



All-Party Parliamentary Loan Charge & Taxpayer Fairness Group

www.loanchargeappg.co.uk

James Murray MP
Chief Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
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25th November 2025

Dear James,

Ray McCann confirms deal done with banks – please now admit this happened

We are raising with you for a third time the fact that former Assistant Director of HMRC Ray McCann, whom you chose to conduct the recent review of Loan Charge settlement terms, has stated that HMRC did deals with large corporations for around 15% of what they were deemed to owe.

We wrote to the Chancellor on 1st July about this, but we have had no response, despite this being four months ago. That is unacceptable. We also reiterated the questions we want answers to, in our letter to you on 22nd September. Once again, we have had no reply. This strongly suggests that the Treasury has something to hide.

As you know, we discovered via a Freedom of Information response that Ray McCann told Sir (now Lord) Morse about this at [a meeting on 17th September 2019](#) during the 2019 Morse Review stating:

“The earlier settlement opportunity that had been open to large companies had included significant discounts, so that eventually the companies settled for somewhere in the region of 15% in 2015.”.

We are writing again because it has been brought to our attention that Ray McCann has openly discussed this HMRC corporate deal elsewhere and goes into more detail. In a special edition of Croner-I Tax Weekly in October 2022, Ray McCann wrote an article alongside others (including one from Mary Aiston, then of HMRC).

In this [article entitled, ‘A Bird in the Hand’](#), he reveals more details about the settlement opportunities given to large banks, again contrasting this with the uniquely harsh approach of the Loan Charge. He states:

“The 2005 settlement opportunity was offered to banks that had used complex EBT and restricted securities tax schemes and defended by HMRC as having recovered all the tax and

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NIC due from these schemes. In truth, since the banks were excused late payment interest the settlement involved a huge discount and of the banks offered the deal all but one accepted. Even that bank, controversially, later settled on the same or similar terms. In 2011, as the noose tightened on EBT based tax planning, HMRC announced the EBTSO. Any business that had used an EBT could settle with HMRC and, in stark contrast to the loan charge, HMRC forgave PAYE and NIC liabilities where the EBT had been disclosed but HMRC had failed to open an enquiry. And, where a settlement was agreed with HMRC, the trust fund could be distributed to the employees tax free! “

He ends this paragraph by again confirming the small percentages these banks were allowed to settle for:

Settlements of 10% or 15% of what would otherwise have been payable, assuming that PAYE, NIC and IHT was due, were not uncommon.

This is staggering, as it means that some multi-billion pound banks were given not only settlement deals of 15%, as Ray McCann told Sir (now Lord) Morse, but in some cases a little as 10%.

You and the Treasury cannot any longer pretend that these deals did not happen. We note once more, as we did in our previous letter on 22nd September, that as well as failing to respond to our letters, the Treasury has been answering to parliamentary questions by stating “we do not recognise this claim”.

As we said in that letter, this is clearly a ridiculous statement, considering that the 15% deal was revealed by Mr. McCann, who has been conducting the review you yourself appointed him to do. We also suggested that rather than making a statement designed to give the impression that the Treasury does not know about this deal (which is not credible anyway) all you need to do is speak to Mr McCann to find out about it.

However now we have the further information from Mr McCann’s October 2022 article, which reveals specifically that big banks were given settlement deals of “10 or 15%”, *even the bank that initially refused the original settlement offer.*

Now this further detail is known, then the answers to parliamentary questions are clearly dishonest, a denial of parliamentary scrutiny and an insult to colleagues and the House of Commons as an institution. The reality is that you and the Government are engaged in a cover-up with regards to these deals, which are directly relevant to the situation of those facing the Loan Charge and directly relevant to the McCann Review into settlement terms.

As well as HMRC, The Treasury must be aware of these settlement deals done with large banks, for 10% - 15%, as Ray McCann, a former Assistant Director himself has stated.

Ray McCann was actually working for HMRC in 2005 at the time of the deals he reports. He worked for HMRC from 1975 to 2006 and in 2005 was in a very senior position and directly aware of the settlement deals.

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We are now giving you and your Treasury colleagues a third opportunity to admit that these deals happened. Having evaded parliamentary questions, you or the Economic Secretary to the Treasury needs to correct the record and we believe that now it is clear these deals happened, that one of you makes a statement to the House of Commons. MPs have the right to know that HMRC did deals with multi-billion pound banks, that could have settled for far more with HMRC, whilst discriminating uniquely against contractors with the Loan Charge. Our very strong advice to stop being part of the cover-up, which has and is a key part of the Loan Charge Scandal and now do what you should have done in January and that is announce a full independent inquiry into the whole scandal, including the failures, misconduct of and vindictive discrimination by HMRC.

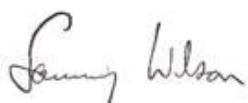
We reiterate once again that all individuals affected by the Loan Charge and pre 2010 cases (including those who have settled) must be offered at least the same discounts as large corporations. Anything else would be manifestly unfair, when you yourself have acknowledged that people are victims of mis-selling (in contrast to the multi-billion pound banks that HMRC was prepared to settle with).

If anything else is announced next week, then the whole McCann Review will have been a waste of time, designed merely to give the impression of doing something, whilst failing to either resolve cases or investigate the whole matter. In reality the whole Loan Charge Scandal could and should have been avoided, meaning that ten suicides and countless divorces, breakdowns and bankruptcies would not have happened. We urge you to change approach, to give those facing the Loan Charge at least as good terms as multi-billion pound banks and avoid further distress and tragedies. We also urge you to start investigating the whole disgrace of the Loan Charge Scandal rather than being part of it.

We are copying this letter to the Treasury Select Committee and the House of Lords Economic Affairs Committee. A full select committee inquiry into the Loan Charge Scandal is also now needed.

We look forward to hearing from you.

Yours sincerely,



Sammy Wilson MP
Co-Chair



Greg Smith MP
Co-Chair

cc. The Exchequer Secretary to the Treasury
The Treasury Select Committee
The House of Lords Economic Affairs Committee

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