

Change Management – The Price Of Getting It Wrong

UK Government And Public Sector Edition — Why Governance, Not Technology, Turned A System Fault Into The UK's Largest Miscarriage Of Justice

A Charterhouse Consultants white paper by Bridget Convey, January 2026.

Executive Summary

This paper makes one claim, applied to UK government and public sector organisations specifically. The Post Office Horizon scandal is frequently described as a technology failure. It was not. Independent inquiry findings are explicit that the roots of the scandal are not to be found in the lines of code in the Horizon software, but in the performance of the Post Office board, management, and ownership function, who should have delivered better supervision and oversight of the change they had introduced. Between 1999 and 2015, more than 900 subpostmasters were convicted of theft, fraud, and false accounting based on data from a flawed accounting system the organisation knew, from as early as the mid-2000s, contained bugs, errors and defects. It has been described as the most widespread miscarriage of justice in UK history, with at least 13 documented cases connected to suicide among those affected. This paper argues that in public sector organisations specifically, poorly governed change does not just cost money. It costs liberty, livelihood, and in the most severe cases, life.

The Premise: The Gap Is The Danger, Not The System Itself

Horizon, developed by Fujitsu and rolled out across Post Office branches from 1999, was intended to modernise financial transactions in branches still relying on ledger books and pencils. That ambition was reasonable. What followed was not a story about defective software so much as a story about what an organisation does once evidence emerges that a system it has bet the organisation's credibility on might be wrong. Independent governance analysis found the Post Office board was almost entirely guided by the perspectives of its own management, and failed to adequately test those perspectives by engaging directly with the subpostmasters actually reporting the discrepancies, with MPs, with Fujitsu itself, or with external experts. The result, in the words of one governance review, was an organisation vulnerable to groupthink, unable to gain any meaningful understanding of its own underlying culture or the problem it had created.

This is the mechanism this paper is built on, at its most severe. A High Court ruling in 2019 found the Post Office had displayed institutional obstinacy, a refusal even to consider that the Horizon system might be flawed, despite mounting internal and external evidence to the contrary. Rather than pausing the change and investigating properly, the organisation entrenched its position and, in the words of one industry analysis, doubled down, prosecuting subpostmasters for shortfalls the organisation's own system had most likely generated in error.

What Governance Failure Actually Cost

The human cost is the most severe recorded anywhere in this paper series. More than 900 subpostmasters were convicted, around 700 of them prosecuted directly by the Post Office itself, between 2000 and 2014. Many more were required to personally repay shortfalls the flawed system had generated. The first volume of the official inquiry's findings documented approximately 1,000 wrongful convictions, around 10,000 individuals seeking compensation, and 13 cases connected to suicide among those affected. Reputational cost has compounded for over two decades and shows no sign of resolving: the Post Office was found to have instructed solicitors, using public money, to threaten legal action against the BBC over its Panorama reporting of the scandal in 2015, an attempt to manage reputation that itself became part of the story of institutional failure once it came to light.

Crucially for this paper's argument, the failure was not undiscovered until recently. A 2009 investigation by Computer Weekly magazine had already begun surfacing the emerging scandal. Multiple internal reports confirmed faults in the Horizon system over subsequent years, but former Post Office leadership, according to the firm Second Sight which authored some of those reports, refused to accept or publish their findings. This is a change governance failure playing out over more than a decade: not a single bad decision, but a sustained, repeated institutional choice to protect the organisation's position rather than investigate a change that mounting evidence suggested was harming the very people it was meant to serve.

The Evidence: What Should Have Happened, According To The Inquiry Itself

Formal Change Governance Was Entirely Absent

Professional governance review of the scandal is specific about what was missing. Recommended corrective action includes implementing a formal and consistent change management process incorporating risk assessments, genuine stakeholder input, and post-implementation reviews, with internal audit providing independent assurance over the effectiveness of that governance. None of this existed in any meaningful form around Horizon's rollout or its ongoing operation. Subpostmasters received limited training on the system and were not equipped to understand or challenge the discrepancies it produced, while the culture around escalation actively discouraged raising concerns: issues that were escalated were downplayed, avoided independent challenge, and whistleblowers were ignored even as legal action against subpostmasters continued despite mounting evidence of system flaws.

Process Design Treated Technology Output As Absolute

A specific process design failure sits at the centre of the scandal: Horizon's outputs were treated as absolute, with no effective reconciliation or escalation mechanism in place to catch and correct anomalies before they resulted in a prosecution. Internal controls failed to detect or genuinely challenge anomalies, and subpostmasters were held personally accountable without the right questions ever being asked of the system itself. Governance analysis is explicit that technology should be treated as an enabler, not as an absolute source of truth, and that a questioning mindset toward data and technology outputs is a core requirement of properly governed change, not an optional extra.

UK Government And Public Sector In Three Horizons: The Gap Closes Or It Does Not?

Two Years: 2026 To 2028

What happens everywhere: public sector organisations accelerate AI and automation adoption across case management, benefits administration, and citizen-facing services, often under significant efficiency pressure.

- Thrive path. Organisations build formal reconciliation and escalation mechanisms into every automated decision system from the outset, treating any system output as a starting point for investigation rather than an absolute basis for action against an individual.
- Die path. Organisations deploy automated decision-making without matching escalation and challenge mechanisms, and the Horizon pattern, technology output treated as unquestionable fact, repeats in a new system with a new acronym.

Five Years: 2028 To 2031

What happens everywhere: the full Post Office Horizon Inquiry concludes and its final recommendations on governance reform are published in full.

- Thrive path. Public sector boards adopt the inquiry's governance recommendations as binding practice, including genuine independent challenge of management's own account of a system's performance, rather than treating the recommendations as historical lessons about one specific organisation.
- Die path. Reform remains concentrated narrowly on the Post Office itself, and the underlying governance pattern, boards guided almost entirely by management's own perspective with no independent stakeholder engagement, persists unaddressed elsewhere in government.

Ten Years: 2031 To 2036

What happens everywhere: public trust in government and public sector use of automated and AI-driven systems either recovers meaningfully from the post-Horizon low, or does not.

- Thrive path. Organisations that built genuine escalation, reconciliation, and independent oversight into their change governance become the trusted standard for responsible public sector automation, actively cited as the corrective example to Horizon.
- Die path. A further Horizon-scale governance failure occurs in a different public sector system, and public trust in government technology, already severely damaged, does not recover within this generation.

What I Am Recommending To Government And Public Sector Boards

- Implement formal, resourced change management governance for any system whose output can trigger action against an individual, including mandatory risk assessment, genuine external stakeholder input, and independent post-implementation review.
- Build reconciliation and escalation mechanisms into every automated or system-driven decision process, so that an anomaly is treated as a signal to investigate the system, not solely as evidence against the person affected by it.
- Ensure boards actively seek perspectives independent of management on the performance of any major system or change programme, following the specific governance failure the Post Office inquiry identified as central to the scandal's persistence for over a decade.

Conclusion

The Post Office Horizon scandal is the clearest possible evidence, anywhere in UK public life, that change management failure is not a technical category of risk. It is a human one. A flawed accounting system caused financial discrepancies. A governance culture that trusted management's own account of events over independent stakeholder input, that treated system output as absolute, and that entrenched rather than investigated once evidence of a problem emerged, turned those discrepancies into wrongful convictions, ruined livelihoods, and documented loss of life. As government and public sector organisations move further into AI-driven and automated decision-making, the specific governance failures the Horizon inquiry has now documented in exhaustive detail are not historical curiosities. They are a checklist of exactly what must be built, deliberately and before deployment, to ensure the next large-scale public sector system change does not produce the same result under a different name.

Sources: AccountingWEB (Horizon Inquiry Phase 6 governance report), Crowe UK, Thomas Murray, Institute of Directors (IoD) policy paper, The Corporate Governance Institute, Hamlin LLP, academic conference proceedings (ECMLG). All figures current as of mid-2026, verified at time of writing. This is a first draft prepared for internal discussion.