



# All-Party Parliamentary Loan Charge & Taxpayer Fairness Group

[www.loanchargeappg.co.uk](http://www.loanchargeappg.co.uk)

Dan Tomlinson MP  
Exchequer Secretary to the Treasury  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

16<sup>th</sup> December 2025

Dear Dan,

## **Meeting with Officers to discuss the McCann Review and the Government's response**

When we met prior to the publication of the McCann Review into Loan Charge settlement terms you offered to again meet APPG officers once the review and Government response had been published.

We would now therefore like to arrange this meeting with you at your earliest convenience. Please ask your Treasury office to arrange this through the APPG Secretariat, rather than our individual offices. The email is [contact@loanchargeappg.co.uk](mailto:contact@loanchargeappg.co.uk).

In advance of the meeting, we need to raise our very significant concern that the Government is making a change to the McCann Review recommendations which will, in effect, undermine the entirety of Ray McCann's recommendations.

## **Excluding those with cases pre 2010 and post 2017 and those who have settled**

First of all, as we have made clear consistently, it is wrong that the review was allowed only to focus on those facing the Loan Charge and not other groups affected, not least because this restriction means that the review couldn't achieve its stated aim of bring cases and the wider issue to a resolution.

- It is manifestly unfair that those who settled with HMRC to avoid the Loan Charge, with the threat of much higher HMRC demands, now face having done so on worse terms than those who did not. It is a matter of natural justice that all those who settled have their settlements readjusted so that they are subject to the same terms as those who did not.
- It is also unfair – and in terms of hoping for cases to be resolved, completely counter-productive not to have included those with pre-9th December 2010 inquiries/demands. People were victims of the same mis-selling by professionals, including Chartered Accountants and recruitment agencies, and the previous review, by Sir (now Lord) Morse

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took these people out of the scope of the Loan Charge. Yet as we have complained to the Treasury before, HMRC have mis-used a discretion to continue to pursue these years in a way this discretion was never intended for. What's more, there are many people who have some pre-2010 years (previously covered by the Loan Charge, but then out of its remit by the Morse Review) and some post 2010 years still covered by the Loan Charge. For such people, the intention is to prevent them from accessing the new settlement opportunity unless they settle their pre-2010 years on far harsher terms. This is unfair but also simply unaffordable for many people. All years should be included in the settlement opportunity and on the same terms, to allow people in this situation to have the opportunity to consider settlement. Otherwise there is no possibility that the whole review and Government response will resolve things for many people.

- It is wrong that victims of mis-selling who used remuneration schemes from 5<sup>th</sup> April 2017 are excluded. They too need resolution to their cases. As you know, this group of people include many thousands of public sector workers, including NHS workers, who were advised or told to use schemes due to the IR35 off-payroll rules introduced by the previous Government. This group includes many lower paid workers, including local authority social workers, care workers and cleaners. To exclude this group from the settlement opportunity is therefore not only unfair, but also perverse when the stated aim is to resolve these cases.

We urge you and the Government to do the simple, obvious and fair thing, if you are serious about wanting to resolve cases, to include all cases as described above, in the settlement opportunity.

#### **The imposition of a £70,000 limit on liability reductions that was not recommended by the review**

We are deeply concerned that despite commissioning Ray McCann to conduct this review of settlement terms and then claiming in writing that he would have “the final say”, the Government is actually not implementing what he has recommended, even though his recommendations presumably are within the parameters of the Treasury's Terms of Reference.

The Government has decided to impose a £70,000 limit for reductions, which Mr. McCann did not suggest and which fundamentally changes what the implementation of the review recommendations will do. This imposition means that those with higher liabilities will find that the new settlement opportunity for them is nothing like the one that would be available to them if the McCann Review were implemented as it is. This will mean that many of these people will see little benefit from the McCann Review and either will not settle as a result of that or because they actually cannot afford to do so. There has been some inbuilt prejudice and false assumptions all along that all those with large liabilities were on very large incomes and/or are very wealthy. (There has also been the prejudice all along, including directly expressed by Ray McCann to us in our meeting in April that those with higher liabilities knew what they were doing and are somehow less affected by the industrial mis-selling, including by Chartered Accountants, post December 2010). In reality, there are people who were contractors, on a good but not excessive level of pay, who worked for many years, years in which they were never warned by HMRC not to use the scheme. Those in this position have large liabilities because of this.

It is also the reality, as [a recent survey by the Loan Charge Action Group showed](#), that many people facing the Loan Charge are retired or approaching retirement. Many are on pensions are most

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cannot increase their income. In addition there are many people who have lost work over recent years due to the impact of the Covid pandemic and lockdowns, some were excluded from Government support and others have lost work or seen pay levels reduce considerably due to the roll-out of the flawed IR35 off-payroll rules to the private sector in 2019. There are also a considerable number of Loan Charge victims that have lost jobs and careers due to the direct impact and of facing the Loan Charge and action from HMRC. Many people have had breakdowns, depression and anxiety and others have experienced mental and physical illness related to the stress of their situation. Others have seen marital and family breakdown and the inevitable impact on their finances, including in numerous documented cases, where a marriage has broken down as a direct result of the impact of the Loan Charge. The assumption, therefore, that these people with larger liabilities are 'rich' and have the money to pay is clearly false and to proceed on that basis, knowing the mental health impact and the suicide risk, is also dangerous. We were dismayed to read in the McCann Review report that it appears there has now been an eleventh suicide of someone facing the Loan Charge. It is surely imperative, therefore, to do all possible to reduce the possibility of further such tragedies and part of this means not imposing the £70,000 limit, that was not a McCann Review recommendation.

Ministers have been very keen to present the McCann Review as being 'independent' (despite it being done by a former Assistant Director of HMRC) yet the Government response means that you are actually not implementing his recommendations and instead legislating a different framework, which entirely changes the settlement opportunity for many people. It is disingenuous to say the Government is "accepting nine out of the ten recommendations" when in fact it is inserting a restriction that changes the outcome of the whole review implementation and its outcome.

**We therefore urge the Government to drop the £70,000 limit from the Finance Bill and implement the McCann Review recommendations in full.**

That therefore also includes allowing people to pay for periods of more than ten years, something that for some, would be absolutely essential in allowing them to take up the settlement opportunity that the Government has made clear, it wishes to see resolve the whole matter.

We note again that the reason Treasury Ministers gave for only commissioning a partial review, only into Loan Charge settlement terms, was so as to bring resolution for those affected. Yet unless the £70,000 limit is removed and unless the currently excluded groups are included, there will be thousands of cases that remain unresolved (and in many cases, unresolvable, due to people simply not being able to afford the sums being demanded). One startling revelation of the McCann Review is that, since the Loan Charge came in in 2019, HMRC has spent £31 million a year on compliance, which over the last six years is therefore an extraordinary £186 million. If, as would currently be the case, thousands of cases remain unresolved, then this sort of expenditure will continue (and increase). In the context of the very challenging fiscal position laid out in the Budget, this would be utterly perverse and indeed a reckless of public money.

We look forward to discussing these issues with you when we meet, as well as having a formal response to our letter.

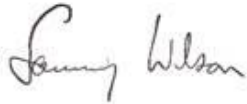
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We also wish to remind you and the Treasury that Ministers have failed to reply to our letters dated 1<sup>st</sup> July, 22<sup>nd</sup> September and 25<sup>th</sup> November. Please can you ensure we have a response to these (from you or the Chief Secretary to the Treasury) before we meet with you.

We look forward to hearing from you.

Yours sincerely,



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Co-Chair



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Sarah Olney MP  
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