



Sarah Olney MP and Sarah Green MP
House of Commons
London
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20th May 2026,

Dear Sarah and Sarah,

[Your questions to HMRC at the Public Accounts Committee and lack of proper answers](#)

First of all, thank you both very much for raising the Loan Charge scandal at the Public Accounts Committee (PAC) oral evidence session with HMRC on large business tax compliance on Monday 18th May.

As you know, a Freedom of Information response revealed the extraordinary costs HMRC has incurred in administering the Loan Charge since it came into force in 2019, plus the recent McCann Review also revealed the staggering failure of the Loan Charge.

The [McCann Review report](#) revealed that the annual costs of dealing with the Loan Charge has been £31 million a year since 2019. **Therefore, in the last six years, it has cost HMRC £186 million to collect just £44 million from 800 affected individuals, out of an estimated 37,000.**

As you also know, [the Loan Charge and Taxpayer Fairness APPG raised this with the Public Accounts Committee in a recent letter](#), urging it to do an inquiry into the whole matter.

You both raised this extraordinary failure and huge costs, yet Jean-Paul Marks, the First Permanent Secretary and Chief Executive, failed to respond at all on that point. Moreover, he failed to give you and the Committee any sense of the ongoing costs of the Loan Charge and indeed, glossed over this in a way that was evasive and unhelpful, considering the extraordinary reality of the cost of the Loan Charge to date.

Sarah (Green) you specifically asked, *“To date you have settled only £52 million of a total £1.7 billion tax liability, so how can you give us assurance that the approach you are taking is value for the taxpayer?”*

It is also notable that Mr Marks said, “we believe” and “we think”, as opposed to giving you and the Committee any convincing answers about the projected results, revenue and costs of the McCann Review proposals as implemented by the Government. Considering that it is now known that HMRC has been spending an extraordinary £31million a year on the Loan Charge alone since 2019, this is simply not good enough.

Rather than giving any assurance of value for money, Mr Marks referred to a figure of £4.4 billion, however it is important to note that this is not directly related to the Loan Charge, nor is it clear what it includes or what HMRC classifies as an ‘employer’ as opposed to an individual (and it is notable that HMRC has never answered this question, despite repeatedly being asked). This is all so typical of the way senior HMRC officials have consistently given a conflated and misleading picture of the Loan Charge scandal for years, a picture which we now know is markedly different both in terms of the reality of what has been collected and the costs involved in doing so.

In the letter from the APPG, it reveals that the infamous £3.2/3 billion figure, that has long been used by HMRC and by Treasury Ministers to justify the uniquely draconian Loan Charge, is itself

not only a flawed figure, but actually a fundamentally dishonest one. As the APPG point out, Government figures show that over half of this sum - £1.6 billion - was merely an estimate of the potential value of what HMRC predicted would be saved by *detering* future use of such schemes. It was never money that would be collected by HMRC, but that is precisely what it has been presented as, regularly, by Ministers and civil servants. **It is therefore now known that this figure, used to justify an approach that has led to eleven suicides, is in itself a lie.**

Mr Marks responses avoided answering the two fundamental questions, that HMRC must answer:

- What HMRC has to say about the fact that it has cost around £186 million to achieve just 800 settlements with individuals and how they can justify this.
- How much it will cost the taxpayer for HMRC to 'resolve' the remaining 37,000 cases (as well as the other related cases). If 800 cases has cost £186 million, then what will be the cost of resolving all of these?!

Mr Marks said nothing on either of these fundamental points. This is not good enough. **Before carrying on with the same, failed approach, of pursuing what the Chancellor calls 'victims of mis-selling' for money most of them do not have (and in the cases of promoters fees HMRC is insisting on taxing money that has never even been received) HMRC and the Treasury must publish their estimates of the full costs of doing so.**

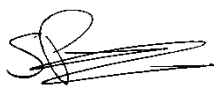
There remains a clear and pressing case for PAC to properly hold HMRC to account over this, both in terms of the profound waste and misuse of taxpayers money up to now and also to be forced to reveal how much it will cost to pursue all the remaining cases. Without this figure, it is impossible for anyone to judge whether the continued approach, via the McCann Review proposals as implemented by the Government, will represent a sensible use of resources.

We hope you will seek to persuade your colleagues on the Public Accounts Committee that due to the scandalous misuse of resources and the failure to admit the costs going forward, that PAC must hold HMRC and Ministers to account and launch an inquiry into the Loan Charge Scandal.


Finally, we wish to point out that it is grossly offensive, as well as deeply disingenuous of Mr Marks to refer to the people being pursued (and bankrupted) by HMRC as "customers". The reality, as he well knows, is that HMRC has been ruthlessly pursuing those who were recommended to use remuneration schemes to avoid being caught by the flawed and confusing 'IR35' legislation or to invest in their businesses - and recommended to do so by Chartered Accountants, blue chip recruitment agencies, accredited tax advisers, as well as scheme promoters/operators. Those still caught up in this nightmare are most certainly not "customers", but victims of HMRC and of bad legislation as well as mis-selling by professionals; and as the Committee knows, eleven so-called "HMRC customers" were pushed by HMRC and by the unfair Loan Charge to take their own lives.

Thank you again for raising this matter, we hope the Public Accounts Committee will properly pursue this.

Yours sincerely



Steve Packham
Spokesman & Executive Director



Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group