



**All-Party Parliamentary Loan Charge Group**

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

## **Loan Charge All-Party Parliamentary Group**

### **Loan Charge Survey October 2019**

#### **Survey Report**

This Survey was compiled, researched and written by the Loan Charge APPG. The Loan Charge APPG Secretariat is staffed and funded by the Loan Charge Action Group.

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## Loan Charge APPG October 2019 Survey Results

### Executive Summary

The Loan Charge APPG, conducted a new survey of people facing the Loan Charge from 23<sup>rd</sup> to 28<sup>th</sup> October. This was in order to provide an update on the situation since March 2019 and to provide more information for the Loan Charge Review commissioned by HM Treasury; 2,086 individual responses were received. Many of the key points are consistent from the March Survey, but in addition to those points we note the following.

#### **HMRC settlement progress:**

- **One in 6 have still have not received any settlement figures.**
- **HMRC's ever changing deadlines and inconsistent communications** are placing unbearable pressure on people who don't know what they have to do.
- **A third have still not been formally notified** by HMRC about the Loan Charge.
- **Only a quarter received settlement figures from HMRC prior to 5<sup>th</sup> April 2019.**
- **9 out of 10 feel that the settlement terms offered are unfair.**
- People who agreed to settlement contracts are reporting that they do not feel able to pay the amount HMRC are seeking and that **they will be insolvent.**
- **The incoming charges to IR35 are reducing ability to pay** the sums that HMRC are demanding. This is causing additional stress and will lead some people to lose jobs and income and be unable to pay what is demanded or anything at all.

#### **Mental Health and Suicide Risk Update:**

- **More than 90% exist in a heightened state that could be described as panic** due to the Loan Charge policy and HMRC's actions.
- **Nearly 40 percent of participants have seriously considered suicide.**
- **At least a third have sought medication and/or counselling** to cope with the situation.
- **Family members are also at risk of suicide** with many reports of family members experiencing depression, or on medication.
- **The despair previously expressed is now giving way to anger** at the lack of progress on the issue. The anger is directed toward HMRC, the Treasury, Ministers and individual MPs.<sup>1</sup>

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<sup>1</sup> No specific threats were expressed towards any individuals.

- **One participant gave details of a person committing suicide following a visit from debt collectors acting on behalf of HMRC.**<sup>2</sup> The facts given indicate that this case is not one of the seven cases that the APPG is already aware of.

#### **Impact on family life**

- **The number of people who will be personally impacted by the Loan Charge is 160% higher** than the number who are directly impacted, once dependents are included.
- **Nearly three-quarters continue to live in fear of losing their main home.**
- **Over 60 families already have lost their homes** and two respondents reported that they have no permanent home at all (**and therefore have been made homeless as a result of the Loan Charge**).
- **Two thirds have seen family relationships breakdown** or are very fearful that this will occur in the near future.
- **There are a number of reports of miscarriages due to stress** as well as of people deciding to delay or to abandon plans to start a family.

#### **Fairness and confidence in the Loan Charge Review**

- **There is a strong feeling of being treated unfairly** and HMRC applying “double-standards”, combined with a feeling that working hard is futile.
- **People feel that they are being punished** for failure to understand an overly-complex tax system and for relying on expert advice.
- There is an overwhelming feeling that **retrospective tax laws targeting ordinary people are wrong.**
- **Little hope is expressed in the Loan Charge Review** to produce significant change and resolve the situation.

## Abstract

The All-Party Parliamentary Loan Charge Group [LC APPG] requested a survey to assess the developing impact of the Loan Charge Legislation on taxpayers. The LC APPG advertised the survey as widely as possible through their own website and encouraged the Loan Charge Action Group and other supportive organisations to also do so through social media platforms, such as Twitter, Facebook and LinkedIn. Survey participants were also asked to promote the survey to colleagues and friends who are impacted by the Loan Charge. 2,086 people took part in the 5 day

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<sup>2</sup> It must be stressed that this report is unconfirmed at this time. The APPG is attempting to verify the case and to gather more details.

period that the survey was live. The survey focused on the taxpayers' experience with HMRC – particularly with regards to settlement and Accelerated Payment Notices [APNs] – and also taxpayers' personal wellbeing.

Based on the responses from the LC APPG October 2019 survey's qualitative and quantitative data, taxpayers continue to express a heightened state of distress, they are unable to conduct their daily affairs or to plan for their future because of the uncertainty that the retrospective aspect of the Loan Charge Legislation creates. That distress is compounded by the way in which HMRC engages with taxpayers that criminalises their past behaviour and penalises taxpayers for having trusted those, including HMRC, who were in a position of authority for employment and tax related matters. There is also a growing sense of anger at the perceived double standards of HMRC's behaviour and increasing doubt amongst those who thought they could afford settlement, but now cannot due to the "IR35" legislation reforms which is now impacting or threatening their future earning potential.

## Summary

Since the original Loan Charge APPG Survey in March 2019, there are now more details expanding on the relational developments between HMRC and taxpayers, particularly through settlement and enforcement scenarios. The survey's results indicate that HMRC's treatment of taxpayers is inconsistent and profoundly unfair on various fronts, for instance, HMRC has failed to formally inform 35 per cent (716/2,086) of those who responded about the Loan Charge. 35 per cent (723/2,086) received their initial settlement figures after 5<sup>th</sup> April 2019. This was the date that the Loan Charge became due according to the legislation and any settlements should have been finalised prior to this date according to previous HMRC announcements. 15 per cent (320/2,086) of respondents indicated that they still have not received settlement figures<sup>3</sup>. Only 6 per cent (126/2,086) of participants have finalised their settlement agreements with HMRC<sup>4</sup>. Only 11 per cent (222/2,086) indicate that they were offered what they feel are reasonable settlement terms.

Since HMRC have only finalised 6 per cent of settlements, the financial consequences of the Loan Charge on taxpayers has yet to fully manifest and therefore there may be little if any statistical increases in the areas of personal impact. The number of those participants who have claimed bankruptcy remains small. We can speculate that increased levels of bankruptcy are more likely

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<sup>3</sup> This is for a variety of reasons, one of which is because they were entirely unaware of the Loan Charge until very recently.

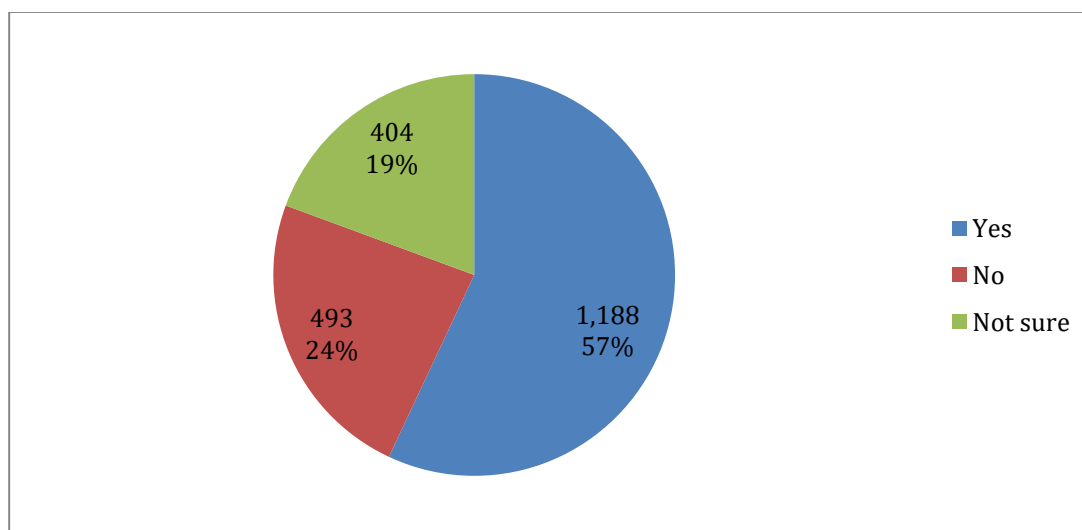
<sup>4</sup> Finalised Settlement is defined as **both** the individual and HMRC having signed a settlement agreement specifying the exact amount to be paid and a date to pay it. This may involve an agreement to pay the amount over a number of years.

to occur after taxpayers have signed settlement agreements. Nevertheless, 94 per cent of participants remain in a perpetual state of limbo not knowing what the future holds.

The statistics for bankruptcy, divorce, and general wellbeing are more or less in line with the first LC APPG survey published in March 2019, with only a small number indicating that they have already lost their home or seen their family breakdown due to the Loan Charge and related issues. Again, this is an area that will likely change if the Loan Charge is unchanged and hits with full force in 2020. Where we see evolution in impact is particularly through the qualitative data which highlights the anguish that their partners are experiencing, particularly those who are suicidal or depressed; a movement away from taxpayers collectively expressing utter despair, to a despair tinged with anger towards HMRC and MPs, and a heightened sense of uncertainty as those who thought they could weather the loan charge are now unsure because of the upcoming IR35 changes to the private sector. Anger, despair, the inability to function day to day, or to have a future remain consistent themes. Where respondents have divulged their experience with HMRC in their written answers, it is obvious that the trust that they placed in HMRC as a reputable institution will disintegrate irretrievably if fairness and a respect for the law is not clearly restored. HMRC are labelled as incompetent or evangelical in their attitude because of multiple transgressions where they have failed to follow their own procedures and have failed to treat taxpayers with dignity and fairness.

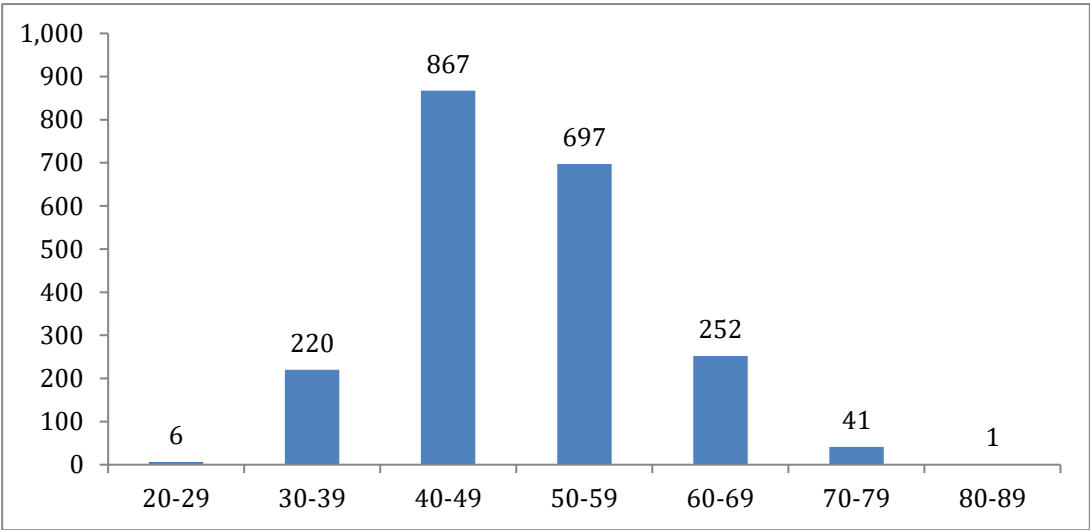
## Detailed Survey Questions and Analysis

### 1. Did you previously participate in the Loan Charge APPG Survey in February/March 2019?



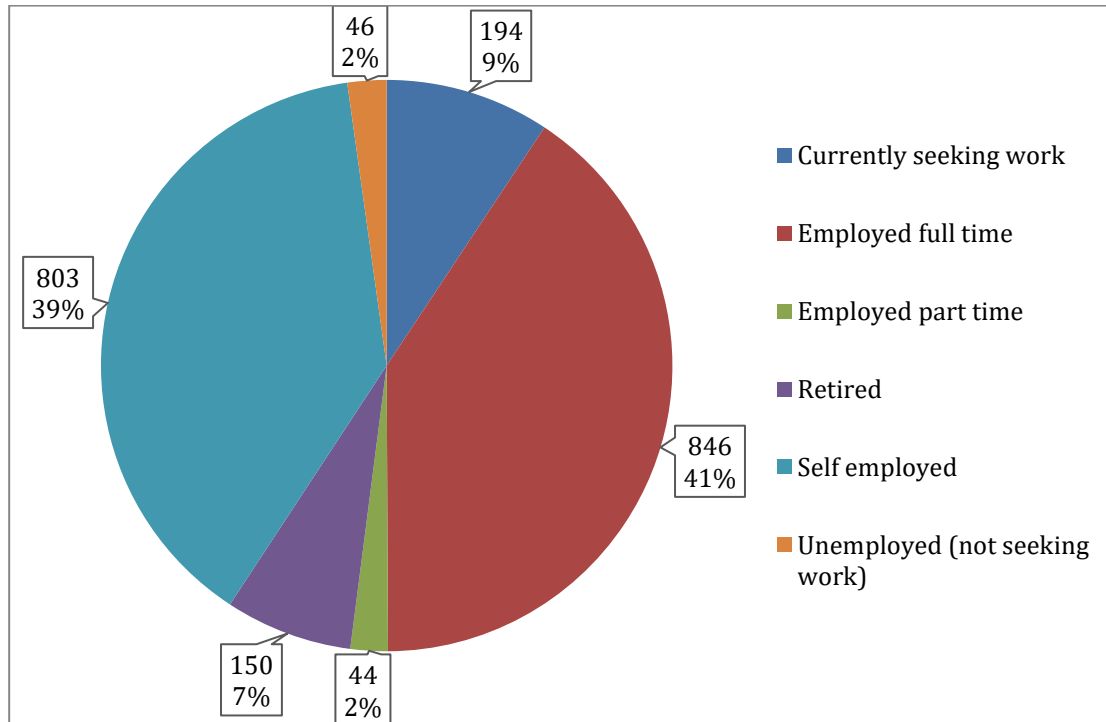
57 per cent (1188/ 2086)	Yes
24 per cent (493/ 2086)	No
19 per cent (404/2086)	Not sure
0 per cent (1/2086)	Not Answered

2. What is your age?



0 per cent (6/2086)	20-29
11 per cent (220/2086)	30-39
42 per cent (867/2086)	40-49
33 per cent (697/2086)	50-59
12 per cent (252/2086)	60-69
2 per cent (41/2086)	70-79
0 per cent (1/2086)	80-89
0 per cent (2/2086)	Not Answered

### 3. What is your working status?

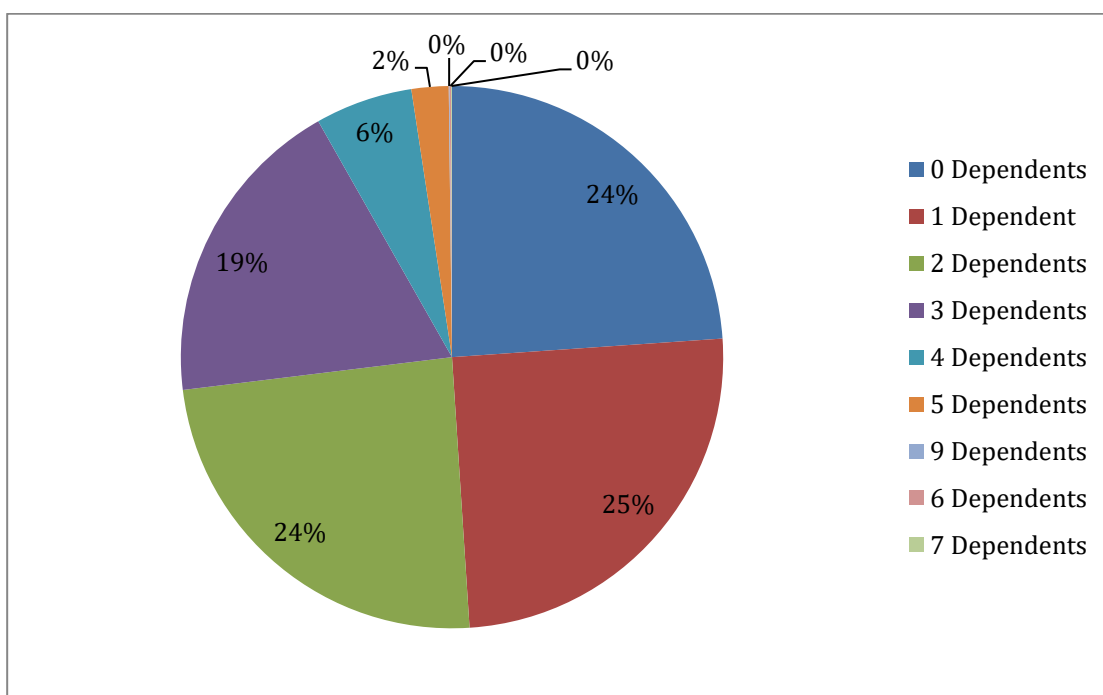


2 per cent (44/2086)	Employed part time
41 per cent (846/2086)	Employed full time
39 per cent (803/2086)	Self employed
9 per cent (194/2086)	Currently seeking work
7 per cent (150/2086)	Retired
2 per cent (46/2086)	Unemployed (not seeking work)
0 per cent (3/2086)	Not Answered

Paying HMRC's settlement terms requires taxpayers to have financial certainty. Putting aside the fact that retrospective legislation prevents anyone from having any form of financial security, 9 per cent of the taxpayers participating in this survey are limited in their means to revive a new income stream because they are either retired or permanently unemployed. An additional 9 per cent are currently seeking work, so will have little or no income. Periods of unemployment are, for contractors in particular, an inherent risk of this form of work. Contractors generally earn higher rates, this is for various reasons but for the specific context of this question, the additional income is usually set aside to act as a buffer for periods of temporary unemployment between

contracts that can sometimes last for months or even for more than a year<sup>5</sup>. Only 41 per cent of participants are in permanent full time work where they will be receiving a known wage and a full benefits package that includes pension, holiday pay, sick pay, maternity leave and protection against unfair treatment or harassment in the workplace.

4. *How many Dependents do you have? (Dependents may consist of children under the age of 18, a spouse, elderly parent or an adult child/sibling you are caring for, or others).*



24 per cent (498/2086)	0 Dependents
25 per cent (522/2086)	1 Dependent
24 per cent (502/2086)	2 Dependents
19 per cent (390/2086)	3 Dependents
6 per cent (121/2086)	4 Dependents
2 per cent (46/2086)	5 Dependents
0 per cent (4/2086)	6+ Dependents
0 per cent (3/2086)	Not Answered

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<sup>5</sup> This “buffer” will also be especially important for those who are unable to work because they are tending to ailing family members or even dealing with their own health emergencies (e.g. a cancer diagnosis) where time is needed out of work for immediate medical appointments and treatment.



In contrast to HMRC’s claim that the Loan Charge Legislation would have a limited, if any, impact on contractors and their families, the answers in this survey show that over 3,400 additional people to the 2,086 who answered, will be impacted by this law and HMRC’s actions. Taxpayers report that their spouses and even children are left depressed, suicidal, even institutionalised because of the stress and uncertainty that the situation is causing. In addition to deteriorating mental and physical health, families are unable to plan for their daily financial affairs. They worry about the loss of their homes and changing schools. In some cases, children are unable to attend university because it is simply unaffordable without the financial support of their families. In other instances, children are dropping out of education because witnessing what their parents are experiencing has impacted them mentally and emotionally.

5. *This question seeks to understand which categories of user apply to you, based on HMRC's definitions and the circumstances that you participated in the loan arrangements. (Please select ALL options that apply).*

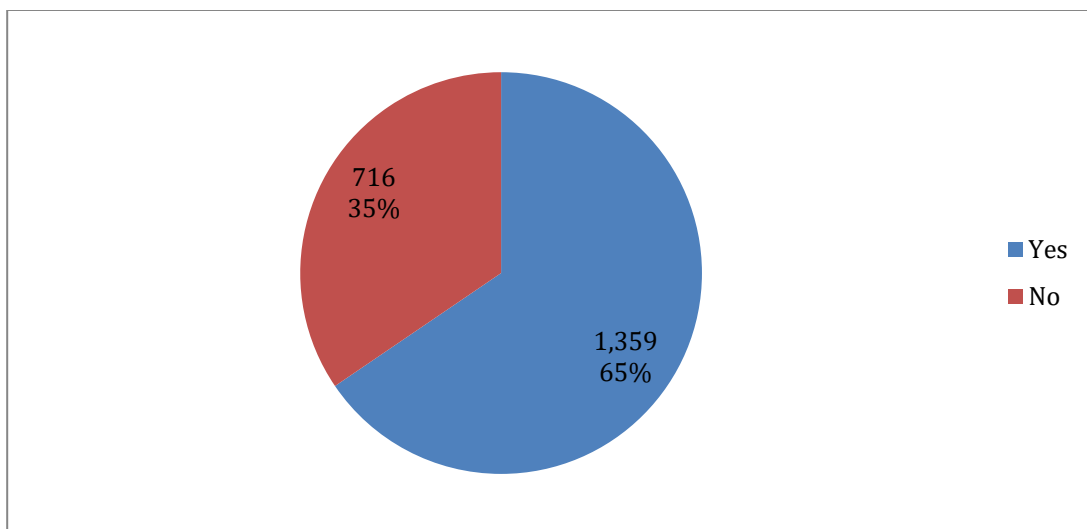
*Use the following link to see the HMRC definitions for each category of user. Refer to sections 2-4.*

<https://bit.ly/settle-terms>

*(copy / paste link into new browser window)*

33 per cent (831/2086)	Contractor – employed
41 per cent (1014/2086)	Contractor – self employed
5 per cent (128/2086)	Employer
17 per cent (427/2086)	Employee
4 per cent (102/2086)	I am unsure which options apply to me

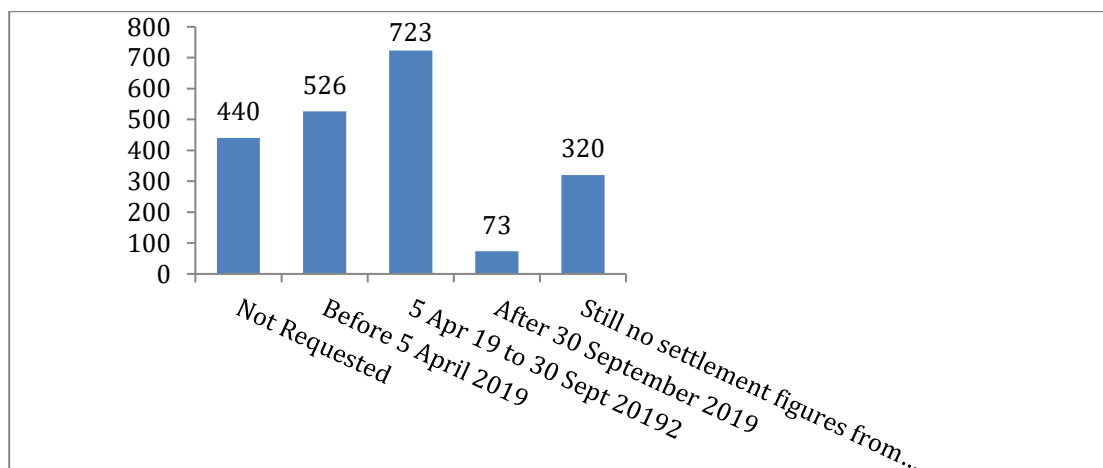
6. *Did HMRC directly and formally inform notify you about the Loan Charge?*



65 per cent (1359/2086)	Yes
34 per cent (716/2086)	No
1 per cent (11/2086)	Not Answered

HMRC has not formally informed 34 per cent of taxpayers about the potential Loan Charge liability. Instead these participants have found out through friends, colleagues, social media and news reports from specialist websites such as ContractorUK.

7. *If you requested settlement figures from HMRC then when did you receive them? (Please state the earliest date that you received settlement figures from HMRC even if the numbers were not correct.)*

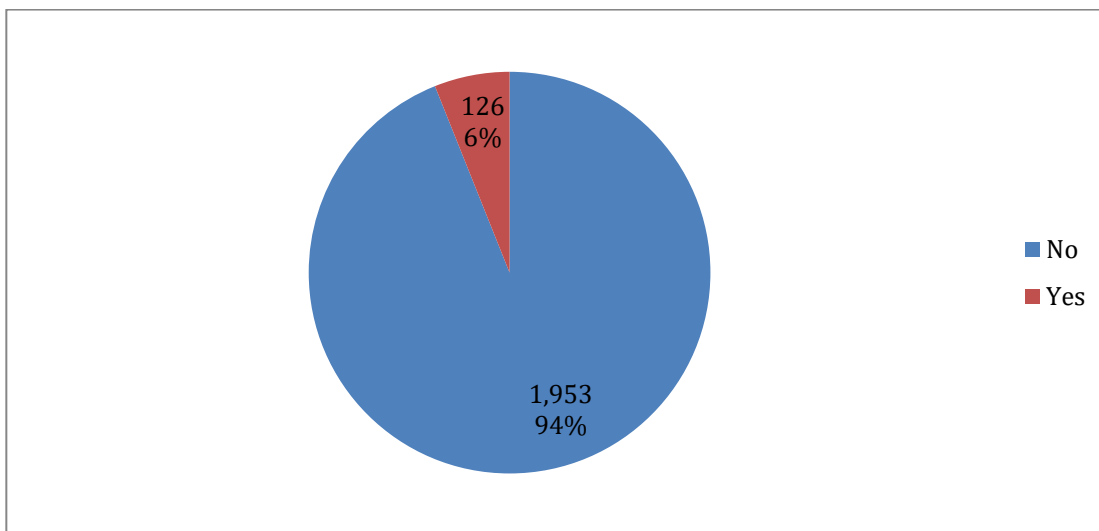


25 per cent (526/2086)	Before 5 April 2019
35 per cent (723/2086)	Between 5 April 2019 and 30 September 2019
4 per cent (73/2086)	After 30 September 2019
15 per cent (320/2086)	HMRC have not sent me any settlement figures yet
21 per cent (440/2086)	I did not request settlement figures
0 per cent (4/2086)	Not Answered

The previous LC APPG Survey clearly indicated that HMRC failed to give taxpayers the “three years’ notice” about the Loan Charge that is often claimed by HMRC and the Treasury. Therefore, the researchers evolved this question to determine taxpayers’ experience with receiving their settlement figures. To date, 320 (15 per cent of participants) have not received any settlement figures from HMRC. Only 25 per cent received their settlement figures before the 5<sup>th</sup> April, which HMRC previously claimed was the deadline to complete settlement. 39 per cent received their initial figures after that date. Those who have not requested settlement have done so for the

following reasons: They cannot afford settlement or the Loan Charge and find it futile to engage with HMRC; are confused and terrified of HMRC; confused by settlement deadlines and feel that they have lost their opportunity; the Loan Charge is a lower amount than settlement and hence they regard it as pointless to engage; they are part of a Judicial Review which they believe will resolve the situation.<sup>6</sup>

8. *Have you already paid HMRC the settlement amount in full or are you already paying the settlement through a time to pay plan?*



6 per cent (126/2086)	Yes
94 per cent (1953/2086)	No
0 per cent (7/2086)	Not Answered

94 per cent of taxpayers have not finalised their settlement with HMRC. This may be because they have not had accurate settlement figures (see previous question), because the settlement figures they have been presented with are unaffordable, or because they are awaiting the outcome of the Loan Charge Review before deciding whether to settle. Another scenario

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<sup>6</sup> The researchers understand that a number of Judicial Reviews are being pursued by groups of people impacted by the Loan Charge who are collectively funding the cases. These Judicial Reviews may result in the courts ruling in favour of the taxpayer's position. Some people may have put their faith in these cases and the courts to restore the rule of law and fairness to their situation. For this reason they may have decided not to discuss settlement with HMRC until the cases have been resolved.

highlighted by the previous question is that HMRC have simply not responded to the taxpayer at all.

*9. Have you found the changing settlement deadlines problematic, if so please state why<sup>7</sup>?*

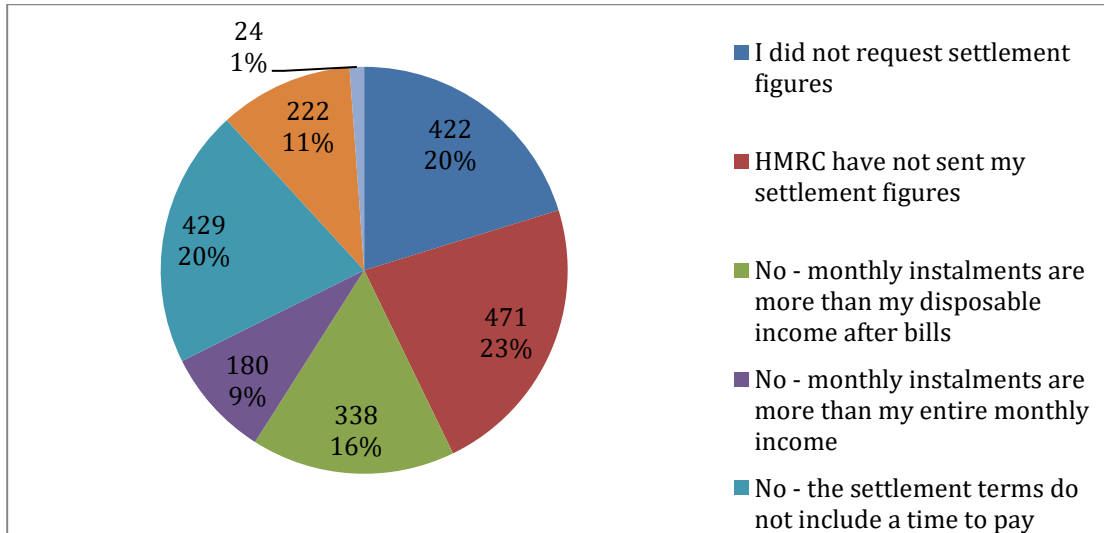
Participants interpreted this question, largely in two different ways. They either thought the question was asking whether the deadlines for telling HMRC of one's interest to settle such as the original March 2018, then September 2018, then April 2019, then August 2019, finally September 2019 deadlines were problematic for them. Or, they viewed the question as asking whether they had received settlement terms with changing dates of acceptance for their individual case. In both interpretations, taxpayers were confused for several reasons. In the former case, many cited that they were unaware that they needed to speak to HMRC about their interest to settle until after the event. Others were uncertain what they needed to do before each date or only heard after the date and thought they missed their opportunity. In latter case, many stated that settlement offers were given by HMRC, accepted by the taxpayer, only to then be revoked by HMRC.

Again, confusion gives way to uncertainty and this is one area in which anger begins to manifest in survey participants as the perception is that HMRC are playing with their lives. People who, despite knowing they did nothing wrong, are nevertheless trying to meet the demands of a bullying authority figure. If one does not experience despair and anger then it is usually an expression of utter despair because taxpayers simply do not understand what HMRC expects them to do and they then fear additional financial penalties.

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<sup>7</sup> The researchers predicted that participants were likely to have two different interpretations for this question. This is because taxpayers are not tax experts and do not utilise the terminology consistently. Whilst we were interested particularly in whether the changing HMRC deadlines for reporting loans or interest in settling to HMRC were problematic, it was decided that it was best to allow for a wider interpretation and for participants to reflect on their experience. The answers could then be analysed in the report. In addition to the two interpretations, participants would utilise the open space as a means to discuss anything from their anger at HMRC to their anguish that their spouse had left them.

10. Have HMRC given you reasonable settlement terms based on personal circumstances and income?



11 per cent (222/2086)	Yes
23 per cent (471/2086)	HMRC have not sent my settlement figures
20 per cent (422/2086)	I did not request settlement figures
20 per cent (429/2086)	No - the settlement terms do not include a time to pay instalment plan
16 per cent (333/2086)	No - monthly instalments are more than my disposable income after bills
9 per cent (180/2086)	No - monthly instalments are more than my entire monthly income
1 per cent (24/2086)	Not answered

Suffice to say, only 11 per cent of taxpayers were offered settlement figures that were reasonable for their personal situation. This does not necessarily mean that they have settled. Some people have reported that they were still waiting for HMRC to send them details on how to send their payment—sometimes for months.

The 20 per cent who did not request settlement figures may be mistakenly prejudged as defiant. This is rarely the case. As has already been mentioned in question 7 above, those who have not requested settlement figures did so because they feel they cannot engage with HMRC due to the knowledge that they have no possibility of paying, because they are in fear of HMRC to the point that it paralyses them from making contact or because they are part of a Judicial Review which

they feel will protect them. Through contact with friends, family and colleagues who are also impacted, they have heard the stories of how HMRC has been inconsistent and, from a taxpayer's perspective, abusive. This then reinforces their decision not to contact HMRC as they feel that obtaining a reasonable response for their situation is futile when 68 per cent of taxpayers have been offered settlement conditions that they regard as unreasonable.

*11. Have you experienced any of the following enforcement action related to your Loan Charge situation? This would include APNs. (Please tick all that apply.)*

17 per cent (490/2086)	I have had letters demanding immediate payment.
12 per cent (333/2086)	I have had letters threatening court action if payment is not made
8 per cent (234/2086)	I have had letters threatening legal action or bailiffs if payment is not made
7 per cent (190/2086)	I have had phone calls from Debt Management demanding payment
7 per cent (198/2086)	I have experienced other enforcement action
4 per cent (97/2086)	I have had visits to my home/office by bailiffs or HMRC officers
45 per cent (1270/2086)	I have not had any enforcement action
3 per cent (73/2086)	Not Answered

Since the previous survey, taxpayers will have had more contact with HMRC. The researchers wanted to determine what sort of behaviour taxpayers are experiencing from HMRC in terms of enforcement. Participants were offered a list of experiences that were reported. The answer choices were based on reports from the initial March 2019 report. Inquiring on the situation in this manner allows for a statistical assessment of HMRC's behaviour to establish whether relational failures exist or are persistent from a taxpayer's perspective. 52 per cent have experienced some form of enforcement action from HMRC, mostly in the form of very strong action, such as intimidating letters or calls insisting on immediate payment, threatening court action, home visits by bailiffs or HMRC Officers. For half of the survey participants to have had experienced this form of enforcement action from HMRC is very disconcerting.

12. Have you experienced increased enforcement action since 5 April 2019?

50 per cent (373/743)	Yes <sup>8</sup>
50 per cent (370/743)	No

The researchers were particularly interested in testing whether those who, having already seen HMRC resort to enforcement action, were now experiencing additional pressure or enforcement action since 5<sup>th</sup> April 2019. Therefore, only those who answered question 11 with an experience of enforcement action for either settlement or APN are shown here. 50 per cent of participants have seen HMRC increasing their enforcement action since 5<sup>th</sup> April 2019. This could be interpreted as HMRC applying pressure on people to accept HMRC's settlement terms despite the ongoing political discussions around the Loan Charge policy.

13. Have you experienced any of the following scenarios from HMRC? (Please tick all that apply.)

61 per cent (1265/2086)	Delays of longer than 30 days in responding to my correspondence or queries.
53 per cent (1097/2086)	Delays of longer than 30 days in providing settlement figures.
53 per cent (1096/2086)	Lack of communication (e.g. not responding at all, ignoring your queries, insufficient information provided on correspondence).
40 per cent (829/2086)	Providing inaccurate figures or calculations.
37 per cent (766/2086)	Letters are arriving late or are backdated.
32 per cent (676/2086)	Received threatening letters stating or implying criminal behaviour.

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<sup>8</sup> The response rate for Question 12 was 97 per cent. However, the researchers were only interested in knowing whether those already experiencing enforcement action have undergone further enforcement action. Thus, those who answered "I have not had any enforcement action" for Question 11 or did not answer Question 12 have been subtracted from the "No" responses for Question 12.

32 per cent (660/2086)	Threatened to charge more interest if I do not sign the settlement agreement.
31 per cent (647/2086)	Disorganised (e.g. losing paperwork, asking for the same info several times, etc.)
28 per cent (586/2086)	Threatened to revoke the settlement offer if I do not agree to their terms.
23 per cent (483/2086)	Threatened to charge tax on monies that I did not receive for example on fees deducted by the promoter.
23 per cent (482/2086)	Stated that I need to try to take out loans, borrow on credit cards, or borrow against the house in order to settle.
23 per cent (476/2086)	Offered misleading or inaccurate advice.
16 per cent (341/2086)	Suggested that I sell the house or other assets in order to settle.
14 per cent (286/2086)	Delays of longer than 30 days in confirming and accepting signed settlement agreements.
12 per cent (247/2086)	Asked me to approach friends/family to borrow money in order to settle.
9 per cent (191/2086)	Ignored that I am designated as “vulnerable” and that HMRC need to take additional care in contacting me.
11 per cent (220/2086)	Not Answered <sup>9</sup>

The vast array of experience indicates that taxpayers feel threatened by HMRC and call into question whether HMRC are operating with prejudice or incompetence. The reported behaviours in this question are deeply disturbing and are not consistent with HMRC’s public statements and written policies that they will treat people professionally and sympathetically. We would go so far as to say that it verges on negligence towards the people that HMRC refer to as their “customers”. Overall, it is unfair to expect taxpayers to make life changing decisions in less than 30 days especially when HMRC are well-known for being unresponsive to taxpayer’s letters, taking months to respond or not responding at all. When HMRC do respond, survey participants

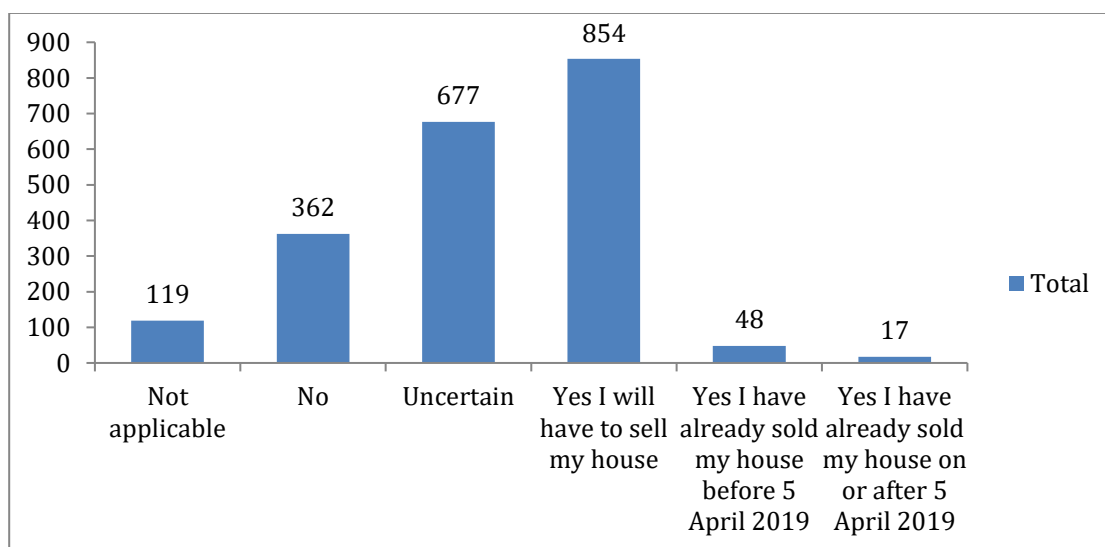
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<sup>9</sup> Note that 320 respondents reported that HMRC have not yet sent any settlement figures at all to them.



lament that staff have failed to answer their questions, clarify settlement calculations or even to correct errors that they have pointed out. In addition to the threats of penalties for refusing settlement or additional charges, contacting vulnerable people who require additional care, or coercion to sell one’s family home, take out loans or borrow from family and friends is likened in survey responses to the Mafia rather than a professional institution which claims that it treats all taxpayers fairly and with regard to their personal circumstances.

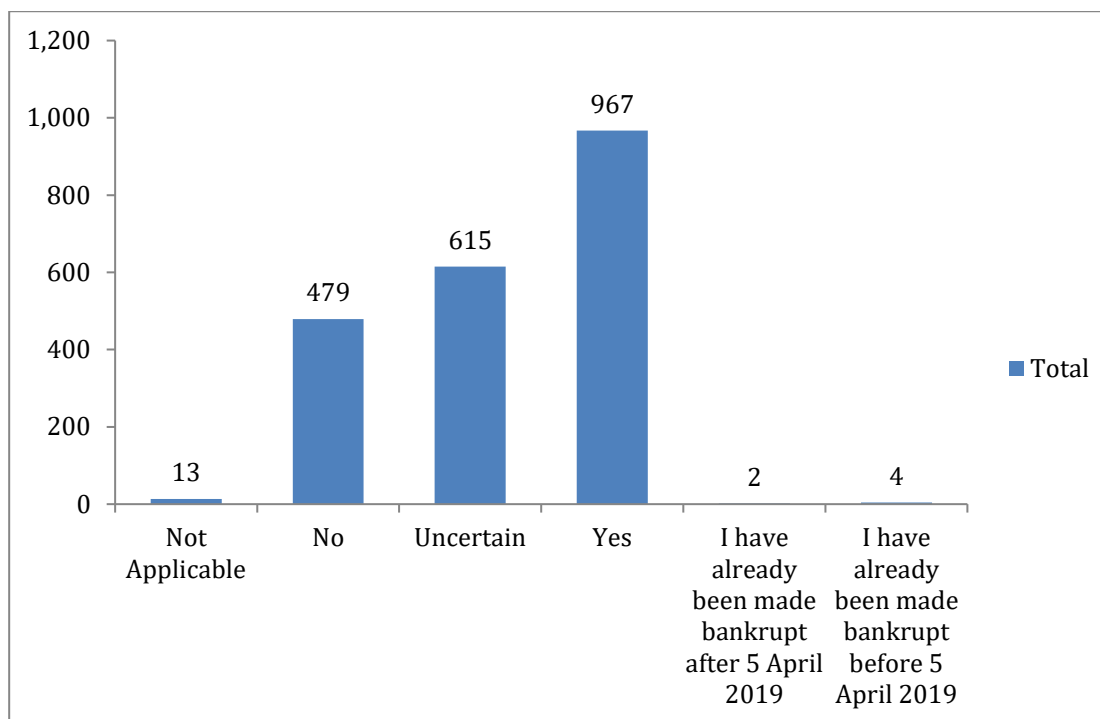
14. Do you believe that you are in danger of losing your main home due to the Loan Charge or APNs?



41 per cent (854/2086)	Yes I will have to sell my house
2 per cent (48/2086)	Yes I have already sold my house before 5 April 2019
1 per cent (17/2086)	Yes I have already sold my house on or after 5
33 per cent (677/2086)	Uncertain
17 per cent (362/2086)	No
6 per cent (119/2086)	Not Applicable
0 per cent (9/2086)	Not Answered

3 per cent of taxpayers have already sold their house. 41 per cent are certain that they will have to sell their house as a result of the policy, whilst 33 per cent are uncertain. This leaves a minimum of 74 per cent in an insecure position to determine how to arrange their finances for maintaining a secure home life.

15. Are you in danger of going bankrupt due to the Loan Charge, settlement offer or APNs?<sup>10</sup>

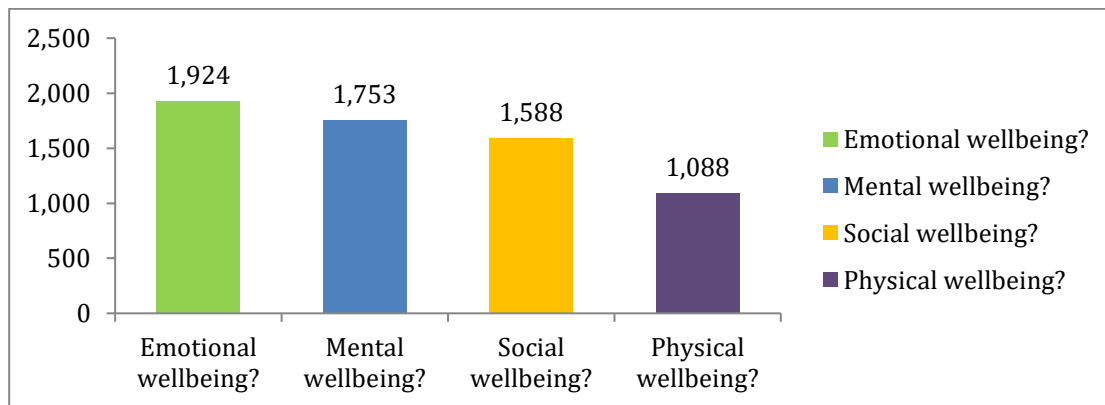


46 per cent (967/2086)	Yes
0 per cent (4/2086)	I have already been made bankrupt before 5 April 2019
0 per cent (2/2086)	I have already been made bankrupt after 5 April 2019
30 per cent (615/2086)	Uncertain
23 per cent (479/2086)	No
1 per cent (13/2086)	Not Applicable
0 per cent (6/2086)	Not Answered

At the moment only 6 respondents have been made bankrupt. 46 per cent are certain they will go bankrupt as a result of the policy and an additional 30 per cent face the worry that they will have the same fate. Only after the full impact of the policy is felt will there be a complete understanding of the issue of bankruptcy on the population impacted by the Loan Charge. The reasons for this, based on the survey data, is that HMRC have finalised settlement with only a small proportion of the population. In addition, there are two other developments that will need to be monitored based on the qualitative survey data. One, those who already settled are reporting that they are now on the verge of bankruptcy because they cannot keep up with the

monthly payment plan. Two, those who have settled or were initially that confident they could weather settlement financially are now in a state of doubt because of the new reformed IR35 rules that are due to be implemented in April 2020. These rules are perceived to mean the end of contracting work, or at least to impact severely on the net income of those who can continue to secure contract work. Thus, respondents fear that they will not manage to pay HMRC's settlement demands, even if they previously felt they could.

16. Has the anticipation of the Loan Charge impacted your..... (Please tick ALL that apply) <sup>11</sup>



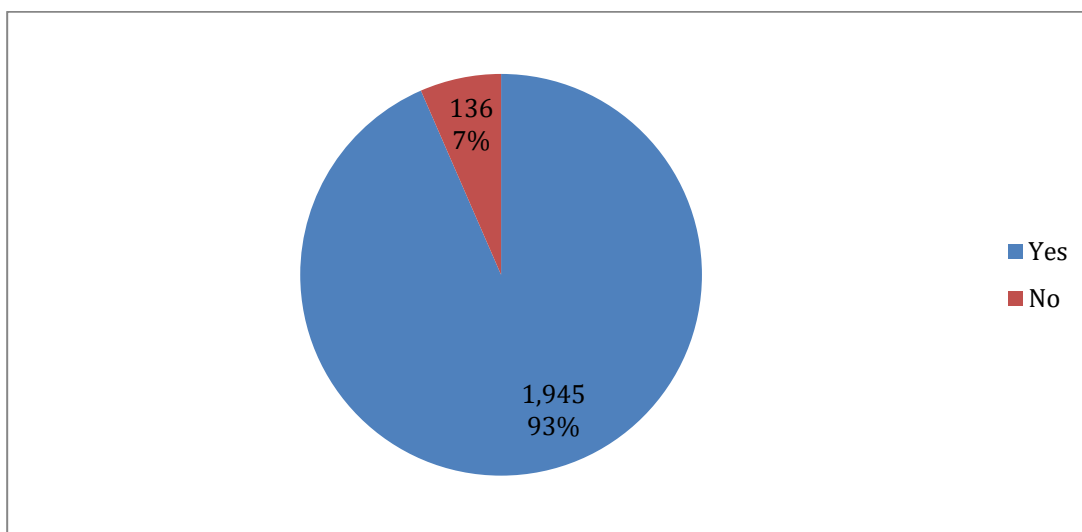
- 92 per cent (1924/2086) Emotional wellbeing? (For example: Persistent low mood, recurrent feelings of hopelessness, unstable mood, anger, despair, resentment, apathy).
- 84 per cent (1753/2086) Mental wellbeing? (For example: Altered Cognitive functioning, perhaps less ability to concentrate being preoccupied, low energy, difficulty with focussing on tasks).
- 76 per cent (1588/2086) Social wellbeing? (For example: Loss of enjoyment or interest in hobbies, feelings of isolation from friends, partner, or family, avoiding social situations).
- 52 per cent (1088/2086) Physical wellbeing? (For example: Symptoms or illnesses not directly attributed to poor health).

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<sup>11</sup> Since participants were offered to select multiple choices, the statistics will not add up to 100.

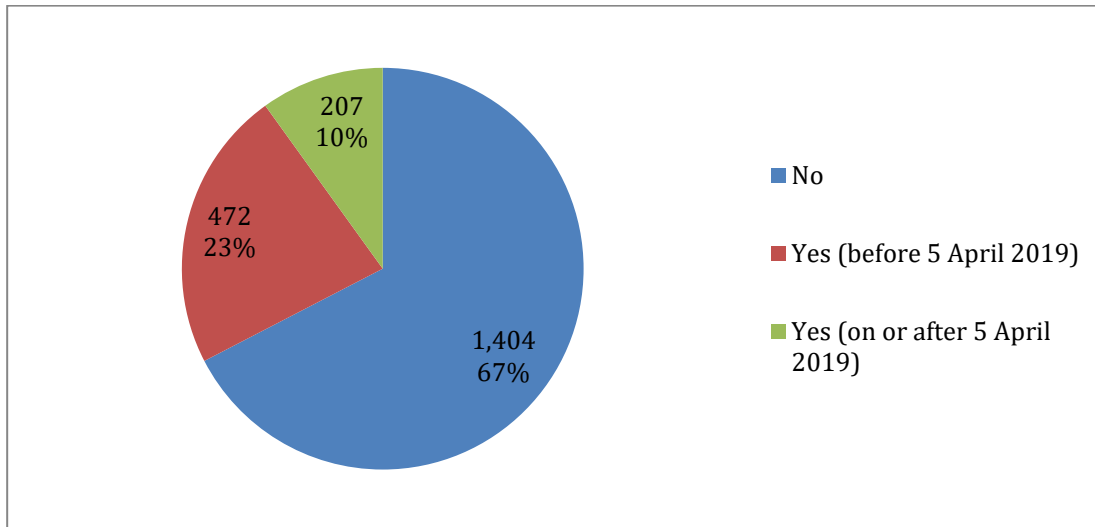
Please note that these statistics reflect minimum levels. As is the nature of this sort of survey, participants are sometimes reluctant to mark how they feel or what they are experiencing. For instance, a taxpayer may not indicate they are experiencing physical stress symptoms but then to divulge that they experience chronic insomnia or headaches in their qualitative statements. Needless to say, taxpayers are experiencing a great deal of stress and social deterioration from not only the retrospective nature of the Loan Charge but also because of HMRC's actions.

*17. Since learning about the Loan Charge have you had periods when you have felt panicky, anxious or unable to cope.*



93 per cent (1945/2086)	Yes
7 per cent (136/2086)	No
0 per cent (5/2086)	Not Answered

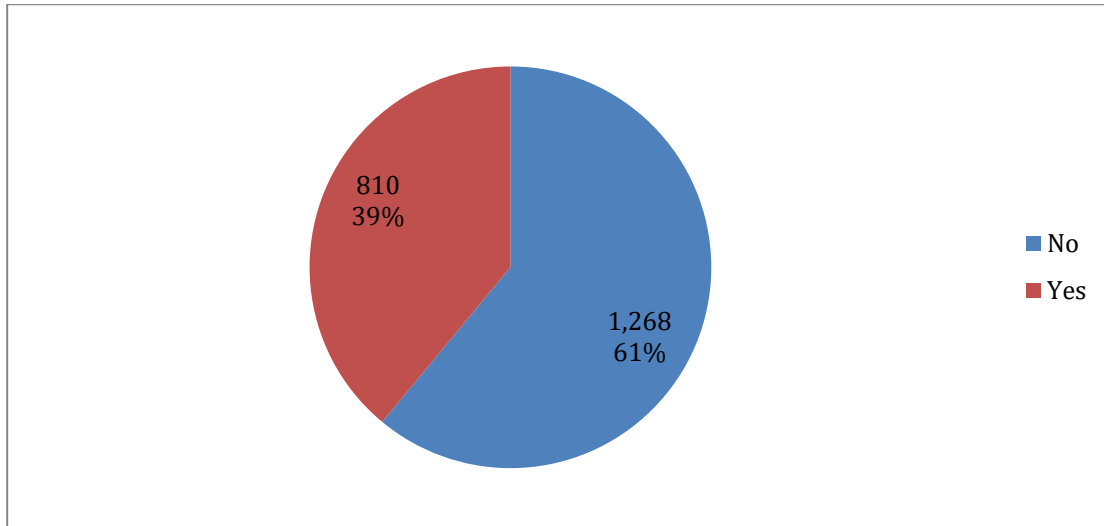
18. Since learning about the Loan Charge have you visited a medical practitioner to seek counselling or medication?



23 per cent (472/2086)	Yes (before 5 April 2019)
10 per cent (207/2086)	Yes (on or after 5 April 2019)
67 per cent (1404/2086)	No
0 per cent (3/2086)	Not Answered

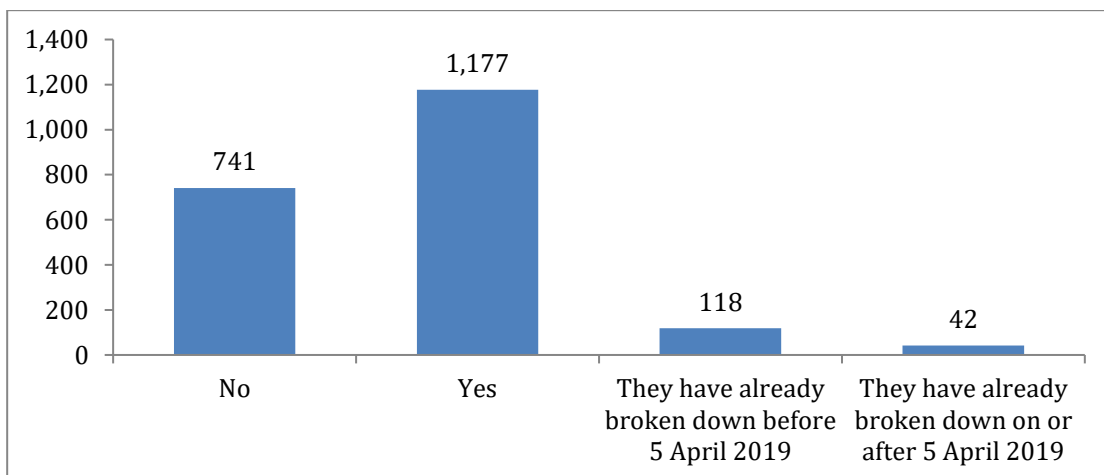
A minimum of 33 per cent of taxpayers are seeking medical intervention because of the stress their tax situation is causing them. Again, it should be noted that this is a minimum as not everyone has or will seek help as is evident from the Loan Charge Action Group's Helpline.

19. Since learning about the Loan Charge I have had thoughts of suicide, including making plans and writing final letters.



39 per cent (810/2086) Yes  
 61 per cent (1268/2086) No  
 0 per cent (8/2086) Not Answered

20. I fear my family relationships (immediate or extended) are breaking down.



56 per cent (1177/2086)	Yes
6 per cent (118/2086)	They have already broken down before 5 April 2019
2 per cent (42/2086)	They have already broken down on or after 5 April 2019
36 per cent (741/2086)	No
0 per cent (8/2086)	Not Answered

*21. Is there anything else that you would like to address in this survey?*

Participants were offered an opportunity to share additional experiences of their situation. Sometimes this is to help clarify their answer choices, or give more details about their situation. Many of the themes are present from the initial LC APPG survey, whilst a few new ones have been added and marked with an asterisk (\*).

- Suicidal commitments from participant
- \*Divulging Suicidal family members experiences, mental or physical health developments linked or exasperated by the LC and HMRC's actions.
- Retrospective / Retroactive legislation is unlawful, punitive, against the rule of law
- HMRC is corrupt—Orwellian/Kafka like government and Revenue service.
- Increasing anger towards MPs and HMRC for lying\*
- Disbelief and Despair that the Promoters and end clients utilising the promoters to hire contractors/staff/businesses are not being pursued.
- Why did HMRC not protect taxpayers and warn them that 'the arrangements never worked'.
- My family has/will leave me
- I or my family will be homeless
- \*2 people indicated that they were now homeless with no shelter
- Anger towards the government for passing poor legislation.
- Feel that they are or have specifically been told they are criminal.
- Debt servitude
- Lied to/mis-sold legal financial planning
- Dependency or fear that one will be dependent on the state for housing, elderly care etc.
- \*Loss of hope of fairness and independent scrutiny that will lead to a fair solution to the situation
- Deteriorating work ethic
- Concern at the lack of access to legal protection
- Unfair/Unbalanced treatment of taxpayers
- \*Double standard nature in which HMRC interacts with taxpayers in their attitude and actions
- \*Fear of IR35 in the public sector that will result in further turmoil.

- \*Written accounts of how they have asked HMRC advice or assurances on whether the Loan Arrangements were appropriate.
- Preventing Family formation due to miscarriage, ceasing to reproduce or undergo an abortion to spare the unborn child from living with stress and threat of poverty.

## Conclusion:

It has been seven months since the initial LC APPG Survey and we have seen that much of the situation has been a continuation of the status quo with the statistical results of the report in reference to bankruptcy, loss of home, suicidal ideation and family breakdown. HMRC's communication that simply reiterates policy statements, such as 'HMRC will not make anyone bankrupt', is failing to calm people's fears because it contradicts the the individual and collective experience of this community.

Some movement has been made with respect to settlement, however since HMRC has processed so few settlements to their finality, the researchers suspect that the true extent of any damage has yet to be experienced.

In addition to HMRC's inadequate 'service' towards taxpayers, participants have continued to emphasise that they are fearful, uncertain and this is now giving rise to a growing sense of anger at the perceived unjust manner in which HMRC is treating them. The previous LC APPG Survey focused more on the Legislation in particular as the cause of trauma. In this case, it is the legislation as well as HMRC's attitude and behaviour in wreaking havoc on taxpayers' lives that is the focus. It should be noted that HMRC do not have customers, they work with taxpayers who have no other option but to engage with HMRC to settle their taxes. True customers have the option to go elsewhere if they do not like the service they are receiving. For taxpayers who are under HMRC investigation, for whatever reason, they have no other alternative and hence HMRC's statements that they look after the vulnerable and do not wish to make 'customers' bankrupt is rather farcical. HMRC risks damaging their reputation beyond repair because of people's dichotomised experience that once viewed HMRC as a fair and just institution that utilised common sense to one where HMRC (along with MPs who support the legislation) have quickly come to be viewed as a terrorist or Orwellian organisation that is targeting them and pursuing them relentlessly. Hence despair is slowly giving rise to anger.