



# All-Party Parliamentary Loan Charge Group

[www.loanchargeappg.co.uk](http://www.loanchargeappg.co.uk)

**Minutes of the APPG meeting  
Tuesday June 11<sup>th</sup> 2019 - Room 391, Portcullis House, 13:00**

## **Attendees:**

APPG Officers: Sir Ed Davey MP, Ruth Cadbury MP, Baroness Susan Kramer

APPG Secretariat: Greg Mulholland, Sabina Mangosi

APPG Members: Stephen Lloyd MP, Laurence Robertson MP, Jim Fitzpatrick MP, Dominic Grieve MP, Clive Lewis MP, Stephen Metcalfe MP, Tommy Shepard MP, Siobhan McDonagh MP, Tan Dhesi MP, Alex Chalk MP, Theresa Pearce MP, Marsha de Cordova MP, Dame Caroline Spelman MP, Karen Lee MP, Adrian Bailey MP, Timothy (office of Fiona Bruce MP) Alistair Johnston (office of Richard Benyon MP), Joshua Carlton (office of Adam Holloway MP), Charlotte Jones (office of Laurence Robertson MP), Tim Sansom (office of Dominic Grieve MP), Molly Brazier (office of Clive Lewis MP), Tarsilo Onuluk (office of Crispin Blunt MP), unnamed aide (office of Ivan Lewis MP), Jamie Moncrieff (office of Jonathan Lord MP), Nicholas White (office of Jonathan Lord MP)

Guests: Rhys Thomas (WTT), David Logan (TAG Tax), Chris O'Hara (Harts Ltd), Dr Dia Miller, Blanche Zaph, Claire Swallow, Maria Hauret

## **Part A - Formal business**

1. The Secretariat welcomed all attendees and updated members on achievements to date:
  - a. 183 MPs and 2 peers have signed updated letter to new minister Jesse Norman calling for a delay and independent review; further expressions of interest being notified to the Secretariat, from both MPs and the House of Lords
  - b. 152 members of the Loan Charge APPG, more joining on weekly basis
2. The Secretariat provided an update on outstanding correspondence:
  - a. Letter to Sir Jon Thompson re misinformation (2<sup>nd</sup> April) – no reply yet, to be followed up

Chair: Sir Edward Davey MP Vice-Chairs: Ruth Cadbury MP, Ross Thomson MP, Baroness Kramer, Liz Twist MP

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- b. Open letter to Jesse Norman (30<sup>th</sup> May) – no acknowledgement/reply yet, to be followed up
- c. Reply from Chancellor to TSC Chair re incorrect statement by Chancellor about the APPG Secretariat (17<sup>th</sup> May) – reply required, draft letter is with the APPG Officers for review, comment and sign off

**ACTION** – Secretariat to follow up with APPG Officers

## **Part B - Topic for discussion: HMRC's behaviour and their pursuit of individuals impacted by the Loan Charge**

This was an informal chat asking guests to give their experience of HMRC treatment of people facing the Loan Charge, followed by question and discussion.

The following independent chartered tax advisers and specialist tax accountants gave their insight and experience of dealing with HMRC on behalf of clients:

- Rhys Thomas – Managing Director, WTT  
WTT currently advise a large group of clients who are facing the Loan Charge.
- Chris O'Hara – Tax Director, Harts Ltd  
Harts has numerous ongoing cases dealing with HMRC in relation to tax avoidance arrangements. Prior to joining the accountancy profession in 1996, Chris spent nine years working for the Inland Revenue.
- David Logan – Managing Director and Co-Founder, TAG Tax  
TAG Tax has been helping taxpayers caught up in loan arrangements reach settlement with HMRC.

The gentlemen all offered valuable insight regarding the bullying and threatening manner of HMRC's dealings with taxpayers: inconsistency with regard to communication, irregularities with calculations, intimidating treatment of known vulnerable people, and a persistent disregard for the rule of law.

A fundamental shared belief is that HMRC is accountable to no one and that there appears to be a chronic shortage of staff. There were a number of quoted cases of actual clients who have been asked to voluntarily settle spurious amounts of tax not legally owed. All taxpayer rights,

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under the Loan Charge legislation, are 'surrendered' where terms of settlement are agreed and signed.

Alongside this, the engagement of third-party agencies to pursue payments deemed owed and delays of months in HMRC correspondence has led many clients to be in a constant state of anxiety, depression and severe worry, with no ability to regain certainty over their tax affairs. Tax experts are also experiencing their own mental health problems by having to provide 24/7 counseling services to distressed clients.

Where HMRC has been contacted by tax experts, discussions frequently take place over a period of years: communication is often sporadic and inconsistent, both regarding the nature of demands being made of taxpayers, as well as with regard to the length of time between responses received following enquiries. HMRC frequently make demands which appear to have dubious legal grounds with the threat of further action if the taxpayer fails to comply.

- Dr Dia Miller – Dr Miller assisted with the development of the APPG survey and the analysis of the results

Dr Miller has a Doctorate in the Sociology of Religion. She has worked to improve local services and policy formation by understanding why different groups of individuals hold pre-conceived notions and ideas.

Dr Miller offered her skill set to the Loan Charge Action Group in May 2018. She wanted to understand whether the Loan Charge legislation was impacting contractors and their families, and if so, how. She believes that a holistic research inquiry will help uncover the true problems surrounding the Loan Charge issue and will help provide civil servants and politicians the opportunity to make better decisions on policy formation.

Dr Miller provided expert insight regarding the behavioural psychology that HMRC has used in its propagation of the Loan Charge: taxpayers are made to feel worthless, that they have done something shameful, and that their actions are akin to criminal. The underlying impact is devastating and the repercussions far-reaching. Dr Dia also detailed the psychological impact on individuals' sense of self from the criminalising language used by HMRC and the Treasury around the Loan Charge.

- Blanche Zaph – LCAG helpline volunteer

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Blanche is a former Special Constable with the Thames Valley Police (2 years) and Victim Support volunteer in the Bracknell (Berks) office (18 months). She has been a LCAG volunteer with the Helpline since January 2019.

- Claire Swallow – LCAG helpline volunteer  
Claire is a former commercial and technical project manager, school governor and local community volunteer. She has been a full-time carer since 2007.  
Claire has been a LCAG helpline volunteer since July 2018, actively responding to both email and telephone requests for help.
- Maria Hauret – LCAG helpline volunteer  
Maria is a Business Analyst with over 23 years' experience of predominately financial sector clients. She has been a LCAG volunteer actively responding to Helpline calls since February 2019 (4 months), currently Operations Lead on the Helpline Channel.

Given the nature of their volunteer roles, Blanche, Claire and Maria all operate remotely manning the LCAG helpline. This was the first time they had actually met in person.

They outlined how the LCAG helpline works and the nature of the calls received. These typically split into two categories: those who are calling to find out more information about the Loan Charge, and those who have only just found out about the legislation.

The former are directed to expert advice and given details of whom to direct their queries; the helpline does not offer tax advice. The latter are frequently distraught and can require many hours of contact, often over prolonged periods of time. These cases are often reassured by the simple fact that they are not alone and others are similarly impacted by the Loan Charge.

Despite HMRC and the Ministers' rhetoric, no official helpline for distressed individuals impacted by the Loan Charge has been put in place. The LCAG helpline grew from a dire need to assist people who have, literally, nowhere to turn to.

All the volunteers gave evidence of extremely worrying cases they have dealt with over the past months.

## **Part C - AOB**

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Closed discussion between APPG Officers, APPG members and the Secretariat regarding next steps, points of action, publications and correspondence.

Meeting ended 14:35

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