



All-Party Parliamentary Loan Charge & Taxpayer Fairness Group

www.loanchargeappg.co.uk

Sir Geoffrey Clifton-Brown MP
Chair
Public Accounts Committee
House of Commons
London
SW1A 0AA

15th April 2026

Dear Sir Geoffrey,

Serious concerns about HMRC costs and Government projections and figures regarding the Loan Charge – the need for a Public Accounts Committee inquiry

We are writing to the Public Accounts Committee to ask that the Committee launches an inquiry into the Loan Charge, as Parliament has been consistently not given the information it should have been about the amount of revenue it would raise over what period – and crucially the very high costs involved. In addition, HMRC and Treasury predictions since 2016 have been remarkably incorrect, which appears to have left a significant gap in budget forecasting, which is especially troubling in the current challenging economic and fiscal climate. In addition, much of the information provided and published has been partial, misleading and in some cases, highly questionable.

The costs of administering the Loan Charge versus the amount HMRC has collected since 2019

A recent [Freedom of Information](#) request to HMRC has revealed details about the amount of money HMRC has spent pursuing those caught up in the Loan Charge Scandal, compared with the amount of money it has actually recovered from individuals affected.

The response explains that **since it came into force in 2019 HMRC has only achieved an extraordinarily low 800 settlements with individuals facing the Loan Charge** – and ten years on from introducing the controversial measure to Parliament, some 32,000 individuals have cases that are unresolved according to the Government's own figures. **This is a catastrophic failure of the Loan Charge and HMRC's whole approach regarding this issue.** For a measure and approach that has been defended on the basis that it would bring it considerable tax revenues, this is extraordinary.

The Freedom of Information response states:

Co-Chairs: Sammy Wilson MP, Greg Smith MP
Vice-Chairs: Emily Darlington MP, Sarah Olney MP

Office of Sammy Wilson MP, House of Commons, London, SW1A 0AA
contact@loanchargeappg.co.uk

For the 800 individuals who resolved their relevant DR usages by contract settlement after the Loan Charge arose (assumed to be under the 2020 settlement terms), we estimate the total collected at the time of the data extraction to be **£44 million** out of an estimated total settlement value of £52 million. This figure includes tax, interest and penalties.

At the same time, the recent report by former Assistant Director of HMRC, Ray McCann, has revealed that [the annual costs of Loan Charge/related activity has cost £31 million a year since 2019](#). The report says (in paragraph 44) that HMRC estimates their current total annual 'DR [disguised remuneration] compliance resource' cost to be around £41 million per year, with Loan Charge compliance making up £31 million of this.

Therefor in the last six years, it has cost HMRC £186 million to collect just £44 million from individuals.

This is an extraordinary statistic and, considering the hugely controversial and unusual nature of the Loan Charge, absolutely damning of HMRC's whole approach (and that taken by Ministers who listened to HMRC officials and accepted their advice on this matter).

This surely therefore warrants an inquiry by the Public Accounts Committee, as well as the fact that the Loan Charge has failed to achieve the objectives set for it when it was introduced. Senior HMRC officials and others involved must be held to account for this.

The huge £31 million cost each year itself shows what a disastrous failure the Loan Charge has been and how disastrously wrong HMRC's approach and predictions have been. For many – entirely predictable reasons – outlined below, HMRC's approach of expecting people to settle on entirely unreasonable terms has failed – and this has come at a very significant cost to the Exchequer/taxpayer. As Mr McCann says of the £31 million annual cost, *"This is – perhaps – the figure that shows just what a stalemate the Loan Charge saga has become"*.

It is also concerning that whenever HMRC and Ministers have been asked, including in Parliament, the £31 million figure has not been given; instead, the Loan Charge has been consistently presented as a measure that would yield large sums from those affected, without ever presenting the very considerable costs of doing so. In this way, with the costs being so high, we believe that Parliamentarians and Parliamentary committees have effectively been misled, by not being given the full picture – the (realistic) projected revenue versus the inevitable costs.

With the whole justification of the Loan Charge to collect disputed tax and to do so in a way that would controversially bypass the normal tax tribunal process (and therefore be a much less costly way of pursuing these cases) then the reality of the figures shows not only a failure, but also that the Loan Charge (ironically) as a policy device *was mis-sold by HMRC* to Ministers and that Parliament

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Office of Sammy Wilson MP, House of Commons, London, SW1A 0AA
contact@loanchargeappg.co.uk

has been subsequently misled ever since, as the costs have escalated alongside the failure to resolve cases.

The Loan Charge – background

The Loan Charge was introduced in 2016, in the 2016 Budget and became law in the Finance Act (No.2) in 2017. Ministers did not properly explain to Parliament what the Loan Charge actually was and the hugely controversial nature of it. This may be because the Loan Charge was not properly explained to them by HMRC officials who came up with and presented the idea to them.

Many thousands of people – mainly contractors, locum and freelance workers – found that they faced huge unexpected tax bills, for using arrangements that were recommended to them by professional advisers, including Chartered Accountants, with HMRC not warning those who began to use the schemes not to do so and only then contacting them years later to say they had retrospective tax demands.

This whole approach has had a huge personal impact on the individuals and families involved. The recent report of the McCann Review into settlement terms included the heartbreaking news that an eleventh person has killed themselves facing the Loan Charge and associated action. There have also been [documented attempted suicides](#), reported by HMRC to the Independent Office of Police Conduct as well as bankruptcies, divorces and breakdowns, as well as loss of careers and incomes, all of which have an impact on the public finances.

Yet we now know that this deeply controversial approach has not only caused all this misery, but that since 2019, it has come at a considerable cost to the taxpayer.

Analysis of settlements since 2019 and numbers of cases

As above, In the six years since the Loan Charge was introduced in 2019, [just 800 individuals](#) have settled their 'disguised remuneration' usage for the Loan Charge according to Government recent estimates leaving [approximately 32,000 individuals who have not.](#)

When the Loan Charge was introduced in 2016/17, [it was estimated that 50,000 individuals would be potentially liable to pay it.](#)

Then an [updated estimate was provided in 2019](#), the year that the Treasury commissioned Morse Review took place, which was that **61,000 individuals** were in scope of the Loan Charge (by which time it had come into force).

The Morse Review then recommended that the retrospective nature of the Loan Charge (its most controversial element) be changed from 20 years (to 1999) to 10 years, so applying to cases from pre-9th December 2010 and the then Government accepted and implemented this. According to the

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Office of Sammy Wilson MP, House of Commons, London, SW1A 0AA
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same Government briefing as above, this removed 9,500 individuals from the Loan Charge. It is important, however, that those with open enquiries in that period continue to face HMRC action, so many of these cases also remain unresolved, on top of the 32,000 Loan Charge cases. Nonetheless, this goes some way to explain why there are fewer outstanding cases now – and it is not because they were settled since then.

Looking at the amount versus costs of the settlements made since 2019, this provides yet more damning evidence of the extremely poor ‘value for money’ of the Loan Charge and associated HMRC activity.

The Freedom of Information reveals that of the 800 settlements made since 2019, the [median settlement was just £19,000 and the mean £68,000](#), meaning most cases were extraordinarily expensive to pursue. The median figure means that there were many small settlements (the mean will be much higher due to some larger settlements). This therefore means that there will have been a high proportion of the few settlements made that cost far more to collect than the amount actually collected.

Therefor a considerable proportion of the 800 settlements will have been settled at a loss to the Exchequer/taxpayer, as well as a loss overall, when it comes to individual settlements since 2019.

The failure of HMRC’s approach to achieve settlements to avoid the Loan Charge

The Loan Charge was introduced (by their own admission) to allow [HMRC to bypass the normal tax tribunal system](#), to give HMRC exceptional (and deeply controversial) powers to pursue taxpayers retrospectively, without having the bother of winning cases in court, including for many tax years that they were out of time to lawfully pursue, hence the need to change the law.

HMRC’s strategy was that the threat of the Loan Charge – taxing all years into one year and with very punitive terms – would mean that most individuals would be pushed into settling. However, as Ray McCann has pointed out in his recent review of settlement terms, HMRC was completely unreasonable in its settlement demands – what he has called a “[punishment strategy](#)” - and as a result, only a small proportion of people have settled.

Some people settled before 2019, being pushed by HMRC to do so and in the belief that they would be better off doing so (which, due to the latest injustice, one actually created by the McCann Review into settlement terms, is not the case). However, with 32,000 people still facing the Loan Charge (and actually other cases related to DR schemes, including pre-December 2010 cases that had previously been subject to the Loan Charge still being unresolved so many years later) the whole strategy has been a remarkable failure.

Co-Chairs: Sammy Wilson MP, Greg Smith MP
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Office of Sammy Wilson MP, House of Commons, London, SW1A 0AA
contact@loanchargeappg.co.uk

This disastrous strategy has tragically led to suicides and attempted suicides as well as breakdowns, bankruptcies and divorces. It also has failed to raise the predicted revenue, which was the justification given for the Loan Charge by HMRC and Ministers since its introduction.

In reality, the approach taken – of threatening people with the Loan Charge in the belief they would be pushed into settling, despite not offering reasonable settlement terms – has been a catastrophic failure **with some 32,000 unresolved cases ten years after the Loan Charge was introduced to Parliament.**

Although the recent McCann Review of settlement terms was not a review of the Loan Charge itself (which is what the Loan Charge and Taxpayer Fairness APPG has called for), Ray McCann is highly critical of HMRC for this approach and its clear failure. Nonetheless that review was devised to try to bring cases to a close, not to hold HMRC to account and thus far, they have not at all been held to account for this fiasco.

Whilst HMRC letters and the threat of the Loan Charge did push some people to settle before the Loan Charge came in, the unreasonable nature of the settlement terms meant most did not and could not.

Ray McCann, himself a former HMRC Assistant Director, has been highly critical of HMRC over this.

According to minutes of a meeting [on 17th September 2019 as part of the 2019 Morse Review](#) between Ray McCann and Sir (now Lord) Morse, Ray McCann is recorded as saying:

“HMRC look callus [sic] and unsympathetic. HMRC talks about giving time to pay but doesn’t really look at ability to pay”.

and

RM [Ray McCann] thinks that contractor arrangements discriminate against contractors for reasons that aren’t apparent.

It is also recorded in the minutes that Ray McCann compared settlement terms and deals done with large corporates (the big banks) and the starkly different and harsh ways contractors have been treated by HMRC:

“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 (i.e. it took many years for the deal to be made).

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“The contractors weren’t offered these terms. RM has been hugely critical of HMRC because in his view, much of the problem is down to HMRC’s handling of the whole issue”.

In a special edition of Croner-I Tax Weekly in October 2022, Ray McCann wrote an article titled “[A bird in the hand](#)” where he stated:

...had HMRC offered more generous settlement terms at the outset it would have not only recouped tens of millions from the legacy EBT participants, but it would have allowed the even larger number of contractors, social workers, nurses, and those who are simply unable to pay the loan charge to have been better able to reach a resolution.

As Ray McCann then wrote in an article in [Tax Journal on 3rd January 2020](#):

The utter shambles that is the loan charge is testament to how it all can go horribly wrong. Yet those at the top of HMRC did not listen; or if they did, they did not take effective action even when it was clear that it was all going wrong.

Yet so far, no one is HMRC has been held to account for this whole debacle.

HMRC need to be held to account for this failed approach and their decision to be wholly unreasonable, unfair and discriminatory towards contractors. Whilst the McCann Review has recommended changes to settlement terms and offers criticism of HMRC, it was not designed to hold HMRC to account and has not done so.

A catastrophic failure of law and policy

The Loan Charge has been, by its own terms, a wholesale failure as a law and an approach.

When the Loan Charge was introduced, in the 2016 Budget, the then Chancellor George Osborne, [in his Budget speech](#), stated that the reason for legislating was to “shut down disguised remuneration schemes”. The Government line, in all documentation and in answers to Parliamentary questions, states unequivocally that:

The Loan Charge was introduced to draw a line under the historic use of disguised remuneration (DR) schemes.”

However, as already stated, a huge number of those historic cases - 32,000 – remain unresolved.

Therefor the Loan Charge has most certainly not drawn a line under the historic use of these schemes.

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In addition, as has been well documented, disguised remuneration schemes have continued to be sold. Therefore, as well as failing to resolve the vast majority of cases HMRC wished to resolve, the Loan Charge and associated HMRC activity has also comprehensively failed to stop the ongoing promotion and mis-selling of these schemes. This failure is therefore continuing to cause misery for unwitting taxpayers recommended to use them by Chartered Accountants, promoters and rogue umbrella companies, that know that it will be the individual taxpayer that will be pursued by HMRC, not them.

Ministers, including the Chancellor of the Exchequer, have stated that they accept that those affected by the Loan Charge were victims of mis-selling, yet the whole approach taken by HMRC and Government has been to solely focus on those mis-sold and impose all the liabilities for the disputed tax onto them. [In January 2024 Rachel Reeves, now Chancellor, then the Shadow Chancellor said:](#)

“HMRC seem to be coming after the people who were mis-sold these products rather than the people who were mis-selling them and that is a real scandal.”

This approach, as well as being unfair, considering that those who recommended, promoted and operated the schemes made very considerable amounts from doing so, has also failed, largely because people simply do not have the money being demanded. It is important to note that despite the recent McCann Review into settlement terms, the current Government’s approach remains that individuals remain solely liable, despite the clear and industrial mis-selling that took place. Therefore even after the McCann Review, those who perpetrated that mis-selling are still not being pursued for any of the tax deemed to have been avoided, despite making huge sums from having recommended and operated schemes.

As a result of focusing on those who were advised to use schemes, six years since the Loan Charge came into effect, promoters still mis-sell schemes and yet more people get caught up in the nightmare of finding out that they have been using arrangements they were assured were legitimate and compliant, only to be hit with large tax demands.

As mentioned above, HMRC themselves came up with the idea of a retrospective law (this was revealed [in a Freedom of Information response](#)) because [they knew they were out of time](#) to pursue so many people. HMRC didn’t open enquiries into tens of thousands of tax returns, so came up with a law that allowed them to issue retrospective tax bills. Senior HMRC officials admitted in internal emails that they did this [so as not to bother having to take cases to court](#). Yet instead of providing themselves with a neat, if highly controversial way of pursuing these cases, including those they had no legal basis for pursuing, it has actually turned into a practical and reputational disaster for HMRC.

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The supposed justification for the Loan Charge – that it will “yield £3 billion”

When announced at Budget 2016 and subsequent updates, the Loan Charge was projected to [raise £3.2 billion](#).

This considerable overall figure has been the justification for the highly controversial approach of legislating to give HMRC power to retrospectively pursue individuals for tax where it had no other legal basis to do so, including where it had failed to open enquiries and was out of time to challenge these years. The huge sum, presented as being money that would go towards public services, was used to justify this approach and its retrospective/retroactive approach.

To give just a few examples of this, the [then Financial Secretary to the Treasury, Jesse Norman told the House of Commons on 2nd July 2019](#) in a debate on the Loan Charge:

“The potential amount **payable** is more than £3 billion”.

Then on 1st October 2019 in Treasury Questions [he told the House of Commons](#):

“There is also the question of **collecting** the several billion pounds of back tax that is due”.

Source: UK Parliament, Hansard (Treasury Questions, 1 Oct 2019)

Link:

His successor, Lucy Frazer then used the word ‘yield’ in [an answer to a written question on 1st April 2022](#) stating:

“The latest estimated overall Exchequer **yield** of £3.4 billion for the entire package, which includes the Loan Charge.”

On 21st February 2002, the Loan Charge and Taxpayer APPG [wrote to the then First Permanent Secretary and Chief Executive of HMRC, Jim Harra](#) and one of the things we asked was about the figures that the Loan Charge and related activity would raise. Mr Harra replied:

*The Loan Charge was announced at Budget 2016 as part of a package of measures to tackle Disguised Remuneration (DR) tax avoidance. More information on how this breaks down was provided to Lord Morse during the Independent Loan Charge Review and is included in the summary of evidence, available on GOV.UK. The forecast was last revised at Spring Statement 2022, with the latest estimated **overall Exchequer yield** of £3.4 billion for the package.*

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Yet we now know that all three statements are false or misleading, which means that Parliament has been consistently misled about how much the Loan Charge and associated activity would raise/yield – and its justification of raising this sum was never actually the case.

The reality of the £3.2/£3.4 billion ‘yield’

There are several reasons why this huge sum was always unreliable and also, presented in a deeply misleading way.

1. The £3.2/£3.4 billion figure was never all revenue that would be collected nor ‘tax avoided’

First of all, this figure has never actually been a prediction of money that would be collected as a result of HMRC action related to the Loan Charge, despite this being what Ministers have presented it as and MPs and journalists understood it as.

This is because a very significant proportion of it – over half - was merely an estimate of the potential value of what HMRC predicted would be saved by deterring future use of such schemes.

According to figures compiled from various government tables and budget costings, almost half of this total predicted ‘revenue’ – so a huge £1.6 billion of the overall figure - represents “deterrents” – a modelled estimate of tax HMRC believes would have been lost in future years if avoidance schemes had continued to be widely used. This is given on government webpage [“Section 4 – Policy Costing”](#) in Table 23.

	Employers		Individuals		Total	
Original costing in 2016	£m	Percentage of total	£m	Percentage of total	£m	Percentage of overall total
Settlement	245	74%	90	26%	335	11%
Loan charge	880	72%	345	28%	1,225	39%
Deterrence	1,110	69%	500	31%	1,610	51%
Overall total	2,240	71%	930	29%	3,170	100%

To conflate actual predicted revenue from a figure of how much in future a measure may change behaviour is completely wrong and has made the figures associated with the Loan Charge not only misleading and flawed, **but a false rationale for such a controversial and extraordinary piece of legislation.** Ministers have justified the Loan Charge and done so in Parliament because they claimed it would raise over £3 billion – and that this was also the amount that had been lost due to tax avoidance resulting from the schemes. Neither of these things is the case.

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2. Many people affected simply cannot afford the sums being demanded

There is also the simple reality that many thousands of those facing these unexpected retrospective demands, from tax years in the past that they had assumed to be dealt with and compliant, cannot pay the sums that have – and will still – be demanded of them. Due to the fact that these schemes were recommended by Chartered Accountants and accredited tax advisers, abetted by recruitment agencies and umbrella companies, as well as pushed hard by promoters and operators, those affected in many cases have spent the money and do not have it. There has never been any realistic possibility of the Loan Charge (and related settlements to avoid it) could have brought in anything like the sums that HMRC (and the Treasury) have said it would, including to Parliamentary committees.

This key point – one that APPG members have made regularly, knowing the reality of their constituents' cases – is also made in the McCann Review report ([p18, point 52](#)):

“Having regard to the fact that some of those involved will never be able to pay the full amount required to meet the liability HMRC expects, HMRC’s actual yield is already unlikely to meet its current estimate of outstanding liability”.

This has always been the case.

This means that the whole basis of the £3.2/3.4 billion figure has been completely unsound and as a result the predicted revenue will not and cannot achieve anywhere near this figure. This is especially the case now that figures for actually enforcing and collecting Loan Charge revenue have been published and they are huge.

The whole basis of the Loan Charge, in terms of justifying unique and uniquely draconian legislation to allow HMRC to ignore the basic principle of the tax system and override basic but fundamental taxpayer protections, is a delusion. This delusion has been the basis of Ministers being persuaded to introduce this law. Now those who proposed it and those who introduced it must all be held to account.

The £3.2/£3.4 was predicted to be raised within 5 years

As well as the £3.2/3.4 billion figure itself, there is also the time period in which HMRC and the Treasury stated it would be collected/realised, which was five years.

According to the [Government’s own figures](#), the package of measures, including the Loan Charge announced at Budget 2016 and the 2016 Autumn Statement would raise £3.16 billion by 2021/22.

Co-Chairs: Sammy Wilson MP, Greg Smith MP
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Office of Sammy Wilson MP, House of Commons, London, SW1A 0AA
contact@loanchargeappg.co.uk

This means that the projections of revenue by HMRC and the Treasury have also been significantly wrong in terms of how much was going to be raised/collected by when. Yet no official or Minister has yet been held to account for this.

HMRC's unreliable and questionable statistics related to the Loan Charge

One of the many contentious aspects of the Loan Charge Scandal has been the presentation of figures by HMRC, that it has long been felt to have given a deliberately skewed picture of the Loan Charge, its impact and its likely effectiveness. This also needs proper examination, as part of an inquiry into the costs and failures of the Loan Charge.

In 2019, the APPG did [a report on the HMRC claims about the proportion of the overall projection that was to come from 'employers' as opposed to individuals](#) due to the lack of transparency on the part of HMRC about this. There has still been no properly transparent explanation of this and now, of course, on top of this it is known that the Loan Charge has raised only a fraction of what it was projected to do, with a mere 800 settlements since 2019. We would suggest that the Public Accounts Committee asks HMRC to define exactly what is meant by 'employers' as it is not clear.

HMRC's publication of figures has been vague, inconsistent and in some cases misleading. What is also concerning, in light of the way HMRC have given misleading figures to justify their failed approach, is that it is still not known how much, in reality, the Loan Charge (i.e. cases where people face the Loan Charge) will **actually, directly**, raise, In other words, how much will it actually bring in to the Exchequer – and in what period. This is something that must be established – as well as the related costs for raising this sum. This leads onto the need to establish a realistic projection of how much the Loan Charge will raise and the costs of pursuing this sum.

The cost of further pursuing/resolving/enforcing remaining cases

One thing that must also be examined – and we would hope be part of a Public Accounts Committee inquiry – is what the ongoing costs of enforcement of the Loan Charge (and related cases) will be.

With the disastrous failure of HMRC's approach so far, there is clearly the question as to whether pursuing the remaining cases will raise more than the actual cost of pursuing them. The recent McCann Review settlement opportunity, once legislated, alleges that a considerable number of people – around 10,000 - will no longer have liabilities. This is another 'Government estimate' so it is yet to be seen how realistic and reliable it is in practice.

Even if this is the case, the remainder of the 22,000 will all need to be individually resolved. Each case will cost money (and indeed there is still a cost for resolving the cases of those who will no longer have any liabilities). However, there will remain cases which for a number of reasons, will be costly and challenging to settle (both for HMRC and for the individual concerned).

Co-Chairs: Sammy Wilson MP, Greg Smith MP
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Office of Sammy Wilson MP, House of Commons, London, SW1A 0AA
contact@loanchargeappg.co.uk

HMRC will know from recent experience the kind of costs involved in pursuing these cases, yet this is not being discussed, nor was it covered in the recent McCann Review into settlement terms.

This therefore is of huge importance, to avoid the possibility of yet more cost-negative activity from HMRC regarding these cases.

There are individuals who simply cannot pay anything like the sums still being demanded, meaning that HMRC will either have to enforce these cases and push individuals to bankruptcy (which has a cost to the taxpayer) or have to accept a far lower settlement than they were projecting. This means that any projections being given now about how much the Loan Charge will raise following the McCann Review are likely to be seriously flawed, which is in itself a matter of real concern (and continues to leave a hole in budget projections).

This is even more important because the Government has imposed a £70,000 limit on liability reductions, which was not a recommendation of the McCann Review and on top of this, HMRC are already adding promoters' fees to liabilities, all of which will make it difficult, if not impossible, to settle for many individuals with higher liabilities. Many of these cases are therefore likely to drag on, potentially for several years and some are likely to end in bankruptcy which, even if that allows HMRC to recoup some of the demands, also has a cost to the taxpayer as well as a high personal cost for those involved and their families.

There has also never been any sensible analysis of the proportional use of public funds in HMRC's compliance activity regarding the Loan Charge and the thousands of historic cases. This surely should have happened and must also happen now, otherwise current Ministers will be doing exactly the same thing as has happened since 2016, which is to keep giving figures as to how much the Loan Charge is expected to bring in, when these projections are wholly unrealistic and also do not include the costs of collecting the same sum, which should be presented alongside any projections.

The McCann Review report made clear that the yield was never going to be achieved 'without significant intervention' something that HMRC has strongly resisted at every stage, despite the failure of its approach and its assumptions that people would settle, on the wholly unreasonable terms they were offering, to avoid the Loan Charge. Many of those impacted are approaching retirement age and it is anticipated that the proportion of these will increase to 43% within the next ten years. [Point 51 page 18](#) makes this point:

"For that reason alone, the Review believes that, without significant intervention, the likelihood is that HMRC would need to reduce its yield expectations. Indeed, delay in finding a solution will inevitably mean that HMRC's actual yield is reduced, whilst HMRC's costs would continue to increase".

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Office of Sammy Wilson MP, House of Commons, London, SW1A 0AA
contact@loanchargeappg.co.uk

In subsequent paragraphs, the McCann report estimates HMRC costs:

53. HMRC's compliance costs also need to be factored in. Over the same ten-year period, on current estimates, HMRC will spend at least £310m if the current impasse were to continue. If HMRC were to resort to a more enforcement-focussed posture, that financial and resource cost could increase significantly when costs such as increased tribunal/court activity is factored in.

54. These cost estimates do not include HM Treasury or Parliamentary time.

Why Public Accounts Committee scrutiny is required

It is now in the public domain that the Loan Charge, introduced in 2016, has been one of the biggest failures, if not the biggest, ever by HMRC.

It has been a deeply questionable policy and approach, one that in the last 6 years has cost far more than it has collected, as well as pushing people to take their own lives - and of course failing by its own objectives, as it has failed to draw a line under the historic use of DR schemes or stop the ongoing mis-selling of them.

Yet no HMRC official has faced any accountability for this. Not those who came up with the Loan Charge, nor those who recommended its introduction to Treasury Ministers, nor those who have implemented, defended and denied its reality. That must now change.

In addition, the reality is that the Loan Charge has failed largely because it focused on those who were mis-sold these schemes and not on those who recommended, promoted and profited from them (and has failed to stop schemes being mis-sold, meaning that the predictions about the likely savings as a result are also likely to be comprehensively flawed).

Now that the extraordinary costs of enforcing the failed Loan Charge have come to light, we believe that the Public Accounts Committee can undertake some of this much needed investigation and scrutiny, specifically into the extraordinary fact that the Loan Charge has cost the taxpayer millions of pounds, at the same time as pushing eleven people to take their own lives.

Even until recently, senior HMRC officials and Ministers have continued to give answers that suggest that the Loan Charge was bringing large sums of money to the Exchequer.

This was even the case during the period 2019 to 2025 when it is now known that the Loan Charge has actually cost HMRC £186 million. Only £44 million has been collected from individuals in just 800 settlements. This in itself warrants investigation including examining if and where HMRC officials may have misled Select Committees by giving the impression that the Loan Charge was

Co-Chairs: Sammy Wilson MP, Greg Smith MP
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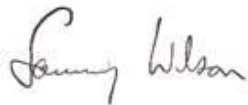
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contact@loanchargeappg.co.uk

collecting/raising the huge sums claimed, when we now know that since 2019 HMRC was actually only collecting a tiny fraction of this – and at considerable cost.

This, combined with the need for proper scrutiny of how much it will cost to resolve the remaining thousands of cases, means there is a very strong case for the Committee to examine this matter.

We do therefore hope that the Public Accounts Committee will now consider a full inquiry into the Loan Charge Scandal.

Yours sincerely,



Sammy Wilson MP
Co-Chair



Greg Smith MP
Co-Chair



Emily Darlington MP
Vice-Chair

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