



Dan Tomlinson MP
Exchequer Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

6th November 2025

Dear Dan,

Thank you for inviting us to meet with you. It was good to be able to engage, despite the fact that the McCann Review into settlement terms has concluded.

We note that you yourself have had constituency dealings with those caught up in the whole nightmare of the Loan Charge Scandal, so as you said, you are aware of the issue and the devastating impact it has had on these people.

You asked if there is anything we wanted to share with you. We do.

Please find attached two important new reports published by the Loan Charge Action Group based on six months of collating evidence and case studies exposing the full extent of involvement of both chartered accountants and recruitment agencies in the Loan Charge scandal. What the evidence has revealed is shocking, that chartered accountants and recruitment agencies were directly involved in the Loan Charge Scandal, profiting from recommending scheme providers or umbrella companies that led to people facing life-ruining retrospective tax bills.

Accountants/chartered accountants role in the Loan Charge Scandal

The report [Unaccountable Accountants: A charter to mis-sell payroll schemes & ruin lives](#) shows 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”.

The report has exposed:

- That **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 recommending schemes to clients and in many cases, telling them not to use a limited company, but to use the scheme instead. *One accountant revealed that one well known scheme, AML, had 450 accountancy firms signed up to recommend it to clients.*
- That **accountants benefitted financially from recommending schemes and received substantial commissions/fees for doing so**. *In one case, an accountant asked the promoter by email for their fee to be added on top the promoter's fee, to which the promoter agreed.*
- In many cases, **these payments were not declared to the client** – which exposes an undeclared conflict of interest and a failure to act in clients' interests in place of seeking monetary gain.

- Worse still, **many accountants were actually working directly with promoters, acting as their salespeople, including hosting events to introduce new clients.**
- In some cases, **accountants had an ongoing financial interest in the schemes**, on top of fees for clients signing up to them, so making money from their clients' continued use of them.
- **Accountants also paid referral fees to clients to recommend them/the scheme** to colleagues to encourage them to recruit more people to join the scheme, thus generating more commission for themselves.

When later hit with the Loan Charge, some contractors took their individual 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.**

HMRC claims it “was always clear” that these schemes never worked, in which case they would surely have warned accountants not to recommend them and if they did, accountants were giving negligent (and possibly criminal) advice. Instead, HMRC ruthlessly pursues those that [Ministers have acknowledged as “victims of mis-selling”](#).

Recruitment Agencies and the Loan Charge Scandal

The report [Recruited into a life-ruining nightmare: Report on recruitment agencies' role in the Loan Charge Scandal](#) shows that they were directly involved in the Loan Charge Scandal, recommending umbrella companies or payroll intermediaries that led to people facing life-ruining retrospective tax bills.

Many of these agencies, including **leading ‘blue chip’ names in recruitment**, directed their clients to umbrella companies who then recommended that they use schemes now subject to the Loan Charge. Recruitment agencies have directed people to just one umbrella company as their recommended payroll solution or provided them with a preferred supplier list (PSL) which was a list of approved umbrella companies/payroll providers. In some cases, the recruiter directly recommended the remuneration scheme or drew attention to them.

The report has exposed that:

- In many cases, **umbrella companies recommended by recruitment agencies were directly linked to ‘disguised remuneration’ schemes** either directly or through their directors. This was not known to those being advised to use them.
- Recruitment agencies - and individual recruitment consultants – **were taking commissions and other incentives (‘kickbacks’)** from these umbrella companies and payroll schemes for recommending clients to them.

- **Contractors and freelance workers had absolutely no idea of these ‘kickbacks’.**
- **The umbrella companies that gave the best ‘kickbacks’ to recruiters were the ones linked to payroll loan schemes.**
- In some cases, freelance workers coming to the UK from overseas were told by large global recruitment firms that they should work through a payroll loan provider, to be compliant with UK tax law. Inevitably these workers believed and trusted this advice and then several years later found themselves facing life-ruining tax bills for doing so.
- **People employed through the Government’s own recruitment framework now face the Loan Charge, having been recommended to use umbrella companies and payroll providers who were on the approved supplier list – and therefore approved by Government.** *One of the case studies included is someone who worked for HMRC for four years, having been recommended an umbrella company by the Government approved recruitment agency.*
- There are also many workers, including those who are lower paid for example social workers, amongst other professions, **who found employment through Council approved recruitment agencies** and then were recommended to use what turned out to be rogue umbrella companies who put them unwittingly into ‘disguised remuneration schemes.’

Astonishingly, none of these Government/public sector approved recruitment agencies have been subject to *any* investigation, instead HMRC and successive Governments have turned a blind eye and continued a strategy of ruthlessly pursuing the workers who followed the recommendations of these approved providers.

The very limited review into settlement terms rules out action against the perpetrators

Considering how clear the evidence is of mis-selling on an industrial scale; you can understand the dismay of all affected when James Murray announced a review only into individuals settlement terms that kept the Loan Charge firmly in place and with terms of reference that excluded taking any action to pursue those guilty of the chronic mis-selling and reckless professional advice/recommendation.

When you look at the reports and understand the extent to which accountants especially, but also recruitment agents were profiteering from recommending these schemes, you can surely now see that the terms of reference were flawed, once again letting these professionals off the hook, whilst continuing to ruthlessly pursue their clients, who’s only mistake was following their professional advice.

The Current review cannot resolve all cases or the whole Loan Charge Scandal

As we also discussed at the meeting, the McCann Review in any case cannot resolve the entirety of the situation involved in the Loan Charge Scandal, *because the Government unfairly excluded those with scheme use pre-9th December 2010 and post 5th April 2017.*

As you know, originally the retrospective Loan Charge went back twenty years, however the Morse Review recommendation (accepted by the previous Government) revised this to being ten years retrospective. **These cases (and tax years) therefore have always been part of the Loan Charge Scandal.**

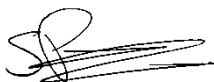
Post Morse Review, the belief was that these cases would not be pursued, however HMRC has abused its power, as it so routinely does, in this case by using s.684 notices, which *still* retrospectively transfers liability from the deemed employer (from whom HMRC should have collected the tax) to the individual. HMRC is using a discretion to 'switch off' an employer's PAYE obligation, a power which has been used to allow very short-term employments to operate outside the PAYE system so as to avoid the need for tax to be deducted and only a few weeks later to be repaid to the worker as the worker's annual earnings are so low. HMRC in these cases have cynically used this discretion to *continue* to pursue pre-December 2010 cases, a purpose for which it was never intended to be used by Parliament.

Yet due to the decision taken by the Treasury to restrict the McCann Review to cases where the Loan Charge still applies, these other people are still being pursued by HMRC, despite being victims of the *same* mis-selling of the *same* schemes by the *same* promoters and advisers. In some situations, individuals have both pre and post December 2010 cases.

We have recently had a flurry of emails with people desperately concerned because HMRC are now threatening some of those with pre 2010 scheme use with enforcement and potential bankruptcy (which will force some people to sell their main homes). It clearly is simply because these cases are not to be considered at all in the McCann Review, which is typically cynical of HMRC. Indeed, it seems likely that HMRC are specifically pursuing these cases now, before the McCann Review is published, because the Treasury has wrongly and deliberately excluded them.

We therefore wanted to bring this to your attention, because for this group of people to be pushed to bankruptcy and breakdown in this way is so clearly illogical and unfair, but also because it shows that whatever Mr McCann may be allowed to do, in terms of adjusting settlement terms for some people, the limited McCann Review cannot and will not resolve the Loan Charge Scandal. We will therefore continue to push you and the Government until you do the right and obvious thing and announce a full inquiry into the whole scandal.

Yours sincerely,



Steve Packham
Spokesman & Executive Director



Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group