



Media Information 5<sup>th</sup> September 2019

## **PRIME MINISTER ANNOUNCES LOAN CHARGE REVIEW DURING PROTEST BUT NOW NEEDS TO ANNOUNCE SUSPENSION OF LEGISLATION WITH MORE LIVES AT RISK**

**During a day of unprecedented political turmoil, Boris Johnson took time out at PMQs, 4<sup>th</sup> September 2019, to grant a ‘review’ of the controversial Loan Charge legislation.**

During PMQs, Ross Thomson MP asked the Prime Minister the following:

*“Thank you, Mr Speaker. Like me, I know that my Rt Hon friend has deep concerns about unfair retrospective loan charge. It is tearing families apart, driving people to despair and reportedly some to suicide. With over 8000 people signing my petition, saying that we cannot go on like this, can my Rt Hon friend advise the House on what urgent action his government will be taking to address this?”*

To which the Rt Hon Boris Johnson MP, replied:

*“I thank my Hon friend as this is an issue that my own constituents have raised with me and I know that many of my Hon friends have had this issue raised with them and I’m sure that members on all sides of the house have met people who have taken out loan charges in the expectation that they could reduce their tax exposure. It is a very very difficult issue, a very very difficult issue and what I have undertaken to do is to have a thorough (going) review of the matter. And, of course, I will make sure that my hon friend has every opportunity to have further discussions with the Treasury about how to redress the situation”*

The concession coincided with protests outside Parliament with campaigners calling on the Prime Minister to honour pledge he made at the Conservative Leadership hustings in Carlisle on 1<sup>st</sup> July 2019, to a “*proper independent review*’ where he stated that the Loan Charge victims ‘*were encouraged to do it [agree to Loan Charge related employment arrangements] and they were told it was an acceptable thing to do. It seems superficially unjust to me that they should then be retrospectively pursued for what they were told was an entirely legal option.*”

The Loan Charge legislation is a punitive retrospective tax policy that is threatening UK contract workers and their families with bankruptcy.

Organised by the Loan Charge Action Group and Sponsored by Sir Edward Davey (Liberal Democrat MP for Kingston & Surbiton), campaign protestors met yesterday with some of the 100+ supportive MPs who have written to Boris Johnson and Sajid Javid in support of the suspension of the Loan Charge and an independent review of the legislation, to make sure

their voice continues to be heard amidst the Brexit protests and political turmoil of the government's defeat where it lost its majority, potentially signalling the end of this government.

The protest was preceded by a powerful candlelit vigil outside Whitehall offices on Tuesday evening, 3<sup>rd</sup> September 2019, where campaigners handed a letter to the Prime Minister on behalf of families of those who have tragically taken their own lives facing the 2019 Loan Charge, imploring him to *'immediately suspend this dangerous and unfair policy'* that has already claimed six lives in the last year.

Their letter describes how *'facing large and unexpected retrospective tax bills, at least six families have lost a loved one to suicide... decent law-abiding people who were driven to despair and to the tragic decision they took due to the Loan Charge. People who followed professional advice, people who worked hard and contributed to society. Then the Loan Charge was introduced and suddenly HMRC were able to ruthlessly pursue such decent law abiding people retrospectively and with no compassion, when they had never broken the law.'*

*'Nothing can ever bring back our loved ones, whose lives were tragically cut short due to a draconian and surely unlawful policy to demand tax years after tax returns were accepted. Nothing can assuage our profound grief and our loss; but you can at least act to prevent any further tragedies and we are imploring you, and the Chancellor Sajid Javid, to act now and suspend this awful policy'.*

Steve Packham, Spokesperson for the Loan Charge Action Group said:

*"We thank all the MPs who continue to support the campaign against the draconian Loan Charge. It is welcome that Boris Johnson has announced a review into this policy, which has already cost lives, but without a suspension any review is meaningless and more lives are at risk.*

*"The Prime Minister himself backed a suspension in March in a letter to Phillip Hammond, now he needs to show leadership and do it. This is the clear message from the families of those who has lost loved ones to suicide facing the Loan Charge who have written to Boris Johnson today. This issue is in Boris' hands and to avoid further tragedy, he needs to act now and suspend the Loan Charge and announce the independent review he promised".*

ENDS

## **Notes to editors**

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1. **The Loan Charge Action Group (LCAG)** is a volunteer run group of people facing the Loan Charge. LCAG seeks campaign to change the Loan Charge and also provided a community where individuals can find information and support. The Group does not provide any form of chargeable service or professional advice. See [www.hmrcloancharge.info](http://www.hmrcloancharge.info)
2. **Full transcript of the letter handed in on behalf of the families who have lost loved ones to the Loan Charge persecution reqds:**

Rt Hon. Boris Johnson MP Prime Minister 10 Downing Street London SW1A 2AA

4th September 2019

Dear Prime Minister,

We are writing on behalf of the families of those who have tragically taken their own lives facing the 2019 Loan Charge to implore you to do the right thing and to immediately suspend this unfair and dangerous policy, a policy you did not introduce. Over the last year, facing large and unexpected retrospective tax bills, at least six families have lost a loved one to suicide and you can imagine the grief we have been suffering as a result.

Our loved ones, who were driven to despair and to the tragic decision they took due to the Loan Charge, were decent law-abiding people. People who followed professional advice, people who worked hard and contributed to society. Then the Loan Charge was introduced and suddenly HMRC were able to ruthlessly pursue such decent law-abiding people retrospectively and with no compassion, when they had never broken the law. The hard-heartedness of HMRC and Treasury Ministers who served under Theresa May was shameful. Despite being questioned repeatedly, both Phillip Hammond and Mel Stride refused to even acknowledge these suicides, never mind offer a word of sympathy. This is not compassionate Conservatism.

What makes it even worse is that both HMRC and previous Ministers were warned about the very real suicide risk from the Loan Charge. Yet instead of acknowledging this risk and calling for a suspension, which would have been the responsible thing to do under the circumstances, they carried on and disgracefully have only been interested in misleading statements and propaganda, deliberately misleading MPs and peers, rather than showing any concern for those suffering, including our families.

Nothing can ever bring back our loved ones, whose lives were tragically cut short due to a draconian and surely unlawful policy to demand tax years after tax returns were accepted. Nothing can assuage our profound grief and our loss; but you can at least act to prevent any further tragedies and we are imploring you, and the Chancellor Sajid Javid, to act now and suspend this awful policy and all associated settlements and call a much needed independent review.

We do not want any other family to go through what we have been through and now you are Prime Minister, you have the power to do this. You supported a suspension and a review when you put your name to the letter to Phillip Hammond in March, so we know you supported this then. Thousands of desperately worried families around the country need you to actually do this now.

Yours sincerely, The families c/o, the Loan Charge Action Group

cc Rt Hon. Sajid Javid, Chancellor of the Exchequer

3. The APPG [Loan Charge Inquiry report](#) published 2<sup>nd</sup> April 2019 exposes the dangerous reality of the Loan Charge, with its impact on people's mental health. The report calls

for a delay and suspension of the Loan Charge and all associated settlement and an independent Review into the Loan Charge led by an experienced tax judge