



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

All-Party Parliamentary Loan Charge & Taxpayer Fairness Group
Office of Sammy Wilson MP
House of Commons
London, SW1A 0AA

5 September 2022

Dear Sammy, Greg, Susan and members of the All-Party Parliamentary Group,

Thank you for your letter of 29 July 2022 and for your continued engagement on these issues.

I was saddened to hear the news of this loss. My deepest sympathies go to the individual's family and friends.

I do realise that the Loan Charge can bring significant pressures to some taxpayers. The Loan Charge can result in large debts where significant amounts of tax have been avoided, but for anyone who cannot afford to pay, HM Revenue & Customs (HMRC) will agree that they can spread their payments in a way that will ensure they are manageable.

The Government takes the wellbeing of all taxpayers very seriously. To this end, and as set out in his letter to you, the Chancellor has asked me to provide you with more detail on the range of support that is available for taxpayers, which you may already be familiar with.

HMRC has invested significant effort in ensuring that individuals who are experiencing challenging circumstances are properly supported. HMRC staff in contact with taxpayers are trained to identify when individuals may need extra help. The HMRC training includes identifying taxpayers who are in severe mental distress or at risk of suicide or self-harm, so that the right action can be taken and the appropriate support is put in place for them.

HMRC have well-established Extra Support Teams in their business areas, and their trained advisers empathetically handle queries by making adjustments to support taxpayers who require help. This help is available by phone, webchat or video appointment and if a taxpayer is unable to use the phone there are different ways that they can contact HMRC.

Where a taxpayer faces more serious and pressing issues, HMRC will provide a named contact, who will be the single point of contact between different areas of HMRC and the taxpayer. Where a taxpayer is demonstrating emotional distress, HMRC will signpost them to organisations such as MIND and Samaritans.

A taxpayer can nominate a professional tax agent, a friend or a family member to deal with their tax affairs and HMRC will also work with people who are supporting or acting on a taxpayer's behalf, including a financial adviser or organisations such as Citizen's Advice or Tax Aid.

HMRC continues to build staff capability and consider what more it can do to support taxpayers who need extra help. I have been working closely with HMRC and the Voluntary and Community Sector Organisations to explore how HMRC can continue to build on its current support offer by expanding support around mental health.

For taxpayers who have used avoidance schemes and wish to settle or get advice, HMRC operates a settlement helpline (03000 534 226).

Where a taxpayer is unable to pay in full on time, HMRC wants to work with them and make things as straightforward as possible. This is done through a Time to Pay Arrangement and is based upon the specific financial circumstances of the taxpayer, so there is no standard Time to Pay arrangement. It is designed to be flexible so can be lengthened or shortened depending on circumstances. To talk to HMRC about these options, HMRC also operates a Debt helpline (03003 229 494). If taxpayers want further debt advice, HMRC will refer them to an independent debt advice organisation, where they can be provided with more information about the options available to people with debts. In addition, the GOV.UK guidance has been updated to signpost customers to the support available, if they are experiencing financial hardship, via a link to 'Breathing Space'. This is a scheme that provides temporary protection for up to 60 days from creditors, whilst the taxpayer gets debt advice and a plan is made. If the taxpayer is receiving mental health crisis treatment, the protection from creditors is longer and lasts the length of their treatment plus 30 additional days.

I want to assure you that I am giving the Loan Charge the utmost attention, and I would welcome a discussion about what more can be done to support those affected.

Yours sincerely,

A handwritten signature in black ink that reads "Lucy Frazer". The signature is written in a cursive, flowing style.

THE RT HON LUCY FRAZER QC MP