

Open Letter to the Prime Minister and Chancellor regarding The Loan Charge

November 2022

Dear Rishi and Jeremy,

We are writing as concerned Parliamentarians regarding the deeply controversial Loan Charge urging you to agree to seek a resolution to the whole issue, knowing that there have been nine suicides of people facing action from HMRC related to the Loan Charge. The ninth suicide was confirmed by a previous Treasury Minister in a letter to MPs in July.

If the Government does not act to instruct HMRC to change course, we are fearful of what the consequences will be as thousands of people simply cannot pay the huge sums being demanded. The survey conducted by the Loan Charge and Taxpayer Fairness APPG showed that there is a real risk of more suicides, as well as many families facing hardship.

We urge you to act, not just out of compassion, but also commonsense. A resolution is in everyone's interests, not only the tens of thousands of families stuck in the Loan Charge nightmare, but also in the interest of HMRC and the Government, for whom the Loan Charge has become a significant problem, as well as being a wholesale failure as a policy. As well as pushing people to take their own lives and causing numerous mental and family breakdowns, the Loan Charge has failed to stop the promotion of tax avoidance schemes. There is also the central injustice – that those who recommended, promoted and operated these arrangements are not being asked to pay a penny of the disputed tax, but those they mis-sold these arrangements to are being hit with bills they cannot possibly pay.

There will be many bankruptcies if the Government doesn't change course, many people will no longer be able to work (and pay tax) and many more families will have their lives ruined. It simply doesn't make sense as a policy to do this and a resolution is very clearly needed. It is therefore vital that the Treasury now engages with all appropriate parties, including with those facing the Loan Charge and tax sector professionals who have called for a resolution. It must also be genuine engagement on the basis that a resolution and a change of approach are needed.

Even HMRC realise that the Loan Charge is a “debacle”. First Permanent Secretary and Chief Executive Jim Harra came up with the phrase the “Loan Charge debacle”. He is right and this has gone on for long enough and needs a proper, reasonable solution to resolve this debacle and end the nightmare for thousands of UK families. It is time for the Government to accept that the Loan Charge has been an abject policy failure and that it is not fair in targeting just taxpayers and not the professional advisers and promoters who profited from recommending and operating the schemes.

We therefore urge you to instruct Ministers to seek a fair resolution and to properly engage with all parties and consider all options to resolve this issue, fairly and practically, once and for all so that an end can be put to this nightmare for tens of thousands of UK families.

Yours sincerely,

Rt Hon Sammy Wilson MP

Rt Hon the Lord Butler of Brockwell

Stuart McDonald MP

Rt Hon Dame Eleanor Laing MP

Henry Smith MP

Rt Hon Sir Iain Duncan Smith MP

Stephen Hammond MP

Greg Smith MP

Rt Hon Sir Desmond Swayne MP

Chris Stephens MP

Sir Peter Bottomley MP

Kenny Macaskill MP

Rt Hon Dr Julian Lewis MP

Angus MacNeil MP

Rt Hon the Baroness Kramer

Kim Johnson MP

Allan Dorans MP

Christine Jardine MP

Rt Hon David Jones MP

Amy Callaghan MP

Mike Amesbury MP

Marion Fellows MP
Lord Sharkey
Drew Hendry MP
Alison Thewliss MP
Layla Moran MP
Derek Twigg MP
Sarah Green MP
Rt Hon Sir John Hayes MP
Carol Monaghan MP
Gregory Campbell MP
Jamie Stone MP
Patrick Grady MP
Liz Saville Roberts AS / MP
Daisy Cooper MP
Wendy Chamberlain MP
Tony Lloyd MP
Angela Crawley MP
Ian Paisley MP
Marsha de Cordova MP
Fiona Bruce MP
Neil Coyle MP

Rt Hon David Davis MP
Lord Kerr of Kinlochard
Mohammad Yasin MP
Stephen Metcalfe MP
Graham Stringer MP
Gordon Henderson MP
Caroline Lucas MP
Rt Hon the Lord Dholakia
Philip Davies MP
Martyn Day MP
Munira Wilson MP
Jim Shannon MP
Kirsten Oswald MP
Chris Law MP
Ben Lake MP
Tommy Sheppard MP
Alan Brown MP
Richard Drax MP
Tim Farron MP
Lord Rennard
John Cryer MP

Richard Thomson MP
Lord Sikka
Sarah Olney MP
Dan Carden MP
Rebecca Long-Bailey MP
Dr Lisa Cameron MP
Christina Rees MP
Paul Girvan MP
Martin Vickers MP
John McNally MP
Rt Hon Sir Mike Penning MP
Gavin Newlands MP
Emma Hardy MP
Andrew Bridgen MP
Andrea Jenkyns MP
Jonathan Lord MP
Grahame Morris MP
Rupa Huq MP
Kirsty Blackman MP
Lord Cashman