



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

8th February 2022

Dear Mr Harra,

HMRC's Serial Avoiders Unit – contradictory statements from HMRC

We are writing to express our concern about contradictory statements made by HMRC, this time with regards to the continued existence, or not, of HMRC's Serial Avoiders Unit.

We have been contacted by people facing the Loan Charge, who understandably are deeply upset at being dealt with by something called the Serial Avoiders Unit, when as HMRC are well aware, the vast majority of those facing the controversial Loan Charge took professional advice and many were also mis-sold schemes as tax law compliant and being without risk. As our own research shows¹, the vast majority of victims caught by the retrospective Loan Charge used the arrangements they did as a result of taking professional advice and not to avoid tax, rather to avoid being caught by 'IR35' legislation and (ironically) therefore, to avoid the chance of being pursued by HMRC. We therefore also feel that for HMRC to label those facing the Loan Charge as "serial avoiders" is unfair and wrong, as well as pursuing them via a so-called Serial Avoiders unit is deliberately intimidating and another example of the deeply unfair way in which HMRC have mis-represented people, including through the controversial use of behavioural insights.

Our main concern, however, is that yet again, HMRC appears to be making contradictory statements that, yet again, suggest HMRC is not being factual and truthful with regards to the Loan Charge.

On 14th October 2021 a [Freedom Of Information Request was raised](#) which was responded to on 10th November 2021.

This response states the Serial Avoiders Unit was closed down two years ago, in 2019. It says:

"We can confirm that the Serial Avoidance Unit was disbanded in 2019 with the work of the team being incorporated into Complex Customer Resolution within the Counter-Avoidance

¹ [Loan Charge Inquiry Survey Report – March 2019](#)

Co-Chairs: Sammy Wilson MP, Greg Smith MP, Mohammad Yasin MP
Vice-Chairs: Baroness Kramer, Dr Lisa Cameron MP, Gerald Jones MP, Sarah Olney MP, Rushanara Ali MP

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Directorate. The searches of email records you have requested have been conducted and no information within the scope of your request has been identified. We have considered your concerns regarding the receipt of letters which appear to have been sent from the Serial Avoiders Unit and it does appear that some colleagues may be using out of date letterheads, we are rectifying this as a matter of urgency.”

However, the APPG was contacted by a Loan Charge victim who in October 2021 received a letter headed from the Serial Avoiders Unit which contains in the opening paragraph:

“The serial avoiders unit is the subdivision of HMRC in which I work and the above is my address for correspondence purposes”

To rule out any doubt that this unit is simply using an out-of-date letterhead the closing paragraph of the letter reads:

“Please note that our new address is HM Revenue & Customs, Serial Avoiders Unit, S0842, NEWCASTLE, NE98 1ZZ. If you write to us but do not use this address then we may not get your post”.

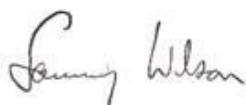
This clear contradiction is deeply troubling, as is the reported impact on those being written to from this unit, who are not and never have been ‘serial tax avoiders’. It is exactly this sort of contradiction that causes both Parliamentarians and taxpayers to question the integrity of HMRC over the Loan Charge.

Can you please therefore answer the following questions:

1. When was the Serial Avoiders Unit formed and, if disbanded, when was it disbanded?
2. When was a decision taken to assign some people facing the Loan Charge to the Serial Avoiders Unit and why?
3. Why was the statement made in the FOI response dated 10th November 2021 that the Serial Avoiders Unit had been closed down in 2019 yet HMRC Officers are writing from it in 2021?
4. Can you explain why yet again HMRC are making contradictory statements and do you understand how much this is creating a lack of trust in HMRC’s statements over the Loan Charge and damaging HMRC’s reputation.

We look forward to hearing from you.

Yours sincerely,



Sammy Wilson MP
Co-Chair



Greg Smith MP
Co-Chair



Mohammad Yasin MP
Co-Chair

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Cc House of Lords Economic Affairs Committee/Finance Bill Sub-Committee
Treasury Select Committee

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