



Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

15th October 2025

Dear Chancellor

Why is the Labour Government refusing to investigate the Conservative Government's record on the Loan Charge Scandal?

We are writing to ask why you and the Labour Government have so far refused to investigate the previous Conservative Government's record and conduct regarding the Loan Charge Scandal.

You have made very strong and clear comments regarding the PPE Medro controversy which involves former Conservative peer, Baroness Michelle Mone, and her husband, Isle of Man based billionaire, Doug Barrowman, and the use of the so-called 'VIP Lanes' used by the previous Conservative Government.

Your strong statements and the Government's legal action in this case are in stark contrast to your refusal to date to hold a proper inquiry into the Loan Charge Scandal despite you and your now Ministerial colleagues having expressed serious concerns about this whilst in opposition.

You must be aware that Mr Barrowman is linked to the whole Loan Charge Scandal and firms that he is associated with were heavily involved with schemes that are now subject to the Loan Charge. According to [the report published by Tax Policy Associates in January](#), it is estimated that Mr Barrowman made more than £100m selling schemes that are now subject to the Loan Charge.

Yet, no real action has been taken by HMRC, despite the fact that much of the money it claims is due in tax went to promoters of schemes (and advisers who recommended them). Instead, the Conservative Government in 2016 introduced a law that let rich promoters off scot free, whilst ruthlessly pursuing their clients who both yourself and the Chief Executive to the Treasury are on record as referring to as "victims of mis-selling". As you know, there have so far been 10 people who have committed suicide caused by the impact that the Loan Charge has had on both themselves and their families and these include users of schemes created by companies linked to Doug Barrowman.

What needs investigating is why a decision was taken to introduce a law to retrospectively issue tax bills and huge penalties to those who were mis-sold these schemes and not instead to introduce a law to pursue those who operated, recommended and profited from these arrangements, the use of which has ruined thousands of lives.

On Tuesday 20th October 2020, BBC Radio 4 broadcast a BBC File on 4 programme entitled [Taxing Situations](#). This investigated and brought to light some of the links between Doug Barrowman and the Loan Charge Scandal.

Following this, we wrote to the then Financial Secretary to the Treasury, Jesse Norman, the Minister responsible, asking him to respond to a number of troubling issues relating to the Loan Charge.

The issues of concern we raised with Mr Norman are as follows:

- That one of the companies linked to Doug Barrowman donated to the Conservative Party. [Lancaster Knox LLP](#), whose directors Timothy Eve and Arthur Lancaster are also directors of the [Knox Group](#), has [donated more than £220,000 to the Conservative Party since 2017](#). Lancaster Knox LLP donated £100,000 in cash to the Conservative party in 2017, a further £50,000 in cash in 2018 and £71,480 in cash and non-cash donations in 2019. Total donations from 2017 to 2019 were £221,480.
- That [Mr Barrowman tried to donate £2,400](#) to the Conservative party on 23rd January 2019, but his donation was not permitted under electoral rules, with The Electoral Commission citing Mr Barrowman as an ‘impermissible donor’, presumably due to living outside the UK in well known tax haven, the Isle of Man.
- Baroness Michelle Mone’s [company MJM International had in the past used an Employment Benefit Trust](#). Baroness Mone was appointed to the House of Lords in 2015 by the then Conservative Prime Minister David Cameron. It was also reported at the time that [Mr Cameron had the year before received a gift from her MJM International company](#).
- It is reported in the same article that Baroness Mone [was an EBT trustee](#). Her company [MJM International](#) paid [more than £500,000 into EBTs](#) according to accounts filed at Companies House.
- The [Certificate of Incorporation](#) of MJM International lodged at Companies House shows Doug Barrowman’s [Knox Limited](#) owned a majority 51% stake per cent at incorporation. Baroness Mone was a Director of [Michelle Mone Interiors Unlimited](#) which was majority owned by UK registered [Knox International Limited](#).
- Richard Sharp has donated very significantly to the Conservative Party. The Electoral Commission website shows [Mr Sharp has donated £416,189,10](#) since 2001. **This includes a donation of £2,500 to Mr Norman’s own Conservative constituency association/campaign in the run up to the December 2019 election.** Jesse Norman was Financial Secretary to the Treasury – the Minister with responsibility for the Loan Charge - from 2019 to 2021.
- Mr Sharp spent 23 years working for New York banking giant Goldman Sachs and reportedly oversaw the work of Rishi Sunak, acting as his ‘mentor’, during the then Chancellor’s early career

in the finance industry. He was reported as [being on course for a £5 million bonus in 2005, whilst at Goldman Sachs.](#)

- It was reported in Private Eye edition 1520 on (24th April - 7th May 2020) that up until 2007 Mr Sharp had a role on Goldman Sachs' European Management Committee. *That role, according to Private Eye, gave him a share of responsibility for one of the larger tax avoidance schemes on record involving bankers' bonuses being paid via offshore trusts and companies to avoid National Insurance.*
- It was reported in the Guardian that [Goldman Sachs was given a deeply controversial and secret 'sweetheart' tax deal by HMRC](#) who let them off paying £10-20 million of interest on a failed tax avoidance scheme. This emerged through leaked documents which revealed a secret meeting between the boss of HMRC and Goldman Sachs.
- The [Guardian](#) revealed that the then Head of the NAO, Amyas Morse, appeared to undermine the process before it had even started by telling Dave Hartnett that the inquiry would find 'nothing of substance'. ***Mr Norman and the Conservative Government appointed Amyas Morse to lead the previous 'independent' review of the Loan Charge.***
- Richard Sharp also worked previously for banking giant JP Morgan. JP Morgan had used what HMRC deemed to be a tax avoidance scheme and it is believed a settlement deal was done over this, with [this report](#) stating a settlement was close.
- Mr Sharp became an adviser to Boris Johnson during his tenure as London Mayor, and to Rishi Sunak as Chancellor. He was also formerly the director of the Centre for Policy Studies, a think tank with historical links to the Conservative Party.

We asked Mr Norman about these matters and specifically we asked if he had had discussions with fellow Conservative Parliamentarian, Baroness Mone, regarding the Loan Charge, Employment Benefit Trusts or disguised remuneration schemes. ***Mr Norman failed to reply.***

All of this is yet more evidence of why there must be a proper inquiry including why the Conservative Government introduced the Loan Charge. Yet you and your Government rejected that and rejected any investigation into the whole issue and announced instead merely a review of settlement terms.

Please do not respond pretending that the current review is in any way a review of the Loan Charge Scandal *or* that it is independent. As you know, despite being dishonestly described in official documentation as an 'Independent Loan Charge Review' it does not even review the Loan Charge itself and definitely cannot be regarded as independent, especially considering it has been conducted by a former Assistant Director of HMRC who worked within Counter-Avoidance and who is on the record as expressing support for the Loan Charge. What you announced, as is made clear in the Government's own documentation, is *a highly restricted and limited review of individual settlement terms* which completely excludes looking at how and why the deeply controversial Loan Charge legislation was introduced by the Conservative Government (and whether Parliament was misled).

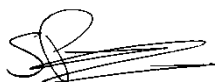
You, yourself, are on the record stating “...*who are the real culprits here. It’s the people who mis-sold products and people like you are the innocent victims in this sort of war of attrition with HMRC now*”. Yet you have announced a review that continues to regard the innocent victims as deliberate tax avoiders whilst ruling out any action against the ‘real culprits’, as you called them, those who mis-sold schemes.

We simply cannot fathom why your Government, as well as going back on the clear promise to conduct a genuinely independent review of the Loan Charge, is also refusing to investigate the Loan Charge Scandal, including the role of the previous Government (and Government Ministers) and the links between promoters and the Conservative Party.

We remind you of [the Loan Charge and Taxpayer Fairness APPG letter sent to you in December](#) laying out all the things a genuine review/inquiry should look at. This is very clearly what is needed.

We therefore urge you, regardless of what recommendations the limited McCann Review may make, to stop being complicit in what is, in effect, a cover-up and to do what you should have done in January, which is to announce an independent inquiry into the Loan Charge Scandal with the power to interview witnesses under oath and on the record, including former Ministers.

Yours sincerely,



Steve Packham
Spokesman & Executive Director



Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group