



Loan Charge Update - Personal Statement
Individual who has settled - Form 2(b)

Loan scheme(s) used / operator(s)

K2, Hyrax , Peak Performance

Approximate liability (nearest £5K)

£145,000

Settlement total figure

£160,000

If your loan has been subject to recall demands :

Who is demanding repayment ?

FSC Capital Ltd

And for how much in £

£200,000

Further demands from HMRC

How many months/years using loan arrangements

2011-2016

Other Money paid (APNs, Penalties)

Table with 3 columns: Date of Settlement, Settlement period (years/months), % of net income per month. Row 1: 18/11/2020, 6 months, all savings +-80% of net/month

The impact of settlement on you financially

Since the 1st HMRC contact I decided to start maximum saving efforts to prepare for the worst possible outcome; this included selling a 2nd property and closing my Ltd company in 2016. The worst possible outcome played out, and the first settlement amount HMRC issued (22/09/20) was a £238,000 but, after review of my financial situation, HMRC revised the amount to £180,000 - I appealed this amount and it was revised down to £160,000 if paid in full under the 6 month terms I was advised this was the best offer available and less than the imminent Loan Charge liability - I (in agreement with my partner) agreed to the £160k and terms in an attempt to bring this nightmare to an end. The alternatives to the £160k were LC or a very long TTP (15 years and signing £110k equity of our home to HMRC) were not viable alternatives which left only bankruptcy, and we didn't want to go through that for all the obvious reasons. We now have no savings, and I am currently out of work so the financial outlook for my family in the immediate and future is bleak and uncertain.

The personal impact (financially and in other ways) if HMRC enforce the Loan Charge as laid down in the legislation

Almost impossible to express in words the impact on all aspects of mine & my families life, outlook & trust in Government, HoC processes & the "Establishment" in general. The whole saga, which has run for over 5+ years, has been draining, stressful & unfair - I am a lay tax person who paid for professional advice to be compliant & de-risk running a Ltd business. The scheme I used was sold as completely legal, registered with HMRC etc & removed the overheads of running a Ltd business & reduced risk of tax liabilities - avoidance was NEVER a consideration, perhaps showing my naivety eg lay tax person! HMRC obviously moved the proverbial goal posts & brought in the LC legislation - which based on publicly available information, & many FOI releases, was devised to be punitive, cover up HMRC inactivity - basically a hatchet job to meet an internal agenda by any means & at any cost! It is incredible that a retrospective tax legislation could get through the HoC - especially when the aforementioned agenda used despicable tactics to mislead MPs & ignore the professional advice given through consultation. In summary, we now live day to day with constant unhealthy levels of anxiety about an uncertain future. HMRC haven't responded since my last payment & I am left expecting further demands from them!