



Mr John-Paul Marks
First Permanent Secretary and Chief Executive
HMRC
100 Parliament Street,
London
SW1A 2BQ

12th January 2026

Dear Mr Marks,

Data requirements to substantiate numbers supplied to the Treasury for the Loan Charge review

We are writing regarding HMRC's figures related to the Loan Charge (and associated tax years for use of 'disguised remuneration' schemes), and the apparent lack of robust underlying data to support the numbers supplied to the Treasury.

This is of real concern, considering these numbers have formed the basis of the review of settlement terms commissioned by the Government and carried out by a former Assistant Director of HMRC, Ray McCann.

We are also concerned that HMRC's headline figures are being treated as a reliable basis for Treasury budgeting and fiscal forecasts. If those figures overstate what is realistically recoverable in cash terms—because they do not properly account for hardship, retirement status, insolvency risk and bankruptcy outcomes, and the practical limits of enforcement (not simply "affordability" in the narrow sense)—then they risk hard-wiring unrealistic receipts into Budget calculations, only for those receipts not to materialize later. That creates the conditions for yet another avoidable "black hole" in future Budgets, driven not by policy choice but by inaccurate or unsupported revenue assumptions. The Civil Service Code stipulates that civil servants must not deceive or knowingly mislead ministers, Parliament or others and it is important that the HMRC provided figures on which Parliament make decisions are demonstrably substantiated.

We are therefore asking you to explain if you have supplied certain key information to the Treasury and to the McCann Review, regarding all those affected by the Loan Charge Scandal.

Key overall Data that HMRC already holds

HMRC already holds named, linked data on everyone it has identified as having used a 'disguised remuneration' (DR) scheme as follows:

(a) National Insurance numbers

These are used routinely to link records across systems. From these, HMRC can derive ages and age bands of those that have used DR schemes.

(b) Annual tax and National Insurance Contribution (NIC) records

HMRC has the latest income figures for every taxpayer and a full record of NIC payments, indicating whether they are employed, self-employed or not currently working.

(c) Pension records

HMRC should know whether someone is already drawing the pension, due to the tax rates imposed on pensions. HMRC should also know when people close to state pension age, which is crucial for understanding people's earning capacity and therefore the ability to pay (and potential risk of hardship). If HMRC doesn't have this information, the Department for Work and Pensions will, but either way, this information is held by Government (and therefore HMRC must have access to it).

On the liability side, HMRC should also have, for each DR case:

(a) A full breakdown of liabilities

Each person's liabilities include:

- Nominal tax
- Interest
- Penalties
- Inheritance Tax (IHT) where applicable

(b) Time profile and status of liabilities

- Nominal amounts by tax year
- For each year, whether it is protected or unprotected
- Whether the liabilities are within or outside Loan Charge scope

Compliance / enforcement status

- Whether Accelerated Payment Notices (APNs) or similar have been issued
- Whether there are open enquiries, agreed settlements, or enforced collections

These are all standard data items that will already exist somewhere within HMRC systems. Extracting and combining them is a straightforward task for competent IT and data professionals, even if they sit across multiple systems. Modern data tools – including AI – make this kind of cross-system analysis entirely routine. HMRC should be using them.

We therefore wish to ascertain if this is the case – and if HMRC has providing all the necessary data to the Treasury and to the McCann Review into settlement terms.

If HMRC does not know exactly who is in the DR population, what their liabilities consist of (nominal, interest, penalties, IHT), and which years are protected/unprotected or in Loan Charge scope, then how can it credibly provide aggregate DR and Loan Charge figures to the Treasury at all?

Without a transparent, data-driven breakdown along these lines, there is a serious risk that HMRC and the Government's headline figures related to the Loan Charge are incomplete, misleading and unfit for informing Treasury and parliamentary scrutiny.

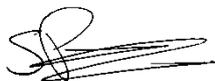
We are therefore asking you to answer the following questions:

1. Does HMRC hold all the datasets described above (as it must)?
2. Have they been linked at individual level for DR cases?
3. If they have not, on what basis did HMRC calculate aggregate DR and Loan Charge figures?
4. Has HMRC been able to provide a breakdown of DR and Loan Charge cases and liabilities by age band, income band, employment status, pension status and tax year, including explicit separation of nominal tax, interest, penalties and IHT, and clear identification of protected/unprotected years and Loan Charge scope? If so can you assure us this full and complete dataset are what the forecasts were made on ?

This is all important information and directly related to decisions MPs are being asked to vote on in the forthcoming Finance Bill. Parliament and the public cannot have confidence in the published DR and Loan Charge figures unless they are grounded in this basic, structured analysis of the underlying data that HMRC already holds.

We look forward to hearing from you.

Yours sincerely,



Steve Packham
Spokesman & Executive Director



Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group

cc The Loan Charge and Taxpayer Fairness APPG
House of Commons Treasury Select Committee
House of Lords Economic Affairs Committee
House of Commons Public Accounts Committee