



Loan Charge Update - Personal Statement
Individual facing the Loan Charge - Form 2(a)

Loan scheme(s) used / operator(s)

I do not know

Approximate liability in £ (nearest £5K)

Amount in £ of any money paid to HMRC so far e.g. APNs, Penalties (nearest £5K)

£1,250

If your loan has been subject to recall demands :

Who is demanding repayment ?

How many months/years using loan arrangements

And for how much in £

I do not know

Report of any action to date by and latest communication from HMRC

I have received many letters from HMRC since 2017 demanding information about disguised remuneration as well as threats of criminal proceedings

The personal impact (financially and in other ways) so far

At some point in around 2017 I received a letter from HMRC about the loan charge. At the time I thought that it was a clerical error on the part of HMRC and called them back to let them know about this. The phone operator advised me that money that had been deducted from my wages had not been forwarded to HMRC. At the time I was doing some short term contracts as an office temp. The next day I called my recruitment agent to find out what was going on. The recruitment agent outsourced their payroll to an umbrella company. They gave me the umbrella company's contact details and I called them to find out what was going on. The umbrella company was very vague and said that someone would call me back but they never did. Over the next month I called them time and time again but was constantly told that there was no one there to help me and someone would call me back but they never did. I called the recruitment agent for help with this but they were equally vague and dismissive. It was apparent to me that the recruitment agent was well aware of what was happening because as my agent they should be there to help me but this did not happen. Eventually I have to leave my job because I was now aware that I been victim of a scam. When I contacted HMRC for support I was constantly treated like it was my fault because they told me "I should have been aware". I disagree with this because the recruitment agent that was working for was a national recruitment agent who employ thousands of people so I do not think that it was realistic at the time to assume that they were going to scam me and HMRC. Eventually I went to the police to explain that my employer had been making deductions from my wages but keeping them which was leaving me with a problem with HMRC. The police told me that it wasn't an issue for them and I need to speak to HMRC. This left me in a helpless situation because my own employer had stolen from me and the authorities who should be protecting me were treating me as if it was my fault and are consistently referring to me as a tax avoider using disguised remuneration schemes. I have never avoided tax, I was never remunerated anything and anything that was disguised from HMRC was disguised from me. This helpless situation caused me terrible anxiety. I cannot find the words to explain the feeling that lives inside you 24 hours a day when you have been victim of a scam and the authorities who should be helping me are making the matter 10 times worse. HMRC would only refer to me as a tax avoider and never acknowledged my situation which I had explained many times. The constant anxiety affected my health, my relationships and self confidence and on a number of occasions considered taking my own life. HMRC told me that I need to find out how much of my deductions had been processed through a loan charge scheme and I need to complete a 2018/19 tax return with this amount. HMRC told me that the scam was set up by a company called "Best Employment Ltd". This is a company I had never heard of until this moment and this only heightened my sense of vulnerability. I reiterated that there was no way of knowing this because the umbrella company and employer are avoiding me. I have never had a conversation with anyone about a loan

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charge scheme apart from my communication with HMRC and the only documentation I have about them is from HMRC. HMRC seem to know a lot more about this than I do yet I am told that I need to provide information. I cannot express how frustrating that is I called and called the umbrella company over and over again and managed to get someone on the telephone. Even though the police had already told me they couldn't help I told them that I have reported them to the police and will be taking this further with help of the press and my MP unless they told me how much they had processed my tax deductions through a loan charge scheme. I was hysterically upset on the telephone due to the panic and anxiety this was causing me and they eventually gave me a figure of around 5 and a half thousand pounds. I did tell that how evil they are for what they have done to me in no uncertain terms. I completed the tax return using these figures and was told that I owe £1250. After discussing it with my family decided to borrow the money and pay HMRC to end this nightmare. I should never have been made to pay this amount because this is money that had been stolen from me as part of a scam but I was desperate to get on with my life. I was hoping that this would be the end of the matter but HMRC's last letter in November 2021 has only brought this back. My physical and mental health has declined sharply and I feel vulnerable and unsafe. The letter says that they have reviewed what I have paid but they think that I owe more. No reason is given for this. The HMRC officer who I spoke to on having received this letter seemed sympathetic but said I need to complete an online form to finally end what has been a terribly dark period of my life. I went on the HMRC website to complete the form and was unhappy with the wording because the language used is not appropriate to my circumstances. It makes references to "the scheme I used" and the "fees I paid". I never used any scheme and never paid fees unless they are referring to the deductions from my pay that should have been sent to HMRC. Any money that was taken was stolen without my knowledge or consent. The form asks "what years I used a disguised remuneration scheme etc". How can I complete this form because I never did? I feel like I am being coerced into a false confession which I cannot do. I paid HMRC money that someone had stolen from me. In no other walk of life do the authorities make the victim of a crime pay the money back. I simply cannot believe that this process of making employees pay money that has already been taken from them by the employer who then retained this money is right. It cannot be right. I have pleaded with HMRC to let me get on with my life or at very least bring the people who have put me in this position to justice. I am vulnerable and confused. I have one last hope which is to seek legal advice and highlight this to my MP. So that I can prepare this in, November, I asked HMRC all the information they have which seems to make them insist that I am in some way part of this scam. I have also asked HMRC to send me evidence of the legal basis that the employee is liable for deductions that an employer had deducted but not forwarded onto HMRC. So far they have not replied. Since 2017 I have promptly responded to every piece of correspondence that they have sent me both by telephone and in writing. HMRC do not respond usually for about 4 months and the letters that I do receive have never once acknowledged the circumstances that I have been repeating for 4 and a half years. Each time I am asked to provide information which I have reiterated that I do not have. I simply do not know what to tell them.

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



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This whole matter has affected me in so many ways both physically and mentally. HMRC have told me that they think I owe more money and then ask me to provide more information. I have provided everything I know. I am terrified that HMRC will come back and say that I owe something like £15k which may not be as much as some people are being asked to pay but this still represents over half my disposable income for over 10 years so is life changing for me. Also they have told me that this could lead to criminal proceedings. Should this happen I would have to leave my current job and my life chances and income will then be minimised. It would effectively take away any ambitions I have and leave me for a life of servitude. Knowing this when the company that have done this to me get to keep the money they took without any action from the authorities is distressing. Before 2017 I was a generally happy person but things have changed drastically for me since I received the first letter about this from HMRC. The desperate feeling of being victim of a scam by my own employer is horrible but that doesn't come anywhere near the distress caused by how HMRC have treated me as a result. They have not only made me pay money that I have had to borrow which had already been taken from me by the employer. They have, for 4 years, been treating me like criminal. I live with this horrible feeling in my stomach that even though I have endured years of this treatment that things are about to get much worse for me which will affect the rest of my life. I do not know what they think I owe or how much they will one day ask me to pay. I do not know if I will have criminal proceeding against me resulting in a criminal record. I feel as though I am about to be thrown off a cliff. My health has changed terribly. Since 2017 I lie in bed at night sweating and grinding my teeth unable to sleep because of what might happen to me and wondering why this has happened. I often have chest pains caused by stress. I regularly drink to the point of black out because I simply cannot face another night of the worry that this has caused me and that lives with me 24 hours a day. My family have noticed a change in my personality. Worrying about what could happen to me if HMRC continue with this is unbearable and I cannot believe it has come to this but I often think that, should the worst happen, my only comfort is that suicide is an option. I am desperate for help with this I do not know where to turn. Please help me