



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

Loan scheme(s) used / operator(s)

HAMILTON TRUST , CASCADE

Approximate liability (nearest £5K)

£10,000

If your loan has been subject to recall demands :

Settlement total figure

£30,000

Who is demanding repayment ?

Further demands from HMRC

And for how much in £

How many months/years using loan arrangements

1 year + 1 week

Other Money paid (APNs, Penalties)

Table with 3 columns: Date of Settlement, Settlement period (years/months), % of net income per month. Row 1: 21/09/2018, 8 years 10 months, 6

The impact of settlement on you financially

£250 per month has the impact of reducing the available income for household food budget, and after school/sporting activities for my children. It reduces my disposable income to virtually zero, we have not had a family holiday/break since settlement.
Initial payment of £1500 wiped out personal savings and emergency rainy day funds, causing the use of credit to increase for emergencies: household repairs, car repairs

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

My mental health has been impacted considerably, being hounded by HMRC for 5 years under the constant stress, pressure, and anxiety inducing wait for another brown envelope to appear. Every time they did arrive it was always filled with aggressive demands for money, constant cohesive abuse about my supposed wrong doing, and overly bullying tactics ultimately making me out to be some sort of criminal. This was extremely detrimental to my mental health and i am positive that it has made me a less confident and more anxious individual from what i remember being before the hounding started.
My relationship with my family suffered as I was preoccupied by what this might do to them and made me believe that I was in some way failing them as the main household provider. I became distant and missed many years of enjoying my children grow up as I was too encapsulated by the stress and anxiety it has caused me. In a lot of ways, I tried to internalise this and minimise the exposure it had on them, but this caused me to bottle up my fears and stresses around the what ifs, and what may happen. Ultimately causing me to consider more personal drastic actions I am not proud of having considered, but I am very lucky to have such a strong woman behind me and assuring that everything will be ok. It also was the final straw in the falling out with my parents and siblings, which has never recovered. I have lost count of the number of financially fuelled arguments I have had with my wife purely down to this situation that I somehow got involved with and the impact It has had on our family. I was far less productive at work, which I am sure caused a number of issues where I was overlooked for promotions, not offered extended contracts, and a lack of pay increases due to my poor performance caused in a large way by my preoccupation to all of this and the stress it has put me under.
I gained weight, was demotivated to exercise and look after myself \x85 all down to the fact that I was not equipped to deal with this situation I was in. I got no help from tax professionals as they too had very little understanding about how or why this was happening - and more so how to deal with it. I was left hung out to dry by the loan scheme operators and the employer who introduced me to



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the scheme. I felt alone and vulnerable. This is what caused me to want to draw a line under all of it, despite knowing that I had done nothing wrong, I just could not handle the pressure, stress, and anxiety it was causing me. It took a lot of will power to settle as I was and still am adamant, I did nothing wrong, followed all the advice, including from HMRC at the time, to ensure I was compliant. I disclosed my involvement in my tax returns, I included reference to the scheme and under DOTAS. Having settled I live under the shame and the coerced impression that I have somehow broken the law and feel very ashamed that I was able to be caught up in something that I had no idea was wrong. What's more frustrating and confusing is that I was assured by tax professionals at the time that the arrangement was QC backed and was completely legal as an efficient personal tax arrangement \x85 and even if HMRC found that it no longer agreed it was legal that they would never retrospectively look back and ask for tax owed as this was not a precedent nor a legal tool they could use, (oh how wrong they were!). I even stopped the formation of a limited company as I was assured that this was the better way to deal with income as a independent contractor and freelancer and was far less administration.

What I worse though is that since the conclusion of the Morse review, and it stating that my loans are largely out of scope of the loan charge as I only received loans between 1st December 2009 \x85 16th December 2010 \x85 with only one loan payment actually falling after 8th December 2010 per the Morse review). However, with HMRC keeping 2009/10 & 2010/11 tax years \x8fopen' I am not eligible for a refund or a resettlement. I find this disgraceful as the majority of the settlement falls out of scope of the loan charge remit yet I am still paying for it. HMRC have now refused to recalculate my position based on this sole fact that the years are still held open. I am effectively paying approx. £30,000 to HMRC over 9 years for a loan of £9,630 that was received after 8/12/2010. Or put another way, paying £30,000 for a tax liability that was originally only £11,605. Absolute daylight robbery.

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