

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

January 2023

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 ten suicides of people facing action from HMRC related to the Loan Charge. The tenth suicide was confirmed in a letter from First Permanent Secretary and CEO of HMRC Jim Harra to the Treasury Select Committee in January 2023.

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

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

Rt Hon the Baroness Kramer

Kim Johnson MP

Allan Dorans MP

Christine Jardine MP

Rt Hon David Jones MP

Amy Callaghan MP

Stephen Hammond MP  
Marion Fellows MP  
Lord Sharkey  
Drew Hendry MP  
Alison Thewliss MP  
Layla Moran MP  
Derek Twigg MP  
Sarah Green MP  
Rt Hon Sir John Hayes MP  
Carol Monaghan MP  
Gregory Campbell MP  
Jamie Stone MP  
Patrick Grady MP  
Liz Saville Roberts AS / MP  
Daisy Cooper MP  
Wendy Chamberlain MP  
Tony Lloyd MP  
Angela Crawley MP  
Ian Paisley MP  
Marsha de Cordova MP  
Fiona Bruce MP  
Neil Coyle MP  
Richard Foord MP  
Baroness Bowles of Berkhamsted  
Simon Fell MP  
Douglas Chapman MP  
David Linden MP  
Dave Doogan MP  
Rt Hon Sir Ed Davey MP  
Claudia Webbe MP  
Siobhain McDonagh MP  
Sir Graham Brady MP  
Lord Moylan  
Charlotte Nichols MP  
Geraint Davies MP  
Virendra Sharma MP  
Clive Efford MP  
Neale Hanvey MP  
Danny Kruger MP  
Sir Bob Neill MP  
Andrew Western MP  
Mick Whitley MP  
Rt Hon Kevan Jones MP  
Margaret Greenwood MP  
Ian Lavery MP  
Beth Winter MP

Angus MacNeil MP  
Rt Hon David Davis MP  
Lord Kerr of Kinlochard  
Mohammad Yasin MP  
Stephen Metcalfe MP  
Graham Stringer MP  
Gordon Henderson MP  
Caroline Lucas MP  
Rt Hon the Lord Dholakia  
Philip Davies MP  
Martyn Day MP  
Munira Wilson MP  
Jim Shannon MP  
Kirsten Oswald MP  
Chris Law MP  
Ben Lake MP  
Tommy Sheppard MP  
Alan Brown MP  
Richard Drax MP  
Tim Farron MP  
Lord Rennard  
John Cryer MP  
Helen Morgan MP  
Rt Hon Esther McVey MP  
Jon Trickett MP  
Rt Hon Sir Jeffrey Donaldson MP  
Mhairi Black MP  
Owen Thompson MP  
Wayne David MP  
Tim Loughton MP  
Rt Hon Dame Diana Johnson MP  
Derek Thomas MP  
Stephen Flynn MP  
Ronnie Cowan MP  
Stewart McDonald MP  
Brendan O'Hara MP  
Hilary Benn MP  
Emma Lewell-Buck MP  
Andrew Rosindell MP  
Hywel Williams MP  
William Wragg MP  
Paul Blomfield MP  
Rt Hon Sir George Howarth MP  
Mr Barry Sheerman MP  
Tom Randall MP  
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Sarah Olney MP  
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Dr Lisa Cameron MP  
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Paul Girvan MP  
Martin Vickers MP  
John McNally MP  
Rt Hon Sir Mike Penning MP  
Gavin Newlands MP  
Emma Hardy MP  
Andrew Bridgen MP  
Andrea Jenkyns MP  
Jonathan Lord MP  
Grahame Morris MP  
Rupa Huq MP  
Kirsty Blackman MP  
Lord Cashman  
Hannah Bardell MP  
Wera Hobhouse MP  
Lord Tope  
Adam Holloway MP  
Baroness Meacher  
Baroness Eaton DBE DL  
Alistair Carmichael MP  
Gavin Robinson MP  
Crispin Blunt MP  
Karl Turner MP  
Carla Lockhart MP  
John Nicolson MP  
Peter Bone MP  
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