



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

Loan scheme(s) used / operator(s)

Qubic, Root2Tax, AML

Approximate liability (nearest £5K)

£700,000

Settlement total figure

£835,000

If your loan has been subject to recall demands :

Who is demanding repayment ?

And for how much in £

How many months/years using loan arrangements

15

Further demands from HMRC

Other Money paid (APNs, Penalties)

Table with 3 columns: Date of Settlement, Settlement period (years/months), % of net income per month. Row 1: 30/09/2020, 15, 40

The impact of settlement on you financially

In addition to the settlement, HMRC imposed APNs on a company we were liquidating that made it insolvent. As the sole creditor, they appointed their own liquidator who then engaged a solicitor and tried to force us to pay the 'tax owed'. Fighting this and supporting the process cost us £100k in accountancy and legal fees and payments to settle with the liquidator. We've had to remortgage our house to keep our head above water. On a month by month basis we struggle to meet the settlement demands. We've just had a break in payments agreed with HMRC as the situation has been so bad, but of course have incurred interest and have payments to try to catch up. We only signed up to the settlement agreement under the financial duress being imposed by HMRC with the threat that we would incur penalties and might not be able to reach a settlement in the future. The settlement figures we were forced to agree were always crippling financially, but we had no choice. I'm sure the ultimate position will be losing our home as we cannot borrow any more money.

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

I've been close to suicide on a number of occasions. The loan charge has overshadowed our life for years now. I'm now 62 and have to work till I'm 75 to make the settlement payments. It's put tremendous pressure on my family and relationships. I was seeing a counsellor on a weekly basis until recently as I could no longer cope and yet had to keep on working / finding the next contract. The situation I described above with the HMRC appointed liquidator was truly terrifying. They sent letters and files to me and my wife the week before Christmas demanding almost £500k to be paid in 30 days or face court action. Fighting the loan charge and going through the settlement process has probably cost us around £150k that we simply didn't have. HMRC have employed all sorts of tactics to hurt us, such as always sending letters to arrive on a Friday, so they have maximum emotional impact. I don't know what the future holds. Being a day rate contractor, my market has been hugely closed down by IR35 with banks and insurance companies taking a blanket approach to not hiring on an outside IR35 basis, despite the fact that I am truly a change consultant who should always be outside. I have a contract right now, but no certainty of the next or the next. I've already been out of work for 8 months in the last 2 years.