



All-Party Parliamentary Loan Charge & Taxpayer Fairness Group

www.loanchargeappg.co.uk

Jim Harra
Chief Executive and Permanent Secretary
HM Revenue and Customs
100 Parliament Street
London
SW1A 2BQ

12th September 2023

Dear Mr Harra,

Suicides and attempted suicides/serious injury related to the Loan Charge & associated HMRC action

We are writing to seek more information about suicides linked to the Loan Charge and associated HMRC action against people affected. We have a series of questions and we hope you will answer each one properly and fully.

We are specifically seeking information regarding the process for investigating suicides of people facing HMRC demands and action, following our letter to the Independent Office of Police Conduct. As you are aware, you confirmed in a [letter to the Chair of the Treasury Select Committee dated 6 January 2023](#) that there had been 10 suicides related to the Loan Charge and that these had been referred to the IOPC.

Previously the impression has been given (or has been taken) that because HMRC has referred the 10 suicides to the IOPC, that the IOPC would have investigated these. It is now confirmed that this is not the case and that the IOPC has not investigated any of the 10 suicides.

The [IOPC confirmed to us](#) that of the ten referrals, they returned seven to HMRC to deal with as they felt was appropriate and that they mandated a local investigation in three of them. They have informed us that they carried out three reviews following the three HMRC internal investigations and in one case identified learning for HMRC (more on this below).

A key question, also, is whether spouses/partners and other close family members of the victims and the professional advisers representing these clients have been approached and therefore involved in the investigations. It is our view that any investigation that did not do so, is not a proper investigation into the circumstances of these tragic deaths, related to this very controversial legislation, proposed and enforced by HMRC. As you know, we asked the IOPC if they had contacted any of the families or advisers as part of their process and they confirmed that they did not do so. They did not know if HMRC have included this as part of the internal investigations. We therefore wish to know if HMRC did so.

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It is also clear from the response of the IOPC that despite there being a clear link between the Loan Charge and associated HMRC demands and the suicides, that this is something not considered by them. They have stated, *“the IOPC would not be able to offer an opinion on the merits or otherwise of the Loan Charge, which is a matter of tax policy and is for the Government to propose, Parliament to determine and, where necessary, the Courts to clarify”* They have also made clear that, despite the fact that all ten suicides were of people facing HMRC action related to the Loan Charge/DR schemes, that this has not been considered, instead that all cases are looked at separately. Considering the clear link between the pressure of facing the Loan Charge and HMRC action related to it and the suicides, to not consider this (or ignore) it would render the investigation process partial, indeed of little worth in terms of establishing the reasons that these individuals took their own life.

We have had direct contact from families of three of the victims and in each case, they were clear that HMRC action related to the Loan Charge was what pushed their loved one to kill themselves. In two cases that we are aware of, the Loan Charge was mentioned in suicide notes. We have also had testimonies from advisers of two of the victims, in each case their adviser was clear that the pressure from HMRC, as a result of the Loan Charge, was the reason the individual took the decision to end his life. To ignore this link, therefore, as we fear has happened, would render investigations of little use, and would in our view also be considered negligent. We therefore wish to know if HMRC have considered this clear link as part of their local investigations.

We are also very concerned, from evidence sent to us, that HMRC fails in some cases to follow its own procedures and processes regarding people it has itself classed as vulnerable. We have a worrying number of cases where this has happened. It seems as if different HMRC staff and departments do not properly communicate with each other, meaning that vulnerable people are contacted directly, when they should not have been or have been sent brown envelope letters, when they should not have been and in some cases have been treated aggressively by HMRC staff in person or on the phone, all things that cause huge distress and have a serious impact on mental health, with the real dangers that this can lead to.

The IOPC stated that, *“The HMRC local investigation into one of the deaths identified learning regarding the way vulnerable customers are handled by HMRC. In addition, the IOPC Review identified further learning regarding the contemporaneous recording of information relating to contact with vulnerable customers on HMRC systems. More recently, following a further review relating to a local investigation into a serious injury matter, we agreed with learning identified by HMRC in relation to the recording of information regarding vulnerability and information flow”*.

It is important to know what the learning was, in each of these cases and what steps HMRC is taking to address this. It appears from the IOPC letter that this is related to the failure to ensure that vulnerable customer protocol is followed by all sections and all officers of HMRC and we therefore wish to ascertain if this is the case or not.

We also now know from the [IOPC letter](#) that cases of serious injury of people facing HMRC action related to the Loan Charge have also been referred by HMRC to the IOPC. This is not surprising. We are alas aware of several cases of attempted suicide and self-harm of people facing the Loan Charge, as well as the tragic cases of ten actual suicides. In one case reported to us fairly recently, an individual

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(that had previously reached out to us and to HMRC) threw themselves under a bus, but thankfully survived.

The IOPC did not say how many serious injury matters or complaints relating to serious injury matters following contact with customers have been referred by HMRC to the IOPC, so this is something we wish to know. The IOPC have also stated that in some instances they have mandated local investigations, once again we wish to know how many local investigations they have mandated and how many have taken place. The IOPC have specified that they have carried out one serious injury review following a local (HMRC) investigation.

We also note that the IOPC have told us *"In matters investigated locally, we reminded HMRC of its responsibility to keep those identified as interested parties to the investigation updated following the conclusion of our review"*. We would be interested to know who HMRC has identified as 'interested parties and whether the families of the victims are included, as they clearly should be. We would also be interested to know why the APPG is not regarded as an 'interested party' by HMRC (as we have not had any communication from HMRC with regards to the conclusions of or learnings from the HMRC internal investigations. The Loan Charge and Taxpayer Fairness APPG is clearly an interested party on the matter, having written to HMRC numerous times about suicides and the known suicides risk related to the Loan Charge. As a reminder, this is how many times the APPG has raised suicides with HMRC, the Treasury and with Sir (now Lord) Morse <http://www.loanchargeappg.co.uk/wp-content/uploads/2023/02/2023-01-19-Loan-Charge-APPG-documents-about-suicides-and-suicide-risk.pdf> . As you are well aware, we remain clear that the suicide risk has not been taken sufficiently seriously by HMRC or by the Government as only a change of approach would indicate a real concern to stop further such tragedies, something we have said many times to both HMRC and to Treasury Ministers.

We therefore wish to ask the following questions and trust that you will give full and accurate replies:

1. Regarding the 10 suicides HMRC referred to the IOPC, did HMRC carry out internal investigations into the three cases recommended for internal investigation by the IOPC?
2. What if any action did HMRC take in the other four cases where the IOPC had not recommended an investigation, but said that HMRC should take appropriate action?
3. Did HMRC contact any of the families and/or tax advisers/other professional representatives of the deceased as part of the three internal investigations carried out?
4. With HMRC having responsibility to keep those identified as interested parties updated following the conclusion of the review, please say who HMRC regards as 'interested parties' (and who therefore was kept updated).
5. Why has HMRC not regarded the APPG as an interested party, when as a body we have written to you and to the Treasury numerous times regarding our concerns about suicides and suicide risk related to the Loan Charge and associated HMRC action?

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6. Has HMRC considered the link between the Loan Charge and HMRC action related to it and the impact that this has had on the individuals concerned and the decision they made to take their own lives?
7. With regards to the areas of learnings identified by IOPC, please supply the following information:
 - (a) the learning regarding the way vulnerable customers are handled by HMRC.
 - (b) the learning regarding the contemporaneous recording of information relating to contact with vulnerable customers on HMRC systems.
 - (c) the learning identified by HMRC in relation to the recording of information regarding vulnerability and information flow.
8. With regards to the areas of learnings identified by IOPC, please supply the following information regarding action or proposed action to rectify the issues/failures identified:
 - (a) action taken or proposed to deal with the learning regarding the way vulnerable customers are handled by HMRC.
 - (b) action taken or proposed to deal with the learning regarding the contemporaneous recording of information relating to contact with vulnerable customers on HMRC systems.
 - (c) action taken or proposed to deal with the learning identified by HMRC in relation to the recording of information regarding vulnerability and information flow.

We believe that it is very important, now that it has been confirmed by the IOPC there are things HMRC need to learn in relation to suicides, that the learnings identified are published. We therefore hope that you will publish the report/documentation about the learnings (obviously, with no names or identifying information about any of the victims). **The issues identified by the IOPC as needing attention and the learnings accepted and acknowledged by HMRC absolutely should be made public, to show that HMRC is learning from any failings in these tragic cases.** The IOPC have themselves stated that HMRC are best placed to inform about these learnings, where they say “HMRC is better placed to outline the work it has undertaken to date to *improve the service offered to vulnerable customers and reduce the impact of its work and to set out the challenges inherent in aligning processes, practices and procedures across a large department*”. We therefore look forward to you outlining this work.

9. How many referrals has HMRC made to the IOPC of serious injury matters or complaints relating to serious injury matters following contact with HMRC?
10. How many of these referrals relate to suicide attempts?
11. How many local (HMRC) investigations have the IOPC mandated into these referrals of serious injury matters or complaints relating to serious injury matters following contact with HMRC and how many such investigations has HMRC carried out?
12. Were learnings identified in the one serious injury review following a local (HMRC) investigation and if so, what were they and what action has been taken or proposed action?

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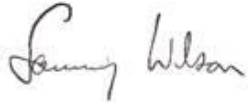
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13. How will HMRC ensure from now on that vulnerable customer protocol is followed properly, by all HMRC staff and departments and that mistakes of the sort we ourselves have seen evidence of, do not happen again?

14. Is it still 10 suicides that HMRC is aware of?

We look forward to answers to all these important questions. We also look forward to seeing reports and information about the investigations/review and detail of the work undertaken as a result.

Yours sincerely,



Sammy Wilson MP
Co-Chair



Greg Smith MP
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Baroness Kramer
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