims. Claimants began receiving offers of compensation from March 2021, after DBT agreed to meet the cost of the compensation awards. The scheme reopened for applications in October 2022, after an effective pause since November 2020, when Post Office Limited announced that it would accept applications submitted after the initial claim deadline. The scheme closed to new applications in January 2026 (**Figure 6** on pages 28 and 29).
- **Group Litigation Order Scheme:** Subpostmasters involved in the group litigation could not claim through the Horizon Shortfall Scheme as the settlements agreed with Post Office Limited were 'full and final'. The Justice for Subpostmasters Alliance campaigned for compensation for the unconvicted subpostmasters involved in the group litigation that was comparable to the compensation received by claimants to the Horizon Shortfall Scheme. In March 2022, the government announced a compensation scheme exclusively for the subpostmasters involved in the group litigation which DBT would administer, recognising that the £42.75 million settlement mostly went to the company that funded the litigation rather than to subpostmasters. The scheme opened to claims in March 2023, aiming to provide all 492 eligible claimants with compensation by August 2024.¹⁰ In January 2024, however, new primary legislation removed the scheme's deadline, because not many claims had been submitted and it was unable to pay its complete cohort of eligible claimants in time.

8 The scheme was originally called the 'Historical Shortfall Scheme' but changed its name on 7 July 2023 following feedback that its name was considered offensive by current and former subpostmasters because the impact of the Horizon scandal continued to affect their lives and was not historical.

9 Post Office Limited continued to accept applications for the original deadline group up to March 2021, despite the initial closure deadline for applications being 27 November 2020.

10 Of the 555 subpostmasters involved in the group litigation, 63 had convictions quashed and were either eligible for compensation from the Overturned Convictions Scheme or are eligible for the Horizon Convictions Redress Scheme, rather than the Group Litigation Order Scheme.

- **Overtured Convictions Scheme:** Established to provide compensation for financial and non-financial losses experienced by people whose convictions were quashed through individual court decisions, the first of which occurred in December 2020. The scheme, which was administered by Post Office Limited, also provided compensation to people who were prosecuted of offences connected to Horizon IT but not convicted. The scheme did not formally launch but, in July 2021, DBT announced that eligible individuals would receive interim payments, and, in December 2021, it announced full funding for the scheme. The scheme was slow to establish and agree with groups representing affected communities how losses would be assessed, causing widespread frustration. In total, 111 formerly convicted individuals registered for the scheme during its lifetime as well as three individuals who were prosecuted but not convicted nor who received formal cautions. Post Office Limited received 86 claims, fewer than DBT had expected. In March 2025, DBT announced that it would administer the claims of all subpostmasters whose convictions had been quashed, and in June 2025, the scheme closed. After the scheme closed, 42 eligible people who had yet to conclude their claim transferred into the Horizon Convictions Redress Scheme, of which 40 individuals were formally convicted and two were prosecuted but not convicted.
- **Horizon Convictions Redress Scheme:** By 2023, the government recognised that many wrongly convicted subpostmasters had not been (and would not be) exonerated in a timely manner through individual appeals, and many had lost faith in the criminal justice system. It introduced the Post Office (Horizon System) Offences Act 2024 to exonerate convicted subpostmasters and quash relevant convictions in England, Wales and Northern Ireland, whilst similar legislation was introduced in Scotland.¹¹ The Ministry of Justice (MoJ) is responsible for assessing whether individuals have had their convictions quashed by the Act in England and Wales, and other governmental bodies perform a similar function in Scotland and Northern Ireland.¹² The Horizon Convictions Redress Scheme, administered by DBT, was launched in July 2024 to provide compensation to this cohort.¹³ If assessed as having a conviction quashed, an individual is eligible for redress through the scheme. The Horizon Convictions Redress Scheme was expanded to include claimants to the Overtured Convictions Scheme after the latter closed in June 2025. DBT estimates 700 people will be eligible to claim on the scheme, in addition to the 42 eligible claimants that transferred from the Overtured Convictions Scheme.

11 The Post Office (Horizon System) Offences (Scotland) Act 2024 was introduced to exonerate convicted subpostmasters and quash relevant convictions in Scotland.

12 Individuals with relevant quashed convictions are identified by the Department of Justice in Northern Ireland and the Scottish Government Justice Directorate in Scotland.

13 The scheme was announced in March 2024.

Figure 6
Overview of the Horizon IT compensation schemes

	Horizon Shortfall Scheme	Group Litigation Order Scheme	Horizon Convictions Redress Scheme	Overtured Convictions Scheme	Paragraph reference
Expected number of eligible people	Around 14,000 expected applications	492	Around 700	111 + 3	2.3
Expected total compensation	£1.8 billion across all schemes				2.28
Number of eligible claims received	12,463	477	490	86	2.13, 2.14, 2.15, 2.16
Number of claims paid	10,109	424	463	71	2.30
Total amount paid	£863 million	£219 million	£295 million	£72 million	2.28
Average payment per fully assessed claim	£58,000 for all full assessment claims, £226,000 for full assessment claims that were assessed as over the £75,000 fixed sum award amount	£724,262	N/A, no claims had been fully assessed at January 2026	£1,411,864	2.18, 2.31
Average time taken for claims from claim received to final payment	95 working days for a fixed sum claim, 247 working days for a full assessment claim	24 working days for a fixed sum claim, 147 working days for a full assessment claim	81 working days	No data available	2.18, 2.19
Shortest time taken to settle a claim	Four working days	Nine working days	21 working days	No data available	2.19
Longest time taken to settle a claim	1,395 working days	748 working days	357 working days	No data available	2.19
Scheme performance targets	N/A	40 working days to assess a completed claim once received in at least 90% of cases	40 working days to assess a completed claim once received in at least 90% of cases	N/A	2.20
Use of fixed sum offers or tiered payments	Fixed sum offer of £75,000 introduced from March 2024	Fixed sum offer of £75,000 introduced from January 2024	Fixed sum offers of £600,000 available	Fixed sum offers of £600,000 introduced in September 2023	2.7
Support for claimants to prepare claims	Claimants can get funded legal advice once they receive their fully assessed offer. Additional legal funding is made available if a claim enters the dispute resolution or appeal processes Since December 2025, claimants without legal representation have been able to get support through an information and support service when applying	All claimants have legal representation. The Department for Business & Trade (DBT) have agreed a tariff of legal costs and all but one law firm representing one individual have agreed not to charge claimants for work on the scheme	DBT has set out a legal costs framework, establishing the legal costs it will fund for claimants. Law firms working within the framework have agreed not to deduct legal costs from their clients' redress. Redress is paid directly to the claimant. Legal fees are paid direct to legal representatives from DBT Since December 2025, claimants have been able to get support through an information and support service when applying	For Overtured Convictions Scheme claims that transferred into the Horizon Convictions Redress Scheme in June 2025, DBT confirmed that legal representatives of claimants could seek to reimburse reasonable legal fees in line with the previous process administered by Post Office Limited	2.35, 2.36, 2.37
Communication or outreach to claimants	Post Office Limited sent 19,700 letters to potential claimants informing them about the fixed sum offer, between October and December 2024, and issued a further 8,300 letters during 2025. It also sent an additional 21,000 letters to eligible subpostmasters who had not yet applied, following announcement of the closure of the scheme	DBT are actively reaching out to known eligible people who were part of the group litigation and have not yet made a claim	Eligible people with a quashed conviction are contacted directly by the Ministry of Justice (MoJ). People can also self-nominate to MoJ for consideration of whether their convictions were quashed by the Post Office (Horizon System) Offences Act 2024	Post Office Limited contacted all potentially eligible claimants, who had their convictions overturned, to invite them to apply for an interim payment. It also wrote to a number of subpostmasters, whose convictions had yet to be overturned, confirming it would concede if they appealed	2.38

Notes

- All data and information presented in this figure were the position on each of the Horizon schemes at January 2026.
- Total amount paid includes interim and full and final payments, but does not include costs associated with claiming, such as legal costs.
- Post Office Limited could not provide us with some of the data we requested on the Overtured Convictions Scheme.
- Three individuals that were prosecuted but not convicted nor who received formal cautions were also eligible for the Overtured Convictions Scheme, in addition to the 111 formerly convicted individuals.
- DBT does not include those individuals that transferred from the Overtured Convictions Scheme in its estimate of people eligible to claim on the Horizon Convictions Redress Scheme. Of the 490 claims received at January 2026, 18 claims were from people that transferred from the Overtured Convictions Scheme in June 2025.
- Average time taken was measured on a different basis on the schemes. Data included in this figure on time taken were measured from when a claim was received on the Horizon Shortfall Scheme, from when a fully evidenced claim was received on the Group Litigation Order Scheme, and from when a claimant was deemed eligible for the scheme on the Horizon Convictions Redress Scheme.

Source: National Audit Office analysis of Department for Business & Trade and Post Office Limited data

Application process

2.4 When applying for any of the schemes, claimants must complete an application form accompanied with evidence to support their claim. Claimants to the Group Litigation Order Scheme or Horizon Convictions Redress Scheme can register for the scheme before submitting their claim. Legally appointed assignees can register or apply on behalf of claimants. Claimant eligibility is established once a claim has been submitted on the Horizon Shortfall Scheme and after a claimant has registered on the Horizon Convictions Redress Scheme. Similar checks are not required on the Group Litigation Order Scheme, as only a known cohort of 492 subpostmasters are eligible for the Scheme.

2.5 To claim a fixed sum offer in any of the schemes, claimants need only provide evidence to prove identity and eligibility. For fully assessed claims, there must be sufficient evidence to support the loss being claimed for on the balance of probabilities. Claimants can submit, or be asked to provide, evidence to support their claim and evidence can also be provided by Post Office Limited or DBT. Claimants must prove the extent of non-pecuniary and consequential losses – for example, through medical records and HMRC tax history. The standard of evidence is generally lower than would be required by a court. Groups representing affected communities, however, told us that the evidential requirements for fully assessed claims felt unreasonably burdensome, considering individuals could be being asked to evidence harm caused over 25 years ago. Some groups said this was particularly the case on the Horizon Shortfall Scheme.

2.6 Eligible claimants to any of the schemes can receive interim payments before receiving their full and final payment.

- **Horizon Shortfall Scheme:** eligible claims can be considered for an interim payment before an offer is made, such as in cases of claimant hardship. Claimants who dispute their offer can receive an interim payment of up to 100% of the offer.
- **Group Litigation Order Scheme:** DBT made £19.5 million in initial interim payments from August 2022, with each claimant receiving a payment proportional to their share of the 2019 settlement.¹⁴ If a claimant challenges their offer, an interim payment is made that brings the total amount paid to 80% of the offer. DBT also considers further interim payments on grounds of hardship.
- **Horizon Convictions Redress Scheme:** all eligible claims can receive an interim payment of £200,000 on acceptance to the scheme and a further £250,000 if they choose to have their claim fully assessed. If they choose the fixed sum offer, their £200,000 interim payment is topped up to the full £600,000 and the claim is settled. The same arrangements applied to the Overturned Convictions Scheme before it closed.

¹⁴ Each claimant had received a share of the High Court settlement prior to the scheme being established.

2.7 On each scheme, claimants can either apply for a fixed sum award or request to have their claim fully assessed. The process for fixed sum award claims is simpler and shorter than the process for claims that have a full assessment. Fixed sum awards of £600,000 were introduced to the Overturned Convictions Scheme in September 2023 and to the Horizon Convictions Redress Scheme from its launch. Fixed sum awards of £75,000 were introduced to the Group Litigation Order Scheme in January 2024 and to the Horizon Shortfall Scheme in March 2024. If a claimant declines a fixed sum award and requests a full assessment, additional assessment is required to determine the loss suffered and calculate the appropriate compensation (for example, shortfall analysis or commissioning a forensic accounting report). Further information can also be requested of claimants if a full assessment cannot be made with the information already provided. Both DBT and Post Office Limited use legal firms to help assess and administer claims, including supporting the dispute resolution and appeal processes.

2.8 DBT uses payment tariffs when assessing categories of compensation on the Horizon schemes it administers, which have different payment amounts based on the level of harm caused. 'Personal injury' compensation, for example, is separated into four bands: less severe impact, moderate, moderately severe and severe impact, with a range of values attached to each band. The severe impact band on the Horizon Convictions Redress Scheme has a payment range associated with it of between £66,920 and £141,240. Post Office Limited uses similar payment tariffs for certain categories of compensation on the Horizon Shortfall Scheme.

2.9 The full assessment process for each of the schemes results in DBT or Post Office Limited making an award offer that the claimant can choose to accept or challenge. DBT encourages claimants to respond to an offer within a set amount of time on the schemes it administers but does not routinely withdraw offers if claimants fail to respond within this period. It does, however, retain the option to do so if responses are unduly delayed without justification.

2.10 If a claimant decides to challenge their offer, DBT or Post Office may issue a revised offer. If no resolution can be agreed, their claim enters a dispute resolution or appeals process, which varies by scheme.

- **Horizon Shortfall Scheme:** claimants can challenge their offer through a dispute resolution process (administered by Post Office Limited) or, since April 2025, the Horizon Shortfall Scheme Appeals (delivered by DBT). The dispute resolution process can involve up to two meetings between the claimant and Post Office Limited, before mediation if an agreement cannot be reached at initial meetings, and potentially court proceedings or arbitration as a last resort. The Horizon Shortfall Scheme Appeals process includes a reassessment of an individual's claim by an independent lawyer and DBT. A claimant can challenge DBT's subsequent offer at independent panel and independent reviewer stages.

- **Group Litigation Order Scheme:** if a claimant rejects DBT's initial offer on one or more occasions, DBT may make a revised offer. If the independent lawyers facilitating a claim conclude it is unlikely to be resolved by agreement, it is assessed by an independent panel against the scheme guidance and the objective of achieving full and fair compensation. If the panel's decision is challenged, by either the claimant or DBT, on certain limited grounds, the claim is assessed by the independent reviewer.
- **Horizon Convictions Redress Scheme:** Resolution of challenged claims is initially sought through facilitated discussions between the claimant and DBT. If no resolution is found, a claim is assessed by an independent panel and a final decision made. A similar dispute resolution process was introduced to the Overturned Convictions Scheme in 2023.

2.11 Most groups representing affected communities that we consulted told us that DBT and Post Office Limited should improve transparency on the schemes, particularly during the claims process. They told us that the lack of communication from DBT and Post Office Limited about how individuals' claims were progressing causes significant stress and anxiety for people during the process. They suggested measures that could be introduced to improve transparency, including a case management system, sending updates to individuals about their claim progress, and clearer estimates on how long stages of the process will take.

Role of other government departments

2.12 Other government departments support, or have supported, DBT and Post Office Limited to administer the compensation schemes.

- **HM Treasury (HMT):** Provided the funding for each scheme and approved the amount at which each scheme's fixed sum offer would be set at. HMT must approve awards in all Horizon schemes involving novel, contentious or repercussive expenditure.
- **Ministry of Justice (MoJ):** Identifies and contacts individuals whose convictions were quashed by the Post Office (Horizon System) Offences Act in England and Wales, informing them that their conviction was quashed and that they can claim compensation through the Horizon Convictions Redress Scheme. People in England and Wales can also self-refer their offences to MoJ for consideration of whether their convictions were quashed by the Post Office (Horizon System) Offences Act 2024. At October 2025, MoJ had identified 611 individuals as having at least one conviction quashed by the Act in England and Wales. MoJ works with other departments and areas of government, including the Department for Work & Pensions (DWP) and HM Revenue & Customs (HMRC), to gather information to evidence that the criteria in the Act has been met and contact details of individuals that need to be written to.

- **HMRC:** DBT agreed a bespoke service with HMRC to provide subpostmasters with tax information required to claim on the Horizon schemes, and HMRC set up a dedicated phone line to help affected subpostmasters with any tax queries. It also assisted with tax exemptions on the Group Litigation Order, Overturned Convictions and Horizon Convictions Redress schemes.
- **DWP:** DBT worked with DWP to ensure compensation received by people through the Horizon schemes did not affect their eligibility for means-tested benefits or pension credit.

Schemes' progress

Claims received

2.13 As of January 2026, Post Office Limited and DBT had received 13,516 claims across all the schemes, with most claims made to the Horizon Shortfall Scheme (**Figure 7** overleaf). The Horizon Shortfall Scheme received 2,417 eligible claims before the initial claim deadline of 27 November 2020, and 4,267 eligible claims by 31 October 2024, when the rate of claims increased markedly following the introduction of fixed sum offers. By 31 January 2026, the deadline for claiming to the scheme, 12,463 total eligible claims had been submitted, but DBT anticipates this number will increase as Post Office Limited continues to process claims submitted before the deadline. Post Office Limited estimated it would receive around 14,000 claims to the scheme.

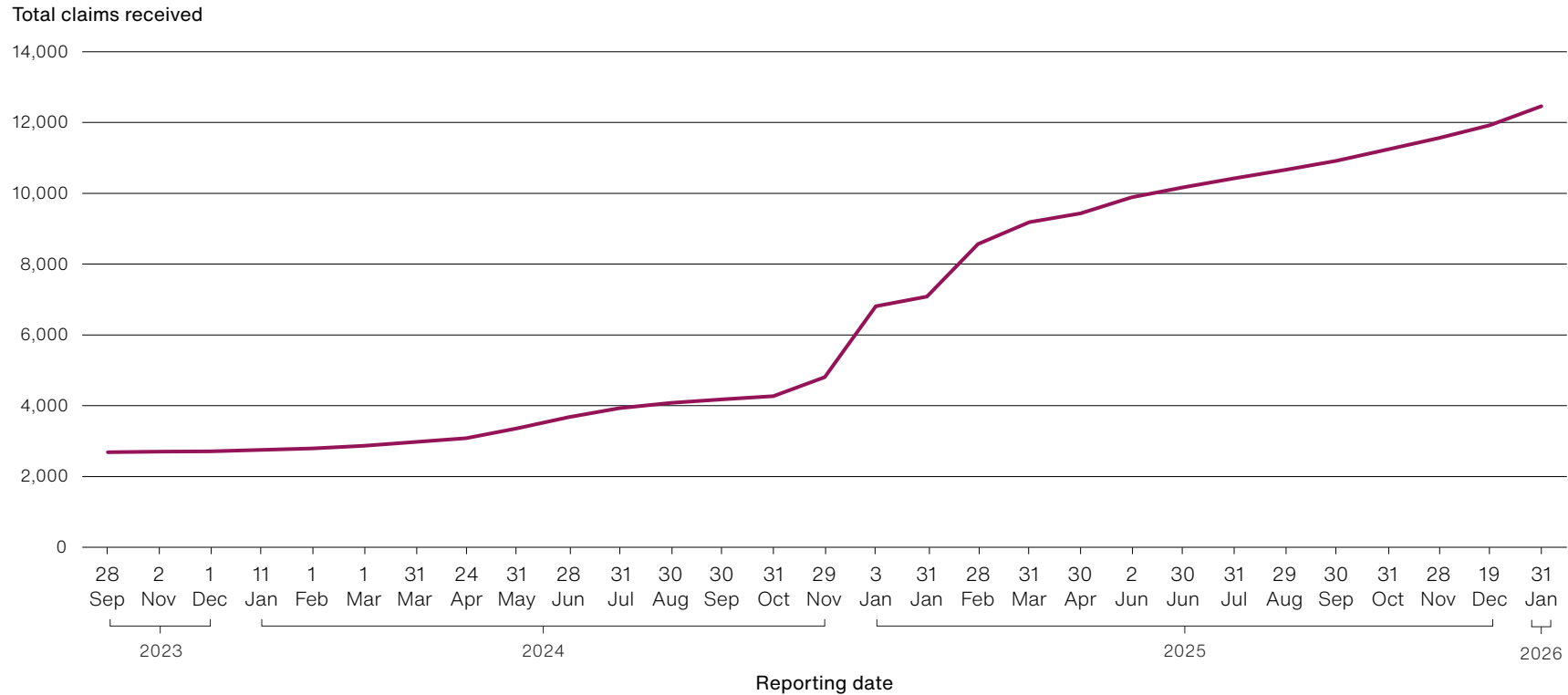
2.14 The Group Litigation Order Scheme, launched in March 2023, only recorded 51 full claims by January 2024, the first 10 months of the scheme (**Figure 8** on page 35). DBT had underestimated how long it would take to receive loss information from Post Office Limited required to fully assess claims. The introduction of fixed sum awards in January 2024 led to a marked increase in claims. By August 2024, the scheme's initial deadline for new claims, 263 claims had been received but 229 individuals had not yet submitted their claim. By January 2026, 477 claims had been received, 97% of the eligible claimant cohort.

2.15 The Overturned Convictions Scheme had only received separate claims for pecuniary and non-pecuniary losses from individuals by September 2023, when fixed sum awards were introduced. Data provided by Post Office Limited indicates it first received claims for full and final settlements in January 2024 (**Figure 8**). Some 86 eligible full and final claims had been received by the time the scheme closed in June 2025, 75% of the 114 eligible claimants.

Figure 7

Total eligible claims received on the Horizon Shortfall Scheme, September 2023 to January 2026

The scheme experienced an increase in claims from around November 2024



Notes

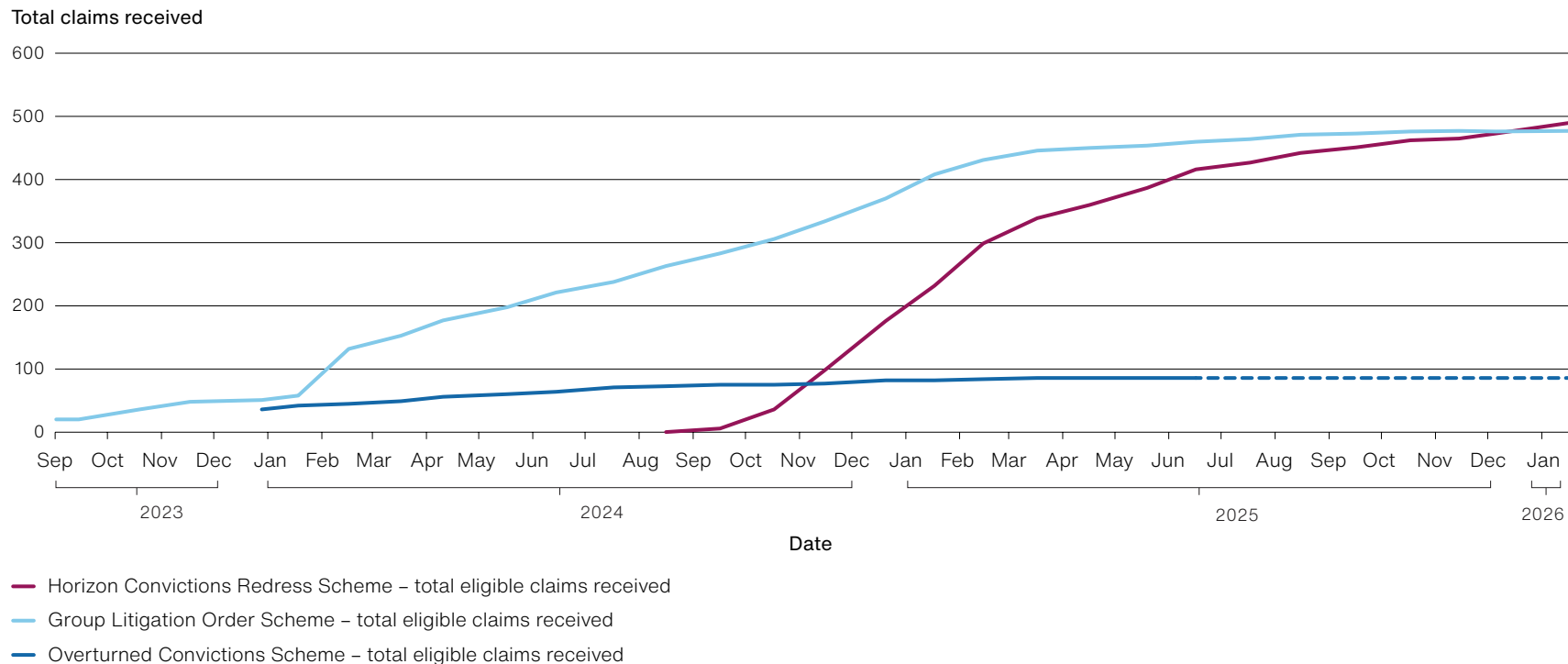
- 1 Data show cumulative total of eligible claims received on the Horizon Shortfall Scheme. Claims waiting to be assessed as eligible are not included.
- 2 Data on total eligible claims received by the Horizon Shortfall Scheme has been separated from the other Horizon schemes due to the substantial difference in number of claims received.
- 3 The Department for Business & Trade only began publishing Horizon Shortfall Scheme data from September 2023. Post Office Limited provided us with unpublished data from before September 2023, but it was omitted from the figure as it was not comprehensive.
- 4 The Horizon Shortfall Scheme closed to new applications on 31 January 2026.
- 5 The scheme opened to claims in May 2020, initially closed in November 2020 but accepted claims submitted after this date and until 31 January 2026.

Source: National Audit Office analysis of Post Office Limited data

Figure 8

Total eligible claims received across three Horizon compensation schemes, September 2023 to January 2026

The Group Litigation Order Scheme experienced an increase in claims from the start of 2024, whilst the Horizon Convictions Redress Scheme received an influx of claims after it launched



Notes

- 1 Data show cumulative total of eligible claims received on each scheme. Claims waiting to be assessed as eligible are not included.
- 2 Data on total eligible claims received by the Horizon Shortfall Scheme has been separated from the other Horizon schemes due to the substantial difference in number of claims received.
- 3 The Group Litigation Order Scheme opened to claims in March 2023 and the Horizon Convictions Redress Scheme launched in July 2024. The Overturned Convictions Scheme did not formally open, but announced interim payments for eligible people in July 2021.
- 4 The Overturned Convictions Scheme was closed in June 2025.
- 5 The Department for Business & Trade (DBT) only began publishing Horizon schemes data from September 2023.
- 6 DBT and Post Office Limited were unable to provide comprehensive claims received data for before September 2023. The figure therefore only includes published DBT data for the Horizon schemes.
- 7 Data for the Overturned Convictions Scheme shows eligible claims for full and final settlements received. Data on eligible full and final claims were available from January 2024, when the first eligible full and final claims were received.

Source: National Audit Office analysis of Department for Business & Trade and Post Office Limited data

2.16 The Horizon Convictions Redress Scheme had received 490 eligible claims at January 2026, including 18 claims from people who had transferred from the Overturned Convictions Scheme when it closed in June 2025. Claimants have been able to claim the fixed sum offer since the scheme opened, and compared with the other schemes, it received claims more quickly after launch. Excluding individuals that transferred from the Overturned Convictions Scheme, DBT had received 472 eligible claims at January 2026, 67% of estimated eligible claimants.

2.17 DBT recognises that there is a greater risk of overpaying or underpaying claimants, or of fraud, through the use of fixed sum offers. It accepts this risk, as claims for fixed sum offers are quicker to conclude than those that are fully assessed and claimants receive their compensation sooner. DBT told us its fraud controls have improved over time on the Horizon schemes and include measures such as enhanced identity verification. Groups representing affected communities told us that fixed sum offers were welcome as they provide claimants, many of whom have experienced significant trauma, the option for a shortened and simpler claims process.

Assessing claims

2.18 The average time taken during the claim process varies across the Horizon schemes. It is impacted by various factors including whether a claim is fully assessed, complex,¹⁵ requires requests for additional information or enters dispute resolution or appeal processes. At January 2026, the average time taken during the claim process on the Group Litigation Order Scheme, from the claimant submitting a full application for the scheme to receiving their final payment, was 24 working days for fixed sum claims and 147 working days for fully assessed claims. The process from a claimant registering for the scheme to receiving a final payment, however, is substantially longer, taking 224 working days for a fixed sum claim and 521 working days for a fully assessed claim. Comparatively, on the Horizon Convictions Redress Scheme, it takes on average 81 working days for a fixed sum claim to receive final payment after MoJ has confirmed a claimant's eligibility, and 104 working days after a claimant registers for the scheme. No claims had been fully assessed on the Horizon Convictions Redress Scheme as of January 2026. The average time taken from submitting a claim to receiving a final payment on the Horizon Shortfall Scheme is 95 working days for fixed sum claims and 247 working days for fully assessed claims. Post Office Limited further categorises claims as either standard or complex on the Horizon Shortfall Scheme, with complex claims taking substantially longer on average (**Figure 9**).

¹⁵ Post Office Limited defines "complex fixed sum" claims as those with unevidenced losses. It also defines "complex full assessment" claims as those with one or more serious category of compensation.

Figure 9

Average time taken to conclude claims on the Horizon compensation schemes, January 2026

On the Horizon Shortfall and Group Litigation Order schemes, the average time taken is substantially shorter for fixed sum offer claims compared with claims that are fully assessed

Compensation scheme	Type of claim	Average claim length (working days)
Horizon Shortfall Scheme	Fixed sum offer (simple)	55
	Fixed sum offer (complex)	143
	Fixed sum offer (all)	95
	Full assessment (simple)	201
	Full assessment (complex)	277
	Full assessment (all)	247
Group Litigation Order Scheme	Fixed sum offer	24
	Full assessment	147
Horizon Convictions Redress Scheme	Fixed sum offer	81
	Full assessment	N/A

Notes

- Figures are rounded to the nearest whole number.
- On the Horizon Shortfall and Group Litigation Order schemes, the claims process is measured from when a fully evidenced claim is received to when a final payment is made. On the Horizon Convictions Redress scheme, however, it is measured from when the Ministry of Justice confirms the claimant is eligible for the scheme to when a final payment is made.
- As of January 2026, no full assessment claim has been made on the Horizon Convictions Redress Scheme.
- A fixed sum offer is a flat, fast tracked final settlement requiring a minimal amount of evidence. A full assessment is a longer process, with a calculation of actual losses that requires more evidence from the claimant.
- Post Office Limited distinguish between simple and complex claims on the Horizon Shortfall Scheme. It defines "complex fixed sum" claims as those with unevidenced losses. It also defines "complex full assessment" claims as those with one or more serious category of compensation..
- On the Horizon Shortfall Scheme, the 'Fixed sum offer (all)' and 'Full assessment (all)' values are an average of all claims, including both simple and complex claims.

Source: National Audit Office analysis of Department for Business & Trade and Post Office Limited data

2.19 The time between claimants submitting a claim and receiving their final payment varied substantially on the Horizon schemes, at January 2026.

- **Group Litigation Order Scheme:** After receiving a full claim, DBT paid 161 claims their final payment in under three months (38%), 213 claims were paid between three months and a year (50%), and 50 claims were paid their final payment over a year after DBT received their full claim (12%). For the end-to-end process, registration to final payment, the shortest claim took nine working days and the longest took 748 working days.
- **Horizon Convictions Redress Scheme:** After MoJ confirmed eligibility, DBT paid 215 claims in under three months (46%), 238 claims were paid between three months and a year (51%), and it took over a year to pay only 10 claims their final payment (2%).¹⁶ For the end-to-end process, registration to final payment, the shortest claim took 21 working days and the longest took 357 working days.
- **Horizon Shortfall Scheme:** After receiving a claim, Post Office Limited paid 4,669 claims their final payment in under three months (46%), 3,342 claims were paid between three months and a year (33%), and 2,049 claims were paid over a year after a claim was received (20%). The shortest claim took four working days and the longest took 1,395 working days.
- **Overtured Convictions Scheme:** Post Office Limited holds no data on the Overtured Convictions Scheme relating to the age of claims settled.

Targets for making offers

2.20 In December 2023, DBT announced a target for the Group Litigation Order Scheme – 90% of initial offers to be made within 40 working days of receiving a fully evidenced claim. It publishes monthly performance against this target and has set the same target for the Horizon Convictions Redress Scheme. On the Group Litigation Order Scheme, DBT had made an initial offer within 40 working days on 88.9% of claims and made an offer within 40 working days on 93.7% of challenges as of January 2026. On the Horizon Convictions Redress Scheme, it made a first offer within 40 working days on 90% of claims. Several groups representing affected communities told us that the 40-day targets do not provide an accurate representation of the claims process and are unrealistic, particularly as the target only starts on receipt of fully evidenced claims and potentially following requests for additional information.

¹⁶ Percentages do not sum due to rounding.

Sources of scheme change

Learning across schemes

2.21 DBT designed the Group Litigation Order Scheme in discussion with the campaign group that brought the group litigation and claimants' legal representatives, incorporating lessons from the Horizon Shortfall Scheme and Overturned Convictions Scheme. Most significantly, DBT decided to run the scheme, rather than Post Office Limited, because this aligned with claimants' preferences and due to Post Office Limited's inability to fund its costs. It also introduced funded legal advice for claimants, recognising that legal advisor involvement could improve the quality of claims. One claimant group told us of its positive engagement with DBT on the Group Litigation Order Scheme's design and administration, whereas other groups told us they felt their concerns were not adequately considered.

2.22 DBT aligned the Horizon Convictions Redress Scheme with the Group Litigation Order Scheme, before making several scheme changes following feedback from independent sources, including the Horizon Compensation Advisory Board, groups representing affected communities and the No 10 Delivery Unit.

- The claim submission form was designed to reduce the need for further requests for information.
- Measures were introduced to quicken the claims process, for example agreeing a 10-day turn around with HMRC to process tax return information requests.
- The number of stages in the dispute resolution process was reduced, where possible.
- An independent claims facilitator was introduced to identify issues that delay claims and suggest potential solutions.

Independent scrutiny

2.23 The schemes have changed following independent scrutiny from various sources (including, for example, the statutory Post Office Horizon IT Inquiry led by Sir Wyn Williams, launched in June 2021). The Inquiry produced an interim report in July 2023¹⁷ and published volume one of its final report in July 2025,¹⁸ making 18 recommendations related specifically to the Horizon schemes. DBT, in its October 2025 response, accepted 17 of the recommendations, including the following.

¹⁷ Sir Wyn Williams, *First Interim Report: Compensation*, HC 1749, Post Office Horizon IT Inquiry, July 2023.

¹⁸ Sir Wyn Williams, *Post Office Horizon IT Inquiry Report: Volume 1*, HC 1119, Post Office Horizon IT Inquiry, July 2025.

- DBT and Post Office Limited agreed to produce a statement explaining what constituted “full and fair redress” when settling claims.
- Claimants to the Horizon Shortfall Scheme and the Horizon Convictions Redress Scheme have three months from receiving their first offer to revert to the fixed sum award, should they wish.
- Claimants appealing their offers to the independent panel can choose to accept their earlier offer if the panel's review results in a lower offer.

2.24 The Inquiry also recommended that the government should establish a standing public body to devise, administer and deliver schemes for providing financial redress to persons harmed by the action or inaction of public bodies, reflecting a similar recommendation in our *Lessons learned: Government compensation schemes* report.¹⁹ In its response, DBT acknowledged the advantages of an independent body but noted that it was unlikely that one could be established in time to take over delivery of existing time-limited compensation schemes. DBT is chairing a ministerial group to consider options for improving future delivery of redress and explore the feasibility of an independent body. The government plans to make a substantive statement on the matter by summer 2026.

2.25 The Horizon Compensation Advisory Board has also assisted in making significant improvements to the schemes. Introduced in January 2023, the board provides ministers with independent advice on delivery of the schemes. The board's membership includes parliamentary campaigners for the subpostmasters and academics specialising in dispute resolution and legal ethics. Changes to the schemes that have resulted from the board's recommendations include appointing an independent reviewer on the Horizon Shortfall Scheme and Group Litigation Order Scheme and introducing an appeals process for the Horizon Shortfall Scheme. It also raised concerns about how long it would take for all convicted subpostmasters to be exonerated through individual appeals in the courts, leading the government to introduce the Post Office (Horizon System) Offences Act 2024.

2.26 Groups representing affected communities told us that the Horizon schemes should be administered with greater independence from Post Office Limited and DBT. Some suggested aspects of the schemes, such as outreach and oversight, could be independently administered, whilst others suggested that an independent body should administer the schemes in their entirety.

¹⁹ Comptroller and Auditor General, *Lessons learned: Government compensation schemes*, Session 2024-25, HC 121, National Audit Office, July 2024.

Cross-Whitewall network

2.27 Officials from compensation schemes across government, including those examined in this report, attend eight-weekly meetings of a cross-Whitehall network to share updates on schemes, learning and best practice. Each meeting typically covers a particular topic, which have included work on fraud and error in the Horizon schemes, the cross-government surge team based in HMRC and DBT's work on the future of redress. Officials from all the schemes we examined told us the meetings are helpful opportunities to raise questions on operational issues and policy design, which have led to improvements in earlier schemes and benefitted later ones.

Outcomes

2.28 DBT estimates that the Horizon schemes will pay £1.8 billion in financial compensation to claimants. At January 2026, the total amount paid to claimants across the Horizon schemes was £1,448 million.²⁰ The amount paid per scheme was as follows.

- **Horizon Shortfall Scheme:** £863 million paid in total. £806 million in final payments and £57 million in interim payments.
- **Group Litigation Order Scheme:** £219 million paid in total. £119 million in final payments and £100 million in interim payments.
- **Overtured Convictions Scheme:** £72 million paid in total. £48 million in final payments and £24 million in interim payments (at the time the scheme closed in June 2025).
- **Horizon Convictions Redress Scheme:** £295 million paid in total. £185 million in final payments and £110 million in interim payments.

2.29 Most of the total amount paid to claimants across the schemes has been disbursed since July 2024 (**Figure 10** on pages 42 and 43). The increase in payments followed an influx of claims received on the Horizon Shortfall and Group Litigation Order schemes in 2024, which was sustained throughout 2025, and on the Horizon Convictions Redress Scheme after its launch in July 2024. The increase in compensation paid to claimants also followed the introduction of the fixed sum offer on the Horizon Shortfall and Group Litigation Order schemes at the start of 2024.

²⁰ Figures may not sum due to rounding.

Figure 10 *continued*

Total compensation paid to claimants on each Horizon scheme, September 2023 to January 2026

Notes

- 1 The Department for Business & Trade (DBT) began publishing data relating to the Horizon schemes from September 2023.
- 2 In June 2025, the Overturned Convictions Scheme closed. All outstanding claims were transferred to, and will be settled, under the Horizon Convictions Redress Scheme.
- 3 Data on total compensation paid does not include the costs associated with claiming, including legal costs. Data only includes claimants' compensation awards.
- 4 Claimants to each of the schemes often receive interim payments and a full and final payment during the claim process.
- 5 DBT and Post Office Limited could not provide us with comprehensive compensation paid data for all Horizon schemes, covering the period before September 2023. The figure therefore only includes published DBT data for the Horizon schemes.

Source: National Audit Office analysis of Department for Business & Trade and Post Office Limited data

2.30 In total, 11,067 claimants had received their final payment across the Horizon schemes as of January 2026. Most claims paid had been on the Horizon Shortfall Scheme (10,109 claims) followed by the Horizon Convictions Redress Scheme (463 claims), Group Litigation Order Scheme (424 claims) and Overturned Convictions Scheme (71 claims). As a proportion of eligible claims received, the Horizon Convictions Redress Scheme had made the most final payments of the Horizon schemes (95%) and the Horizon Shortfall Scheme had made the fewest (81%).

2.31 The average compensation paid to claimants on each scheme differs and is impacted by whether an individual accepts a fully assessed or fixed sum offer. At January 2026, the average compensation paid per claim on each scheme was as follows.

- **Group Litigation Order Scheme:** £724,262 on average per fully assessed claim, and £75,000 for fixed sum claims.
- **Overturned Convictions Scheme:** £1,411,864 on average per fully assessed claim, and £600,000 for fixed sum claims (at the time the scheme closed in June 2025).
- **Horizon Convictions Redress Scheme:** £600,000 on average per claim, as all claimants had opted to accept the fixed sum offer.
- **Horizon Shortfall Scheme:** £58,000 on average per fully assessed claim, including claims paid before the introduction of the fixed sum offer award. DBT has now topped up to £75,000 those claims that accepted an offer below £75,000 before the fixed sum award was introduced. The average compensation paid per fully assessed claim that was accepted over £75,000 is £226,000.

2.32 The proportion of claimants to each scheme who have been paid the fixed sum offer varies across the schemes, from all claimants to fewer than half. At January 2026, all claims being paid on the Horizon Convictions Redress Scheme had chosen the fixed sum offer, compared with 87% of claims being paid on the Overturned Convictions Scheme, 73% of claims on the Horizon Shortfall Scheme and 37% on the Group Litigation Order Scheme.

Dispute resolution and appeals

2.33 At January 2026, 800 claims had been challenged by claimants and taken to the dispute resolution or appeals stages across the various Horizon-related schemes, of which around 600 had been settled. Of the claims taken to dispute resolution or appeals on the Horizon schemes, most have been on the Group Litigation Order Scheme and the fewest have been on the Horizon Convictions Redress Scheme. At January 2026, 184 of the 425 claims finalised (43%) on the Group Litigation Order Scheme had done so after challenging their initial offer. Of the 184 claims, 27 claims were settled at independent panel or reviewer stages. At January 2026, only six claims had been challenged on the Horizon Convictions Redress Scheme, none of which had yet reached independent panel stage. On the Horizon Shortfall Scheme, 45 first offers had been made by DBT under its appeals process but only three had as yet been accepted.

2.34 Groups representing affected communities told us that many offers received on the Horizon schemes were much lower than expected, and that claimants had to challenge claims to receive a fair offer. They told us that this was particularly the case on the Horizon Shortfall Scheme, and that some successfully challenged claims resulted in payouts that were 10 times the initial offers. DBT told us that it anticipated discrepancies between the assessment of losses submitted by, or on behalf of, a claimant and the assessment made by DBT or Post Office Limited. Schemes include challenge mechanisms, which involves discussion between parties, that in most cases results in agreement over financial redress. In the Group Litigation Order Scheme, for example, only 27 out of the 425 claims settled by January 2026 (6%) went to the independent panel, after facilitated discussions did not achieve a resolution.

Support for claimants and awareness raising

2.35 Claimants can receive funded legal advice and representation to support them with their application on each of the schemes. DBT have agreed to fund claimants' legal costs covering the whole claims process on the Group Litigation Order Scheme and Horizon Convictions Redress Scheme, based on a tariff or costs framework. Almost all law firms representing claimants have signed up to the tariff or costs framework and agreed with DBT that they will not deduct legal fees from their claimants' settlements. Claimants can also claim the costs of gaining expert evidence, such as forensic accounting, to support their claim.

2.36 The level of funding DBT will provide for legal support is dependent on which scheme the claimant is applying to and the type of claim they submit.

- **Horizon Convictions Redress Scheme:** DBT will pay a claimant's legal representatives £30,000 for supporting them on a fixed sum claim, and between £60,000 and £100,000 for a fully assessed claim. Claimants can request that DBT cover costs above £100,000 if their agreed financial settlement is over £2.5 million. DBT also cover additional fees, such as for specialist tax advice, based on an individual's circumstances.
- **Overtured Convictions Scheme:** For claimants to the scheme who transferred into the Horizon Convictions Redress Scheme in June 2025, DBT confirmed that legal representatives of claimants could seek to reimburse reasonable legal fees in line with the previous process administered by the Post Office Limited.
- **Group Litigation Order Scheme:** Legal representatives that support individuals with a simpler claim receive at least £5,796 from DBT, as a basic allowance, or £18,060 if the claim is more complex.
- **Horizon Shortfall Scheme:** Compared with other schemes, claimants receive less funding for legal advice prior to the dispute resolution or appeal stage of the process and only receive funded legal advice once they have received a fully assessed offer. Claimants can receive £1,200 funded legal advice to support their consideration of a fully assessed offer, and Post Office Limited informs claimants in their offer letter that further legal funding is available. Additional legal funding will be also provided if they choose to challenge a claim through dispute resolution or appeal processes. Some groups representing affected individuals told us that claimants do not receive enough funding for legal advice on the Horizon Shortfall Scheme, limiting the support they can receive, and that it is available too late in the process to effectively support claimants with their applications.

2.37 In December 2025, DBT launched an information and support service to support claimants to all schemes who do not have legal representation. The service helps individuals to complete application forms, explaining the type of losses they could apply for and clarifying the information they are required to provide.

2.38 Different outreach methods are conducted on each scheme to encourage potentially eligible individuals to make a claim. The outreach on each scheme is as follows.

- **Horizon Shortfall Scheme:** Post Office Limited conducted a successful outreach campaign to potential claimants between October and December 2024, which resulted in an increase in claims. During this period, it sent 19,700 letters to potential claimants informing them about the fixed sum offer, and issued a further 8,300 letters during 2025. Post Office Limited has also sent 21,000 letters to eligible subpostmasters who have not yet applied, following the announcement of the closure of the scheme. In total, it has sent over 49,000 letters to former and current subpostmasters since the fixed sum offer was introduced.
- **Group Litigation Order Scheme:** DBT contacted eligible individuals in March 2023, to inform them the scheme was open. The law firm that represented all the individuals involved in the High Court case also conducted initial outreach about the scheme. DBT's ongoing engagement with claimants on this scheme is primarily through legal representatives.
- **Horizon Convictions Redress Scheme:** DBT works with MoJ to encourage eligible claimants to apply. MoJ sends initial letters to potential claimants before DBT sends follow-up letters to individuals who have not applied. At December 2025, DBT had sent 142 follow-up letters, resulting in 29 recipients now registering for the scheme.
- **Overtured Convictions Scheme:** Post Office Limited contacted all potentially eligible claimants who had had their convictions overturned, to invite them to apply for an interim payment. It wrote to a number of subpostmasters whose convictions had yet to be overturned, confirming that it would concede if they appealed, and to subpostmasters who had been prosecuted to offer to provide information so they could appeal.

Part Three

The LGBT Financial Recognition Scheme

3.1 Homosexuality was decriminalised in England and Wales in 1967, but the UK Armed Forces were exempt from decriminalisation and maintained a ban on LGBT service personnel.²¹ This changed in January 2000 following a ruling by the European Court of Human Rights that deemed the ban unlawful. Between 1967 and 2000, many service personnel were dismissed or discharged because they identified as LGBT.

Scheme history

3.2 In 2022, the government commissioned an independent review to better understand the experience of LGBT veterans who served in the armed forces between 1967 and 2000, and this was published in July 2023. The review informed the government how it could fulfil its commitment to ensure every veteran's service and experience is valued and recognised. It recommended that a financial award be made to veterans who were dismissed or discharged because of the ban, which the government accepted on 19 July 2023, with an overall cap of £50 million. This was subsequently increased to £75 million. The LGBT Financial Recognition Scheme that the Ministry of Defence (MoD) introduced is not a compensation scheme but provides a financial payment to recognise the harm suffered by affected veterans.

3.3 The review recommended that a range of non-financial restorative measures be made available to veterans who served during the ban, including restoration of medals, letters of apology, service ceremonies, replacement cap badge or beret and the Etherton Ribbon²² as an alternative to a special veterans' badge for those who served at the time of the ban. Veterans who served before the ban can apply to have their administrative discharges qualified, their rank restored if it had been reduced, their certificates of service reissued and, for officers, their service details published in The Gazette.²³ At 9 February 2026, there had been 1,100 applications for non-financial restorative measures, 957 (87%) of which had been closed.

²¹ Sexual Offences Act 1967. Homosexuality was decriminalised in Scotland in 1980 and in Northern Ireland in 1982.

²² The Etherton Ribbon is a commemorative enamel pin badge introduced in September 2024. It recognises the sacrifices and suffering of those affected.

²³ The Gazette is the UK's official journal of record. <https://www.thegazette.co.uk/>.

3.4 Building on the experience of earlier compensation schemes, the MoD worked with HM Revenue & Customs (HMRC) and the Department for Work & Pensions (DWP) before the LGBT Financial Recognition Scheme was launched to ensure the necessary statutory instruments to exempt payments to veterans from income tax and disregard payments for means-tested benefits were in place before payments were made. After launching the scheme, the MoD identified that it needed to work with the Scottish Government to disregard payments for Council Tax reductions calculations and with the Department of Health & Social Care to disregard payments from social care financial assessments. The MoD told us that, on several occasions, it sought King's Council advice on the design of the scheme.

3.5 The MoD wanted to launch the scheme as quickly as possible after the government issued its response to the independent review, recognising that many of the veterans were now elderly and some terminally ill. The scheme opened to applications on 13 December 2024 and will close on 12 December 2026. The MoD aims to have made all payments by April 2027 (**Figure 11**). The MoD estimates that it will receive about 2,500–2,900 applications across both payments from around 1,600–2,000 veterans.

Application process

3.6 The MoD recognised that LGBT veterans, including those not dismissed or discharged, were impacted in a broad range of ways. To address this, the MoD introduced two types of payment, with a joint budget of £75 million.

- **LGBT Dismissed or Discharged Payment:** Available to veterans who were dismissed or administratively discharged solely because of their actual or perceived sexual orientation or gender identity during the ban. The payment is a fixed sum of £50,000.
- **LGBT Impact Payment:** Available to those who were impacted by the ban in a range of ways, including bullying and harassment, sexual assault, pressure to resign, invasive investigations, imprisonment and forced medical tests or treatments. Payments are discretionary within three levels of increasing harm: Level 1 – £1,000 to £5,000; Level 2 – £5,000 to £10,000; Level 3 – £10,000 to £20,000.

3.7 Most veterans apply online, but a small number submit a paper application. Veterans can apply for one or both of the payments available. Applicants who only apply for one of the payments are able to make a second application for the other payment at a later date if they wish. The MoD told us that veterans often apply for the Dismissed or Discharged Payment first, as it is a more straightforward application, and apply for the Impact Payment later as it involves recounting experiences they may find traumatic.

Figure 11
Overview of the LGBT Financial Recognition Scheme

		Paragraph reference
Expected number of eligible people	The Ministry of Defence (MoD) estimates that it will receive about 2,500–2,900 applications across both payments from around 1,600–2,000 veterans	3.5, 3.10
Expected total compensation	£75 million	3.6
Number of claims received	As at 26 January 2026, 2,113 applications from 1,366 veterans 264 veterans applied for the Dismissed or Discharged Payment only, 355 for the Impact Payment only and 747 for both payments	3.11
Number of claims paid	996	3.16
Total amount paid	£36.4 million	3.16
Average payment per claim	Dismissed or Discharged Payment is a fixed £50,000 Average amount for the Impact Payment across 361 decisions on eligible cases is £9,700. In addition, there were 23 instances where applicants were deemed ineligible and so did not receive a payment	3.6, 3.17
Average processing time for claims	Most applicants for the Dismissed or Discharged Payment received payment six to 10 months after they made their claim In January 2026, the independent panel was still considering some applications that had been submitted in January 2025, 12 months earlier	3.14
Shortest time taken to settle a claim	20 days	3.14
Longest time taken to settle a claim	As at 26 January 2026, one case had taken 406 days but had not yet concluded	3.14
Scheme performance targets	No formal targets	3.13
Use of fixed sum offers or tariff payments	Eligible veterans can apply for two different payments <ul style="list-style-type: none"> ● Dismissed or Discharged Payment is a fixed sum offer of £50,000 ● Impact payment is discretionary based on harm caused (£1,000 to £20,000) 	3.6
Support for claimants to prepare claims	The MoD paid £90,000 in grants to two organisations to support potentially eligible people with preparing claims	3.21
Communication or outreach to claimants	Promotion of scheme via media, social media and military charities	3.20

Note

1 Average processing time data are heavily skewed by the backlog of cases. Processing times will now be different.

Source: National Audit Office analysis of Ministry of Defence data

3.8 Applications for the Dismissed or Discharged Payment are assessed by a dedicated team within Defence Business Services (DBS), a shared service centre within the MoD operating under a service level agreement. To increase trust in the scheme, a panel that is independent of the MoD assesses applications for the Impact Payment, supported by a secretariat that processes the applications. The independent panel first met on 21 May 2025. Fighting With Pride, a charity that supports the health and wellbeing of UK LGBTQ+ veterans, service personnel and their families, told us that there was a disproportionate delay in appointing the panel.

3.9 The MoD applies a reverse burden of proof when assessing claims for both payments. Unless the MoD finds evidence to contradict what the applicant has said, it will accept that the facts or experiences reported by the applicant took place, if on a balance of probabilities, they are more likely to have occurred than not. In addition to conducting identity checks, the main evidence the MoD uses to check a claim is the applicant's service record. The record, which may be on paper or microfiche, must be digitised before being fully reviewed. Longer service records take longer to review. The longest service record the MoD has so far had to review was over 1,500 pages. Fighting With Pride told us that veterans benefitted from seeing their service record before they submit a claim, and that there are delays in providing these when requested via a subject access request. The MoD told us that implementing a system to provide veterans with their service records at this stage would introduce unnecessary delays, and that there is a process for veterans who had their application for a payment rejected to request their service record. It also told us that subject access requests are not handled by the team that processes applications for the financial recognition scheme. From the outset, the MoD planned to prioritise claimants with terminal illnesses and those aged over 80. It subsequently added claimants in financial difficulty to the priority group. If a veteran is dissatisfied with the outcome of their application, they may appeal. Appeals that meet the eligibility criteria are reviewed by an independent appeals board.

Scheme performance

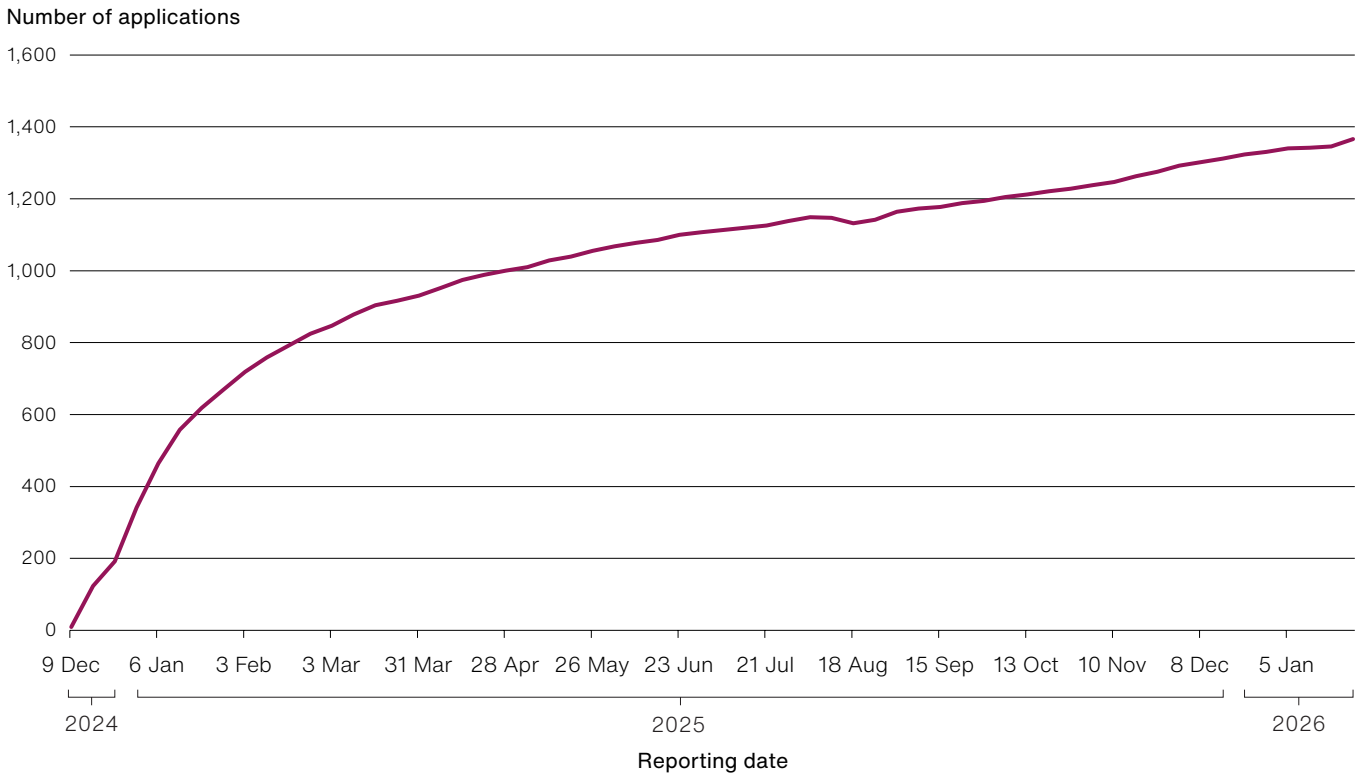
Applications received

3.10 The MoD estimates that it will receive about 2,500–2,900 applications in total across both payments, from around 1,600–2,000 veterans. It initially expected claims to be submitted gradually over the course of the scheme. However, when the scheme opened, more veterans applied to the scheme in the first month than the MoD had anticipated (**Figure 12**).

Figure 12

Number of veterans that applied every week since the LGBT Financial Recognition Scheme opened, December 2024 to January 2026

More veterans applied to the scheme in the first month than the Ministry of Defence had anticipated



— Total cumulative applications received

Notes

- 1 The MoD normally publishes application data on a Monday. However, there were two weeks where the data was instead published on a Thursday (14 August 2025 and 21 August 2025). For consistency across the series, these two publication dates have been adjusted to the Monday of their respective weeks (18 August 2025 and 25 August 2025).
- 2 Before 14 August 2025, the MoD recorded applications on the date they were received. From this date onward, the MoD updated its reporting approach so that applications are recorded after the 14-day period during which applicants can amend their submission. This change results in a temporary dip in the cumulative total between 11 August 2025 and 25 August 2025, as some applications that were recorded as received under the old reporting method temporarily dropped out of totals and were recorded again two weeks later in the data.

Source: National Audit Office analysis of Ministry of Defence data

3.11 As of 26 January 2026, 1,366 veterans had applied to the scheme and had passed a two-week window in which applicants can make changes to their applications. This has resulted in 2,113 applications in total across both payments – between 73% and 85% of applications it estimates it will receive. 264 veterans had applied for the Dismissed or Discharged Payment only, 355 had applied for the Impact Payment only, and 747 had applied for both payments.

Assessing applications

3.12 The MoD's decision to launch the scheme as quickly as possible meant that there was limited testing before the scheme went live, necessitating a 'test and adjust' approach with adjustments to the process being made in a live environment. The MoD told us that this allowed the scheme to launch earlier than otherwise it would have and to adapt to a wide range of scenarios, but has introduced inefficiencies and delayed applications being assessed. The Application Processing and Management System (APMS), an app that the MoD uses to process applications and payments, was still in development when the scheme launched, causing significant delays. The MoD used manual workarounds until the APMS was launched on 7 August 2025, five months after its planned launch. The MoD told us that, before APMS was launched, it made approximately 10–15 decisions per week. From the start of September 2025 to 26 January 2026, the MoD made an average of 41 decisions per week. APMS allows applicants to view the status of their application and generates automated emails to applicants updating them on its progress.

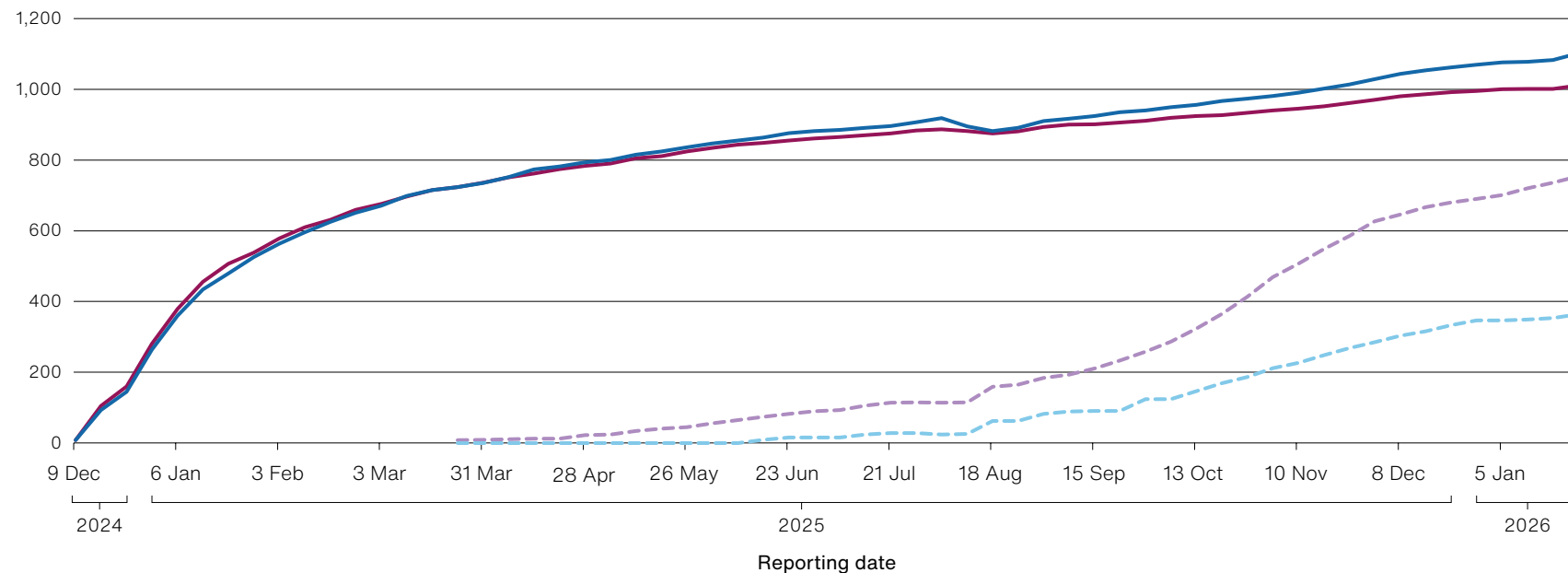
3.13 The scheme has no formal targets for processing claims and making payments. By 26 January 2026, the MoD had reached a decision on 1,118 applications (53% of all applications), comprising 754 Dismissed or Discharged Payment applications (75% of applications for this payment) and 364 Impact Payment applications (33% of applications for this payment) (**Figure 13**). Processing of applications for the Dismissed or Discharged Payment is further advanced than of applications for the Impact Payment. Assessment of Impact Payments did not start until May 2025 and is more complicated because it is a discretionary payment rather than a fixed sum. There were 99 applications for which the MoD had reached a decision that did not meet the eligibility criteria: 76 for the Dismissed or Discharged Payment and 23 for the Impact Payment.

Figure 13

Total number of applications and decisions made, December 2024 to January 2026

A higher proportion of applications for the Dismissed or Discharged Payment have been concluded than for the Impact Payment

Number of applications



- Dismissed or Discharged Payment application received
- - Dismissed or Discharged Payment decision reached
- Impact Payment application received
- - Impact Payment decision reached

Notes

- 1 The MoD normally publishes application data on a Monday. However, there were two weeks where the data was instead published on a Thursday (14 August 2025 and 21 August 2025). For consistency across the series, these two publication dates have been adjusted to the Monday of their respective weeks (18 August 2025 and 25 August 2025).
- 2 Before 14 August 2025, the MoD recorded applications on the date they were received. From this date onward, the MoD updated its reporting approach so that applications are recorded after the 14-day period during which applicants can amend their submission. This change results in a temporary dip in the cumulative total between 11 August 2025 and 25 August 2025, as some applications that were recorded as received under the old reporting method temporarily dropped out of totals and were recorded again two weeks later in the data.

Source: National Audit Office analysis of Ministry of Defence data

3.14 The unexpectedly high number of early applications, coupled with the MoD not recognising how complex assessing applications would be, led to a backlog of applications. To tackle the backlog, the MoD has increased the size of both the DBS team and the independent panel's secretariat, bringing in nine temporary staff from the cross government surge team, based in HMRC, in September 2025. The MoD told us that the majority of Dismissed or Discharged Payment applications submitted in the first month of the scheme received a payment between June and October 2025, a processing time of six to 10 months. In January 2026, the independent panel was still considering some applications that had been submitted in January 2025, 12 months earlier. This data is heavily skewed by the backlog and the average processing time for an application now will be different. The shortest time taken to settle a claim has been 20 days, including the 14-day period where applications are held to allow applicants time to make amendments, if required. At 26 January 2026, one Dismissed or Discharged Payment case which had taken the longest time to process (excluding appeals) at 406 days was not settled. This is because the claimant had died and the MoD was awaiting confirmation of the next of kin. The second longest processing time for the Dismissed or Discharged Payment was 352 days where the claimant had a very long service record which took a long time to review. The MoD was not able to tell us what the longest processing time for an Impact Payment was, because the independent panel was only set up in May 2025, but the processing time for some Impact Payments has been at least 12 months.

3.15 By the end of January 2026, the MoD no longer needed the cross government surge team to help process Dismissed or Discharged Payment applications. Two of the team were retained and have moved to the independent panel secretariat to help prepared Impact Payment cases to go before the panel. The MoD expects that it will have reached a decision on all outstanding Dismissed or Discharged Payment applications by June 2026 and, from then, new applications will be considered on a one in one out basis. The processing speed for Impact Payments is more difficult to manage as it depends on how frequently the Independent Panel sits, the complexity and quantity of cases and the time required for panel members to read casefiles. The MoD is considering options to speed up processing Impact Payments, and is recruiting a second panel, expected to be in post by the summer of 2026.

Outcomes

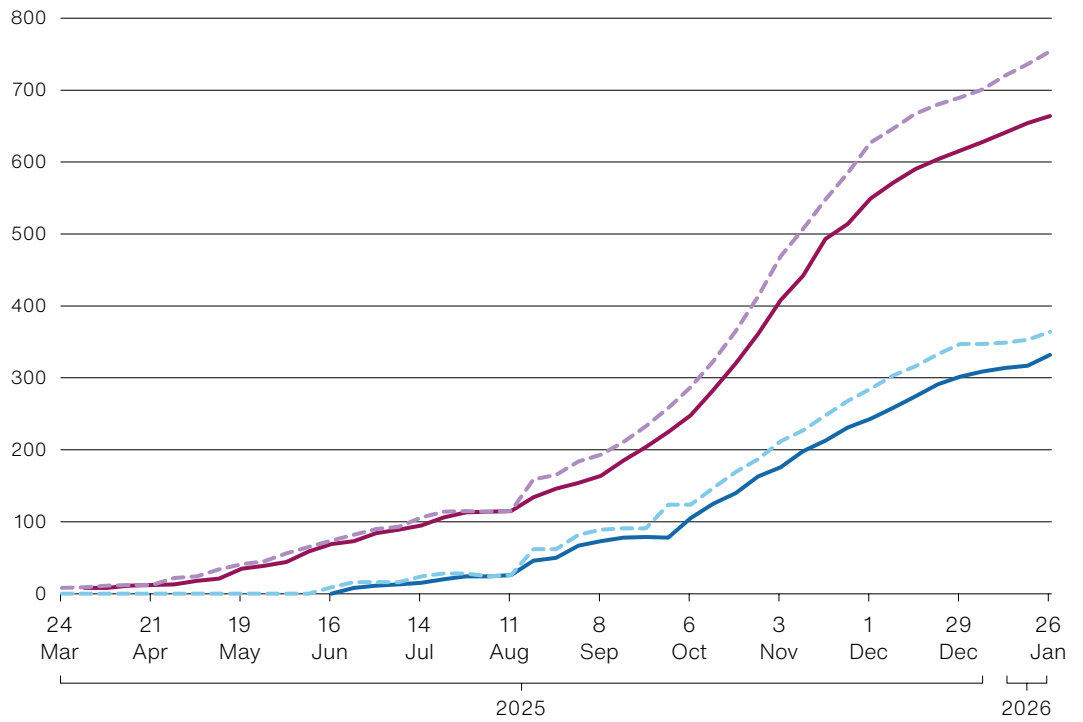
3.16 The first payments were made, to terminally ill applicants, on 2 April 2025, 15 weeks after the scheme launched. The time from decision to payment is partly outside the MoD's control as a payment is only made when an applicant has accepted the offer. As of 26 January 2026, 996 payments had been made (47% of applications), totalling £36.4 million, comprising 664 Dismissed or Discharged payments totalling £33.2 million and 332 Impact Payments totalling £3.2 million (**Figure 14**).

Figure 14

Total number of decisions and payments made, March 2025 to January 2026

Decisions and payments are more advanced for the Dismissed or Discharged Payment than for the Impact Payment

Number of applications



- Dismissed or Discharged Payment paid
- - Dismissed or Discharged Decision reached
- Impact Payment paid
- - Impact Payment Decision reached

Note

1 The MoD normally publishes application data on a Monday. However, there were two weeks where the data was instead published on a Thursday (14 August 2025 and 21 August 2025). For consistency across the series, these two publication dates have been adjusted to the Monday of their respective weeks (18 August 2025 and 25 August 2025).

Source: National Audit Office analysis of Ministry of Defence data

3.17 Between its first meeting on 21 May 2025 and 26 January 2026, the independent panel met 38 times, reviewing 384 cases of which 23 were deemed ineligible. The panel decided to make offers in 361 cases, totalling £3.5 million (**Figure 15**). The average amount was £9,700.

3.18 By 26 January 2026, 45 appeals had been submitted. Two-thirds of these did not meet the appeals criteria, with 15 going to the Appeals Board. Seven decisions had been made with five new judgements given and two original decisions upheld. This will result in an additional £50,000 being offered in Dismissed or Discharged Payments and £6,000 in Impact Payments.

3.19 One of the main reasons claimants appeal is if they have been denied the Dismissed or Discharged Payment because they believe they were pressurised to resign. Officers who were instructed to resign or retire their commission by their relevant service board are eligible for the payment because their departure resulted from a formal administrative process that was equivalent to the administrative discharge process for other ranks, and there was no other route through which they could be administratively discharged.²⁴ Other service personnel are only eligible for the payment if they were dismissed or discharged. The MoD said that whilst they acknowledge that individuals may have been put under pressure to resign, this is not part of a formal administrative process and did not come with the dishonour of discharge. When commissioned officers or non-officers appeal because they believe they were pressurised to resign, their appeals will be rejected by the Appeals Board because they do not meet the eligibility criteria for the Dismissed or Discharged Payment under the scheme rules. Such veterans are, however, still eligible for the Impact Payment of up to £20,000. Fighting With Pride believe that there is a difference between how former officers and non-officers are treated which results in some veterans affected by the ban not getting the justice they deserve. The MoD says that officers are not treated more favourably than other ranks for the reasons set out above. Veterans who were dismissed before the ban are not eligible for either of the financial payments but may apply for some of the non-financial measures.

Support for claimants and awareness raising

3.20 The MoD told us that there is a low level of trust in it amongst LGBT veterans because of the historic injustices they experienced, which made it hard to engage with those veterans who may be eligible for financial recognition. The MoD undertook a range of promotional activity before the scheme launched, including broadcast and print media, social media and with third parties such as military charities. However, Fighting With Pride told us that the scheme has not received the national prominence and exposure seen by other schemes and that the MoD could have done more to identify and contact eligible people through the veterans database, the veterans railcard database and DWP records. The MoD told us that, due to the time that has passed since the ban and differences in record keeping at the time, there is no search it could do to identify eligible veterans.

²⁴ For officers who were instructed to resign to be granted a Dismissed or Discharged payment, there must be evidence of the instruction coming from the relevant service board following an administrative (disciplinary) process based solely on the officer's sexuality or gender identity. This is usually in the form of the formal letter from the Service Boards and is usually within the applicant's service records.

Figure 15

Impact Payments

As of 26 January 2026, the Independent Panel had made decisions to offer 361 Impact Payments totalling £3.5 million

Payment tier	Number of decisions	Total value (£000)
1 (£1,000 – £5,000)	81	225.0
2 (£5,000 – £10,000)	87	654.5
3 (£10,000 – £20,000)	193	2,614.0
Total	361	3,493.5

Notes

- 23 applications were deemed as ineligible.
- The total value relating to the decisions made may be higher than the total payments made, due to timing differences.

Source: National Audit Office analysis of Ministry of Defence data

3.21 The MoD gave £90,000 in grants to Fighting With Pride and the Royal British Legion²⁵ to support veterans with their applications. These grants are managed by the Armed Forces Covenant Fund Trust, who release payments following reports provided by the charities. Fighting With Pride told us that the grant is insufficient to cover the support it is giving veterans and that it has now almost exhausted the money. It also told us that, whilst the MoD says that veterans are asked to report their own experiences in their own words and it has designed the scheme so that claimants should not need legal advice, it believes that this is not always the case. The MoD maintain, however, that there should be no need for legal advice to make a financial claim.

3.22 The MoD told us that it could have done more to manage applicants' expectations about how long it would take for decisions on their applications to be reached. For example, it accepts it could have told applicants at the outset that processing times were uncertain and could potentially be prolonged due to inherent uncertainties associated with the scheme, such as the number of potential applicants. Fighting With Pride also felt that expectations had been poorly managed and that the MoD did not provide updates to applicants during the process in line with initial promises. The MoD told us this was due to the delay in launching APMS.

25 The Royal British Legion is the UK's largest armed forces charity supporting service personnel, veterans and their families.

Part Four

The Infected Blood Compensation Scheme

4.1 Between 1970 and the early 1990s, more than 30,000 NHS patients received blood transfusions of contaminated blood or were given contaminated blood products. Many of those people have since died, and thousands more live with significant health conditions caused by contaminated blood. Tens of thousands more people have been impacted as family members and carers.

Scheme history

4.2 In March 1988, the government set up the Macfarlane Trust to assist haemophiliacs who contracted HIV from contaminated blood products. By 1989, the government had started making payments, on a discretionary basis, to some people who were infected. In the 1990s and 2000s, the government set up further bodies to provide regular support payments to people suffering with illnesses caused by contaminated blood products, principally HIV and Hepatitis C. In 2017, these bodies were replaced by four Infected Blood Support Schemes in England, Wales, Northern Ireland and Scotland.

4.3 In July 2017, the government announced an inquiry into the infected blood scandal following many years of campaigning by victims and their families. The inquiry officially opened in 2018 and hearings ran until 2023. In June 2022, Sir Robert Francis QC published options for a framework for compensation for victims and recommended interim payments to alleviate some of the suffering that infected and bereaved people might endure whilst waiting for full compensation. In July 2022, the inquiry's first interim report recommended that interim payments of no less than £100,000 be made to surviving victims and bereaved partners already registered with a support scheme without delay.²⁶ Cabinet Office estimates that approximately 8,500 to 16,500 people were infected with contaminated blood, of whom approximately 3,500 are currently living and registered with an Infected Blood Support Scheme (**Figure 16**). The Infected Blood Compensation Authority (IBCA) has estimated that around 51,000 affected people (such as family members or carers) may come forward to make a claim, although it accepts that there is considerable uncertainty over the estimate. IBCA told us that poor record retention is one reason it is hard to develop better estimates.

26 Infected Blood Inquiry, *First Interim Report*, July 2022.

Figure 16
Overview of the Infected Blood Compensation Scheme

	Infected Blood Compensation Scheme	Paragraph reference
Expected number of eligible people	Cabinet Office estimates 8,500 to 16,500 people were infected with contaminated blood. The Infected Blood Compensation Authority (IBCA) has estimated that around 51,000 affected people may claim, although it accepts that there is considerable uncertainty over the estimate	4.3
Expected total compensation	£12.8 billion	4.6
Number of claims received	3,546	4.14
Number of claims paid	2,861	4.17
Total amount paid	£1.89 billion	4.17
Average payment per claim	£660,000	4.17
Average processing time for claims	39 days	4.16
Scheme performance targets	<p>Begin paying infected people by the end of 2024 – met</p> <p>Begin paying affected people by the end of 2025 – met</p> <p>Complete the bulk of payments to infected people by no later than 2027</p> <p>Complete the bulk of payments to affected people by no later than 2029</p>	4.15
Use of fixed sum offers or tariff payments	Schedule of tariff payments pertaining to different categories of harm	4.10
Support for claimants to prepare claims	IBCA pays for legal advice to potentially eligible people throughout their claim	4.18
Communication or outreach to claimants	<p>Initially contacted those people already being supported for infected blood, starting with a small cohort before extending to all those being supported</p> <p>Between June 2024 and March 2025, IBCA held over 100 community engagement sessions, involving over 1,200 attendees and 32 community representative groups</p>	4.7, 4.18

Note

1 Data and information accurate as at January 2026.

Source: National Audit Office analysis of Infected Blood Compensation Authority data and publicly available information

4.4 The inquiry's second interim report was published in April 2023, recommending the immediate setting up of a compensation scheme, and that eligibility for compensation should be extended to cover parents, children or siblings of infected people.²⁷ In May 2024, the inquiry's final report recommended that an independent arm's-length body should be set up to administer the scheme.²⁸ In response, the government set up the UK-wide IBCA in May 2024. IBCA is sponsored by Cabinet Office.

4.5 The first Infected Blood Compensation Scheme Regulations came into force in August 2024, establishing IBCA and enabling it to make compensation payments to people who were infected with contaminated blood, and to the estates of people who were infected but have since died. People who were already registered with an Infected Blood Support Scheme were considered automatically eligible. A second set of regulations came into force in March 2025, enabling compensation payments to people who were affected, such as family members and carers. The March 2025 regulations were amended in December 2025 to implement recommendations from the Infected Blood Inquiry's Additional Report. Cabinet Office is currently considering responses to a consultation on further changes to the scheme.

4.6 In the Autumn Budget 2024, the government announced it was setting aside £11.8 billion for compensation, and in July 2025, Cabinet Office committed around £1 billion more in funding for compensation payments, bringing the total funding allocated for the scheme to £12.8 billion. In October 2024, IBCA began inviting groups of people who were already receiving support to make claims for compensation in phases.

Application process

4.7 IBCA used a 'test and learn' approach after launching the scheme, first inviting claims from small groups of people already registered with existing support schemes, processing the claims, identifying issues and making adjustments to their approach before scaling up and inviting larger groups of people to submit claims. IBCA told us that the phased approach has enabled them to improve the service more quickly than if the scheme had been open to all potential claimants when launched.

4.8 In October 2025, IBCA opened up a new service for additional people to register their intent to claim compensation from the scheme, one of the inquiry's recommendations. People must provide core information such as their name, contact details and the type of claim they would like to make. Registering will enable IBCA to contact people as soon as it is ready to start their claims.

²⁷ Infected Blood Inquiry, *Second Interim Report*, April 2023.

²⁸ Infected Blood Inquiry, *The Report*, HC 569-I-VII, May 2024.

4.9 The scheme uses dedicated claim managers to handle claims. Once a person is invited to make a claim, their claim manager supports them throughout the claims process, assesses whether they are eligible for compensation and (if so) how much they should be paid. This process includes assessing documents and other evidence that support the claim, as well as identity checks to reduce the risk of fraud or error.

4.10 The scheme uses a tariff payment system, where different levels of harm are awarded set amounts across five categories: injury impact, social impact, autonomy, financial loss, and care awards. The scheme has a supplementary route which is available in exceptional cases where the level of compensation offered through the regular route does not reflect true financial losses or care costs. The tariffs were established by Cabinet Office and set out in legislation. IBCA told us that the tariff-based approach, which was recommended by the Infected Blood Inquiry and had been used successfully in earlier compensation schemes, enabled claim managers to decide compensation amounts quickly once the scale of harm within each category had been confirmed. Evidence for each category is assessed on the balance of probabilities that people who meet the eligibility criteria have experienced harm.

4.11 Claimants choose to either receive all their compensation in a one-off payment (the 'core route') and no longer receive support scheme payments for life, or choose to continue receiving reduced payments from their support schemes for life alongside a one-off payment from IBCA (the 'adjusted route').

4.12 IBCA recognises that the large individual compensation payments and the compromises made to speed up payments introduce the risk of fraud. The government has recognised that the scheme could be targeted by criminals, including organised criminal gangs, leading to IBCA's inclusion within the Public Sector Fraud Authority's High Fraud Risk Portfolio. IBCA has built in controls and assurances throughout the claims process to manage the risk of fraudulent claims as well as prevent error.

4.13 If people are unsuccessful in making a claim or are dissatisfied with the amount awarded, they can appeal the decision, firstly through a review by a different claims manager within IBCA. If they are still dissatisfied, they can challenge the decision at a tribunal supported by HM Courts & Tribunals Service, which is independent of IBCA.

Scheme progress

Claims received

4.14 In October 2024, the first group of people were invited to claim, from the population of people who were already registered with an Infected Blood Support Scheme. In accordance with IBCA's 'test and learn' approach, sequentially larger groups of people were invited to claim. In November 2025, IBCA invited the first claims from 60 infected people who had never previously accessed a support scheme. In December 2025, IBCA invited the first claims from 15 people representing the estates of people who had been infected but since died, and the first claims from 15 affected people. As of 13 January 2026, 3,721 people had been asked to start a claim, and of these, 3,546 had done so (**Figure 17** on pages 63 and 64). As of January 2026, there had been 15,805 registrations by people intending to make a claim.²⁹

Assessing claims

4.15 IBCA told us that they have not set targets for processing claims, in part to reduce the risk that time pressure would reduce the quality of assessments. Instead, IBCA used their test and learn approach to establish how long different categories of claim typically take to assess, and measure claims against these benchmarks to monitor performance. At an organisational level, Cabinet Office and IBCA have agreed a series of milestones for the delivery of the scheme. This included starting to pay infected people by the end of 2024 and starting to pay affected people by the end of 2025, both of which were met. Future milestones include completing the bulk of payments to infected people by no later than 2027 and completing the bulk of payments to affected people by no later than 2029.³⁰

4.16 As at October 2025, the median number of days between a claim being submitted and the claimant receiving an offer was 39. Claims still in progress are not included, so the median value is not representative of all claims submitted. At least 75% of people received their offers in fewer than 100 days after making their claim, although some people had to wait for more than 150 days. IBCA expect that the time taken to process claims will vary between different categories of harm, particularly since the types and availability of evidence needed for different categories will differ.

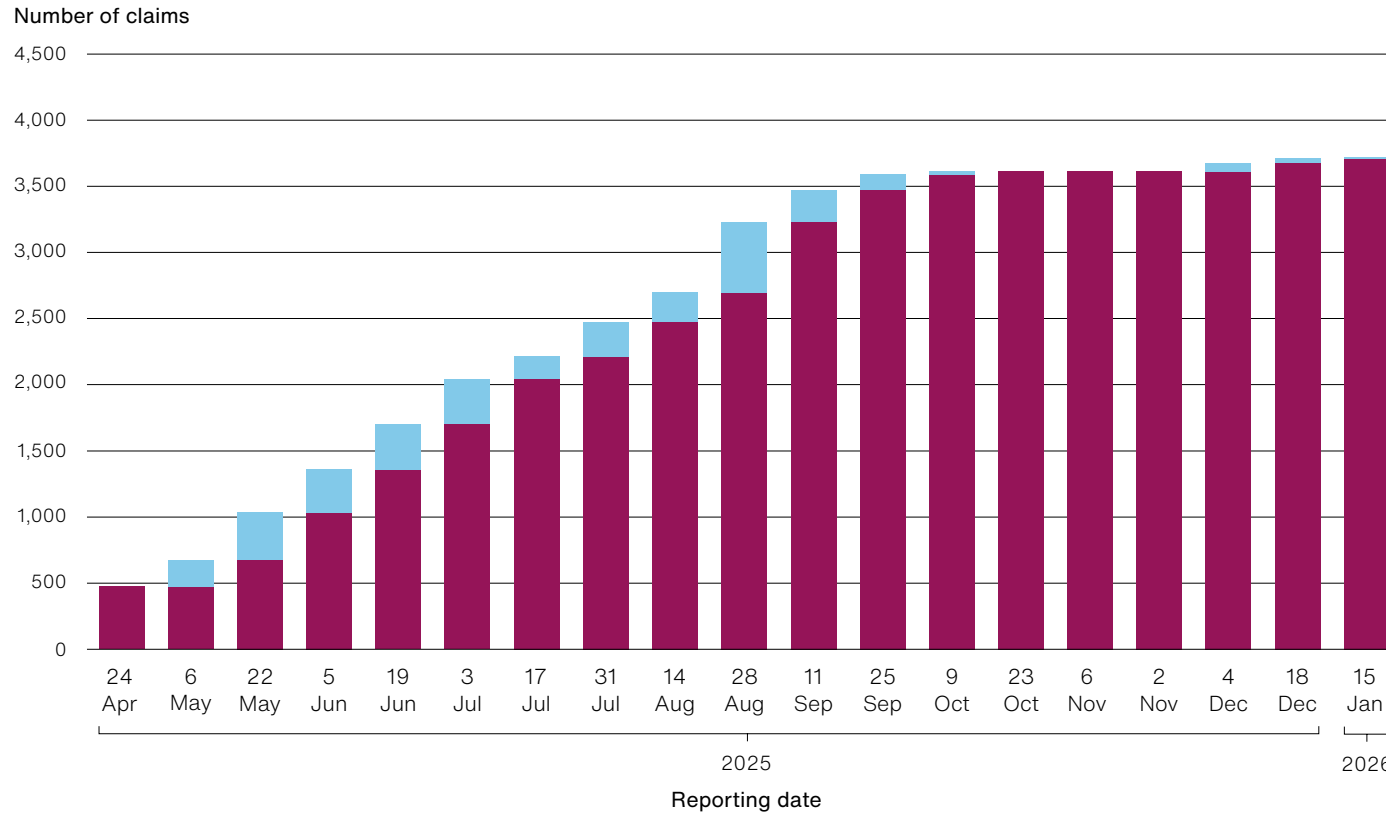
29 This figure represents individual registrations, not unique people, as some people may have registered more than once. Some of these registrations may by January 2026 have already led to claims being submitted.

30 Any affected individual diagnosed before 1 April 2025 has until 31 March 2031 to make a claim, and any affected individual diagnosed after 1 April 2025 will be able to make their claim up to six years after their diagnosis.

Figure 17

Number of people who have been invited to start their claim for the Infected Blood Compensation Scheme, fortnightly, April 2025 to January 2026

The steady rise in the number of people claiming between May and October 2025 results from the Infected Blood Compensation Authority (IBCA) staggering its invitations to groups of people to start their claims



	24 Apr	6 May	22 May	5 Jun	19 Jun	3 Jul	17 Jul	31 Jul	14 Aug	28 Aug	11 Sep	25 Sep	9 Oct	23 Oct	6 Nov	2 Nov	4 Dec	18 Dec	15 Jan
Number of claims already received at the start of the reporting period (two weeks)	475	475	677	1,033	1,360	1,707	2,043	2,215	2,473	2,694	3,230	3,471	3,590	3,614	3,614	3,614	3,614	3,677	3,710
Number of new claims received within the reporting period (two weeks)	-	202	356	327	347	336	172	258	221	536	241	119	24	-	-	-	63	33	11
Total number of claims received by the end of reporting period	475	677	1,033	1,360	1,707	2,043	2,215	2,473	2,694	3,230	3,471	3,590	3,614	3,614	3,614	3,614	3,677	3,710	3,721

Figure 17 *continued*

Number of people who have been invited to start their claim for the Infected Blood Compensation Scheme, fortnightly, April 2025 to January 2026

Notes

- 1 The Infected Blood Compensation Authority (IBCA) releases compensation scheme data every fortnight, beginning in April 2025.
- 2 The number of claims started relates to the number of people who have been invited to start their claim by IBCA. The number of people who have been invited to start a claim is slightly higher for each month, with around 5% of such people yet to do so as at January 2026.

Source: National Audit Office analysis of Infected Blood Compensation Authority data

Outcomes

4.17 Interim payments of £100,000 were made to people registered with the Infected Blood Support Scheme from October 2022, with further interim payments of £210,000 beginning in June 2024. As of 15 January 2026, the Infected Blood Compensation Scheme had made offers totalling approximately £2.47 billion to 3,074 people. The average offer per claimant is approximately £800,000.³¹ Some 2,861 people have received payments, totalling £1.89 billion, an average of approximately £660,000 per person (**Figure 18**). Around 57% of paid claimants had chosen the adjusted route. The total compensation paid out does not include the liability for future support payments, which will continue for life for people choosing the adjusted route.

Support for claimants and awareness raising

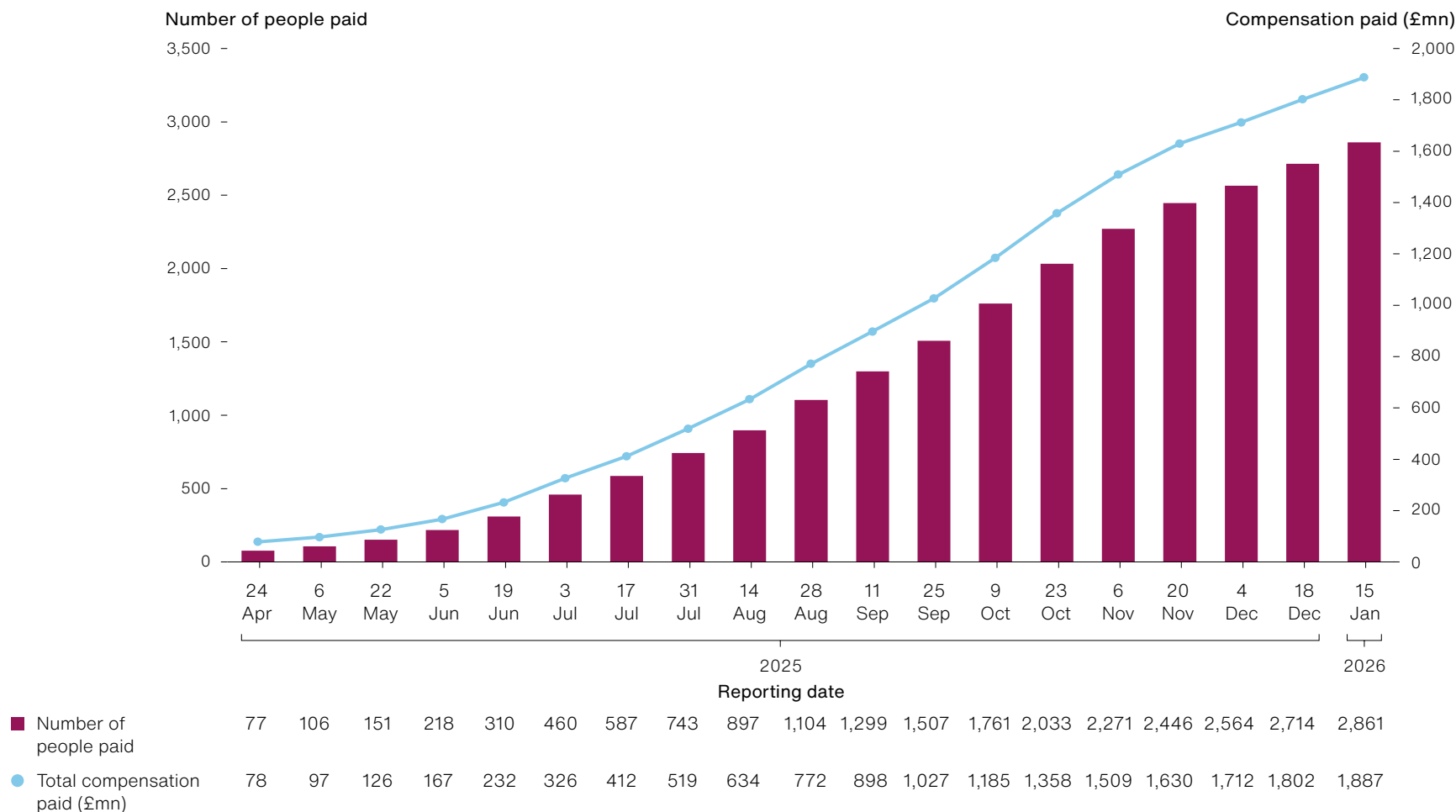
4.18 IBCA engages with the infected blood community by working with groups representing affected communities (such as charities and community groups), and issuing up-to-date information on the progress of the scheme, for example on when different categories of infected or affected people will be able to start their claims. IBCA told us that they plan to use these channels to help contact people who may be unaware that they may be entitled to compensation. Between June 2024 and March 2025, IBCA held over 100 community engagement sessions, involving over 1,200 attendees and 32 community representative groups. IBCA has appointed three people who have been either infected or affected by infected blood, with whom it consults internally to help ensure that the delivery of the scheme meets the needs and expectations of the infected blood community. IBCA offers a range of support for people making a claim, including free legal support, psychological support and financial support.

³¹ The average payment per claim is likely to change as different categories of people are paid compensation, such as for affected individuals.

Figure 18

Total number of people and amount paid through the Infected Blood Compensation Scheme, fortnightly, April 2025 to January 2026

The increasing rate of compensation payments over the early months of the scheme reflects the test and learn approach, which involved gradually larger groups of people being invited to claim



Notes

- 1 Total compensation paid is rounded to the nearest £ million.
- 2 The test and learn approach means designing services by starting small, testing what works and what does not, and learning from real users in real time to improve.
- 3 The Infected Blood Compensation Authority releases compensation scheme data every fortnight, beginning in April 2025.

Source: National Audit Office analysis of Infected Blood Compensation Authority data

4.19 An IBCA survey of the infected blood community from June 2025 found that a broadly similar number of people regarded IBCA as trustworthy as untrustworthy. The same survey found that 35% of respondents thought that IBCA would not fulfil its aim to deliver compensation to everyone entitled to it. IBCA claimant satisfaction data from October 2025 for people who had now completed their claim and chose to complete the survey (116 responses), showed that approximately 80% of people were satisfied or very satisfied with their experiences with the scheme, and around 11% either dissatisfied or very dissatisfied.

4.20 The Infected Blood Inquiry's additional report,³² published in July 2025, stressed that one of the biggest concerns for the infected blood community regarding the scheme was the length of time it was taking for people to receive their compensation, and the lack of clear timescales as to when they will receive it. The inquiry pointed to evidence from the community describing the impact that delays were having on people, including many nearing the end of their lives without having received compensation.

32 Infected Blood Inquiry, *Additional Report on Compensation*, HC 1167, July 2025.

Appendix One

Our investigative approach

Scope

1 In January 2024, the Chair of the Committee of Public Accounts (PAC) asked the Comptroller and Auditor General (C&AG) to consider a thematic review of government compensation schemes for citizens who have suffered harm, hardship and distress from failures by public bodies. In response, we published our 2024 report *Lessons learned: Government compensation schemes*, which provided insights from previous and ongoing compensation and financial recognition schemes, drew out good practice and identified risks, to assist officials when developing similar schemes in the future.³³

2 In her letter, the then PAC Chair drew attention to seven UK-wide compensation and financial recognition schemes operated or overseen by the Home Office, the Department for Business & Trade (DBT), the Ministry of Defence (MoD), and Cabinet Office.

- The Windrush Compensation Scheme (Home Office).
- The Horizon Shortfall Scheme (DBT) – closed in January 2026.
- The Horizon Group Litigation Order Scheme (DBT).
- The Horizon Overturned Convictions Scheme (DBT) – closed in June 2025.
- The Horizon Convictions Redress Scheme (DBT).
- The LGBT Financial Recognition Scheme (MoD).
- The Infected Blood Compensation Scheme (Cabinet Office).

³³ Comptroller and Auditor General, *Lessons learned: Government compensation schemes*, Session 2024-25, HC 121, National Audit Office, July 2024.

3 In this report, a follow-up to our 2024 report that builds on its findings, we examine the operation of the seven schemes and provide an assessment of their progress. Our focus is on the operational phase of the schemes and how each scheme has performed and developed over time. The report sets out the following.

- Each scheme's progress and performance at encouraging claims from eligible claimants, assessing claims, making offers and paying claimants.
- Reasons for any performance issues, particularly in relation to the time taken to make offers to eligible applicants.
- How schemes have introduced changes and improvements to encourage more potentially eligible people to claim, to speed up the assessment process and to improve the rate and number of accepted offers.

4 We reached our findings on the schemes after analysing evidence we collected between October 2025 and January 2026. In examining the schemes, we based our findings on a range of evidence, including interviews, document review and data analysis.

5 We do not examine the issues that led to the schemes being needed, details of the schemes' design (except where important in understanding operational performance), other government compensation schemes (closed or ongoing) or the claims or circumstances of individual people making claims. The report is factual and does not seek to evaluate the success or otherwise of the schemes, nor report on value for money.

Methods

Interviews with departments and delivery bodies

6 We conducted online interviews with relevant officials from the four lead departments and other departments or bodies involved in the delivery of the schemes. Our aim was to further our understanding about the schemes' history and progress over time.

- **Home Office:** We conducted five interviews with officials. This included the heads of the Windrush Compensation Scheme and teams responsible for policy, operations, engagement and analysis.
- **DBT:** We conducted eight interviews with officials covering the four Horizon compensation schemes. These included officials responsible for the schemes' delivery, policies and analysis. We used these interviews to develop our understanding of how the schemes have developed and performed over time. We held a follow-up meeting with the analysis team to discuss the interpretation of the data.

- **Ministry of Justice (MoJ):** We held one interview with officials to gain an understanding of MoJ's involvement in the Horizon Convictions Redress Scheme, where MoJ identifies and notifies individuals who have had their convictions quashed by the Post Office (Horizon System) Offences Act 2024.³⁴
- **MoD:** We held two interviews with officials to gain an understanding of the scheme, one with the lead officials running the scheme and one with the team responsible for its operations.
- **Cabinet Office:** We held one interview with an official, to discuss Cabinet Office's involvement in the Infected Blood Compensation Scheme. We discussed, amongst other themes, how it helped establish the scheme, the dynamics of its sponsorship of the scheme, and target setting to monitor scheme performance.
- **Infected Blood Compensation Authority (IBCA):** IBCA is an independent arm's-length body set up in May 2024 to administer the scheme. We conducted three interviews with officials from IBCA, to further our understanding about how the scheme was established, developed and progressed over time. We met with officials responsible for programme management, communications and engagement, digital, and data analysis.

Consultation with stakeholder groups and representatives

7 We held interviews with, or more broadly engaged, representatives from groups that either support or represent claimants, provide independent scrutiny or are in other ways involved with the schemes. We aimed to gain an understanding of how the schemes have performed over time from the viewpoint of a range of stakeholders. We interviewed most stakeholders that contributed to our consultation, whilst others submitted written evidence. The views of these stakeholders have been reflected in the report, following a thematic analysis of the data we collected.

- **The Windrush Compensation Scheme:** The Windrush Commissioner, Big Caribbean Lunch, Race Council Cymru, Caribbean & African Health Network, and Windrush Defenders Legal.
- **Horizon compensation schemes:** Justice for Subpostmasters Alliance, Christopher Head OBE, the National Federation of Subpostmasters, and Voice of the Postmaster.
- **The LGBT Financial Recognition Scheme:** Fighting With Pride, and the independent chair of the appeals board for the scheme.

³⁴ *Post Office (Horizon System) Offences Act 2024.*

Document review

8 We reviewed over 350 published and unpublished documents provided to us by the MoD, MoJ, DBT, the Home Office and Cabinet Office during fieldwork.

- Inquiry reports.
- Parliamentary briefings.
- Data releases.
- Treasury meetings.
- Meeting minutes.
- Policy documents.
- Online articles.
- Guidance and principles documents.
- Process documents and charts.
- Annual reports.

9 We reviewed each document against our scope and with a view to understanding how each scheme had progressed and developed over time. Our review was essential in our synthesis of the report's findings. It also prompted follow-up questions, that we later posed to audited bodies in interviews or by email.

Data analysis

10 We received data from the MoD, MoJ, DBT, the Home Office and Cabinet Office, including the volume of claims received and paid, total amount of compensation paid, average amount paid per claim, and time taken to process claims. We analysed this data to provide additional insight into the schemes administration and to investigate trends that would act as indicators of each scheme's progress. Where relevant, we also compared performance against internal targets set by the departments for certain measures.

11 We have made it clear in the report where changes in the reporting method may have occurred for certain data and clearly outlined limitations with the data we gathered and the analysis we conducted.

Limitations

12 The Windrush Compensation Scheme: Prior to July 2022, all claims that were sent to the team sending out the decision letters to claimants were excluded from the number of claims in progress. The Home Office realised that claims could sit with this team for a few days before being actioned, so a decision was made to include those claims in the work in progress figure. Now only claims that have received a final offer are excluded from the number of claims in progress. Data on total amount paid does not distinguish between preliminary, interim, and full and final payments. The average amount paid per claim is calculated by dividing the total amount paid under the Windrush Compensation Scheme per month by the respective number of claims receiving payment in that month.

13 The Horizon Shortfall Scheme: Post Office Limited were unable to provide us with comprehensive claims data for the period from the launch of the scheme in May 2020 to August 2023. As a consequence, we used September 2023 as our starting point for analysing the Horizon schemes. Also, dispute resolution and appeal process data was recorded differently across the schemes, and we therefore measure Horizon Shortfall Scheme appeals data in number of offers and the remainder of the schemes in number of claims.

14 The Overturned Convictions Scheme: Post Office Limited was unable to provide some data we requested, such as data on time taken to settle claims. The scheme has therefore been omitted from some of our analysis. Data on claims for full and final settlements could only be provided to us by Post Office Limited from January 2024. Claimants to the scheme could submit pecuniary and non-pecuniary claims separately on the scheme, meaning individuals could make two claims. DBT agreed that it would be better to analyse eligible full and final claims rather than pecuniary and non-pecuniary claims and endorsed our approach. Consequently, however, we did not use separate pecuniary and non-pecuniary claims data we were provided with that covered the period before January 2024. DBT and Post Office Limited also requested we distinguish between formerly convicted eligible individuals and prosecuted but not convicted claimants for the scheme. As a result, we indicate separately how many individuals were eligible from each claimant cohort in Figure 6.

15 The Horizon Convictions Redress Scheme: We did not collect data on the number of individuals identified as having convictions quashed by the Post Office (Horizon System) Offences Act 2024 in Northern Ireland or by the similar legislation in Scotland.

16 Horizon schemes claims received data: Figures 7 and 8 show the eligible claims received on each scheme since September 2023. We separated these because of the size of the difference between the Horizon Shortfall Scheme and other schemes. We grouped the other schemes separately to preserve the clear trendline over time on each scheme. For the Horizon Shortfall Scheme, which closed on 31 January 2026, the final total claims received on the scheme will be different to the figure we present in the report as we report data to January 2026 and claims received continued to be processed in subsequent months.

17 Horizon schemes compensation paid data: Data on total compensation paid does not include the costs associated with claiming, including legal costs. Data only includes claimants' compensation awards. DBT publishes legal costs data on a quarterly basis, however, our analysis excluded these costs. Full and final payment data on the Horizon Shortfall Scheme and the Overturned Convictions Scheme includes top-up payments made to claimants.

18 Horizon schemes analysis of time taken to process claims: Post Office Limited provided us with the Horizon Shortfall Scheme data in months, whilst DBT provided us with data for the Group Litigation Order Scheme and the Horizon Convictions Redress Scheme in working days. We agreed with DBT that we would convert the data for these schemes into months, using 21 working days per month for our analysis. There was also variation in when the claim process necessarily started on the schemes, given differences in scheme design. Consequently, we chose the most appropriate points on each scheme and made it clear when the process began for average time taken data.

19 The LGBT Financial Recognition Scheme: The MoD collects data on the number of applications made for each of the two payments available under the scheme and the progress of those applications to conclusion, including appeals and payment. Before the MoD's Application Processing and Management System was introduced in August 2025, data was collected manually. Before 14 August 2025, the MoD recorded applications on the date they were received. From this date onward, the MOD updated its reporting approach so that applications are recorded after the 14-day period during which applicants can amend their submission. This change results in a temporary dip in the cumulative total of applications between 11 August 2025 and 25 August 2025, as some applications that were recorded as received under the old reporting method temporarily dropped out of totals and were recorded again two weeks later in the data.

20 The Infected Blood Compensation Scheme: Claims data was limited because the scheme had been open for a short time when we undertook our fieldwork. We did not interview any stakeholder groups or representatives for this scheme because the scheme had not been open long enough for claimants to have experience of the scheme's administration, and because the views of the infected blood community were extensively covered in the reports of the Infected Blood Inquiry.

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