



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

Loan scheme(s) used / operator(s)

AML PCC (Knox House Trust)

Approximate liability (nearest £5K)

£50,000

Settlement total figure

£50,000

If your loan has been subject to recall demands :

Who is demanding repayment ?

Further demands from HMRC

And for how much in £

How many months/years using loan arrangements

22 months

Other Money paid (APNs, Penalties)

Table with 3 columns: Date of Settlement, Settlement period (years/months), % of net income per month. Row 1: 01/09/2020, 44 months, 12.5

The impact of settlement on you financially

Horrendous. HMRC asked for circa £48k to settle. I was fortunate enough to be able to give them circa £28k immediately. I am repaying the remaining circa £20k at £500 per month over 44 months. This is money that I would otherwise have invested for my retirement or would have been able to pay off my mortgage before the age of 65. Now my mortgage is until age 70 and my pension pot is much smaller.

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

It has been a very difficult time. Whilst I could ill afford to settle, the loan charge was likely to be much higher and would probably mean bankruptcy. I figured settling was the only way to bring some kind of closure, get some sleep and put an end to the constant harassment from HMRC. I was also fearful that loans might get recalled by the loan provider - they would only write off the loans once I agreed to settle. I couldn't imagine anything worse than having to pay both the Loan Charge and re-pay the loans! I live alone and have felt unable to share the details of my situation with parents, siblings or friends. The only people who know are fellow victims of loan schemes (I am on a Whatsapp group) and LCAG. I only entered the loan scheme as it was advertised as a simple way to operate as a freelancer and was HMRC compliant - once I realised that very little tax was being paid, I stopped using the scheme as I considered it immoral.