LCAG
BRINGING FREELANCERS TOGETHER

Rt Hon Kemi Badenoch MP
Leader of the Conservative Party/Leader of the Opposition
House of Commons
London
SW1A 0AA
United Kingdom

3rd March 2026

Dear Kemi,

Your statement that retrospective legislation is bad – opportunity to disown the Loan Charge

On Wednesday 25 February, during your appearance on the Iain Dale show on LBC Radio, you stated, ***"I think retrospective legislation is bad".***

It is welcome to hear your clear commitment not to impose any retrospective laws, should the Conservatives be elected to Government again in the future.

However, this is in stark contrast with the deeply controversial and unfair decision taken by the previous Conservative Government to introduce the retrospective Loan Charge in 2016.

This deeply discredited legislation allowed HMRC to override tax law and ignore basic taxpayer protections and go back and issue retrospective demands, initially for as long as twenty years.

It was recently confirmed that an eleventh person has killed themselves facing the Loan Charge, such has been the disastrous impact on those affected. On top of that, the Loan Charge has been a disastrous failure. Its intention was to "draw a line" under the use of so-called 'disguised remuneration' schemes. Ten years since the Conservatives introduced this policy, there are still between 32,000 and 37,000 unresolved cases just between the years of 2010-2019 dependent on what Government figures you believe. A recent Freedom of Information response has revealed that since the Loan Charge came into force in 2019, HMRC has spent approximately £186 million pursuing those affected by the Loan Charge scandal, while recovering only £44 million. That represents spending more than **four** times the amount collected – a shocking waste of taxpayers' money, especially in the challenging economic times the UK faces.

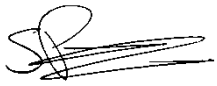
At the same time, due to the flawed strategy of pursuing victims of mis-selling and bad professional advice and ignoring the promoters and operators of these schemes, they continue to be mis-sold causing yet more misery.

We therefore urge you, if you genuinely oppose retrospective legislation, to disown the Loan Charge, acknowledge it was a mistake and profound failure; plus make the commitment that the Conservatives will not repeat such a mistake - and also commit to repeal the Loan Charge and reinstate normal tax rules if you are elected at the next election.

In the meantime, we hope you will join other MPs, including the Conservative Co-Chair of the Loan Charge and Taxpayer Fairness APPG, in calling for an independent inquiry into the whole Loan Charge Scandal. The recent review commissioned by this Labour Government was nothing of the sort and was a review only of settlement terms, with the sole aim of encouraging people to pay. A genuine inquiry is needed including whether HMRC themselves mis-sold the Loan Charge policy to Ministers.

We hope you will take this opportunity to rebuild some trust with thousands of UK freelancers and contractors and giving reassurance that the Conservatives would never again seek to pass retrospective tax laws, by publicly acknowledging that the Loan Charge was a terrible mistake and apologising for it.

Yours sincerely,



Steve Packham
Spokesman & Executive Director

Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group

cc Iain Dale
Greg Smith MP