

Open Letter to the Prime Minister and Chancellor regarding The Loan Charge

November 2022

Dear Rishi and Jeremy,

We are writing as concerned Parliamentarians regarding the deeply controversial Loan Charge urging you to agree to seek a resolution to the whole issue, knowing that there have been nine suicides of people facing action from HMRC related to the Loan Charge. The ninth suicide was confirmed by a previous Treasury Minister in a letter to MPs in July.

If the Government does not act to instruct HMRC to change course, we are fearful of what the consequences will be as thousands of people simply cannot pay the huge sums being demanded. The survey conducted by the Loan Charge and Taxpayer Fairness APPG showed that there is a real risk of more suicides, as well as many families facing hardship.

We urge you to act, not just out of compassion, but also commonsense. A resolution is in everyone's interests, not only the tens of thousands of families stuck in the Loan Charge nightmare, but also in the interest of HMRC and the Government, for whom the Loan Charge has become a significant problem, as well as being a wholesale failure as a policy. As well as pushing people to take their own lives and causing numerous mental and family breakdowns, the Loan Charge has failed to stop the promotion of tax avoidance schemes. There is also the central injustice – that those who recommended, promoted and operated these arrangements are not being asked to pay a penny of the disputed tax, but those they mis-sold these arrangements to are being hit with bills they cannot possibly pay.

There will be many bankruptcies if the Government doesn't change course, many people will no longer be able to work (and pay tax) and many more families will have their lives ruined. It simply doesn't make sense as a policy to do this and a resolution is very clearly needed. It is therefore vital that the Treasury now engages with all appropriate parties, including with those facing the Loan Charge and tax sector professionals who have called for a resolution. It must also be genuine engagement on the basis that a resolution and a change of approach are needed.

Even HMRC realise that the Loan Charge is a “debacle”. First Permanent Secretary and Chief Executive Jim Harra came up with the phrase the “Loan Charge debacle”. He is right and this has gone on for long enough and needs a proper, reasonable solution to resolve this debacle and end the nightmare for thousands of UK families. It is time for the Government to accept that the Loan Charge has been an abject policy failure and that it is not fair in targeting just taxpayers and not the professional advisers and promoters who profited from recommending and operating the schemes.

We therefore urge you to instruct Ministers to seek a fair resolution and to properly engage with all parties and consider all options to resolve this issue, fairly and practically, once and for all so that an end can be put to this nightmare for tens of thousands of UK families.

Yours sincerely,

Rt Hon Sammy Wilson MP

Rt Hon the Lord Butler of Brockwell

Stuart McDonald MP

Rt Hon Dame Eleanor Laing MP

Henry Smith MP

Rt Hon Sir Iain Duncan Smith MP

Stephen Hammond MP

Greg Smith MP

Rt Hon Sir Desmond Swayne MP

Chris Stephens MP

Sir Peter Bottomley MP

Kenny Macaskill MP

Rt Hon Dr Julian Lewis MP

Angus MacNeil MP

Rt Hon the Baroness Kramer

Kim Johnson MP

Allan Dorans MP

Christine Jardine MP

Rt Hon David Jones MP

Amy Callaghan MP

Mike Amesbury MP

Marion Fellows MP	Rt Hon David Davis MP	Richard Thomson MP
Lord Sharkey	Lord Kerr of Kinlochard	Lord Sikka
Drew Hendry MP	Mohammad Yasin MP	Sarah Olney MP
Alison Thewliss MP	Stephen Metcalfe MP	Dan Carden MP
Layla Moran MP	Graham Stringer MP	Rebecca Long-Bailey MP
Derek Twigg MP	Gordon Henderson MP	Dr Lisa Cameron MP
Sarah Green MP	Caroline Lucas MP	Christina Rees MP
Rt Hon Sir John Hayes MP	Rt Hon the Lord Dholakia	Paul Girvan MP
Carol Monaghan MP	Philip Davies MP	Martin Vickers MP
Gregory Campbell MP	Martyn Day MP	John McNally MP
Jamie Stone MP	Munira Wilson MP	Rt Hon Sir Mike Penning MP
Patrick Grady MP	Jim Shannon MP	Gavin Newlands MP
Liz Saville Roberts AS / MP	Kirsten Oswald MP	Emma Hardy MP
Daisy Cooper MP	Chris Law MP	Andrew Bridgen MP
Wendy Chamberlain MP	Ben Lake MP	Andrea Jenkyns MP
Tony Lloyd MP	Tommy Sheppard MP	Jonathan Lord MP
Angela Crawley MP	Alan Brown MP	Grahame Morris MP
Ian Paisley MP	Richard Drax MP	Rupa Huq MP
Marsha de Cordova MP	Tim Farron MP	Kirsty Blackman MP
Fiona Bruce MP	Lord Rennard	Lord Cashman
Neil Coyle MP	John Cryer MP	Hannah Bardell MP
Richard Foord MP	Helen Morgan MP	Wera Hobhouse MP
Baroness Bowles of Berkhamsted	Rt Hon Esther McVey MP	Lord Tope
Simon Fell MP	Jon Trickett MP	Adam Holloway MP
Douglas Chapman MP	Rt Hon Sir Jeffrey Donaldson MP	Baroness Meacher
David Linden MP	Mhairi Black MP	Baroness Eaton DBE DL
Dave Doogan MP	Owen Thompson MP	Alistair Carmichael MP
Rt Hon Sir Ed Davey	Wayne David MP	Gavin Robinson MP
Claudia Webbe MP	Tim Loughton MP	Crispin Blunt MP