



Loan Charge Action Group

Unaccountable Accountants: A charter to mis-sell payroll schemes & ruin lives

**Report on accountants/chartered accountants role
in the Loan Charge Scandal**

Accountants, including many chartered accountants recommended payroll schemes now subject to the Loan Charge, yet have faced NO action from HMRC or Government and no sanction from professional bodies. At the same time, people described by Treasury Ministers as victims of mis-selling are still ruthlessly pursued by HMRC.

**Loan Charge Action Group Report
October 2025**

Introduction - Accountants key role in the Loan Charge Scandal

A key aspect of the Loan Charge Scandal – and one that has received little attention is the fact that many accountants – including chartered accountants – were involved, indeed directly responsible for thousands of people being caught up in the Loan Charge Scandal.

The role of promoters, operators and umbrella companies in mis-selling payroll loan schemes has now been recognised, thanks to several reports – notably in the damning [report by Tax Policy Associates published in January 2024](#).

What is less widely recognised is the role of accountants in the growth of schemes now subject to the Loan Charge. Some commentators have even cast doubt that accountants, especially chartered accountants, would ever recommend such schemes to their clients. Yet this simply ignores the reality that accountants – including chartered accountants - were regularly and routinely advising their clients to use schemes now subject to the Loan Charge, schemes that HMRC claims “never worked”.

Some commentators seem to believe that accountants recommending loan schemes were rare and isolated incidents. **On the contrary, accountants, often chartered accountants, referred clients to schemes on an industrial basis.** The evidence the Loan Charge Action Group has compiled clearly shows that hundreds, possibly thousands, of accountants were incentivised to recommend what turned out to be tax avoidance schemes to their clients.

This evidence based report focuses on the role accountants played in scheme proliferation. It not only shows accountants were active in approving schemes now subject to the Loan Charge but that they specifically recommended them to contractors and freelancers, routinely recommending schemes as a safer alternative to operating through a limited company.

Even more outrageously, accountants benefitted financially from doing so through substantial commissions for introducing clients to schemes now caught up in the Loan Charge debacle. It gets worse. In several cases these payments – clearly a potential conflict of interest – were not declared up front to the client.

Some contractors took cases to accounting governing bodies, questioning the advice that has landed them with life ruining tax bills. **Yet in every case where a client has brought a complaint, accounting governing bodies have ruled in favour of their members**, citing the retrospective aspect of the Loan Charge as an unforeseeable development at the time advice was given.

This report reinforces the case that the grotesque Loan Charge unfairly targets individual users of schemes and ignores the role of professionals who profited handsomely from the industrialisation of these schemes. That list of professionals already included promoters, umbrella companies and recruiters – we can now add accountants to this rogues gallery. All these parties get to keep their profits and fees. In contrast, victims of mis-selling now face life-ruining bills.

Victims of reckless and conflicted advice AND victims of unfair retrospective mistargeted legislation

Despite the key role of accountants, including chartered accountants, in recommending and actually putting their clients into schemes, the whole approach of HMRC and a complicit Treasury under successive governments has been to lay all the blame for the use of schemes on individual contractors and freelance workers, as well as making them solely responsible for paying back all the tax HMRC claims was avoided.

The Loan Charge, heralded by George Osborne in 2016, was justified on the basis that contractors – estimated by Government at around 50,000 people but in reality much higher - were responsible for the use of schemes, that they must have done so deliberately and knowingly, to avoid tax.

Something, though, didn't add up. How did so many thousands of people manage to independently sign up to these arrangements? The answer of course is that they did not. Compelling evidence has long since shown that schemes were devised and operated by shrewd (and now, very rich) promoters; and at the time, these schemes were not hidden from HMRC but were well known – something promoters used to their advantage in marketing schemes to clients – freelancers and contractors across multiple industries.

Thousands of contractors, lured by accountants and promoters into schemes, now facing huge bills. The puzzling thing here is how promoters single handedly managed to lure so many contractors into schemes. In many cases they didn't. ***They used accountants to do so.***

This report exposes the evidence that accountants – including chartered accountants – trusted professional advisers regulated by accountancy bodies such as ACCA and ICAEW – were pivotal to promoters to introduce clients to them and recommend schemes now caught by the Loan Charge.

This all made sense for the promoters, after all, contractors invariably use accountants to set up and manage limited companies and prepare accounts, VAT returns etc. as part of the standard (at the time) limited company approach typical of contractors and freelancers. In 'introducing' these schemes, accountants also often helped contractors close down their limited company. In return for introducing their clients to schemes, the promoter paid them commission. Quite a lot of commission. Sometimes this was declared to the client, but often it was not. This means that many clients thought that the accountant was acting in their best interest, which is their duty; but instead they were giving cynical and reckless 'professional' advice – and actually pushing people into schemes - because they earnt large sums of money from doing so.

This professional advice, that people assumed they could rely on, then led to disaster for those concerned when the Loan Charge came along. Some contractors complained to accountancy bodies of poor advice leaving them with a life ruining bill. Accountancy bodies, unsurprisingly, found that their members were not guilty. Advice was correct at the time – the Loan Charge is retrospective – or no actual *advice* was given, the scheme was merely *introduced* with no direction or persuasion from the accountant (which in many cases, simply wasn't true).

Let all this sink in: Politicians and HMRC officials told contractors repeatedly (and still do) that they should have known better. If it sounds too good to be true...If that is correct, then how should we view the accountants, who they relied upon for financial guidance, whose job it is to understand financial and tax planning? Why have they received no criticism from Government, never mind pursuit for recommending schemes that HMRC says they were always clear 'never worked'.

Was it just a few rogue firms, operating at the margins? The answer to that, when looking at the huge amount of evidence, is an emphatic no. LCAG has received a considerable amount of evidence showing that certainly hundreds, probably thousands of accountants were involved in 'introducing' schemes to clients that have led them to Loan Charge hell.

Sky News Report March 2025

A Sky News report, published on 18th July 2025, exposed the direct involvement of accountants in the Loan Charge Scandal and also exposed the fact that accountants were receiving commissions for placing freelance worker clients into schemes now being targeted by HMRC.

This exclusive report by Gurpreet Narwan, [*Accountants were paid commission to place clients into tax avoidance schemes targeted by HMRC*](#), explains:

"Victims who were put in a tax avoidance scheme later targeted by HMRC received advice from accountants who were being paid a commission. Sky News has seen evidence of chartered accountants advising their clients to enter salary loan arrangements, run by companies that were paying them to do so".

The report highlights one case of an individual contractor advised to use a scheme, for which he later discovered the accountant was receiving ongoing commission. He was warned by the accountant not to use a limited company, as he was told that doing so ran the risk of action by HMRC (something which is now bitterly ironic).

Commenting to Sky News, Greg Smith, MP, Co-chair of the Loan Charge and Taxpayer Fairness APPG, said:

"It's clear that many chartered accountants were directly involved in the promotion of loan schemes. People trusted accountants and had the right to rely on this advice, and yet, instead, are facing life-ruining bills. There needs to be a proper investigation into this as part of an independent inquiry into the loan charge scandal.

"Either HMRC warned accountants not to recommend these schemes, in which case the accountants were giving reckless and potentially fraudulent advice; or HMRC didn't tell accountants not to do this, in which case HMRC themselves were seriously at fault.

"Either way, it is quite wrong that the current government continues to only pursue those who took and followed professional advice and not those who gave it, whilst profiting from doing so."

Accountants Recommending Loan Charge Schemes – the evidence

The Loan Charge Action Group has collated a number of case studies where accountants recommended schemes now subject to the Loan Charge which are in the Appendix at the end of the report. These are just a few of the examples of accountants recommending schemes. There are clear patterns across the cases (and the many other cases LCAG has been sent).

In all these cases, accountants recommended schemes as being legitimate and tax law compliant and with little or no risk.

In 2010 **[Case A]** a newly established contractor asked his accountant, WBD Accountants, to help him set up a limited company using the same approach as he had in the 1990s when he previously contracted. The accountant told him that operating through a limited company was a very risky approach due to changes in IR35 legislation. He instead recommended a scheme from Peak Performance Ltd, inviting him to a presentation of the scheme and how it worked. The key messages were that the scheme was IR35 proof and complied with tax law, was known and fully declared to HMRC and was approved by a tax expert QC.

This pattern of luring contractors with invitations to presentations is repeated with **[Case B]** where his accountant's firm hosted a presentation of 'RELAY Contractor Strategies'. His accountant recommended a scheme, which allows the consultant a life "*away from the duties that the consultant should not be distracted with*". At the event, the accountant invited attendees to sign up to the Norris International scheme, claiming: "*We are using what I believe to be the best product and providers of this type of structure in the market and who have full support and insurance should a challenge by HMRC be made*"......: "*there is little or no risk to individuals in using this structure*".

[Case C] was also recommended to a scheme now caught up in the Loan Charge, run by Clavis. The accountants, CLB Coopers encouraged the individual to attend a presentation **by the promoter**: "*The guys from Clavis will be up in [town] next Monday. I am just waiting to hear from other clients who also wish to meet them on that day. Can I confirm an exact time with you later this week?*"

In another case, a small company director was also recommended to a Clavis scheme, now caught up in the Loan Charge. The accountant confirmed this in an email to the promoter: "*This is a new client... we recommended...to [Clavis scheme].*"

Gin and Tax

One person supplied evidence of the extraordinary revelation that his accountant, The Peloton, organised a 'Gin and Tax event' in 2015 to which contractors were invited to meet with representatives from AML (a loan payroll scheme): "*Additionally, our colleagues at AML Tax Specialists will be on hand to describe the innovative ways in which you can significantly reduce your tax bill.*" Note the word 'colleagues', implying there is a relationship between the accountant and scheme promoter.

Loan Schemes safer than Limited Company?

[Case G] secured a short-term contract in 2008 and asked his accountant, Richard Falkner & Associates – an ICAEW accredited member – to set up a limited company for him. Instead, the accountant recommended the AML scheme stating that everything was fully disclosed and registered with HMRC. Here we have another case of an accountant explicitly steering a client away from setting up a limited company, towards using a scheme later classified by HMRC as Disguised Remuneration.

This is not the only example. Another individual was advised to close his limited company and join the AML scheme, citing tax changes at the time which made AML a safer choice. **[Case D]** was helped by his accountant to set up a limited company in 2009. Then the same accountant persuaded him to close the company and sign up to the AML scheme instead! He asked if the scheme was safe. He was reassured by his accountant: *“I will never suggest a scheme to my clients which will not benefit them. All my clients who have joined that scheme are very happy. At least they don’t have to run their own company with all the hassles & deadlines and have more time to go out socially”*. One wonders if any of those clients are still very happy or have any money left to go out socially since the Loan Charge came in.

This pattern is repeated with **[Case G]** who advised against using a limited company or sole trader structure, in favour of the AML scheme: *“As promised I attach documents explaining the structure/ planning [AML scheme] we discussed, which should provide the maximum cash return to you and lowest cost - all you would need to do is file a UK tax return which we can take care of. We are, of course, happy to act for you if you decide to work via a Limited company or as a sole trader but we would certainly advise against the latters.”*

Isolated incidents or industrial inducements?

Just how commonplace was this? After all, out of 50,000 or more individuals there are bound to be a few cases where poor advice was given, even by qualified accountants. Our investigation clearly shows that these are by no means isolated incidents and that hundreds, probably thousands, of accountants were actively recommending schemes now caught up in the Loan Charge to clients.

In 2009 **[Case D]** worked in the medical profession and knew little of UK tax law but was concerned enough to ask his accountant, a member of the ACCA (Association of Chartered Certified Accountants), whether the AML scheme he had been introduced to was legal.

The reply from the accountant is eyebrow raising: *“I went to a conference by AML about 2 weeks ago and we were told that the scheme was now used by 450 accountancy firms”*. He went even further, *“I also know many accountancy firms which also market that scheme to their clients”*.

This exposes the huge extent to which accountants were directly involved with promoters, marketing their schemes, as opposed to giving professional advice in their clients’ best interests.

Further still, schemes such as those promoted by Peak Performance and Clavis, appear to only accept joiners **via approved accountants**.

[Case E] contacted Peak in relation to their referral bonus and was told “*Yes we do [pay referral fees]. But you have to put your friend or colleague in touch with your 3PCL [Peak Performance] accountant*”.

New joiners to the Clavis schemes also had to be referred via an approved accountant. New joiners were required to complete a Client Declaration confirming, amongst other things, that “*matters contained in the Accountants Declaration have been fully explained to me*”.

One LCAG member was told that only accountants could introduce new clients to the K2 scheme (K2 was the scheme promoted by Peak Performance). Back in 2012 he was told by his accountant (Forbes Chartered Accountants) that “*You can only refer the K2 scheme via accountants as they have to be able to educate the referral as well as be able to offer alternatives to K2 if they are more appropriate*”.

That makes at least three schemes that could only be accessed by going through accountants.

All this shows just how embedded and fundamental accountants and accountancy firms have been in putting and pushing people into schemes and that they are a key pillar of the whole Loan Charge scandal.

Commission and Referral Payments

The evidence also reveals that accountancy firms and individual accountants were making large sums of money from recommending and actively marketing schemes now subject to the Loan Charge.

To coin a phrase, what was it about these multi-million-pound lucrative schemes that accountants found attractive? Changes to IR35 legislation made the limited company route appear less favourable but the incentive of juicy commissions – in return for less work than a limited company – must have been hugely enticing.

Accountant commissions – it’s not just promoters with yachts

Everyone is now well aware of the extraordinary profiteering of promoters and the vast sums they made, largely due to the work of Tax Policy Associates. What up to now has been much less understood or not known at all (and in some cases openly queried) is that accountancy firms and accountants also were taking large sums for their part in pushing people into schemes.

Back in 2006 an accountant at Carter & Coley was asked to advise on the merits of two schemes (Excalibur and Baxendale Walker). The accountant admitted that he would receive a commission from Baxendale Walker (BW) stating “*Also, to be totally upfront with this, you will appreciate that I earn commissions from Baxendale Walker (BW) schemes and therefore have a slightly biased view (although I try at all times to temper that with professional scepticism and what is in the client’s best interest)*”.

Another individual revealed his accountant confessed to receiving commission for introducing them to a scheme now caught by the Loan Charge. “[*accountant*] has confirmed that he did receive commission but I cannot comment on this any further as it predated [*him*] and [*his colleague*] joining [*the new firm*].”

One LCAG member produced evidence that their accountant received a 1% introduction fee for the Clavis referral, including details of how it was arranged between the accountant and the promoter.

We have at the end of the report, in the appendix, presented evidence from seven case studies and have also quoted from seven other cases, as well as being sent many more. In the majority of all these cases, the accountant or accountancy firm received payments - commissions and shares of fees - for recommending the client to a scheme.

Extrapolate this across the hundreds of accountants endorsing just one scheme (AML) and the gravy train is measured in hundreds of thousands, probably millions of pounds.

Referral Payments to Contractors

It wasn't just accountants who were paid incentives to join schemes. Promoters offered generous referral fees to contractors to entice colleagues to join too.

[Case E] was told by the promoter “*If your referral does sign up and receives at least 3 months' worth of payments through K2 then you will receive a cheque from us for £250.*”

Another Loan Charge victim told us their accountant, GRA Ltd, paid them £350 for a successful referral to the Penfolds scheme. Note this is a payment **from the accountant** – not the scheme itself. If the accountant was prepared to pay this for a referral it can be safely assumed their commission from the scheme was considerably more.

Still more generous was the accountancy firm hosting the Gin and Tax event mentioned earlier. The accountants were offering £750 for a successful referral: “*As you are no doubt aware, there is an introductory commission payable of £750 for each person you recommend that later signs up.*”.

With payments for referrals being made to contractors, then the combined amount for this across the sector must have been huge.

Commission undeclared

Worse still we have uncovered multiple instances where commissions have not been declared to clients ahead of them signing up to schemes. **[Case C]** states “*At no point during his introduction did [the accountant] or CLB Coopers tell us that they received commissions from Clavis. The first time this was mentioned was in the emails on 23/4/2011 some 18 months after the start*”.

Another person highlighted a similar experience. The accountant at Aston Shaw did not mention commission payments when introducing the scheme or completing onboarding but when things

unravelling it became obvious substantial fees were being paid, as this email from the tax adviser to the promoter makes clear: “[*the accountant*] is trying to pass the buck on all the work, he was happy to take the fees paid but now there is [...] work to be done has been at best limited with the truth!”.

And we have already seen another accountancy firm admit their accountant received commission for introducing the person to AML. However, they argued that this pre-dated the accountant joining the firm.

This is unethical and a clear conflict of interest. The Financial Conduct Authority (FCA) has clear rules on disclosure of commissions. In their Conduct of Business Sources (COBS) section of the FCA handbook it states:

If a *firm* sells or *arranges* the sale of a *packaged product* to a *retail client*, and subsequently if the *retail client* requests it, the *firm* must disclose to the *client* in *cash terms*.

- any *commission* receivable by it or any of its *associates* in connection with the transaction;
- if the *firm* is also the *product provider*, any *commission* or *commission equivalent* payable in connection with the transaction; and
- if the *firm* or any of its *associates* is in the same *immediate group* as the *product provider*, any *commission equivalent* in connection with the transaction.

We have clear evidence that accountants were paid commission for introducing clients to schemes now caught in the Loan Charge. Furthermore, in at least three of the cases we have examined it appears the accountant did not declare these commission payments up front.

There is a complete lack of transparency of the extent to which accountants benefitted from introducing clients to these schemes. Yet it is the client that is penalised via the Loan Charge and the accountant is free to keep their ill-gotten gains.

Underplaying the Risks

Supporters of the Loan Charge often trot out clichés implying it was somehow obvious that HMRC would persuade the Government to introduce a retrospective charge 10 years later and that contractors were naive in not knowing this.

You would expect accountants, whose job it is to provide expertise and insight into the risks as well as the opportunities of financial and tax planning schemes, to be even more aware of the potential pitfalls.

However, the evidence shows otherwise – and in the majority of cases, accountants gave no sense of the risk of HMRC action.

[Case B] raised concerns to his accountant about the RELAY scheme which he had joined after it was recommended to him. The accountant assured **[Case B]** that “*We are using what I believe to be the best product and providers of this type of structure in the market*”. Even more boldly, he claimed “*you will have seen previous emails and one today confirming that there is little or no risk*”.

to individuals in using this structure". History makes fools of us all but it's the contractors who are paying – not the accountants.

In the fewer cases where some risk was acknowledged, the message was that this risk was not one that the individual would need to worry about, because any HMRC action would be dealt with by the accountant or by the scheme promoter.

In one case, promotional material provided by his accountant, Aston Shaw, underplayed the risk of subsequent tax bills, as this extract from marketing material provided to scheme users, highlights:

Q: If tax laws were to change, would I have a large tax bill to pay?

A: Whilst there is the possibility that tax laws will be changed in the future, it is extremely unlikely that tax laws will be changed and applied retrospectively, for this would go against the fundamental legal principle of certainty of law and would breach human rights legislation.

Clearly the authors had reckoned without the Loan Charge. Accountants were complicit in assuring clients that schemes now caught by the disastrous Loan Charge, were safe, legal and well known to HMRC. Accountants may not have written promotional material for schemes but in circulating these documents to clients were clearly implicitly endorsing it.

Don't worry, the promoter will deal with any HMRC action...

As well as grossly or completely underplaying the risk of using these schemes, accountants also reassured clients that promoters would deal with HMRC action, so they really had nothing to worry about.

[Case G] was told by his accountant in February 2013: "*AML 'are extremely confident in their products'. 'I have seen a few of these letters in the last couple of months. AML will respond and appeal on your behalf'*". This was followed in January 2014 by his replacement at Zeus Wealth Management, claiming: "*I've spoken with AML Ltd and they assure me you have nothing to worry about. They are fully aware of the Revenues approach and are fighting the case on behalf of clients*".

[Case C] was introduced to the Clavis Schemes in 2010 by his accountant. The scheme was portrayed with virtually no risk, highlighting the robust nature of the scheme and citing QC approval that the scheme was legal, did not breach HMRC rules and complied with all tax legislation.

Clearly seeing the writing on the wall, 2 years later the accountant attempted to persuade **[Case C]** to sign a document confirming that certain advice had been provided. **[Case C]** refused to sign as this was complete fiction and clearly an attempt to defend against any subsequent legal action. Even then accountants must have been aware that they were exposed to claims of negligence should the schemes they actively promoted fail in some way.

One person was told of a fighting fund set up to defend against HMRC action – but was later let down when the tax adviser to the scheme confirmed it could not be used to defend against the Loan Charge; *“the loan charge is not something the fighting fund can be used for.”*

The assurances that people had been given by trusted accountants, chartered accountants, turned out to be not worth the paper they were written on. It seems as if they were more a cynical sales tactic, utilised by promoters and complicit accountants alike. Yet once again, this is all ignored by HMRC and Government, with their approach of pursuing those who took and followed professional advice, in good faith, whilst doing nothing about those who gave it.

Complaints brushed aside – professional bodies ignore the scandal

Given the disastrous outcome for users of schemes now subject to the Loan Charge that were heartily recommended by qualified accountants, it is perhaps not surprising that some clients have complained to accountancy governing bodies about the advice they received.

[Case C] complained to the ICAEW (Institute of Chartered Accountants in England and Wales) & ACCA (Association of Chartered Certified Accountants) of negligence against his accountant for the poor advice received, lack of disclosure of commissions from Clavis and breach of professional standards. Both replied saying that neither the accountant or CLB Coopers were currently ICAEW or ACCA members and couldn't take the case further. This, despite **[Case C]** confirming: *“all CLB Coopers emails and letter footers to myself included “CLB Coopers is regulated by the ICAEW for a range of investment business activities”*. On the advice of the ACCA **[Case C]** took up the complaint with the Tax Disciplinary Board who advised *“the case (should) be brought against [the accountant] who is only a member of CIOT and not either ICAEW or ACCA. We will see how we get on although these tax scheme cases can sometimes be difficult to prove unreasonable behaviour by the member”*.

Another individual complained that his accountant had convinced him to close his Limited Company and join the AML scheme, leading to the horrors instigated by the Loan Charge. Following a takeover of the accountant's firm, the new organisation's managing partner handled the complaint. The partner grudgingly admitted involvement in the decision to close his Limited Company: *“both you and [NAME] agree that he proactively outlined to you the opportunity to dissolve the company.”*

Unsurprisingly, he decided that the accountant had not advised his client to join AML but had merely introduced him to it, commenting: *“...whilst he accepts he introduced AML to you, he in no way promoted the scheme to you or advised you to do this.”* Yet the partner admits the accountant received commission from AML: *“[NAME] has confirmed that he did receive commission”*, which incidentally was not declared to the client.

This is astonishing! The partner is effectively saying that yes, the accountant introduced AML and dissolved the limited company, then received commission from AML but in no way advised the client on any of these courses of action. Utterly ridiculous. In later correspondence the client asserts that the latter firm attempted to persuade him to settle fully with HMRC and sign documents absolving the accountant of any liability.

[Case C] had a very similar experience, with his accountant requesting that a document exempting him of any responsibility for the scheme is signed: *“I need to tidy up my files and all the paperwork for clients using the Clavis products”*. When the individual refused to sign, the accountant followed up: *“You may recall that I emailed you a couple of months ago with a form I needed signing for our internal processes to confirm you understood that the Clavis scheme was their product, that we introduced you to them and we received a commission etc.”*.

Curiously, the accountants noted for requesting backdated forms to be signed are not connected but both were acquired by the same larger accountancy group. It is suspicious that accountants were so keen for documents to be signed that absolve responsibility and give an impression of a proper process being followed. Almost as if they knew their involvement in promoting and marketing schemes could end in trouble.

ACCA confirms Loan Charge is retrospective

[Case D] took his complaint to ACCA (Association of Chartered Certified Accountants). He contacted his accountant after learning of HMRC action against the scheme he had been recommended to by the accountant. **[Case D]** received no reply so he took the case to ACCA, complaining that he had been ignored and received poor advice in joining the scheme instead of using a limited company - as he had originally intended.

Astonishingly, ACCA’s investigating officer found there was no case to answer in respect of the advice given but that the accountant was culpable for failing to respond to **[Case D]**. The penalty? A note on file - removed after 5 years. **Meanwhile [Case D] faces a bill from HMRC for £100,000.**

In deciding the case of bad advice, the investigator noted: *“[Case D] was connected to a scheme in 2009, which at the time was not considered unlawful. This scheme was only retrospectively deemed as a tax avoidance scheme.”* ACCA clearly have not subscribed to HMRC and Treasury thinking that the Loan Charge is a new tax.

The judgement continued: *“it was not unlawful for taxpayers to participate in employment benefit trust schemes until 2011, and it was not until 2017 that HMRC concluded with judicial backing that such schemes amounted to disguised remuneration that was subject to taxation”*.

Furthermore, the ACCA senior investigating officer noted: *“In conclusion of the above, [the accountant] was connected to a scheme in 2009, which at the time was not considered unlawful. This scheme was only retrospectively deemed as a tax avoidance scheme”*.

This shows the profound injustice at the heart of the Loan Charge Scandal. A professional body exonerating accountants that had engaged in advice that was clearly not only questionable, but self-interested, negligent and reckless advice, because the scheme was only retrospectively deemed as tax avoidance. Yet at the same time, the client – and thousands of others – face life-ruining tax bills simply for following professional advice from accredited professionals. For HMRC and Government to ignore the role of accountants, as has happened, and pursue only the victims of mis-selling, is so manifestly unfair.

Time provides Accountants with a way out

Thanks to the Morse review, the Loan Charge is ‘only’ retrospective for ten years instead of the originally intended twenty. That is still plenty long enough to provide accountancy regulatory bodies with an excuse not to hold firms to account, as records have been destroyed or lost in the intervening period.

Back to **[Case D]** and ACCA’s investigating officer highlighted a lack of primary evidence available from the accountant as more than 7 years had elapsed since the scheme was recommended and all records of the process had been destroyed. Only where contractors have managed to trace emails and other correspondence going back over 15 years has the conduct of accountants, promoters and recruiters come to light.

Similarly, one person received the following dismissal of a claim for poor advice, citing a lack of evidence: *“It is clear from discussion with you that you are adamant that the situation outlined [...] but I cannot find any evidence that it did. As such I am unable to uphold your complaint.”*

No such luxury is afforded to Loan Charge victims, who are presumed guilty unless they can find paperwork and records going back 15 years or more to try and prove their innocence.

When is advice not advice? When it’s an introduction

It is interesting to see how accountancy firms and regulators have rejected claims against negligent advice and responsibility for recommending loan schemes to clients. Accountants claim to have ‘introduced’ or ‘facilitated’ clients wishing to join loan schemes – as if they had no part in the decision process. This is outrageous.

Make no mistake, accountants were instrumental in client ‘decisions’ to sign up to these schemes. Often the contractor did not even know such schemes existed, let alone how they worked.

The testimony of numerous people shows that accountants actively recommended loan schemes in preference to limited company and sole trader structures.

It is scandalous that time and again accountants and their regulators are using semantics to try and escape any culpability for what has turned out to be disastrous outcomes for their clients.

A Tangled Web

LCAG members who generously contributed evidence to this report shared experiences of frustration and hidden complexity in schemes they had been introduced to by their accountants. In many cases contractors did not understand (and still don’t) the architecture and roles played by different companies in payroll loan schemes.

One person's experience illustrates this point well: The contractor and some colleagues were introduced to a scheme via his accountant (Aston Shaw), to Curzon Capital who operated the ISH Marketing LLP scheme.

Once HMRC started to challenge the scheme the contractor was supported by yet another entity, SN Advisory, acting as tax adviser to the scheme. During this process it became apparent another entity, Enhanced Network were involved in the scheme structure. Aston Shaw admitted that Enhanced Network were the promoters of the scheme. An enquiry to Companies House revealed that the address of Enhanced Network and the accountancy firm were identical. Shareholders of Enhanced Network also happened to be directors of the accountancy firm.

As the structure unravelled in the face of the Loan Charge, SN Advisory proposed to replace Bourse, one of the Trustees, with Corinthian but ultimately this plan was shelved. It was during this period that relations between the accountant and SN Advisory soured significantly, with the accountant blaming SN Advisory for a lack of response to questions concerning transfer of trusteeship and guidance on how to respond to HMRC. SN Advisory were less than happy with the service provided by Aston Shaw. In the end the accountant suggested the contractors contact SN Advisory direct!

Yet more evidence of complex and opaque scheme structures that were not fully explained to clients. Multiple corporate entities with significant overlap in terms of ownership and director appointments characterise these schemes. And tellingly, initial support in the face of HMRC challenges vanishes once the Loan Charge is unveiled leaving contractors to carry the can for the mess that accountants and promoters created. It is deeply unfair.

Failure of the Loan Charge

HM Treasury has been keen to explain that the Loan Charge “*was introduced to draw a line under the historic use of disguised remuneration (DR) schemes*”. In that regard and indeed many others, the Loan Charge has been a catastrophic failure. By HMRC's own admission, 275,000 workers had engaged with umbrella companies known to fail to comply with tax obligations. That is in just one tax year (2022/23).

How many of the 275,000 were introduced to such schemes by their accountants? Will they escape punishment – just as their predecessors have done? Will accountants regulatory bodies also find their members to be innocent of all charges of providing poor advice?

If, in fairness to taxpayers, a subsequent Loan Charge is introduced for post-2019 use of tax avoidance schemes, will accountants be liable for any of it? The evidence suggests otherwise, which would yet again leave accountants free to issue rogue advice and mis-sell schemes, for hefty commissions, knowing they can walk away leaving their client facing the life-ruining consequences for following their advice.

HMRC's dishonest propaganda deliberately vilifies victims of mis-selling

This is clear proof that HMRC has consistently and deliberately misrepresented the motives of those caught up in the Loan Charge, to cover up its own failures at the time. This is cynical, as well as being a factor – as detailed in suicide notes – in the devastating impact that this unfair demonisation has had.

As has been well documented elsewhere, including Loan Charge APPG surveys and its Loan Charge Inquiry, contractors and freelance workers used schemes because they were told that this was the most appropriate, least risky way of working and in some cases people were given no option. In the case of small company directors, schemes were recommended so that the company could make investment in the firm, not as a means for the directors to personally profit.

Instead HMRC has consistently given the false impression that people used these schemes because they set out to avoid tax, knowingly and willingly.

HMRC deliberately and cynically ignores the key role played by accountants and accountancy firms, trusted firms and professionals that people felt they could and should rely on. Instead in HMRC's propaganda, those involved knew what they were doing and actively sought out schemes as a way to avoid paying tax. This is a deliberate and dishonest picture that demonises the tens of thousands of people and has had a devastating impact.

Marriages and families have been torn apart because of this deliberate and cynical demonisation, as well as the demands themselves. The whole 'too good to be true' line is at the heart of HMRC's cynical propaganda, because the vast majority of people did not enter into the arrangement seeking to avoid tax. **Individuals were told by professionals and promoters that all tax due was being paid and relied on that advice, given in writing.**

A fundamental point is that as soon as taxpayers were informed by HMRC that a scheme was not acceptable, they stopped use immediately. This therefore shows that either HMRC did not warn users; or that they were actually *not* always clear that the scheme did not work and only started to claim that once they had convinced ministers to introduce the retrospective Loan Charge. *Either way, it exposes the cynical dishonesty of HMRC's propaganda.*

All those who used schemes, trusting the advice of professionals, would have stopped using them immediately if HMRC had told them so directly. They are therefore horrified to be vilified as if they had been deliberately doing something illegitimate to avoid any tax that may have been due. The mental health impact of HMRC's decision to do this is enormous and something that has been a cost to the NHS and social services, as well as a cost to the economy from those who have been unable to continue to work due to the stress and depression caused by it. This clearly should be part of any genuine review/inquiry into the Loan Charge Scandal.

Either HMRC failed to warn accountants not to recommend schemes or accountants were guilty of fraudulent mis-selling

Whilst HMRC could perhaps claim that it wasn't possible to warn all users of the schemes, when some people had been advised not to include the schemes on their tax returns, HMRC cannot claim that it was not possible to communicate directly to accountants to say that they do not work and will be challenged. They can.

There can only therefore be two possibilities. **Firstly that HMRC did not communicate to accountants that the schemes were unsanctioned and would be challenged – and therefore should not be used or recommended; or HMRC did communicate this to accountants, in which case accountants deliberately ignored this advice.**

In the first scenario, HMRC clearly failed to warn accountants, which exposes their lie that they “were always clear” the schemes never worked and did not make this clear.

In the second scenario – if HMRC did actually warn accountants – then the accountants who recommended the schemes wilfully and recklessly ignored HMRC's advice and deliberately mis-sold the schemes. If they did so and ignored HMRC's advice, then this would be a serious matter that surely would have been taken seriously by professional accountancy bodies and could even surely be criminal. As there have been no sanctions of any kind, it is reasonable to presume that HMRC did not actually warn accountants not to recommend schemes and that the lines about “always being clear” and communicating this properly are simply dishonest claims to cover up their own inaction and failure.

In either case, of course, the blame cannot reasonably be put solely on those who took and followed the advice of chartered accountants, whom they had naturally trusted to give credible, reliable and honest advice.

Yet HMRC has deliberately and cynically blamed the individuals who took and followed that advice and done nothing whatsoever about the accountants (and others) who recommended the schemes.

Once again, the reality of HMRC's position and conduct is exposed by their own carefully crafted but dishonest rhetoric. The accountants – including many chartered accountants – who recommended these schemes, who made in some cases very significant sums from doing so, are still in operation and have faced no action from HMRC. They are free to continue to offer financial advice and free to continue to earn large amounts of money from doing so.

In contrast, many of those who took their advice have faced ruin, bankruptcy, loss of home, relationship and family breakdown, physical and mental health problems and a loss of earnings and in some cases their career. Some have killed themselves. This is the reality of HMRC's whole approach and the reality of supine Ministers who cover for them and parrot the same dishonest propaganda, instead of investigating the whole matter in a proper inquiry.

Current review into settlement terms excludes looking properly at accountants or the supply chain

At the heart of the Loan Charge Scandal is the fact that the whole approach taken by HMRC and successive Governments has been to ruthlessly pursue the victims of mis-selling, whilst doing nothing about the perpetrators of mis-selling, not only promoters, but as this report shows, accountancy firms and accountants, including many chartered accountants.

People were not only recommended by accountants to use schemes, but were assured by these professionals that they were entirely legitimate, compliant and indeed the best, most appropriate way of operating.

In many cases, the key reason people used the schemes was because an accountant told them that they would be at risk of action from HMRC if they operated (or continued to operate) a limited company and that they should instead use the recommended scheme, that the accountant was receiving financial rewards (both commissions and ongoing payments) for signing people up to.

Despite this, the current Labour Government has alas refused to change the existing position that only those who *took* this advice should be pursued and ruined and that no action should be taken to pursue all those who recommended, promoted and operated the schemes. **This therefore means that the role of accountancy firms and accountants is yet again being deliberately ignored, as well as the role of promoters and other parties involved.**

The McCann Review of Settlement Terms

Ray McCann who is undertaking the current review of settlement terms can and hopefully will look at these things *as part of considering the fairness of individual settlements*, but that is very different from actually properly examining the role of these parties and assessing their own culpability and what action should be taken to address this and ultimately who was actually at fault, who profited, who failed to do their duty and who therefore should be liable for what.

The review remit is deliberately narrow to exclude any focus on other agents involved in creating this scandal.

Accountants, as well as promoters, clients (including HMRC) and recruiters all financially benefited from schemes now caught by the Loan Charge. Yet none of these parties face the prospect of paying a penny to either compensate the public purse or to contractors they blatantly mis-sold schemes to.

To rub salt into the wounds, the report is to be reviewed with HMRC before it is published, thus removing any pretence of independence. The framework for this review is even worse than the tarnished Morse report. A freedom of information request asking for sight of the original McCann review was rejected on very spurious grounds which raises suspicion.

The current review, dishonestly labelled by the Treasury as an 'Independent Loan Charge Review' is nothing of the sort, neither being a review of the Loan Charge nor independent. It is merely an

arms-length review of settlement terms by a former HMRC Assistant Director (who was involved in this area of Counter-Avoidance) and starts from the premise that the Loan Charge is justified (so the Loan Charge itself is not even up for review!).

This is despite current Treasury Ministers, including both the Chancellor Rachel Reeves and the then Exchequer Secretary to the Treasury, James Murray (the Minister with direct responsibility for the Loan Charge) acknowledging the mis-selling and criticising the previous Government's approach in not pursuing the perpetrators and only going after the victims.

The Chancellor Rachel Reeves said in January 2024 in an interview on LBC Radio:

"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....who are the real culprits here. It's the people who mis-sold products, and people like Doug are the innocent victims in this sort of war of attrition with HMRC now".¹

The then Exchequer Secretary James Murray has similarly said:

"The [previous] Government should be going after the promoters who were driving people towards these schemes. There is a strong feeling that the promoters are getting away with it while people in everyday jobs are victims of mis-selling".²

The former Chief Secretary to the Treasury, now Chief Secretary to the Prime Minister and Minister for Intergovernmental Relations, Darren Jones MP last year also stated:

"It can't be right that HMRC are pursuing victims of mis-selling so aggressively but not those who misled victims."³

Yet the same Ministers then announce a review that rules out pursuing the perpetrators of mis-selling, that they so strongly criticised. It is little wonder people have such little faith in many politicians.

In August 2024 James Murray, now the Chief Secretary to the Treasury, met with a group of people facing the Loan Charge, two of whom have tried to take their own lives as a direct result of the Loan Charge and HMRC and the Treasury's approach to the matter. He claimed to be moved by this meeting. Yet then seven months later, rather than commissioning the "truly independent" review he called for in the Backbench Debate in the House of Commons in January 2024, he instead commissioned a highly restricted assessment merely into settlement terms, continuing the position that individuals are solely liable and ruling out pursuing the perpetrators of mis-selling. We would be interested to know if Mr Murray has the courage to meet the same group of people again, to hear what they think of this decision.

¹ LBC Radio, interview with Iain Dale, 29th January 2024.

² Yorkshire Post, interview with Greg Wright, 8th December 2021.

³ Twitter/X, 18th January 2024.

The need for a proper inquiry into the Loan Charge Scandal and all the mis-selling

What is desperately needed – and has been for years – is a review that takes proper account of the roles of all parties – including promoters, accountants and recruiters - in creating and marketing these schemes together with the actions – and crucially the inaction - of HMRC.

Only then can a fair resolution be proposed that acknowledges the missed opportunities to prevent the Loan Charge debacle and a settlement process established that equitably reflects the roles of all parties.

A genuine full inquiry would of course look at the role of accountants, recruiters, umbrella companies, promoters and end clients (which in many cases actively pushed for people to work as contractors/freelancers, to avoid employers' taxation as well as employee rights and benefits).

A full inquiry could determine who was at fault, whether those who were clearly victims of mis-selling should be liable or whether retrospective action can and should be taken against the perpetrators of mis-selling (which is last year what Rachel Reeves and James Murray said they wanted to see) rather than trying to claw back the disputed tax all (and more) from the “victims of mis-selling” to use their words.

It would look beyond the HMRC propaganda at whether the Loan Charge was ever justified and whether the McCann review Terms of Reference justifies the Loan Charge or reaffirms that individuals should pay what HMRC says is due despite never having been legally proven. It could also look at the HMRC admission that they introduced the Loan Charge to avoid the bother of having to go to court.

There is still clearly the need for a proper inquiry, to look at all aspects and to hold accountancy firms - including the individual accountants – to account for taking commissions by recommending schemes that have ruined people's lives.

At the heart of the Loan Charge Scandal is the fact that HMRC and successive Governments decided to ruthlessly pursue those who were victims of serious mis-selling and not the parties and professionals who profited hugely from encouraging victims to use them.

It is manifestly unjust that those who recommended these schemes have faced no action at all, no sanction, no penalty (never mind being asked to pay towards the tax HMRC claims was avoided) whilst those who followed their advice and recommendations (and that of umbrella companies and other professionals) face ruin.

Considering that current Treasury Ministers have explicitly stated, when in Opposition, that the Government should pursue those responsible for the mis-selling, not the victims of mis-selling, it is bitterly disappointing that they broke their promise to commission a genuinely independent review of the Loan Charge and the Loan Charge scandal and instead appointed an HMRC Assistant Director to simply review the settlement terms faced by the victims of mis-selling, without the possibility of taking any action against the perpetrators.

Once again, it is down to the victims – and investigative journalists and supportive Parliamentarians – to expose this.

It is time that the Government stopped ignoring this and commissioned a genuine inquiry into the Loan Charge scandal, that fully explores the roles played by accountancy firms, as well as all promoters, umbrella companies, accountants, tax advisers and client companies all of whom profited from the operation of these schemes yet face no action for their involvement and are not being asked to pay a penny of the disputed tax.

Conclusion

It is clear from the evidence that accountants, including chartered accountants, played a very significant role in the proliferation of schemes now facing the Loan Charge. Yet, like promoters, recruiters and umbrella companies, they face no penalty for their actions.

Schemes caught by the Loan Charge were not only helped by accountants; they *depended* on them. Some schemes only admitted individuals via an accountant.

As one accountant admitted, the AML scheme alone had over 450 accountants signed up to recommend this scheme to clients.

Far from being a few rogue operators, accountants were recommending payroll loan schemes on an industrial scale to freelancers and contractors.

Whether commissions were declared or not, accountants benefited considerably from introducing individuals to payroll loan schemes. Although this report contains solid evidence of this across a few examples, it is inconceivable that commissions were not paid to accountants as a matter of course. Why else would hundreds of accountants agree to recommend just one scheme to their clients?

Commissions must be paid from somewhere. It is obvious that the fees deducted from individuals weren't just making promoters rich. And like promoters, accountants are free to keep their ill-gotten gains.

The Loan Charge makes individuals culpable for huge sums of retrospective tax – far more than would have been paid had the orthodox limited company structure been followed. Furthermore, HMRC are chasing enquiries pre-dating the Loan Charge using dubious powers retrospectively conferred by legislation certainly not intended for such use.

In doing so, HMRC are taking advantage of the privilege of unlimited time to complete enquiries. Contrast this with accountancy bodies use of time limits and record retention restrictions to reject accusations of poor advice from their members in recommending loan payroll schemes.

HMRC and successive Governments have argued the Loan Charge is not retrospective. Yet accountancy body regulators such as ACCA used precisely the retrospective nature of the Loan Charge as evidence that one of their members had not been negligent in advising a client to join a scheme.

And of course, the interval between individuals being introduced to a scheme and the Loan Charge means that most of the evidence has been destroyed as the gap exceeds the requirement to keep customer records.

A key argument put forward by supporters of the controversial Loan Charge is that users of these schemes should have realised it was too good to be true, that the returns made it obvious that the correct tax was not being paid. This completely ignores the reality that people only entered these schemes because they were recommended to do so, including by chartered accountants, whose advice they accepted and assurances they trusted.

However the same argument has not been made against accountants. Why are contractors with no financial or tax expertise expected to 'know' these schemes 'never worked', but accountants who have financial qualifications and whose job it is to advise their clients, are not expected to realise this? This makes no sense.

In addition, either HMRC were 'always clear' that these schemes were unacceptable, in which case they must have warned accountants not to recommend them or HMRC did not warn accountants – with whom they have a direct line of communication. In which case, they were NOT 'always clear', which exposes their propaganda demonising non qualified users, as thoroughly dishonest.

The double standards of HMRC and Government is breathtaking.

A proper inquiry into the Loan Charge scandal – that this Government cynically refused to commission – would look into exactly that and fully expose the role played by accountants in pushing people into using umbrella companies and payroll schemes that have ruined their lives and caused people to kill themselves or try to do so.

It is time that the Government stopped ignoring this and commissioned a genuine inquiry into the Loan Charge scandal, that fully explores the roles played by accountants, as well as all promoters, umbrella companies, accountants, recruitment agencies, tax advisers and client companies all of whom profited from the operation of these schemes yet face no action for their involvement and are not being asked to pay a penny of the disputed tax.

It is outrageous that there has been no investigation into this situation and instead, all these workers who followed the advice of approved suppliers – that they had every right to presume were only suggesting compliant and legitimate arrangements – are being ruthlessly pursued, ruined and driven to suicide.

The timing of this report is apt, with the McCann Review into settlement terms currently in process. The significant role of accountants in recommended schemes now termed as 'disguised remuneration' casts a huge shadow over the premise that individuals alone should be held culpable for the failings leading to the Loan Charge and is something the current review must fully take into account.

Regardless of the recommendations to potentially adjust settlements that former HMRC Assistant Director Ray McCann may make (and regardless of the Government's response), the need for a proper and (to use James Murray's own words) "truly independent" inquiry into the Loan Charge Scandal, including the role played by accountants, is clear and compelling.

Loan Charge Action Group
October 2025

Appendix – Case Studies

Sources/Disclaimer

The case studies presented in this report are concise summaries of first-hand accounts provided directly by the individuals concerned. Each narrative is underpinned by contemporaneous documentation—such as email trails, contracts, payslips, or written correspondence—which the Loan Charge Action Group holds securely on file. Personal identifiers have been limited or anonymised where requested by the individual that submitted it.

Case Study A – Retired Computer Services Professional

Accountant:	WBD Accountants in Kent - A member of the Institute of Chartered Accountants in England & Wales (ICAEW)
Scheme recommended/approved:	Peak Performance Ltd

Background/How I got into this situation – role of the accountant(s)

I am a computer services professional (now retired), who had worked as an employee and also a contractor. I was offered a contract role in 2010 and phoned my (Chartered) accountant and explained how I was changing jobs after 12 years as a permanent employee and had been offered a contract for which I needed to setup a limited company (as I had done when a contractor in 1995). He explained that due to changes in legislation (IR35), operating through a Limited company was a very risky option and that he instead recommended a scheme offered by a company called Peak Performance Limited. He invited my wife and I to his offices and gave an hour's presentation on the benefits of the Peak scheme and how it worked. This included how they would handle all administration, pay all tax that was due, was IR35 & Tax law compliant, had been approved by a Tax QC and was currently used by a number of people who were working for HMRC. The use of it would also be disclosed to HMRC so that there was complete transparency. The presentation was very elaborate and complicated and I cannot claim that I understood it all but I wanted to ensure I was legal and compliant so I trusted the advice of a chartered accountant that use of this scheme was the right thing to do.

At the time the accountant did mention that he would receive an introduction fee on enrolment on the scheme. **Over a decade later I learnt that those who introduced individuals to Peak (or Probiz as it was previously called) received a commission on the “loans” that Peak made to those in their schemes. There was therefore a financial interest in accountants not just introducing individuals to these schemes but making sure they continued to use them.**

I continued to work through Peak Performance until July 2012. During the period I worked for Peak, I was surprised to receive emails from Peak about a change of employer. These emails reassured me that everything was fine and normal and contained instructions for various formalities such as writing a letter of resignation to my “old” employer. They also re-iterated that the “new” employer would pay any tax that was due. Confused about these changes I contacted WBD who advised that these arrangements were in order.

HMRC Action/Loan Charge

In 2012 HMRC wrote to me informing me that I had been using a tax avoidance scheme which “*HMRC believe does not work*” and that they would be taking further action. I had been completely transparent with them about what I had been doing and so was surprised they had chosen to wait until I had finished using this scheme to contact me about it. I contacted my accountant who advised me to follow the instructions provided by Peak Performance.

Over the next 7 years I received multiple penalties and threats from HMRC who said I had been a tax avoider who should settle their debts now or face worse consequences later. Many of these threats were in the form of unsubstantiated Advance Payment Notices (APNs) and for demands of tens of thousands of pounds which had to be paid within 30 days. All of this was totally beyond my comprehension but I believed that the only way I could get through the “mess” was by following the advice of my chartered accountant (who had advised I follow the instructions of the scheme promoter). UK Tax legislation is complex which is why people turn to tax professionals for advice and I could see no other way out of this.

My personal stress levels were through the roof. I dreaded the next brown envelope coming through the post box with outrageous unsubstantiated demands. My poor wife would apologise and burst into tears as she brought these to me. In August 2018 the stress imposed by HMRC became unbearable on both my wife & I and we agreed that we would make enquiries about settlement and I completed and returned the settlement pack that they sent me. HMRC gave a settlement ‘offer’ of over £90,000. I made a Time-to-Pay (TTP) offer of £500 a month, which was as much as we could afford. However, HMRC rejected this, so I completed their Income & Expense forms.

I was desperately worried about how I could possibly pay this enormous amount. My wife and I had lived in our family home for 20 years and hoped to live there for the rest of our lives. I was not going to approach my father (a retired forty year plus civil servant) who was in his eighties, who wouldn’t have understood and couldn’t have raised the funds needed without having to sell some of the assets he taken years to work for. In addition, it would’ve sentenced him to live the rest of his life in Loan Charge misery too.

I concluded that the only viable option was to make enquiries about releasing funds from my private pension. I resented that at age 52 I was being made to spend money that I could not receive until I was 55. Although it was devastating that this would destroy many of the plans that my wife and I had made for our future it would hopefully bring closure to the situation I had found myself in. To make matters worse, I then heard from HMRC that their ‘settlement’ figure was even higher, nearly £110,000 (they increased it twice). They said they had made an error (but didn’t bother sending breakdowns). They also increased their interest charge by £9,000 because of my request for a manageable monthly TTP agreement. I then received a FOURTH ‘full and final’ settlement figure with changes to Inheritance Tax liabilities. My accountant recommended that I should sign and send the settlement agreement ASAP, consequently I signed and returned this.

The entire settlement process was terrible. There seemed to be a lack of understanding about the Loan Charge whenever you contacted HMRC. HMRC seemed to be favouring delays as it enabled them to add further interest (which on £100,000 over two years is a considerable amount). Probably the biggest insult of the entire process was being coerced into signing paperwork that had as the first sentence ***“The tax (“Tax”) on the statement[s]* in Appendix 1 are unpaid, wholly or in part,***

because of my failure to meet all of my statutory obligations.” Because of my transparency HMRC knew who I was working for all the time I was involved in Peak’s payment schemes. Peak made it clear that they were my employer yet HMRC forced me under duress into signing an admission of personal guilt as a condition of settlement.

Impact on me/my family

From the early days of HMRC contact in 2012 to the present there hasn’t been a single day when I haven’t been consumed by the frustration and anger of my situation and how it arose. Up until 2020 I have always worked and have never felt it necessary to claim any financial benefit from the government. I’ve never thought that I’ve had any mental health issues. Since my involvement with Peak, through my trusted chartered accountant, and the subsequent “hounding” from HMRC and government, a lot of that has changed. I believe I have suffered some mental health issues and continue to do so as the injustice has not stopped. The level of stress I was under in 2020 was intense I considered getting an IVA, bankruptcy, losing my home, suicide.

The constant pressure to collate all the evidence and facts required by HMRC to try to resolve this mess, with little support or understanding on their part, the whole experience has left me traumatised. I continue to have a great fear and sense of anxiety when I see that I have received any letter from HMRC.

Trust is the basis of any relationship and this scandal has done irrevocable damage. I will never again trust HMRC or professional financial advice.

If the advice of a chartered accountant can cause this much damage without culpability, then there is something very wrong. It is a failure on the part of the entire tax industry that accredited professionals can through their advice destroy the lives of the individuals that they advise.

Case Study B – Contractor in Mortgage Advice and Financial Services Sector

Accountant:	North of England based Fellow of the Association of Chartered Certified Accountants (FCCA)
Scheme recommended/approved:	Norris International

Background/How I got into this situation – role of the accountant(s)

Whilst the company I used to work for doesn't exist anymore, myself and my partner that worked at the business have spoken with some of our former work colleagues (the vast majority all work at a new company run by one of the senior managers of the original firm (not the directors / owners) who along with ourselves are all willing to produce witness statements that the representatives from [accountancy firm] came into our offices to give presentations regarding the benefits of the schemes they were promoting and also subsequently arranged conference calls for new starters. Time Machine screenshots from 2012-2013 show [the accountancy firm] website openly advertising "RELAY Contractor Strategies".

Their "Tax Advice and Wealth Management" page explicitly stated they offered "legitimate, robust and proven methods of tax planning". They claimed to have created "a portfolio of cutting-edge schemes customised for both businesses and individuals. RELAY marketing and promotional materials presented this as a legitimate employment structure, not a tax scheme: *"RELAY is a structure of employment roles to focus the busy life of a consultant away from the duties that the consultant should not be distracted with."* RELAY claimed Opinion from 15 Old Square Tax Chambers and explicitly stated it was *"Not caught by Disguised Remuneration legislation"*.

Myself, my partner and my ex-colleagues still have copies of multiple email communications from staff at the accountancy firm, clearly endorsing, supporting, promoting and checking in on the strategy and specifically recommending Norris International who clearly stated on their website: *"Norris is not a disguised remuneration provider...Norris is not caught by any other legislation like IR35."* Norris claimed to *"work closely with our legal and accounting teams to ensure we stay on top of, and on the right side of, relevant legislation"*.

Emails from the accountancy firm state: *"We have been doing a lot of due diligence and put numerous test cases...and would like to offer you benefits such as: "quicker turn-around, 84% return, your status will be employed not self-employed. Please find attached the application which needs completing..."*. Then later *"just a quick email to ensure everything is going OK with the Norris strategy"*.

When concerns were raised, the accountant gave reassurances: Email (2014): "We are using what I believe to be the best product and providers of this type of structure in the market and who have full support and insurance should a challenge by HMRC be made: *"there is little or no risk to individuals in using this structure"*.

My accountant gave further assurances that in order to further isolate financial risk/remove any liability stating *"(I) believe we should set up a Special Purpose Vehicle Company SPV to run the strategy through but only from suppliers that are reputable and we can do due diligence through"*.

The employer also requested a third-party report that was shared to all employees that considered using the Norris scheme that was being recommended to us to use by a Fellow Chartered Certified Accountant, from the accountancy firm. The third-party specialist tax advisory firm - albeit recommended by the accountancy firm and for which they would have had received a referral fee - as was recommended by AUL gave a second opinion on the validity and legality of the scheme. I was told that a hefty fee was paid for it (>£10,000) the final report ultimately advised that the Norris scheme was Bonafide and *"compliant with tax legislation as currently enacted"*. This report along with the accountant's advice gave myself and many colleagues the confidence to use the scheme. This report can be made available on request.

Like thousands of others, we acted in good faith based on professional advice from regulated firms. We disclosed everything to HMRC at the time, took due diligence, yet now face retrospective punishment while the true enablers - the promoters and advisers - have largely escaped accountability.

HMRC Action/Loan Charge

We were first contacted by HMRC warning us of a potential problem in around 2016/17. Our alleged liability is in excess 10 years of gross joint income. When the Loan Charge was initially introduced, we were still being told by our accountants that that it would go away, that we were following the route

that many Government ministers /peers, etc used and that they kept away from the general public and that all the noise was just that. We were also offered (for a fee) to take out another loan to pay off the existing loan!

All in all, we feel more than doubly duped and let down by our professional advisers who undoubtedly motivated by self-interest heavily steered us into using Norris International and gave on-ongoing assurances regarding any risks in order to ensure that we continued using Norris.

Impact on me/my family

To say being caught up in the Loan Charge has had a devastating impact on my life and my family's wellbeing is a gross understatement. The financial strain and uncertainty have been immense, with the constant fear that we may lose our home. The stress has placed a significant burden on my marriage and affected the stability of our family unit. My children have sensed the pressure and worry, leading to emotional distress and anxiety within the household.

For years, we lived under the assumption that what we were doing was above board - advised and facilitated by professionals we trusted. Now we face unmanageable retrospective tax bills for arrangements that were never presented as avoidance or illegal.

This has caused chronic stress, sleepless nights, and a lasting psychological toll, not just on me, but on my loved ones too. The uncertainty about our future continues to dominate our lives and has deeply affected our mental health and emotional resilience.

Case Study C – Retired Consultant to Oil & Gas Industry

Accountant:	CLB Coopers
Scheme recommended/approved:	Clavis Solutions

Background/How I got into this situation – role of the accountant(s)

I am a retired Company Director who successfully managed a small Limited Company from 2000 to 2017 providing consulting expertise to the Oil and Gas sector. In 2010, I was considering changing accountants and needed advice regarding tax and financial planning for my retirement. I was contacted by [NAME] Tax Partner at CLB Coopers (a firm whose letterheads clearly stated as regulated by the Institute of Chartered Accountants in England and Wales).

The accountant promoted just one option: the “Clavis Schemes”. He introduced me to Clavis’ contacts and on many occasions my wife and myself met representatives from Clavis, together with my accountant. Email from accountant, 2nd Nov 2010 stated *“The guys from Clavis will be up in [TOWN] next Monday. I am just waiting to hear from other clients who also wish to meet them on that day. Can I confirm an exact time with you later this week? Regards [NAME]”*.

The Clavis Schemes were portrayed by both my accountant and Clavis as practically zero risk. Collectively, they suggested that we could use EBTs and then EFRB arrangements to manage our tax

affairs. Their main selling point was that they'd hired an "eminent QC" who had reviewed the legislation and found that their proposals were robust, completely legal and did not breach any HMRC rules. We were assured that all we did was legal and above board. It was never suggested that HMRC may challenge this. Clavis and their accountancy firm advised CLB Coopers on how to correctly report the EBT and EFRB in the company accounts. Two loans were made using EBTs in 2010 & 11, and two loans were made using EFRBs in 2011 & 12. There were two Trustees involved, Herald (Jersey) for the EBT and Vantage (Jersey) for the EFRB. Subsequently, the EFRBS Trust was transferred onshore by Clavis to Sterlingsafe Trustee Company Limited, run by [2 individuals]. CLB Coopers advised us throughout the process, was involved in all email correspondence and attended all meetings with Clavis.

On 27 Feb 2012, I received an email from my accountant requesting that I sign a document stating that we had received certain advice from CLB Coopers when, in fact, we had not received any such advice. He described this request as "*tidying up his files*", but it was clear to me it was an attempt to cover his back and retrospectively seek protection from prosecution. I refused to sign it. The accountant followed up with various attempts to get me to sign this disclaimer but I repeatedly refused as it was untrue. Emails from accountant, (27th Feb 2012 & 12th July 2012). "*I need to tidy up my files and all the paperwork for clients using the Clavis products*" and "*You may recall that I emailed you a couple of months ago with a form I needed signing for our internal processes to confirm you understood that the Clavis scheme was their product, that we introduced you to them and we received a commission etc*".

At no point earlier did my accountant or CLB Coopers tell us that they received commissions from Clavis. The first time this was mentioned was in the above emails (some 2 years after the start). They misled us about the risks. We did not agree, should the schemes fail, that no fees and commissions would be refunded. They did not explain that we would have a higher HMRC profile and be under increased scrutiny. They did not explain that funding would potentially breach banking covenants. They did not tell us that the accountancy firm were not giving an opinion on the scheme or that they had not technically reviewed it. To me it was very clear that they were giving an opinion.

In December 2018 I submitted complaints regarding my accountant and CLB Coopers to both the ICAEW and ACCA. ICAEW and ACCA replied saying that neither my accountant or CLB Coopers were currently ICAEW or ACCA members and therefore they were not able to take up the complaint. On the advice of the ACCA, I took up the complaint with the Tax Disciplinary Board who advised "*the case (should)be brought against Mr [NAME] who is only a member of CIOT and not either ICAEW or ACCA. We will see how we get on although these tax scheme cases can sometimes be difficult to prove unreasonable behaviour by the member*". At the time I was in the midst of dealing with problems regarding the closure of my company and HMRC, was not at all well and let the matter drop. All accountancy firm emails and letter footers to myself included "*CLB Coopers is regulated by the ICAEW for a range of Investment business activities*". This was obviously intentionally misleading information to persuade people of their credibility and attract potential clients.

HMRC Action/Loan Charge

I started the closure of my Company in 2014 with the help of our personal accountant (not the same accountant as mentioned above). At the time, the company held no assets and had no creditors. There was an objection to the closure by HMRC who prevented closure by applying to Companies House without providing any evidence or explanation to myself. I suffered years of stress, anxiety and

extreme ill health trying to fight the system - being pursued by HMRC for an unspecified debt of £500,000 whilst Companies House and the Insolvency Service tried to prove I'd done something illegal. In July 2015, HMRC served a Determination on the Company and I was forced to seek the advice of a Registered Insolvency Practitioner who recommended that the Company apply for insolvency as the Company had no assets and would be unable to pay the Determination.

In September 2015, HMRC wrote threatening to wind up the Company due to an unspecified debt of nearly £500,000. HMRC then asked The Insolvency Service to investigate my actions as a director causing me further massive anguish. They were clearly trying to prove that I had acted without reasonable care so that they could claim that my tax affairs were still open as an individual. The Insolvency Service concluded that I had done nothing illegal, nothing improper and had acted with reasonable care. The Company was closed due to insolvency in March 2017. So, instead of closing down in a respectable manner, I was forced to close the Company through technical insolvency after running the business successfully for 17 years.

HMRC then proceeded to write to me as an individual, being a former Director of a dissolved Limited Liability Company stating that I can make a "Voluntary Restitution" by paying £346,000 being £315,000 tax and £31,000 Inheritance Tax. They threatened me by saying that if I do not settle "voluntarily" then I will have to pay far more when impacted by the Loan Charge. In the end my illness was getting worse, it was impacting my wife too and we decided to settle with HMRC for £200,000. I made it very clear that I was doing this under duress. I now have to pay £10k each year for 20 years. When I settled I was forced to make an offer on the very last day of the settlement opportunity, HMRC cut me zero slack due to illness. If I had put in a low offer they would reject it. If I went too high, I'd be insolvent. HMRC were not interested in going after Clavis or the accountants.

Impact on me and my family

Like so many others, this whole situation has caused years of anguish, stress and anxiety and has had truly devastating and long-lasting effects on my physical and mental health, my retirement income and subsequently on my ability to fully support myself and my family. I am a hardworking, law-abiding citizen who was trying to plan responsibly for my retirement but one fateful encounter has irrevocably changed my life for ever. My integrity and reputation have been seriously questioned and challenged.

Meanwhile, the promoter and accountant have escaped all liability. One of them (Fellow of the Institute of Chartered Accountants and a Chartered Certified Accountant), formerly of Clavis Solutions is practising as a tax partner along with [NAME] also formerly of Clavis Solutions. Another senior representative, again formerly of Clavis Solutions, started another tax planning company. They all got out whilst the going was good. CLB Coopers changed its name, which in turn changed name again and was finally dissolved. The accountant who introduced me to the scheme resigned as a director in 2017.

My evidence alone clearly shows how the accountants and accounting firms were "*in the thick of it*" but it's people like me paying the price in health and finances.

Case Study D - a Contractor in the Medical Industry

Accountants:	Accredited member of the Association of Chartered Certified Accountants (ACCA) in London area.
Scheme recommended/approved:	AML Management

Background/How I got into this situation – role of the accountant(s)

I contacted my accountant in 2009 and he helped set up my limited company for use as a contractor in the medical profession. He believed that I was not experienced in UK company or tax law, I would have difficulty in operating the company. The accountant personally introduced me to the AML scheme and shut down my limited company.

I asked my accountant if everything was legally above board and whether I could trust the AML scheme. He confirmed: *“I went to a conference by AML about 2 weeks ago and we were told that the scheme was now used by 450 accountancy firms. So 450 accountancy firms can’t be wrong!!”...I also know many accountancy firms which also market that scheme to their clients. I will never suggest a scheme to my clients which will not benefit them. All my clients who have joined that scheme are very happy.* This reassured me that everything was fine. I trusted the accountant’s expert advice.

Several years later, in 2019, HMRC wrote to me to inform me that the AML scheme was a disguised remuneration scheme and therefore included in the Loan Charge. I attempted to contact the accountant for advice since it was his recommendation to join the AML scheme.

Despite sending him several emails I received no response. I therefore escalated the matter to the ACCA, raising two complaints:

1. The poor advice I received from the accountant in recommending I join a tax avoidance scheme. This has left me with a £100,000 bill from HMRC.
2. That the accountant ignored my attempts to contact him in December 2023.

The ACCA investigator found that there was no case to answer for the complaint of poor or negligent advice, stating *“[Case D] was connected to a scheme in 2009, which at the time was not considered unlawful. This scheme was only retrospectively deemed as a tax avoidance scheme”*.

The investigator also cited a lack of primary records as these had been destroyed by the accountant after the statutory holding period expired. However, the accountant was found to have behaved inappropriately in ignoring my attempts to contact him and for this transgression a note has been placed on his file for 5 years.

I have challenged the ACCA investigation and asked why, if it became clear in 2011 that participation in these schemes became unlawful, the accountant did not contact me to warn me at the time. He could also have contacted me in 2017 when the case law position changed as a result of the Rangers case.

I have also challenged the excuse that the lack of primary records constitutes a lack of evidence for the advice received from the accountant. I have provided emails from the period which make it clear the accountant recommended the AML scheme and was pivotal to my joining it.

The accountant told me verbally that he was paid £500 from AML as referral commission for me joining the scheme.

HMRC Action/Loan Charge

I received letters from HMRC from 2018 threatening me that the AML scheme was not tax compliant and that I was responsible for meeting the shortfall, estimated by them at £100,000./

This is on top of 18-35% deductions on my source salary, which HMRC now tell me is the fees AML deducted from me. I provided proof that my participation fee to AML was £200 per year but HMRC told me I needed to take this up with AML. Unfortunately, nobody is answering on the phones or on the emails that I had from the past. I told HMRC that I don't have the time or resource to hold my accountant or AML to account but they don't seem to care. This made me feel angry and that I am being punished while AML and my accountant don't face any penalty.

Over the next 7 years I have been in communication with HMRC regarding potential settlement but despite many letters HMRC have not been able to explain how much they believe I owe and the basis for it. Over the years HMRC keep revising figures for the amount they think I owe. On one occasion HMRC sent me an apology and payments of £50 for the worry and distress caused to me caused by their mistakes but on the other hand is charging me interest adding up to tens of thousands of pounds as a result of these same mistakes.

I have complained to HMRC about delays in responding to me, for example an enquiry sent by me on 4 May 2018 was answered by HMRC on 19 February 2019 - over 9 months later. This is not an isolated example. Yet HMRC did not uphold my complaint. HMRC has sent calculated settlement figures that contradict earlier promises not to charge additional interest or take account of payments made to a Certificate of Tax Deposit or APN letters. Eventually HMRC agreed my earnings were less than originally claimed, resulting in a lower tax bill but with yet more additional interest charged.

HMRC have sent letters to a very old address, despite me declaring my change of address at the time and receiving other correspondence to my new address over the same period as HMRC were also sending letters to the old address. As a result, I was the victim of attempted identity theft. HMRC seem to be accountable to no one and act as judge and jury, finding in their own favour for every complaint raised to them.

Impact on me/my family

I am angry that a qualified accountant and member of ACCA has put me in a situation where, over 15 years after the poor decision to recommend the AML scheme, I am left facing HMRC alone without support. The pursuit of large sums of tax by HMRC has had a detrimental effect on my mental health as well as my financial position. It has caused enormous distress to me and my family. This has resulted in feelings of insecurity and stress related anxiety.

The delays in finalising a settlement (over 7 years) mean I cannot get on with my life and this cloud continues to hang over me.

Case Study E – Freelance Digital Design Contractor

Accountant:	A certified chartered accountant - Fellow of the Association of Chartered Certified Accountants (FCCA) who worked for an Accountancy firm in the East of England, members of the Institute of Chartered Accountants in England & Wales (ICAEW)
Scheme recommended/approved:	Peak Performance

Background/How I got into this situation – role of the accountant(s)

In 2009 I was introduced/recommended to Peak Performance by a certified chartered accountant, a Fellow of the Association of Chartered Certified Accountants (FCCA), who at the time worked for an accountancy firm based in the East of England – a member of the Institute of Chartered Accountants in England & Wales (ICAEW) who had been used by my family for many years and was well trusted.

The accountant is question no longer works at this firm but is still active and has set up his own accountancy business also based in the East of England. His recommendation was part of a standard accountant review, where I said I would eventually be losing a client as they could not sign an IR35 contract and he recommended the Peak Performance arrangement as the way to resolve things - to keep the work, to remain IR35 compliant and simplify invoicing & administration.

The accountant recommended the scheme during a face-to-face meeting and set me up with a presentation with Peak Performance. My accountant assured me that everything was completely professional and compliant with laws on tax, showed me a clear QC endorsement of its legality & tax legislation compliance and said (as did the umbrella company) that if, in future, the tax law changed they would amend the structure to keep it compliant or end the contract and affirmed that HMRC could not retrospectively change the law. I was also assured at the time that if HMRC were to challenge the payment structure it would be the company (my employer) and not the individuals (employees) who would be challenged. My accountant followed up arranging the paperwork for the contract. The accountant also mailed to confirm his commission from Peak for setting up the arrangements:

Email exchange between Accountant and Client Manager, at Peak (20 August 2009):

Accountant: *“I'm glad to have my first contractor EBT in place as I am now better versed on the whole process for when I put additional clients forward. Can you please explain what happens and what I should do in respect of the commission payments to [accountant name redacted]? I.E. frequency, do I need to raise an invoice etc etc.”*

Client Manager: *“You do not need to do anything with regards to the commission. You have signed a self-billing agreement and so we take care of this for you. You will be sent a remittance advise on or*

around the 13th of each month and payment is made to you between the 20th & 25th of each month. The commission will be based upon any payments which we have received the previous month.”

The accountant remained in touch with Peak in writing throughout 2009 to 2013.

Also of note is that Peak offered myself a financial incentive of £250 for introducing colleagues but it was stressed that formal referrals could only be made through the accountant in question as he would have *“to arrange the necessary education”* and that this money would only be received by myself on completion of a successful referral and payments to the potential new employee via Peak had been received for a minimum of 3 months.

Email Exchange between Contractor and Client Manager, Peak 4 October 2011:

Contractor: *“Do you do referral bonus/incentives to contractors (if not I can refer through accountant, that’s fine).”*

Client Manager: *“Yes, we do but you have to put your friend or colleague in touch with your 3PCL accountant, X, as the accountants have to arrange the necessary education and we at 3PCL cannot have any contact with K2 employees until they have seconded to 3PCL...If your referral does sign up and receives at least 3 months’ worth of payments through K2 then you will receive a cheque from us for £250.”*

It was only for this one client and to mitigate the IR35 risk that I used the umbrella company for the next 3-4 years. I kept all other clients through my own limited company. I haven’t made any complaint regarding the accountant recommendation mainly due to any possible repercussions relating to the accountancy firm which my family still uses and anyway would hold out little hope of success. I have had more than enough on my plate trying to deal with HMRC and the fall-out from the Loan Charge alongside trying to juggle my own personal and working life and caring for elderly ailing parents.

HMRC Action/Loan Charge

From memory it was years later (2016?) when I was no longer with Peak that HMRC acted and out of the blue I received a letter generally making claims that the “[umbrella] companies did not work as planned” and began a tax dispute for an undetermined amount but there was no explanation or proof of why. I began to receive more and more correspondence initially encouraging payment, issuing APNs and subsequently appearing to dissuade trying to progress to court to decide whether the claim was valid under the laws in place at the time. I received a letter referring to NHS beds and tax avoidance, which was clearly intended to manipulate and create guilt, and/or to encourage me to pay without contesting the matter in law, and another saying, if going to court, I might be named publicly as a tax avoider.

Overall HMRC’s handling of my Case has been obstructive, at times negligent and their response times have been abysmal. HMRC have not said what the actual full Loan Charge liability is but they partially completed an estimation to c.£120k (plus an additional own-estimated £20,000 of accrued back dated interest / late payment penalties etc). HMRC made this Loan Charge estimate when offering settlement of c.£150k and then on correction, settlement offer of c.£90k. The offer of settlement at c.£90k was accepted in writing with HMRC. HMRC subsequently withdrew the offer of settlement as they claimed the £500 her month for it was not affordable for me to pay and said I must instead prepare to pay the much higher loan charge. This withdrawal was appealed with HMRC and a

complaint opened but HMRC found in its own favour in that it had the ability to withdraw settlement offers. Eventually HMRC enforced the APNs and instead of the £500 per month for loan charge settlement they considered unaffordable now charge me £1000 per month for APN payment.

The individual accountant left the firm early 2015. The firm continued to help by recording and passing on APNs etc and there was some support challenging the original HMRC amounts, as there appeared to be errors though latterly their advice has been that everything needs to be paid.

All this, and more, because I decided to accept the recommendation of a qualified professional from a reputable firm both of whom profited from giving this advice and yet have escaped all accountability or liability.

Impact on me/my family

The claimed amount I am being asked to pay is life changing and potentially life destroying. The past 8-9 years have been a nightmare. The process continues to be unbelievably stressful and has taken an immense toll on my health (I have gained 20+ kilos), wellbeing (insomnia and severe anxiety) and relationships and severely jeopardies my financial future. The ability to plan ahead has been taken away from me. I have zero ability to pay that amount of money, my income has decreased considerably due to loss of European clients (post Brexit) and I now have no savings having spent considerable amounts paying the umbrella company to defend tax affairs, as well as solicitor and accountant fees and care for my elderly parents. I fear that bankruptcy is inevitable which will cause me an excruciating amount of personal embarrassment and will have a detrimental impact on my ability to work. My freelancing business would fold completely as I would no longer be a director and a new start-up business that I have been founding with another partner would also have to fold. I would not generate tax income in bankruptcy. **Again, all this, and more, because I decided to accept the recommendation of a qualified professional from a reputable firm both of whom profited from giving this advice and yet have escaped all accountability or liability.**

Case Study F – Contractor in Textile Sales Trading as Ltd

Accountant:	Accredited Accountant, member of the Institute of Chartered Accountants in England & Wales (ICAEW) from a leading Accountancy Firm. Accountancy firm are members of the Association of Chartered Certified Accountants (ACCA) & Institute of Chartered Accountants in England & Wales (ICAEW)
Scheme recommended/approved:	Clavis Solutions

Background/How I got into this situation – role of the accountant(s)

I was searching for a new accountant and a colleague recommended I contact a leading and highly reputable accountancy firm he was working with already. It was one of the firm's directors who suggested using Clavis Business Solutions for setting up an EBT for the purpose of retaining and incentivising employees in a tax efficient manner, which also had the benefit of a positive opinion

from a well-known QC. I did not know anything about such schemes prior to having this discussion, I had never heard of them.

My accountant recommended the Clavis scheme and provided and counter-signed all the paperwork required to sign up with Clavis. There was an incredible amount of paperwork with confusing small print and I admit I did not understand some of it. My accountant brought to my attention at the time that if the law changed it could be a potential problem but I did not understand or have it pointed out to me that the law could change retroactively. It never crossed my mind that retroactive legislation could possibly take place.

I stated that providing it was legal, HMRC compliant and I was not breaking the law in any way by using it then I was prepared to go ahead. My accountant assured me it was entirely legal at that time. Based on these assurances I decided to go ahead and used this one-off arrangement for 1 year. I have found a substantial amount of paperwork including emails between my accountant and Clavis, confirming his ongoing relationship with Clavis and confirming that he also earned a fee for referring me. I am aware that he set up other clients and presume he earned a fee for each of them.

I had no direct contact with anyone from Clavis although they charged a massive fee to set up the scheme. The Trust set up was run by Sterlingsafe Trustee Company Limited, who are still hounding me for unpaid invoices. I believe that [name redacted] and [name redacted] are running Sterlingsafe. When HMRC started making inquiries my Accountant wrote back to them confirming that he had referred my limited company to the scheme.

This referral from my Accountant was confirmed in other documents and emails repeatedly evidencing the referral and the fee he earned for introducing me to Clavis. I was not made aware of the fee at the time I signed up to the scheme. In fact it was much later and after HMRC had commenced investigations that I discovered the fee my accountant had earned.

HMRC Action/Loan Charge

I only used the scheme for 1 year. I became aware of the severity of my situation during 2018/2019. I would not say my Accountant gave me assurances but he did advise to wait and see how things panned out.

I have had various letters from HMRC, in the early days providing figures, which altered with every communication and were never accurate or agreed. Later letters were warning of interest mounting up and threatening to come after me personally if the limited company did not pay.

I have had to spend five figure sums to obtain legal and tax advice to defend myself in addition to the charge Clavis made to set up the scheme originally, totalling a six-figure sum.

Impact on me/my family

I am on prescribed sleeping tablets due to the constant long-term anxiety and worry. Every time a brown envelope arrives from HMRC my stress levels go through the roof. I am single and due to retire soon. It feels like everything I've worked for could be taken away due to being mis-sold a scheme which I was advised to use by a highly reputable ICAEW accredited accountant, which I was told was fully compliant and for which my accountant earned a significant fee from the scheme providers.

I have tried to approach HMRC to settle but without success. I entered into the scheme with a clear conscience believing I would be safe and within the law and now I just don't know how I will ever be able to pay the money HMRC are demanding. I am a law abiding hard working person and was hoping for a secure and happy retirement, now I don't know if I will even be able to keep my home.

It seems that those who led me down this dreadful path are getting away scot-free while HMRC continue to ignore the part the promoters played in these schemes. Promoters who were trusted by their clients they were supposed to be protecting!

Case Study G – Contractor in the Oil & Gas Industry

Accountants:	Richard Falkner & Associates (ICAEW Accredited Accountant) & latterly Zeus Wealth Management based in North of England.
Scheme recommended/approved:	Aston Mae Ltd (AML)

Background/How I got into this situation – role of the accountant(s)

In 2008 I secured a short-term contract via an agency who recommended I contact Richard Falkner & Associates who were ICAEW accredited high street accountants in order to set up a Personal Service Company for me to trade. Subsequently the accountant invited me to meet at his offices in order to brief me. During this meeting, unsolicited, he recommended using an umbrella type arrangement outlining the advantages as less administration, no requirements for VAT, IR35 compliant, etc as I would be an employee. He suggested AML and gave me a comprehensive information pack with Q & A sheets. I still have a copy. I specifically asked about the tax differentials between using a PSC and AML and about any possible risks. The accountant assured me that the two were "like for like" from a tax perspective and that everything was fully disclosed and registered with HMRC, also that any future repercussions were highly unlikely. Given these assurances and that [NAME] & his company were ICAEW accredited and seemed highly professional I felt confident enough to progress with the application.

In 2012 Richard Falkner & Associates merged with Zeus Wealth Management and my accountant informed me that it would be necessary to re-register me with AML under the newly formed company, which he did. His relationship with AML was evidently on- going. *"This is [NAME], the Accountant who registered you with AML. I have recently merged with a Wealth Management company and we are now trading as Zeus Wealth Management. Unfortunately, with the change in our business I have to re-sign you on to AML under our new name."* (email November 2012).

As part of the services offered in their Partners Administration Package I had instructed AML to manage my tax returns rather than go with the reduced fee option of employing my own accountant to handle my annual Self-Assessment Returns. However in January 2013 I was contacted by [NAME], Tax Associate at AML, who informed me that my 2011/12 had not been completed, with a deadline of the following day and that they would not be able to complete it themselves *"as Richard Falkner and Co had requested to complete the tax returns for the contractors that he introduced to the AML"*

scheme, we would be seen as 'poaching' clients if we were to complete the tax returns". (email from [NAME] at AML dated 30 January 2013)

It was obvious that, at the very least, my accountant had been complicit in benefitting on the back on making referrals to AML for some considerable time.

HMRC Action/Loan Charge

From February 2013, I began to receive letters from HMRC suggesting that my loans formed part of my earnings/ remuneration and as such income tax should be payable. I panicked with 30 days to pay demands being mentioned but throughout 2013 - 14, both my accountant and his fellow director from [NAME] (who took up correspondence when my accountant was forced to retire in November 2013 due to ill health) continued to reassure me that there was nothing to worry about and they would correspond with AML on my behalf:

My accountant stated, "AML 'are extremely confident in their products". I have seen a few of these letters in the last couple of months. AML will respond and appeal on your behalf...As soon as I receive the correspondence, I will pass it to the defence team in AML's Tax Department. "HMRC are just protecting their position as regards time limits". (email February 2013)

New accountant at Zeus Wealth Management: "I've spoken with AML Ltd and they assure me you have nothing to worry about. They are fully aware of the Revenues approach and are fighting the case on behalf of clients. I've just copied you in on an email I've just sent them following a request of a copy of the letter you received." (email January 2014)

I continued to use AML for 18 months after being informed that Richard Falkner & Associates were merging with another firm, primarily because I was reliant upon the new accountant to try to resolve the tax matters. He then disappeared from Zeus Wealth Management and left me exposed.

In 2019 I engaged Smooth Law who were very interested to take on my complaint on a no win no fee basis against [the accountancy firm] for the mess I had been dropped into by my accountant. I supplied all correspondence back to 2008 along with a witness statement. I have the copy of the response from [the accountancy firm] who denied any responsibility or liability. I do not believe the content of [their] letter. Smooth Law wanted £1750 plus VAT for further legal opinion to further proceed. I could not afford to pay as I had higher financial priorities connected to my Loan Charge legal defence.

Impact on me/my family

My family and I have had to live with loan charge burden for over 10 years now. In 2015 I had to find £43k on 30 days' notice for APN payment which crippled our finances for a 3-year period combined with ongoing costs of legal representation to defend against extortionate Loan Charge demands, plus further recent funding to defend against S684 Pre 2010 years which Morse set aside and HMRC continue to pursue. My mental health and that of my wife has been shattered by the continual stress and worry of losing our family home. I am an ordinary hard working family man aged 67 years, suffering age related health issues, and cannot retire due to the ongoing threat & financial burden.