



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

Loan scheme(s) used / operator(s)

Probiz, Peak Performance, Penfolds, Hamilton, AML Ltd, Knox House Trust

Approximate liability (nearest £5K)

£385,000

Settlement total figure

£255,000

If your loan has been subject to recall demands :

Who is demanding repayment ?

[Empty box]

Further demands from HMRC

And for how much in £

[Empty box]

£130,000

How many months/years using loan arrangements

6 years

Other Money paid (APNs, Penalties)

[Empty box]

Table with 3 columns: Date of Settlement, Settlement period (years/months), % of net income per month. Row 1: 23/10/2020, 5 years, [Empty]

The impact of settlement on you financially

The settlement required me to use the entirety of my savings and also take a significant portion of my 'tax free allowance' of my pension. This will have a lasting impact on myself and my wife, as I now have a reduced pension fund as a consequence of the settlement. There is still an outstanding amount (for the pre-2010 loans), which will have a further impact on my pension fund, if it transpires that this falls due. In addition, given the magnitude of the sums of money, HMRC interest payments have become a substantial, additional financial impact. HMRC has been incredibly slow to respond to any queries regarding sums alleged to be owed, typically getting sums wrong, then not responding for months to queries, all of which compounded interest contributions. These delays have about £40,000 thousand pounds to the 'settlement'.

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

When I first became a consultant my accountant told me that I would be 'caught' by IR35 and that the only solution was to use a contractor scheme. He did not tell me that he would have a financial interest in this scheme. Moreover, it was stressed that I would not have any liability, as all liability would be with the scheme organiser. I told the accountant that I had 2 criteria to join such a scheme; 1) It must be legal, and 2) I needed to be able to sleep at night. Around 2012 I started to receive letters from HMRC that started to impact on my second criterion. I was re-assured by my advisor that this would all go away, provided I contributed financially to the defence processes. In 2014, I changed my accountant and established my own limited company. The settlement letter I was required to sign by HMRC required me to admit that I had 'neglected my statutory duties'; I asked HMRC that this statement be removed prior to settlement, as this was never something I did - all loans and income were declared in all annual tax returns. However, HMRC said the letter must be signed as is. Having had to admit this has been genuinely traumatic, I find it difficult to talk about, as it suggests I have acted illegally.