



# All-Party Parliamentary Loan Charge & Taxpayer Fairness Group

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

Ray McCann (sent by email)

29<sup>th</sup> September 2026

Dear Ray,

Thanks for your recent reply to us and for further information regarding deals HMRC made with large corporations.

You will realise, as has been clear from our previous letters on this, to you and also to the Treasury, that we are simply trying to ascertain what percentage of tax due large corporations actually settled for with HMRC. We still do not have this information and we note that you have not provided this, despite us explicitly asking for that information. If you do not feel able to provide this, please tell us, but you will understand that until this is known, there will continue to be the impression that HMRC and the Treasury are involved in a cover-up regarding this, as it greatly differs with how HMRC has pursued those individuals caught up in the Loan Charge Scandal.

We make clear this is simply about trying to establish what we have been asking for a year now, for transparency on the percentages that large corporations were permitted to (and did) settle with HMRC for.

We now realise, from your latest letter, that there are two different things being referred to, the HMRC deal with the big banks in 2005 and the later EBTSO. It is helpful that you have clarified this distinction. However, we still don't have any further information and still seek long overdue transparency on these deals. This is the fourth letter to you in which we have raised this matter. We have also raised it in two separate letters to the Treasury, with no information being provided on either occasion.

The two sources of information are, firstly the minutes of a meeting on 17th September 2019 during the 2019 Morse Review that you had with Sir Amyas Morse, the then reviewer, as revealed in this [freedom of Information response](#). This minutes you telling Sir (now Lord) Morse:

**"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 now take it, from your recent letter, that this refers to the EBTSO settlement opportunity offered to these large companies.

The second in your [article in Accountancy Daily Croner-i entitled, 'A Bird in the Hand'](#)

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This also includes a reference to the EBTSO settlement opportunity

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

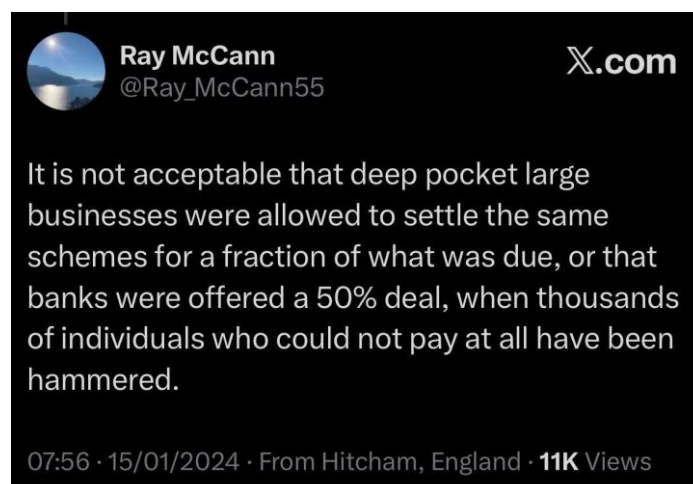
We now understand that your statement in this article about the 10-15% settlements refers to the EBTSO settlement, not the one with the big banks.

In the same paragraph (and hence our previous confusion) you also refer to the deal HMRC did with the big banks in 2005:

“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 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”.

This deal, offered to big banks, was also for the use of Employment Benefit Trust (EBT) schemes, hence the fact the two have been confused and we thank you for making clear that they were two different deals. However, the reality remains that in each case, these large companies (including multi-billion-pound banks) were offered very favourable settlement terms at significantly less than the tax that was due – in stark contrast to individuals who were mis-sold and used loan schemes (a point you yourself made very strongly in your article, in wider commentary and also in your report).

We also now have been made aware of a tweet of yours from January 2024, where you also refer to the deal with the big banks and also the terms large businesses were allowed to settle for. The tweet is here.



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You clearly state here that *“it is not acceptable that deep pocket large businesses were allowed to settle the same schemes [as contractors etc were mis-sold] for a fraction of what was due”*. We agree.

You also give a figure for that the big bank were offered as a settlement deal, stating that HMRC offered them the opportunity to pay 50%.

What we don’t understand is that considering you have made these several public statements, why it is you have been so unwilling to answer our questions on this matter and to clear up the reality of these two settlements.

We still therefore believe that in the interests of transparency, Parliament and the public have a right to know what percentage of the tax due the big banks actually paid, as well as a proper response as to why individuals have been treated much more harshly than huge corporations who set out to avoid tax, who in your own words, settled *“for a fraction of what was due”* (presumably the 10-15% you have mentioned elsewhere).

We therefore hope that you will answer these questions, so that finally, there can be the much-needed transparency on this matter.

- (a) Referring to businesses that accessed the EBTSO (referred to as large companies in the minutes of the meeting you had with Sir (now Lord) Morse in 2019, you refer to large companies getting settlements of 10 or 15% of what would otherwise have been payable. Can you therefore confirm that this was the case.
- (b) Why did you not recommend similar such terms and percentages (10-15%) for those facing the Loan Charge across the board, when, unlike the large companies, the Government accepts people affected are victims of mis-selling? Whilst we realise that some people with lower-level liabilities will get similar (or greater discounts) there will be many thousands of people still being asked to pay far more than 10-15%.
- (c) What was the “huge discount” you refer to, that the banks received, presumably this the 50% discount you mention in your tweet?
- (d) What percentage of tax due did the big banks actually settle for, having had this “huge discount”? Was it 50%, or in fact did they settle for even less, as it often the case in negotiations with HMRC?
- (e) Considering how critical you have been of HMRC for being unfair/discriminatory towards contractors who used ‘disguised remuneration’ schemes (acknowledged by Government as being victims of mis-selling), why did you not recommend that all those facing HMRC action for this should receive a settlement discount similar to the ‘huge discount’ received by the big banks?
- (f) According to the minutes of your meeting with Sir (now Lord) Morse, you left HMRC in 2006. Can you therefore confirm that this is correct and can you state whether you were personally involved in the deal with the big banks in any way, whilst working for HMRC?

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- (g) Of those covered by your review, you are aware that those with larger HMRC demands/liabilities will be paying considerably more as a percentage than the big banks did, as they will receive less discount – and in many cases considerably less – than the 50% discount that the big banks were offered, according to your tweet. Why are you not condemning this – and the Government’s imposition of the £70,000 discount cap – when before undertaking (and being paid to conduct) the review commissioned by the Treasury, you were so publicly clear that this was manifestly unfair?
- (h) All the people who have pre-2010 enquiries and are still being pursued by HMRC are being offered no reduced terms and no discount following your review, never mind the discounts offered to the big banks. This is manifestly unfair. Why did not you recommend that this group also receives discounted terms, of at least the 50% discount the banks were offered?
- (i) As you know, there remains the profound injustice that those individuals who settled with HMRC, having been told they would otherwise pay much more, in fact now will have settled on much worse terms than the latest ‘settlement opportunity’ introduced following your review. In most cases, these people will have settled for much more than had they been offered the 50% discount that the banks were (and far more than the 10-15% actual settlements with the big companies in the EBTSO). Why have you left this profound injustice in place, having been so vocal about the clear unfairness prior to conducting your review?

We urge you now to properly answer these questions, so that at last there can be clarity over these two corporate deals, that contrast so strongly with the punitive and unaffordable terms offered to individuals affected, people who (unlike the big banks and big companies) were victims of mis-selling. We also believe that people have a right to know your view on the fact that, despite your review, there will be several thousand people still facing settlement terms that are much harsher than these huge companies.

#### **Other questions we asked in our letter that you did not answer in your reply**

We also note that in your reply to us, you didn’t answer these questions we asked you (these are numbered as they were in the last letter):

**Question 1:** Are you concerned that HMRC is interpreting or seeking to interpret, any of your recommendations in a way that is not in the spirit of those recommendations and/or not how you envisaged them being implemented?

- (a) If so, will you raise this concern with the Government and make clear that this is not how you envisaged your recommendations being implemented by HMRC?
- (b) If not, why not?

**Question 2:** What actual evidence do you have to support your underlying assumption that those on lower incomes are more likely to have been victims of mis-selling than those with higher liabilities?

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**Question 3:** Do you accept that those with higher liabilities were more likely to have taken/followed advice from a chartered accountant or accredited tax adviser, reputable advisers that people had every right to assume were giving good advice?

- (a) If you do accept this, do you not accept that the assumption about these people being less likely to have been victims of mis-selling is very questionable?

**Question 4:** Do you accept that there will be people with high levels of HMRC demands currently with low levels of income (including, ironically, as a direct result of the impact of facing HMRC action)?

**Question 5:** Do you not accept that by treating those with higher liabilities more harshly, it will make it much less likely that these cases will be resolved, which is the stated objective of your review?

**Question 6:** Why did you decide not to recommend that the Government should pursue, in any and all ways it could, those who recommended, promoted and operated these schemes for any of the disputed tax?

**Question 7:** The last Chancellor, Rachel Reeves, was very critical of the previous Government's approach of pursuing what she described as victims of mis-selling and not going after what she called "the perpetrators" Why have you left all the liability on victims of mis-selling and not the perpetrators of the mis-selling?

- (a) Do you not understand that this is regarded as the central injustice to the Loan Charge Scandal and one that you have left in place?

**Question 11:** Prior to your appointment, did you discuss the apparent conflict of interest of your history of working for HMRC, including working in the area of countering 'disguised remuneration' schemes (and what became counter avoidance)?

**Question 12:** Do you accept that, especially with the huge mistrust of HMRC, that your long history of working for HMRC, in the area of work related to 'disguised remuneration' schemes and the fact you were at HMRC when the banks were offered the deal, all mean that you are not regarded as "genuinely independent" by many?

**Question 13:** Did you work directly with any HMRC officials who were later involved in the conception, design and implementation of the Loan Charge and if so, did you declare this?

**Question 14:** Were you not concerned, once you saw the Government publishing your name and experience, that your 31 year history of working for HMRC was omitted and only your one year as a past president of the CIOT was referred to?

- (a) If so, did you raise this with Ministers?  
(b) If not, why not?  
(c) Do you agree that it was wrong to only describe you as a Past President of the CIOT, a role you held for one year, whilst failing to mention your 31 years working for HMRC?

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We note that in your last letter, you state “I have met with the APPG on two occasions, and I wrote to you on 6 February 2026 following our last meeting. I have nothing to add to what was discussed and included (for clarity) in my February letter other than to repeat that at the time of the Government’s response to my report in November last year it estimated that some 10,000 individuals would have no liability and a further 26,000 or so would benefit from an average reduction of 50%. Obviously, like the APPG, I want to see HMRC’s finalised settlement offer being published”.

This appears to mean that you are not prepared to answer the above questions, which would be disappointing, as they are important ones and things that are perfectly reasonable to ask.

You also refer again here to the Government’s predictions of the impact of the recommendations, as implemented by Government, though as we stated in our letter, these are merely estimates. Like you, we of course hope that these predictions come to pass, but we are increasingly concerned that they will not.

It is notable that the responses from Treasury Ministers to questions on this now include the phrase *“this requires taxpayers to now come forward and engage with HMRC in good faith”*. This suggests that the Treasury is now qualifying its estimates and already making an excuse if they are not fulfilled (and seeking to blame individuals if they are not!). That does not suggest that the Government has the initial confidence in its own predictions.

Related to this, we are now also concerned that the process laid down in the legislation introducing the recommendations includes that HMRC will contacting people affected and give them 90 days to agree and accept the calculations prepared by HMRC. We refer you to [this post on LinkedIn, by Graham Webber of tax firm WTT](#), who have many affected clients.

Moreover, we have already been told that some calculations provided by HMRC are not accurate (which alas, is not surprising, considering the whole history of inaccurate and changing demands issued by HMRC throughout this whole debacle). Based on information received it appears that the invitation to ‘settle’ at the figure provided by HMRC will only apply to payments made straight away. As we have made clear – and as you will also realise – there will be many people affected who can not pay the level of demands HMRC is making of them, even after the recalculation as a result of the review recommendations have been put in place. What makes this worse is that according to Graham Webber of WTT, a firm that represents a considerable number of clients, “the invitation calculates the tax due BEFORE taking into account payments on account. It potentially therefore presents a wholly misleading - and we suggest worrying - picture for the recipient. The invitation asks the recipient to request a new calculation if they think they have paid some of the tax.

As Mr Webber states, “Surely HMRC know what they hold on account and could include it in the calculation? If not, does the 90 day window rest if HMRC are asked to do this?”

These are important questions that we will seek answers to from the Treasury (though as ever, it is clear that HMRC is the body truly in charge of this whole issue).

We would welcome your comments on this, as to us it adds to our fears, as expressed in the last letter, that HMRC is interpreting some of the recommendations in a way that is favourable to them,

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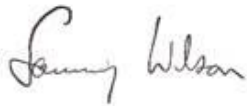
which also means in a way that will make it less likely that some individuals will be able to afford the level of demands.

We wonder do you have any comment to make on this and whether – as we fear – it will prevent the recommendations stemming from your review having anything like the predicted impact. We remain far from convinced that HMRC is going to act in the spirit of your report recommendation and fear that this will reduce their impact in practice, potentially substantially.

Finally, we do of course condemn any online abuse aimed at you, with regard to the review. Whilst people are obviously allowed to have their own views on your review and its conclusions (and the Loan Charge Scandal as a whole) we do condemn any online abuse (and we always block anyone who indulges in it on Twitter/X).

We look forward to hearing from you and thank you for your ongoing engagement on this important matter.

Yours sincerely,



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