

## Open Letter to Liz Truss and Rishi Sunak on The Loan Charge

August 2022

Dear Liz and Rishi,

We are writing as Conservative colleagues who remain very concerned about the Loan Charge and its inevitable devastating impact on thousands of UK families.

As you will both know, the Treasury have recently confirmed that there have now been nine suicides of people facing action from HMRC related to the Loan Charge.

What makes the news of these suicides even worse is that HMRC and the Government have been continuously warned of this serious suicide risk but have refused to take action. Two of these suicides have happened since the Treasury commissioned the Morse Review and the reality is that the review has made no difference to the majority of people affected and offered no way out of the nightmare of the Loan Charge.

We are calling on you to commit to the Loan Charge Pledge and agree to review and resolve the Loan Charge Scandal. The pledge calls on our next Prime Minister to:

1. Commission a genuinely independent review which is not commissioned, influenced by or interfered with by the Treasury and HMRC.
2. Agree to find a fair resolution for all those impacted, perhaps along the lines of the proposal put forward by tax sector professionals.

The Loan Charge is a thoroughly un-Conservative policy which takes away taxpayer certainty, overrides basic taxpayer rights and allows HMRC to demand tax where no court has deemed it due. Contractors, freelancers and small company directors are all key groups driving the economy and should be natural Conservative voters, yet policies such as the Loan Charge and the Government's extension of Labour's IR35 legislation have alienated this group.

The vast majority of people facing the Loan Charge are clearly victims of mis-selling, having been assured that schemes were fully compliant. They were given no warning by advisers and scheme promoters of any risk. The whole situation is unfair but it is also dangerous as the latest suicide has shown.

The Loan Charge will inevitably lead to extreme financial hardship and result in thousands of bankruptcies which makes no sense. Each one has a cost to the taxpayer and, in many cases, for many affected being declared bankrupt will prevent them from working again or paying any taxes.

We urge you to accept that the Loan Charge is not fair and to consider all options to resolve this issue, fairly and practically, once and for all, to put an end to this nightmare for tens of thousands of UK families. Most of all we urge you to make this commitment to prevent more Loan Charge related suicides.

We hope that, if elected as Conservative leader and Prime Minister, you will announce this in the first few months in office.

Yours sincerely,

Greg Smith MP  
Adam Holloway MP  
Rt Hon David Davis MP

Bob Stewart MP  
Sir Peter Bottomley MP  
Philip Davies MP

Rt Hon Sir Desmond Swayne MP  
Henry Smith MP  
Rt Hon Dr Julian Lewis MP

Duncan Baker MP  
Rt Hon Esther McVey MP  
Rt Hon Sir John Hayes CBE MP  
Stephen Metcalfe MP  
James Gray MP

Martin Vickers MP  
Fiona Bruce MP  
Derek Thomas MP  
Rt Hon David Jones MP  
Rt Hon Sir Mike Penning MP

Gordon Henderson MP  
Andrew Rosindell MP  
Bob Blackman MP  
Steven Hammond MP  
Crispin Blunt MP