



Loan Charge Action Group

HMRC Experience Survey Report

Survey Overview

The following survey was emailed to 4,452 Loan Charge Action Group members. The premise was to collect statistical data and evidence regarding taxpayer's experience with HMRC in relation to their Loan Arrangements. The survey questions were designed based on the open question asking, "Do you have any further comments on your experience with HMRC behaviour" from The Preliminary LCAG Survey on HMRC Behaviour conducted in September 2019. LCAG placed an emphasis on the need for evidence in the survey request to support member's experiences¹.

Given that verbal interactions between participants and HMRC staff were rarely recorded by members not everyone was able to supply such rigorous data to support their experience². Perhaps more importantly, many were unable to supply documents and witness accounts because they did not keep records beyond a 4-7 year timeframe, which is concerning, given that the legislation goes back 20 years. Nevertheless, the sociological evidence provided from the comment section is valuable in its own right for understanding taxpayer's experience and serves to supplement the statistical analysis with a more robust context.

In general, the survey provides statistical proof that HMRC's treatment towards those who utilized Loan Arrangements is inconsistent and discriminatory. HMRC's erratic actions, inadvertently one hopes, leads to a systematic discrimination on various fronts in the way tax payers are treated differently from one another and from other members and institutions in the United Kingdom. For instance, it is unfair for one person to have the opportunity to settle for a lower amount and deny another the same experience; or pursue one taxpayer who utilized an arrangement but fail to do the same for another when the Loan promoters were known to HMRC at the time taxes were filed. This is simply a sample of how these participants are treated by HMRC and yet many of the results show that over 50 to 80 per cent experience this type of treatment.

In addition to HMRC's inconsistent approach and policy practices, participants lament that the Loan Charge legislation itself is discriminatory; they say this is because the law does not penalise other promoters or businesses who continue to benefit from these arrangements at the expense of the contracting and small business community. HMRC's implementation of the Loan Charge appears to punish users only and retrospectively so.

¹ The need for evidence as well as examples may account for the lower response rate.

² The response rate, compared to other surveys was only 18 per cent where as previous requests were around 40 per cent. There was a concern that fewer members would partake in the survey because of the hard evidence request, in addition to the other simultaneous asks to fill out additional surveys and evidence requests for the review. Needless to say, given the nature of the review to supply as much documented evidence as possible, LCAG took the risk.

Analysis Summary and Suggestions:

HMRC's conception and implementation of the Loan Charge is based on either a prejudicial view of taxpayers utilising loan arrangements and how they operate in the UK economic-social system or perhaps it is a failure to undertake a proper impact assessment of how this legislation can impact society.

Whilst it is understandable that government institutions will make administrative mistakes from time to time, however the statistical data suggest something more endemic is occurring and the consequences of these errors and inconsistencies result in discrimination between taxpayers on that basis alone. No one should have to wait over a month to receive a reply from HMRC regarding their questions and concerns - especially when interest is accruing. Equally, taxpayers deserve to know and understand at what point they no longer need to worry about their tax affairs. If mistakes are made, coming back four years later, let alone 20, leaves the taxpayer at a severe disadvantage to rectify the situation without a severe detriment to their financial and holistic wellbeing.

Given the over complicated tax system, HMRC need some allowances in which to operate; Big Business has the resources to plan for this, but contractors and small business owners do not and they are subsequently disadvantaged. This is a result of an over complicated system that does not recognise the gig economy or small business owners as a legitimate function in the socio-economic system that favours large corporations. HMRC needs to find a fair way for them to operate their affairs in the economy and tax code.

Just as importantly, the vast majority of taxpayers are likely unaware of the ways and the number of years HMRC are entitled to go back for taxes. Adding to this complex situation is taxpayers' interpretation of when they are safe. Given that they are busy running a business, working and living their lives, filing taxes at the end of the year and not hearing back in a year's time that there is a problem is understood to mean that HMRC finds their situation to be in good order. This sort of social understanding needs to be understood in greater detail to come to a 'fair' solution for both the taxpayers and HMRC to investigate; and then for HMRC to learn how to actually 'help' and provide supportive assistance beyond, 'you need to pay' comments.

These suggestions will need to be addressed in conjunction with a re-evaluation of the tax code. It needs to be made simple and understandable as well as adjust to the way in which the public is utilising freelance community and small business owners.

Conclusion:

Ironically, HMRC's implementation of the Loan Charge legislation fails to tackle tax avoidance. They do however succeed in discriminating against taxpayers who utilized Loan Arrangements by referring to their actions as criminal for following the professional advice at the time and then retrospectively deeming such arrangements as 'illegitimate' or from a taxpayer's understanding - illegal.

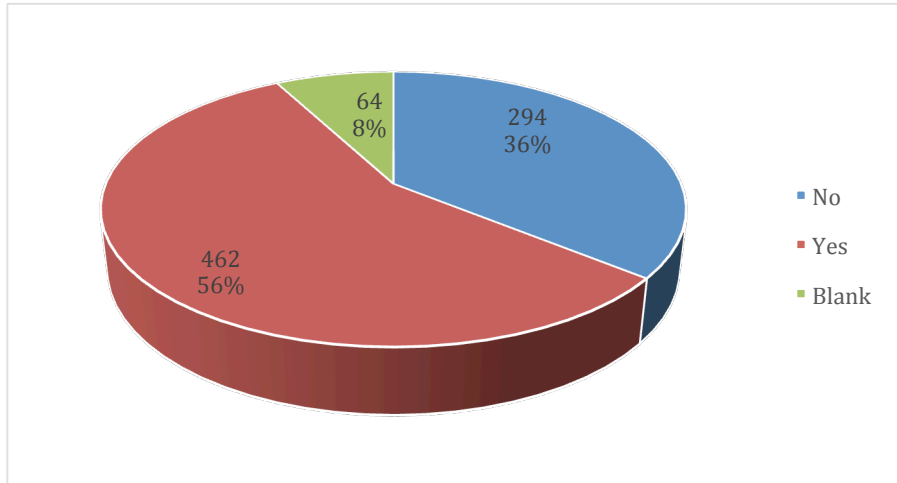
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HMRC is inconsistent on various fronts with regards to their treatment of taxpayers. The comments as well as the statistics indicate that HMRC is failing to act consistently nearly 50 per cent of the time or worse, as is the case for issues surrounding miscommunication. As the only institution privileged with the responsibility of collecting taxes and protecting taxpayers, it is imperative that they re-evaluate the Loan Charge legislation; eliminating any use of retrospective or retroactive tax legislation and re-examining day to day operations and staff training in order to provide a respectable service that restores faith that they are a fair and reputable institution through their actions and not just by what they write alone.

In other words, simply stating that “we take into account one’s personal circumstances so they can settle their tax affairs”, does not mean that they are actually acting on that policy, as is indicated by the 64 per cent who were given insufficient time to pay and an additional 16 per cent who still have not heard from HMRC about their Loan Arrangement situation despite telling them before April 5th 2019.

Survey Results

1. Have you experienced unfair or inconsistent treatment from HMRC: (for example receiving enquires when others involved in the same arrangements did not, or being informed that expenses cannot be considered in settlement when you know that others have had these included etc.)



56 per cent (462/810) Yes
36 per cent (294/810) No
8 per cent (64/810) Blank³

56 per cent of LCAG members have experienced unfair treatment in various forms. Some have received different settlement figures, sometimes from different departments. They know of others (family/colleagues) who were involved with the same promoter for the same number of years who have not heard from HMRC at all.

Just as distressingly, HMRC has allowed different settlement terms such as allowing expenses, written confirmation that this would be final settlement, reclaiming National Insurance back or different Time to Pay options to one taxpayer, while refusing another. Others are given different or inaccurate settlement amounts and HMRC do not answer participants' questions, particularly with regards to how the figures are calculated or what the calculations mean.

Although some members marked 'No' or 'Blank' their reasoning was usually due to the fact that they did not know another's situation to compare, or HMRC has not engaged with them despite having showed their interest to settle⁴.

³ Those who left blank are either still waiting to hear back from HMRC to properly engage with them

⁴ Whilst not directly related to the question, the lack of engagement from HMRC shows they are providing a disservice to taxpayers who continue, despite vehemently disagreeing with this legislation, to engage with HMRC to put their tax affairs in order.

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A simple assessment is that taxpayers are simply not receiving the same treatment from HMRC.

Sample comments:

- Yes, my ex-husband's Brother in law received all the tax from his APNs back, and his brother did not have to pay Class 4 NICs. They were both in the same DOTAS numbered scheme. My ex, however, is down to pay max tax + interest + penalties and NICs.
- My accountant received initial settlement figures 5 months after all my expenses, earnings, loans etc. were submitted to HMRC in Excel spreadsheet format. These were highly detailed (receipts available for all) with every expense incurred during my contract time. The HMRC response ignored all expenses! They simply looked at the credit side of the figures and based the settlement on that. Even a £9120.00 tax payment was ignored !!!!
- I was told that I would need to pay Employer NI as well as employee NI. Another in exactly the same scheme had a letter (I have a scan of this) from an HMRC officer that he was not liable for that.
- I spoke with a case worker when I called to arrange a TTP for an APN. When I initially called she stated that she would reduce the amount to an even number of £77k but when we finally worked out the repayments she added it back on and called me a liar. I asked her for a recording of the conversation which she refused to give me. I
- Other individuals who worked through the same umbrella company at the same time in the 2017/18 tax year have not received any correspondence. I have made two calls to HMRC and on both occasions received different advice. The first time I was informed that I would receive a settlement until the umbrella had been taken to court and she suggested this would take a long time but if I provide all my current account statements, they would provide a settlement figure. This could be done via email. The second time I was told that I could not send them by email and that I had missed the deadline and that I would be paying the loan charge settlement when it came through. The difference in time was two days.
- I wasn't aware that others had had expenses included in their settlement figures. I had been told by HMRC that I could not include settlements. I have also been advised that if I don't settle, I will be taxed on fees and charges paid to the management team, which I don't think is consistent for all impacted.
- Yes exactly this: - The person doing the same job as me, sitting next to me, with the same employer, on the same scheme as me has all closed years yet I have all open - Treating the tax payer fairly!!!!? - Further angered that someone on the same arrangement received a letter in 2003, some 5 years before I was advised to use this arrangement. So HMRC obviously knew about this arrangement, so why didn't they SHUT it down then to protect others being scammed and why didn't they

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warn me in the first year when our employers filed our tax returns under the PAYE system. Surely they have breached your duty of care?!

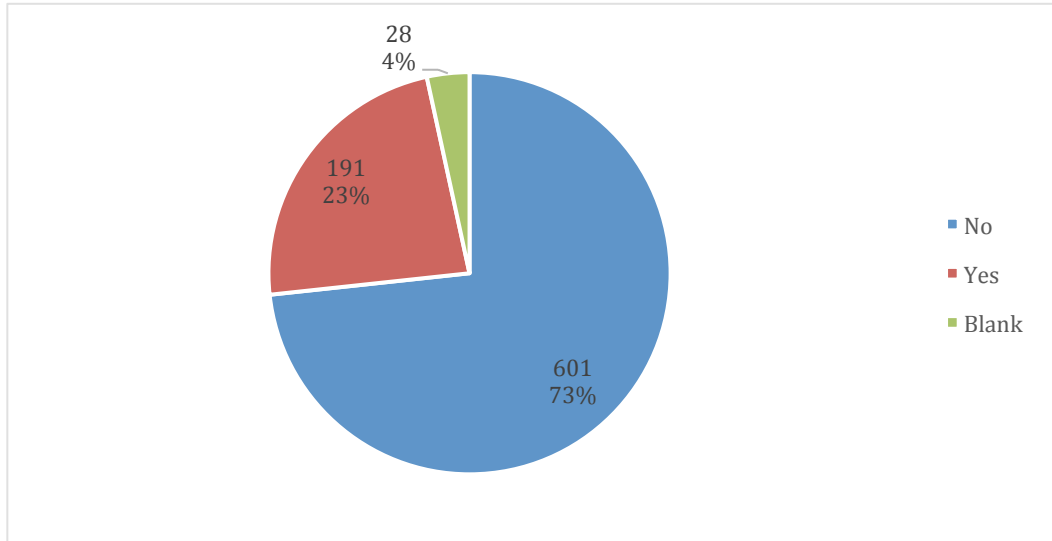
- I am not in contact with anyone else in the same arrangements as me, so I am unable to compare my treatment. However, one demand that I received from HMRC included an amount of £2,490 labelled 'Forward interest' with no explanation of what this is. I wrote to them on 28 April 2019 asking what this was and have still not received a reply.
- After paying my APNs in 2015 in response to HMRC's initial enquiry, I received written confirmation from HMRC "that all payments have been received from you for the Edge Consulting Ltd Scheme for the 2009 and 2010 tax years and there is nothing further for you to pay." Nevertheless, I have subsequently been instructed that there are still further amounts to pay in respect of these years.
- No explanation as to why not all expenses were accepted. National insurance missing off friends letter but 10k on mine...again no explanation when prompted and we both earned similar. Lower settlement offer on one letter received to then be told it was wrong and to discard it. New letter was 9k more
- Inconsistent approach to expenses. Initially saying expenses could not be taken into consideration then saying they could but evidence was required. Evidence provided only for HMRC to then say that they did not believe expenses were wholly and exclusively in the performances of my duties despite my place of contracted work being 140 miles from my home address.
- I know of people who have received nothing from HMRC who used the same arrangements that I did
- HMRC have tried to charge NIC to me personally despite the fact that I am an "employed contractor" under their own settlement guidelines and should not have been charged to me. This would have increased my settlement from £27,000 to £42,000. If I had not had professional representation I would have been unable to defend this.
- After I told HMRC about my involvement in Loans under the 'Contractors Settlement Opportunity' HMRC told me in 2014 that for tax year 2007/08 there would be 'no further action'. Here we are in 2019 and they are still pursuing me for that tax year. I have provided the evidence to LCAG.
- My accountant, acting on my behalf in any conversations with HMRC, noted that they have entirely ignored any requests for confirmation of figures that we have given them, particularly in relation to amounts of tax levied at the time, that might be offset against monies allegedly owed under the loan charge legislation. We can only conclude that they either do not have records of these transactions (declared freely to them at the time) or are unwilling to admit that taxes were paid at the time. These figures might be used to offset against charges they are now claiming.

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- Yes, I have been assessed for tax. There are people who engaged in the same arrangement, have open inquiries, but who haven't been assessed for tax. Equally, I know people who have disclosed the arrangement on their tax returns, but haven't had an inquiry. Also: HMRC have assessed a number of participants in my scheme for tax. The letters it uses are extremely similar or identical, in all regards except in respect of the time it has taken for HMRC to raise the assessment. If HMRC makes the discovery assessment within 4 years, it makes no reference to careless or deliberate behaviour. HMRC are permitted to go back up to 4 years, without alleging careless or deliberate behaviour. If HMRC makes the discovery assessment within 6 years, it makes reference to careless or deliberate behaviour. Without this allegation HMRC wouldn't be able to go this far back. If HMRC makes the discovery assessment beyond 6 years, the letter makes reference to deliberate behaviour. Without this allegation HMRC wouldn't be able to go this far back. I am aware of individuals who have made contributions to the same scheme, in exactly the same way, for different tax years and have subsequently been assessed. The assessment letters are identical, save for the alleging of careless behaviour, or not, depending on how far back HMRC have had to go.
- 1. Incorrectly calculated numbers (they don't actually add up!) 2. inheritance tax in scope on page 1 of a letter and page 6 not in scope for inheritance tax. 3. Capital gains tax added when I had no capital gain in 2009. 4. In 2011 I did not work AT ALL - categorically no chance I could work - I received APN for that year - guessing I worked
- I paid GBP 1000 to a company called PTS Limited, a sub company of AML I think, who advised me that they would do all the negotiating with HMRC for me and get me a settlement figure. After they liaised with HMRC they advised me that the settlement figure was GBP 45k, which back in Sep 2018 I agreed I would pay. Shortly after that I got an email from HMRC stating that they had received my request to settle and gave me another figure of GBP 126K! I have written to them twice since then asking for clarification, and copied in PTS Limited, but have not had a reply. I re-resent the email in May this year, with all the supporting evidence from PTS Limited's emails, but have heard nothing back; neither by email or letter.
- I know of at least one case, very similar EBT usage, same OPEN enquiry letters received BUT their OPEN years have subsequently been closed. IN addition my SAR request came back with my years as ALL CLOSED but I was then subsequently informed they were wrong and that my years were in fact open. This misinformation had repercussions in that I could not make use of CTDs.

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2. Have you personally, or know others who have negotiated smaller settlement amounts while others have been unsuccessful?



73 per cent (601/820)	No
23 per cent (191/820)	Yes
4 per cent (28/820)	Blank

Those who reported they knew someone who negotiated a smaller settlement amount (23 per cent), stated that their friends, family or colleagues managed to do so by having fees, interest, or penalties waived or the tax payer was allowed to deduct expenses.

There were a few cases in which the survey participant knew someone through the grape vine or personally who managed to reduce their fee (sometimes significantly), naturally very few have documented proof to support their claims considering the sensitive nature of the data, few would likely ask their colleague to share their tax correspondences to prove this was the case. Needless to say, participants are reporting that they 'know' that HMRC are acting inconsistently with settlement offers.

Regardless as to whether HMRC have a reason to justify their actions or there is an operational issue amongst staff, such behaviour disadvantages taxpayers unfairly and is effectively a form of discrimination, as taxpayers are not receiving the same treatment. The question that needs to be considered amongst HMRC is whether the unfair treatment is occurring due to prejudice, issues such as lack of staff training and support or both.

Sample Comments:

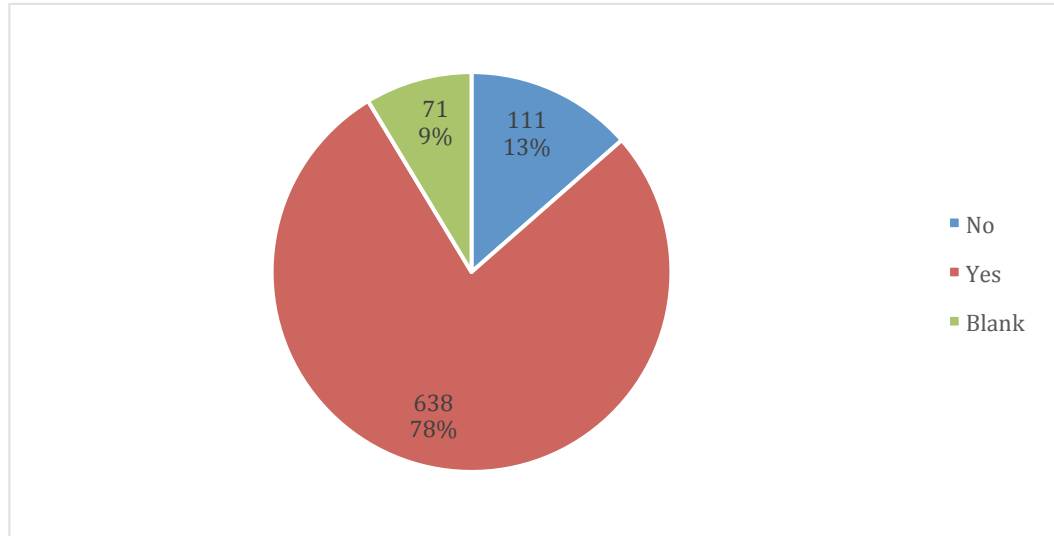
- My colleague and I were on the same day rate. I was liable for 2.5 years but he was liable for 4. He has settled for 2/3s of the amount that I have been offered.
- No but a colleague told me a friend of his negotiates 20k rather than 40k by saying it would cost HMRC more to take him through the courts - his offer was apparently accepted.

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- My provisional settlement figures include IHT, but I am informed by my lawyer several of his other clients have had IHT waived for similar Trust arrangements.
- I have an amount outstanding with HM and proposed a smaller settlement amount which they accepted and which I am paying. But they have not come back to say what will happen with the difference, which is wholly inconsistent.
- I have known some old colleagues who were been contacted by HMRC in early 2014, when they were given a huge bill of over 20K for 3 - 4 years exposure successfully negotiated with HMRC to reduce them to just 2,000 £ as a final settlement ! But I never had a chance to negotiate or I was not very good at negotiating and find the right person in HMRC to negotiate the same. My colleague is not willing to give the details right now for the fear of reopening his case with HMRC.
- I cited many instances where HMRC have allowed smaller negotiated settlements than the original amount owed in the private sector, but was told that this was not possible for LC. I also asked for tax deposit to be used instead (should HMRC be found to have acted improperly) this was also denied I was informed that this was no longer possible (as of November 2017 ? - which also seems timely)
- Yes. I am aware that contributions to the arrangement I engaged in made via limited companies are not attracting penalties on settlement, whereas self employed individuals engaging in the same arrangements are required to pay penalties. This is the case even if the limited company only had one employee and one shareholder.
- I know someone that has had to sell their house whereas someone else was given 15 years to pay it back. Total inconsistency.

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3. Have you experienced communication issues with HMRC: For example - HMRC staff have insufficient knowledge to answer questions, ignore questions, do not respond in a timely manner or at all or misleading or inaccurate information given, taken months to receive settlement confirmation)



78 per cent (638/820)	Yes
13 per cent (111/820)	No
9 per cent (71/820)	Blank

The miscommunication experienced by 78 per cent of participants includes: inaccurate figures, huge delays between communication, refusal to answer questions, complaints that staff are unaware or unable to 'help' a taxpayer regarding their queries about the Loan Charge, backdated letters, insisting on taxpayer responding to settlement agreements and payments under 30 days. HMRC's failure to answer questions appropriately and timely causes great distress and prevents the taxpayer from understanding or learning how to solve their situation. HMRC's miscommunication erodes trust and participants find that they cannot trust HMRC, or the employment and tax industry as a whole. This leaves taxpayers without anyone to turn to for tax expertise as the revenue places the blame on the individual taxpayer regardless.

HMRC's failure to respond in a timely fashion means that the taxpayer is unable to plan for their future or even their day-to-day finances, thus exasperating the uncertainty caused by the retrospective element of the Loan Charge that leads one to despair. Whilst not directly linked, news articles highlighting that MPs have their separate and direct line to HMRC staff solidifies the discrimination they experience. It would be interesting to know how MPs rate the treatment received from HMRC staff to see whether they too experience issues or if not, to implement better staff performance to all citizens.

Sample Comments:

- I sent my settlement pack in September 2018 and didn't have a response. I rang in July 2019 and was told they had no record of me and would call back ASAP. They

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never did. I called again in August and was told no record again and was advised to send to the email again.

- I have provided documentary evidence where HMRC have taken 100+ days to respond to my communications yet require a response from me in 30 days. I have recently experienced blatant lying from HMRC with regards to my Settlement negotiations. They claim to have received information from my scheme providers after entering into CLSO2 negotiations yet this particular scheme provider closed down in 2013.
- On the matter concerning 1 above I frequently spoke to HMRC staff who sounded sympathetic but needed to refer the matter. I eventually got a call from an HMRC official at work, which was embarrassing, who kept with the line I needed to pay and would not respond to questions or points I put to him
- HMRC gave inaccurate information on what was to be taxed and after my tax advisor corrected them it took more than 5 months to receive updated settlement calculations.
- I notified HMRC that I am seriously ill, triggered by stress/anxiety from Loan Charge. I think HMRC have put me in their VULNERABLE PERSON category and despite this their responses have been unbelievably slow. HMRC have consistently failed to respond in a timely fashion, taking months to reply to each question or query sent by either myself or WTT on my behalf. The average time for an HMRC reply to me is 56 days (this is tabled and emailed to you separately) HMRC first refused to discuss the settlement amount relating to my former Limited Company, stating that I did not have a right to that information as a former Director. Then, when it was in their interest, they decided they could give me the information. HMRC refused to answer sensible technical tax question from WTT, simply stating they (HMRC) were right without giving reasons.
- I find the answers to questions confusing, they do not directly address my questions, they provide links to legislation or guidelines to back up the vague responses, which do not address my questions.
- Initial settlement calculations have been provided in Excel spreadsheets and contain multiple errors. These include failure to carry over figures properly from one sheet to another, incorrect data, missing calculations, erroneous calculations etc.
- HMRC after a formal request for their suggested Settlement figure took nine months before actually submitting a proposal. In order to make progress I appointed an Advisor to act on my behalf and he was passed from office to office resulting in him corresponding with 5 different offices in all parts of the UK. When queries on the Settlement amount were raised responses were basically “ this is the amount we have calculated so either agree or we will impose the Loan Charge” at no time were legitimate queries about the legality of their calculation ever answered and all were ignored. Finally I received a response giving me 7 days notice to agree or the

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Settlement would be withdrawn! I am still awaiting a reply to my request for an interest re-calculation due to their delay and a claim for my costs associated with my Advisors fees for 9 months work on my behalf!...

- Yes I have called the HMRC helpline to deal with settlement - people on the phone don't have knowledge or power to deal with any query and simply say it will be referred to case handler. Below is transcript of email sent to HMRC on 8th of August, I have had no response. "I am responding to the letter received dated 21 June 2019 : UTR: XXXXXXXX Case Ref: CFS-XXXXX Please be advised that this letter has not been sent to my Tax advisor and was sent to me. Please note my tax advisor detail are below and should be in copy of all correspondence. After submitting my contractor pack in September 2018 - I received an initial letter from you on 25th Feb 2019 – which included the CL5a form, please note that the form was not returned as I had some queries on the figures and information on the form. My tax advisor at the time raised these queries to you via email to Elizabeth McMaster on Thu, 14 Mar, at 11:37, we had no response I then followed up with a further email on 05 April 2019 17:10 – and again there was no response till we received letter dated 21st June. So effectively it's been 5 months since we raised an inquiry and received no response. I have further queries on the letter sent on the 21st of June – if this takes another 5 months to respond to I feel I will be consciously caught in limbo. Please clarify if HMRC feel it's acceptable to take 5 months to respond to queries – and then give me 30 days to respond – given that this letter arrived in the holiday season and I was away for two weeks?"
- I called the tax office at HMRC and they told me I had no outstanding issues for the previous years in question. They also had no idea what the loan charge was. I've also tried multiple times to email HMRC on the subject and only ever got an auto response which months later and only sometimes did someone write back saying they needed more info to be able to respond.
- HMRC have informed me that I am 'affected by the loan charge' however I do not have any documentation that suggests that I signed a loan agreement, and I no longer have access to my employers so I have no idea how they have to this conclusion. I have also asked them if I am to assume responsibility for my employer's PAYE arrangement and if this in fact the case for all employees, and they have just ignore my query.
- I requested time-to-pay terms based on what I proposed to be able to pay in Sept 2018; I received a phone call to discuss this in Feb 2019; I agreed terms then but did not have them confirmed in writing until the end of April 2019, by which time I had lost my job and used up some of the savings previously earmarked towards settlement. I wrote to HMRC in late May 2019 about this and have had no reply yet (end-Sept 2019). I have received several monthly demands for the shortfall in settlement payments despite having written, and when I spoke to the Debts and Compliance team they were unable to change the time-to-pay terms to allow for my change in circumstances, so I still do not know who to talk to about this.

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- I emailed HMRC in Feb. 2019 to find out if I repaid the loan to trust, would this remove the APNS and close any open enquires. They could not answer this question. Months in between communications has further added to stress and strain on my families mental well being.
- My wife, daughter and I all submitted requests to HMRC back in May 2018 for settlement figures under CLSO2. Neither my wife nor I received any settlement packs or response from HMRC. My daughter did receive a settlement pack which she duly completed and returned and has only just (Sep 2019) received her settlement figures from HMRC saying she needs to accept their offer by the end of this month (whilst the independent review is still underway). My wife received some settlement figures earlier this year but has never provided any information on her loans so isn't sure how HMRC came about their calculations. I haven't received any CLSO2 information or settlement figures at all from HMRC but get regular reminders from them saying I was involved in a DR scheme and will be subject to the Loan Charge.
- I have been contacted by several HMRC agents 'dealing' with my case who either provide lengthy emails (that I suppose are aimed at confusing matters) or other agents (that are contractors themselves as I have looked them up) contacting me with threatening language.
- Helpline was useless - unable to discuss individual cases. What's the point of that?! Also, email turnaround time was measurable in months!
- Loan Charge Contractor helpline operators can rarely answer the questions I have - eg I called to enquire what would happen to my instalment plan on my Settlement Offer if I happened to earn more than £50,000. As a locum healthcare worker, my salary is highly variable and although I declared I would earn less than £50,000 on the Settlement Package, there was a chance I could go over by the end of the tax year. The telephone operator wasn't sure what would happen in this situation, despite it likely being quite a common one among self-employed people.
- I received a request to pay a bill for more than £74,000 for a year that I had taken loans of approximately £56,000. It took a year of correspondence with HMRC and tax advisors to get this bill amended. I wrote a letter to HMRC in April 2019 to request clarification on a number of points in the settlement offer they had proposed. It took until mid August 2019 to get a response and it never answered all of my questions.
- A lot of this was over the phone. I called before I joined a promoter to make sure that these arrangements were legitimate. They said they knew about AML and that it was fine but they were not allowed to give advice about the additional questions I had. I do not have evidence as I did not record my phone calls in 2009
- Absolutely! Getting them to provide any settlement answers at all seemed impossible but when they did, I then had lots of questions about the information

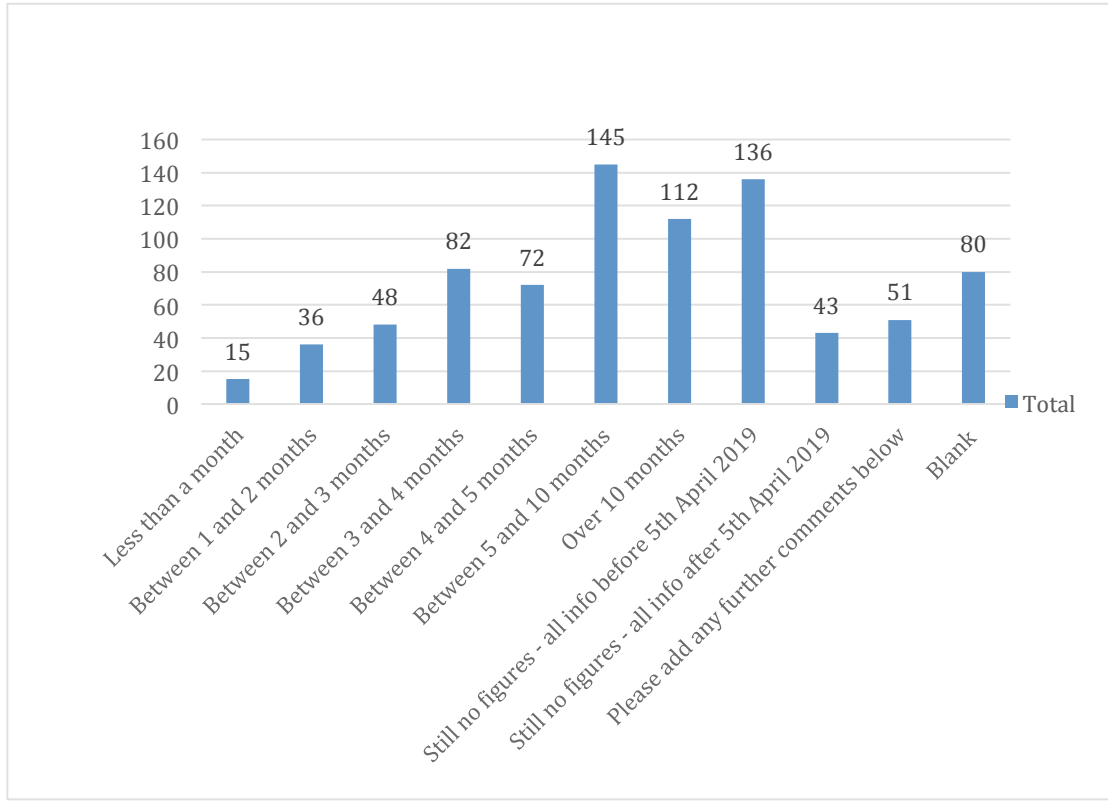
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they provided. Getting answers to this (2-3 simple questions) was even worse, it took them at least 3 months to respond to absolutely simple questions and they never really did answer these properly or provide the calculation response that I asked for.....but of course I then had 30 days or less to accept the offer, which I still had open questions on because of their lacking response

- I queried the figure in the calculations on the settlement figure. They had dated the letter over a week before it was sent by first class post, but still gave me a tight deadline which meant I only had a matter of days to respond. I sent them a letter by recorded delivery before the deadline was up. I then emailed them on the deadline asking them to confirm receipt and heard nothing back. A number of weeks later, I had a reply to the email saying that they had not received the letter and I needed to re-send the information.
- It has often taken HMRC 3-4 months or more to respond. Sometimes this means I have missed tribunal appeal deadlines. Fortunately the tribunal agreed to still look at the situation and HMRC then withdrew a number of penalties they were trying to levy.
- HMRC were sending my settlement details to the scheme address rather than my home address and I contacted them twice to say I had not received any details. I then received an email from the scheme provider saying they had two letters for me. I contacted HMRC and requested they send the details to the correct address and requested a one week review period to reconcile the numbers which they denied and I had two days to go over the bewildering documentation which was not logical or methodical. I am a qualified accountant but couldn't understand the calculations.
- Yes. We were rung in 2016 and asked to pay £96K; then we were rung 6 months later and told it was £146K; a month later, it was £151K. The bill rose steeply but the figures made no sense.

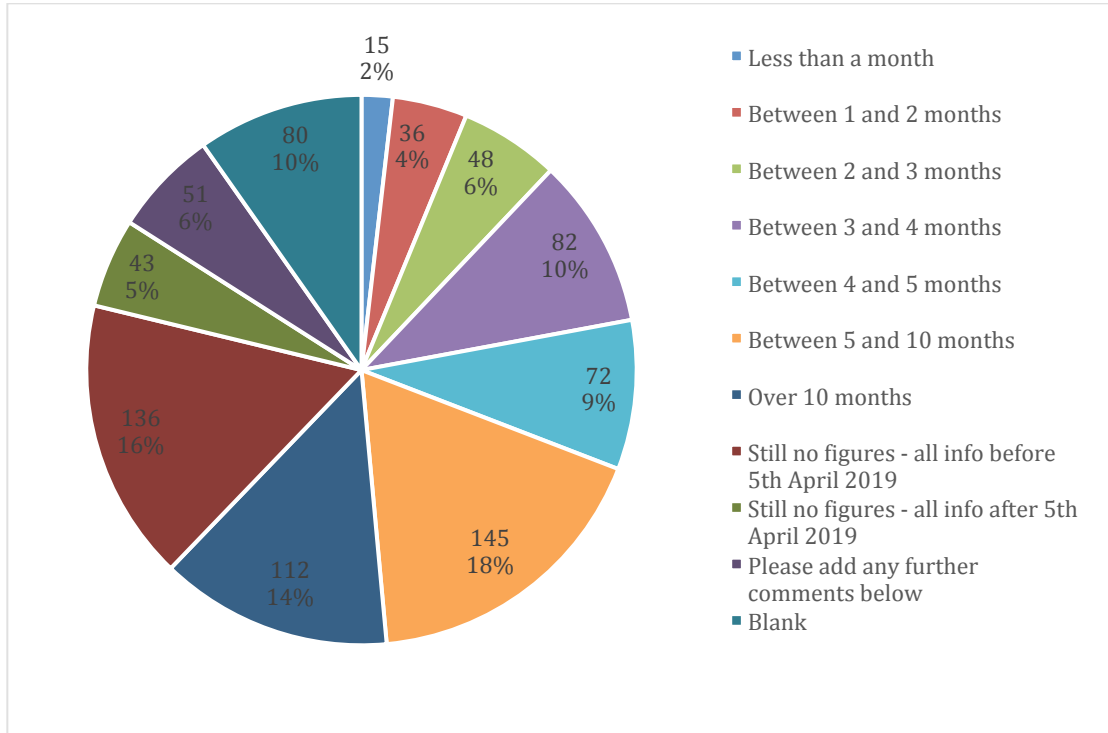
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4. If you have entered into settlement discussions, how long was it between you submitting your figures to receiving a settlement 'offer' from HMRC?⁵



⁵ I have provided two charts, a histogram and pie-cart, to help the reader visualise the time scale it has taken for participants to receive settlement figures from HMRC. A histogram and the pie chart helps one visualise the percentages of those impacted by this experience.

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<p>18 per cent (145/820)</p> <p>16 per cent (136/820)</p> <p>14 per cent (112/820)</p> <p>10 per cent (82/820)</p> <p>10 per cent (80/820)</p> <p>9 per cent (72/820)</p> <p>6 per cent (51/820)</p> <p>6 per cent (48/820)</p> <p>5 per cent (43/820)</p> <p>4 per cent (36/820)</p> <p>2 per cent (15/820)</p>	<p>Between 5-10 months</p> <p>I still have not received my figures despite sending all information in before April the 5th of April 2019.</p> <p>Over 10 months</p> <p>Between 3 and 4 months</p> <p>Blank</p> <p>Between 4 and 5 months.</p> <p>Added further information</p> <p>Between 2 and 3 months</p> <p>I still have not received my settlement figures despite sending all information in after April the 5th of April 2019.</p> <p>Between 1 and 2 months.</p> <p>Less than one month.</p>
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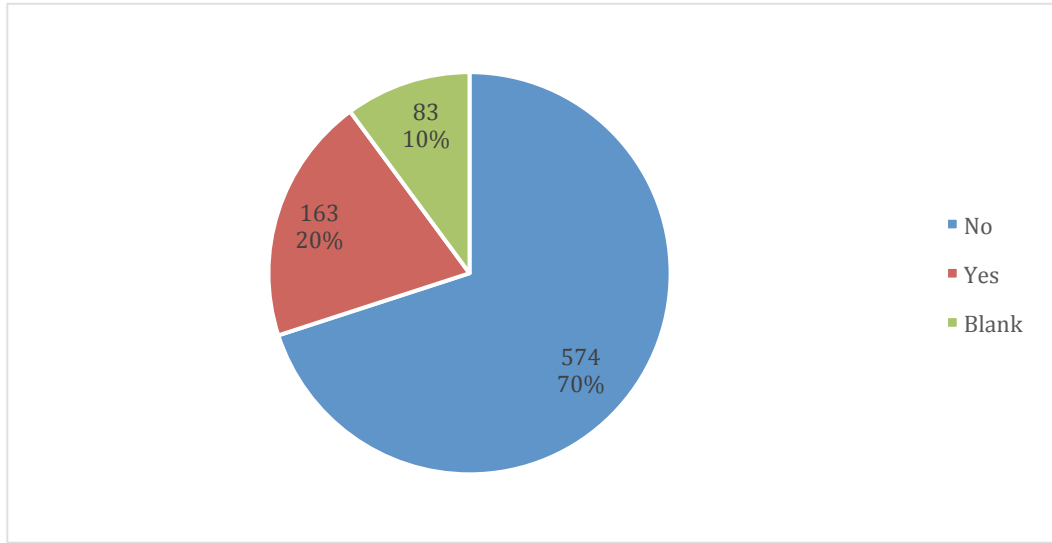
21 per cent are still waiting to hear from HMRC regarding their settlement figures. 16 per cent of whom have not received any figures despite sending in their request prior to April 5th 2019.

A total of 51 per cent have waited longer than 3 months, 32 per cent of whom waited longer than 5 months to hear from HMRC regarding their settlement figures.

Such lengthy times, as noted with the delays in communication from Question 4 cause chaos. The situation prevents the taxpayer from understanding their situation or what to expect and how to plan. Once again, this distresses the taxpayer because they are left in the dark and once again, HMRC's quality control, for lack of a better word, is grossly lacking.

HMRC Experience Survey Report

5. Did HMRC (or Inland Revenue if before 2005) indicate that your Loan affairs were acceptable, either over the phone or in writing?



70 per cent (574/820)	No
20 per cent (163/820)	Yes
10 per cent (83/820)	Blank

Taxpayers are noting that HMRC has either explicitly or implicitly green-lighted Loan Arrangements. Out of 820 responses 20 per cent indicated that their affairs were acceptable by HMRC (or Inland Revenue if before 2005). Those marking 'Yes' indicated that they spoke to HMRC (or Inland Revenue) who confirmed over the phone that the Loan Arrangements were acceptable or they noted that the arrangements were understood by them to be acceptable to HMRC because they were declared on the tax form⁶ and in some cases a rebate was received.

Those who marked 'No' indicated that they themselves or their promoter declared the arrangements each year and that surely if something was amiss then HMRC would inform them. Those who marked 'No' would also indicate that their employer, promoter or Tax Professional reassured them that the arrangements were known and acceptable to HMRC.

Although the 'Yes'/'No' and even the 'Blank' responses are similar, there was nevertheless the overarching theme that taxpayers either directly contacted HMRC to confirm the legality of the arrangements, trusted their arrangements were in order

⁶ Not all Loan Providers declared their arrangements to HMRC, and hence neither would all taxpayers. As the tax avoidance legislation evolved, so to would the promoters. Promoters moved away from utilising 'declared to HMRC' as a selling point and instead sold the arrangements, for example, as 'non-DOTAS' as proof that their services were legit because they didn't need to declare their operation to HMRC.

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because HMRC did not contact them to state otherwise and they trusted the Tax Professional system to abide by the revenue's rules⁷.

In some cases, participants reported that they received a letter indicating that HMRC was looking into the arrangements, but then heard nothing until years later. Thus participants are angry and despondent that, particularly for those who declared through DOTAS, that HMRC did not inform them of the issue when they first filed their taxes.

Once again, HMRC'S seemingly lack of care and due diligence fails the taxpayer who could have had the opportunity to avoid joining these arrangements to begin with or leaving in the first reported tax year. This reconfirms participants' suspicions that HMRC is unjustly targeting them. In hindsight, taxpayers involved in Loan Arrangements now express a view of themselves as victims to the promoters who were mis-selling their services as compliant with HMRC tax regulations. They are also victims of HMRC's lack of action to protect taxpayers. Surely the Revenue has a duty of care to prevent a taxpayer from scams and entering into criminal or even enduring an Orwellian state where 'illegitimate' tax affairs are unclear and subject to interpretation?

Sample Comments:

- I advised HMRC I was involved with the scheme when I joined and I completed a printed form supplied by HMRC which I took as acceptance that the scheme was legal.
- Phone. Queried whether iom schemes were allowed. They said yes. (Over 10 years ago. I have no record and am paraphrasing).
- I called before joining Norla in 2006 and they confirmed the DOTAS number was correct and at no time did they warn me off the scheme.
- Yes had letters telling me all tax had been paid after disclosing on tax return and to counter avoidance team.
- Yes, the scheme promoter showed evidence of correspondence between HMRC and a barrister indicating that the scheme was perfectly legal. All advisers and my "employer" at the time were pushing contractors towards this method of working as HMRC were deliberately creating confusion around the application of IR35 for the more traditional Ltd Company method of engaging.
- I contacted HMRC prior to using the AML service. I was informed that the payment service was within the law.
- I personally phoned HMRC in early 2011 as I was entering into my first contract, I asked them directly if I could use this tax setup. The HMRC agent informed me that

⁷ Looking at the Loan Promoter's literature reinforces this thought he language and presentation that they use to clients where they are always assuring the taxpayer that they are working with HMRC to remain compliant.

HMRC Experience Survey Report

they could not comment on a particular company but that the tax scheme itself was legal and within the law and I was free to use it. I was also told that it would be accepted on my self assessment tax return without issue.

- They accepted my self assessments every year without comment for 6 years
- Note that my tax returns were completed by the Scheme Provider. They did not enter Loan amounts on the tax returns as said that Loans do not need to be disclosed.
- By phone. I also know that some individuals had written confirmation that the loans affairs were acceptable.
- By implication by accepting my return and not questioning these loans until 12 years later.
- In 2011 I personally spoke to an HMRC advisor to ask the question about the company I was going to sign with. I asked that they were aisle Of Man based and payments. And in the form of a retainer and a loan payment. Is this legal? Was advised by HMRC that yes this method was perfectly legal.
- I asked HMRC (over the phone) if using a scheme (Sanzar) is safe from their point of view before I first joined it in 2009. Also called again after receiving the "open enquiry" letter after submitting my first tax return with the scheme - 2 different people from the team which opened the enquiry told me "it's all good" (called them twice just to be sure).
- I didn't have any direct dealings with the HMRC. I employed a chartered accountant to handle my affairs who told me that the arrangements were legal and accepted
- Not entirely. I received a letter from HMRC back in 2011 stating that they were conducting an investigation into my tax return because they felt that I was using an off shore company to pay me. I acknowledged the letter and advised the company I was using at the time (Rathowen) and they (Rathowen) told me to forward any correspondence I received from HMRC regarding the matter. Despite calling and writing to follow up over the months that followed HMRC never got back to me or sent me any further letters regarding the matter.
- Full disclosure on my tax form in 2009 and subsequent years. HMRC said that they were checking. However I had no further correspondence from HMRC giving me the outcome of the checks until the Loan Charge was announced in 2018. Prime Minister David Cameron publicly stated that the arrangements were legal but immoral when he named and shamed a celebrity.
- The Loan Scheme I entered into was registered with HMRC. I checked the registration number and it was registered with them. I thought that meant it was deemed acceptable.

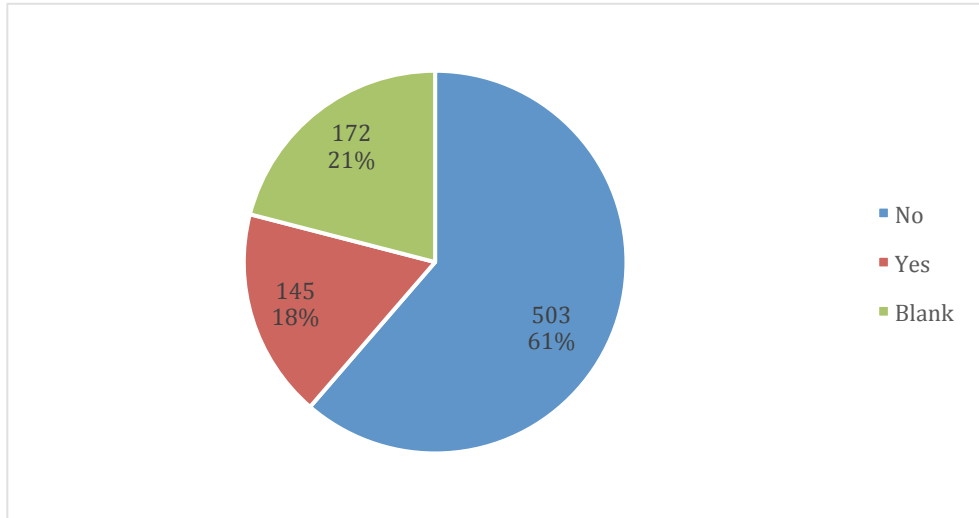
HMRC Experience Survey Report

- Confirmed 3 times via telephone (3 separate calls) that arrangements were legal. Calls not included in SAR⁸.
- Yes. After opening an enquiry into a year in which I used a scheme the enquiry was subsequently closed.

⁸ Critics accuse taxpayers for 'knowing' better if they called HMRC to make sure the arrangements were acceptable. This is illogical and prejudiciary for two reasons. The first is, the same critics also condemn taxpayers for using loan arrangements if they did not contact HMRC. Putting the taxpayer into a catch 22 scenario where they are demonsied no matter which action they do. The second is that the critic is effectively implying that tax legalities and arrangements are easily understood and 'checking to make sure they were legit when it sounded odd,' is an admission of guilt as opposed to being perceived as lawabiding or diligent for attempting to learn more about the situation from a trusted tax professional such as HMRC or a QC.

HMRC Experience Survey Report

6. If you answered Yes above, did you get any tax rebates or similar in relation to HMRC (or Inland Revenue) indicating that your loan arrangements were acceptable?⁹



61 per cent (503/820)	No
21 per cent (172/820)	Blank
18 per cent (145/820)	Yes

Out of 163 participants who also answered “yes” to question 5, 89 per cent indicated that they received an indication that their Loan Arrangements were acceptable, most notably through a rebate. A few who answered ‘No’ commented that HMRC accepting their tax return without issue was proof that their tax affairs were legitimate. Others admitted that they did not understand the question or know what, beyond a rebate, could be classified as evidence.

Those who did not answer the question made very similar comments to those who marked ‘No.’

Above all, HMRC acceptance of their tax returns, rebates and years taken for the revenue to inform them of ‘wrongdoing’ leads to disenchantment. HMRC has failed to protect taxpayers or act fairly when the Revenue could have informed the taxpayer that these arrangements were problematic when they first filed.

Sample Comments:

- We did the first year of a EFUB (pension planning) based on firm advice from our chartered accountant and our checking it was ok. SRN 's were issued which we

⁹ The chart above shows the responses from all survey participants because although 61 per cent answered ‘No’ and 21 per cent did not answer the question at all, taxpayers understand HMRC’s acceptance of their tax forms as evidence that their affairs were legitimate. There is disconnect between the criteria and social understanding in which taxpayers interpret there is certainty in their tax affairs and how HMRC act. This is an issue that needs careful and robust understanding so that the Revenue can create policies that are clearly understood by all taxpayers in a timely manner.

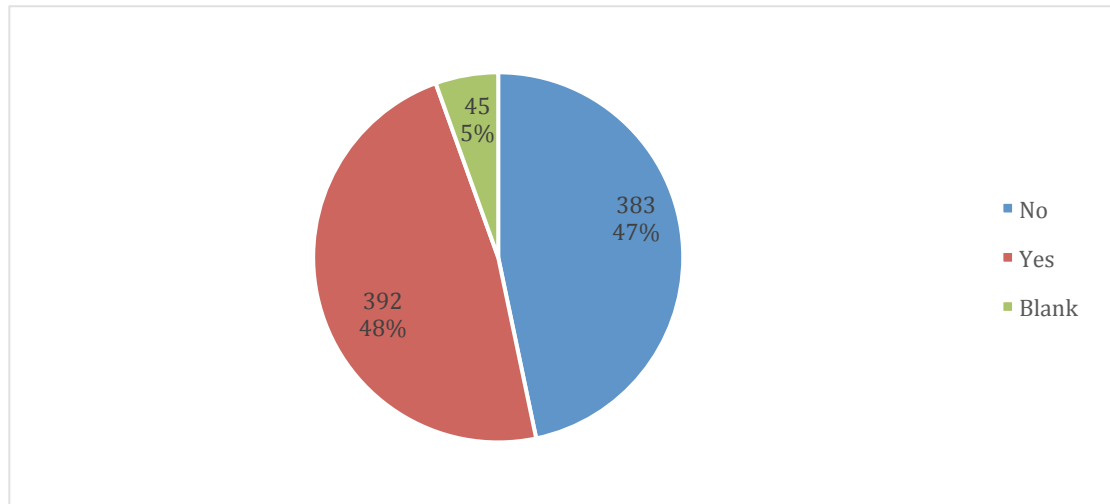
HMRC Experience Survey Report

further thought confirmed that all was well. HMRC accepted the tax return and we even got a rebate. Based on all of that confirmation we took out a second EFURB. It was 2 years later that HMRC then told us that there was an issue. We were devastated as we have always ensured we paid our taxes correctly. I have worked since I was 16 and only been unemployed twice due to redundancy, did not claim benefits and got back to work ASAP . I have 2 children, they have never been in trouble in any way and now have very responsible jobs. They never claimed anything from the state either. This whole thing makes me feel like a criminal and HMRC seem to be treating me that way even though I followed their advice at the time .. its a nightmare for me and my family

- Yes - I am fairly sure I did receive a tax rebate for at least one year that I was using a contractor loan scheme. Unfortunately, I don't have the evidence of this. I only keep the bad letters and not the good ones....stupid of me really. Sorry.
- Loans were declared and tax amounts worked out and accepted by HMRC, including any rebates. I don't have evidence as I may not have returns going back that far.
- The following year 2008/09 enquiries were opened and didn't receive any request for information until the following year. I provided all bank statements, payslips, loan statements, copies of loan contracts, etc. I did not declare the loan amounts as instructed by the Provider as they were compliant and so there was no need. I received tax rebates in the region of 3500 one year and 5000 in another. HMRC had indicated they were withholding any rebates until there enquiries were complete hence I was surprised to receive these rebates as I had agreed they should keep it on account to offset any interest accruing. I have not received any direct communications from HMRC in over 4 years other than the most recent LC letter encouraging me to settle before the LC is applied. I haven't responded and don't intend to settle as the pressure caused early on and more recently the LC and HMRC propaganda has had a significant impact on myself and family. Now divorced potential debt is listed on the divorce petition
- I've actually seen in the SAR that HMRC state I've overpaid tax in some years
- I was told that the loan arrangements were acceptable and for one year they told me that I did not even need to submit a SA return... as my earnings weren't high enough or complex enough... and they gave me a rebate.

HMRC Experience Survey Report

7. Have you experienced letters arriving late or are backdated?



48 per cent (392/820)	Yes
47 per cent (383/820)	No
5 per cent (45/820)	Blank

It seems it is a matter of chance whether letters are received in a timely and accurate fashion. 48 per cent of participants have experienced letters that are either dated in the future or in the past. It is deemed an insult that HMRC demand a month or less notice for correspondence when they are taking up to 5 months or more to respond and still fail to address a taxpayer's concerns. This is a concern that needs greater investigation within HMRC as it is causing great distress amongst taxpayers who are given only a few days to reply or the date of reply is a date that's already past. Sometimes these letters relate to settlement opportunities that have been missed.

Again, there is no rhyme or reason to HMRC's actions that solidify the lack of equal treatment amongst taxpayers. The result extinguishes one's sense of certainty and one wonders if this is a widespread problem or simply one experience amongst those with a Loan Arrangement enquiry.

As a side note, letters arriving late created havoc for the NHS when Capita failed to send out NHS appointment letters in a timely manner that cost NHS and taxpayer time, money and deteriorated relations between patients and medical staff. In the NHS case, letters were outsourced. Is a similar situation occurring with HMRC? If not, which departments are responsible and is there a lack of communication and teamwork between departments?

Sample Comments:

- They arrive with dates in the past or future, but with 30 days or less to respond on life-changing matters.
- The dates do not seem to tally with delivery date. A speculative inquiry was opened just days before the 6 years closed. It was very messy, the documents suggested

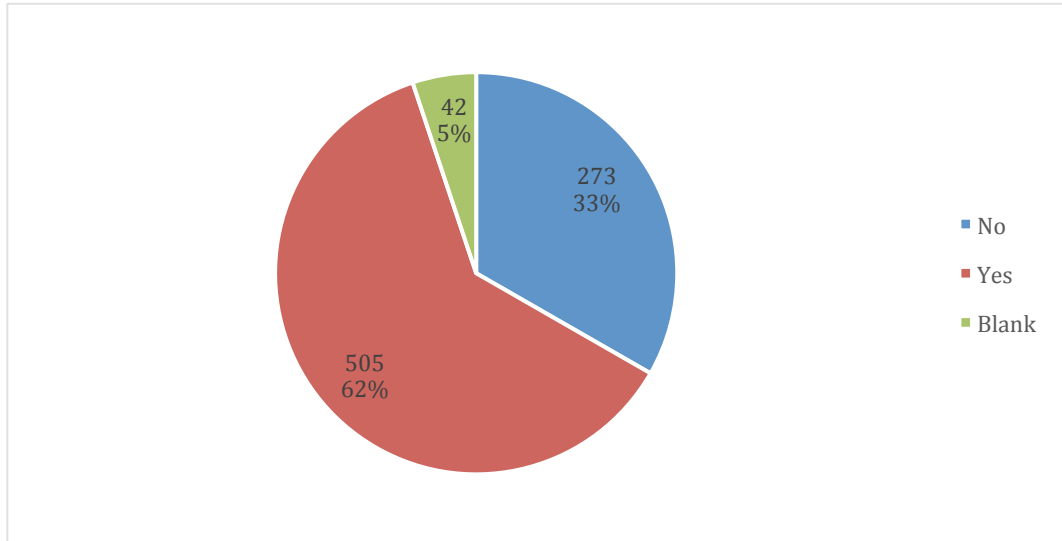
HMRC Experience Survey Report

that I earned 120k but I had earned 80k, they just sent out any documents to open an enquiry before the deadline expired.

- Sometimes the dates are a long time passed and sometimes I have even received a letter on the same day it was dated!
- Awaiting two APN's that HMRC advised would arrive 'within the next 8 weeks' but that was nearly two years ago!
- The initial settlement offer letter arrived about a week after it was dated, so was probably not sent immediately.
- My settlement letter was dated 2 May, both my tax consultant and I received copies on 21 May, with an acceptance deadline of end May
- Final settlement arrived on the day and letter dates the same of the loan charge review and a demand for payment predating by 2 days.

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8. Have you experienced HMRC being disorganized, for example losing paperwork, asking for information several times, etc?



62 per cent (505/820)	Yes
33 per cent (273/820)	No
5 per cent (42/820)	Blank

62 per cent of participants are subject to frequent requests for the same information from HMRC, loss of paperwork, shifting queries to other departments or officers; lack of correspondence by mail (electronic or paper) or phone.

Other areas of disorganisation are noticed with the implementation of HMRC policies and practice. For instance, requiring forms for HMRC to engage with a taxpayer's tax advisor but then stating these forms are not necessary. There are even instances of sending a different taxpayer's information, a clear breach of GDPR.

The comments below summarise the situation and in some cases provides insight as to why taxpayers are beginning to disengage with HMRC due to the stress this is causing.

Again, HMRC's actions make it impossible for the taxpayer to plan their daily affairs or have their mind put at ease when the only Tax Collecting agency in the UK can't adequately retain and organise the information they are receiving. Is this a widespread issue for taxpayers across the UK or one simply for Loan Arrangement enquiries?

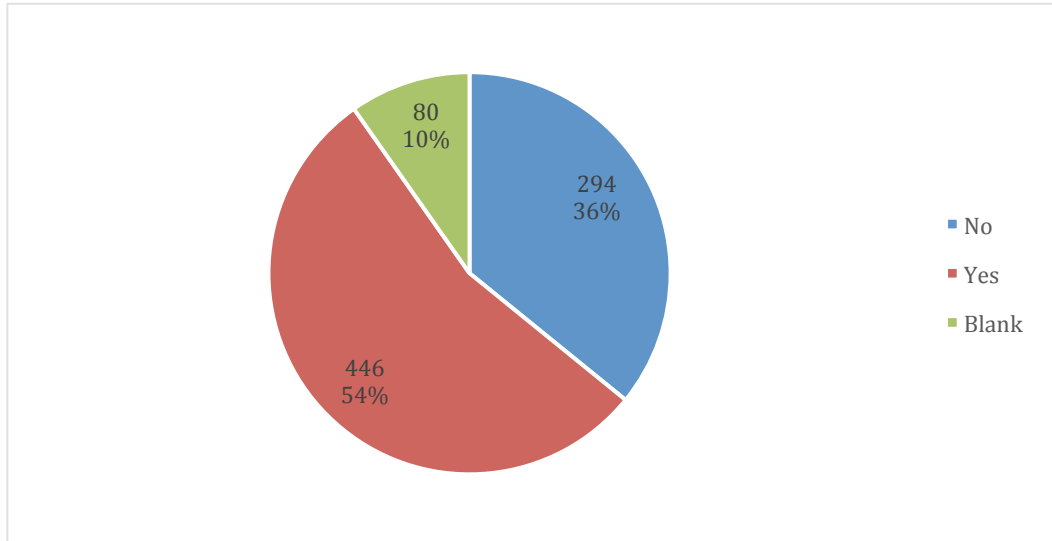
Sample Comments:

- See response to Q7. I have also provided loan figures multiple time and yet have to provide them again and again (including for the 30th September deadline). I have also received communications from HMRC regarding another tax payer
- I have provided loan figures several times yet they still continue to issue estimates based on "4 x some number". They have provided settlement values several times but their own calculations are not internally consistent. Additionally, their assessment calculations do not agree to their own summaries.

HMRC Experience Survey Report

- They have verbally told me they had copies of enquiry letters they sent me for certain tax years, even though I had never received them. They then stated that "they could not find them" when I asked for proof.
- They have rung me directly several times to say they cannot speak to my tax advisor as they haven't received the 64-8. I offered to resend there and then but they said it wasn't required.
- When hmrc is asked to justify loan charge calculations their staff are unable to do so and keep referring me to "officers". Writing to these officers is a waste of time as when requested to speak with said officer they wait 5 months then reply with the same forms to agree to payment by instalment despite no payment plan actually determined or agreed!
- My original phone with HMRC back in January the staff who answered the call could answer any of my questions she said that is junior and just answering the phone. She said that she would pop my questions to a senior staff who would call me back but could not confirm when I would get call back because HMRC were very busy. I never ever received a call back
- HMRC are totally incompetent. They continually ask for information but they already have it. I now refuse to give them the same information again and again. I find it too stressful to deal with.
- All the time , my accountant has to continually send reminders for information and also in regard to HMRC sending wrong information.

9. Have HMRC provided you with inaccurate figures, (for APNs, Settlement or other reasons)?



54 per cent (446/820) Yes
36 per cent (294/820) No
10 per cent (80/820) Blank

54 per cent indicate that their settlement figures are wrong because the calculations do not add up, inaccurate loan amounts are used, and sometimes Inheritance Tax or penalty charges are applied and other times they are not.

Participants comment that they do not understand the calculations for settlement, and do not get help with understanding the calculations; questions are often ignored or HMRC staff state they are unable to speak about a taxpayer's personal circumstances. How then does one get help to file their taxes accurately, if HMRC cannot?

The inaccurate figures along with the disorganisation and unhelpful responses causes not only great anxiety but disintegrates the trust in the revenue to properly function and calls into question whether HMRC are intentionally acting unfairly or not. The sentiment shared by participants is that HMRC wants to treat all taxpayers as PAYE, because the contracting freelancing and small business economy have historically operated under different tax rules and expectations.

Hence, it is recommended one studies HMRC's social culture to ascertain their view of these taxpayers and do two things:

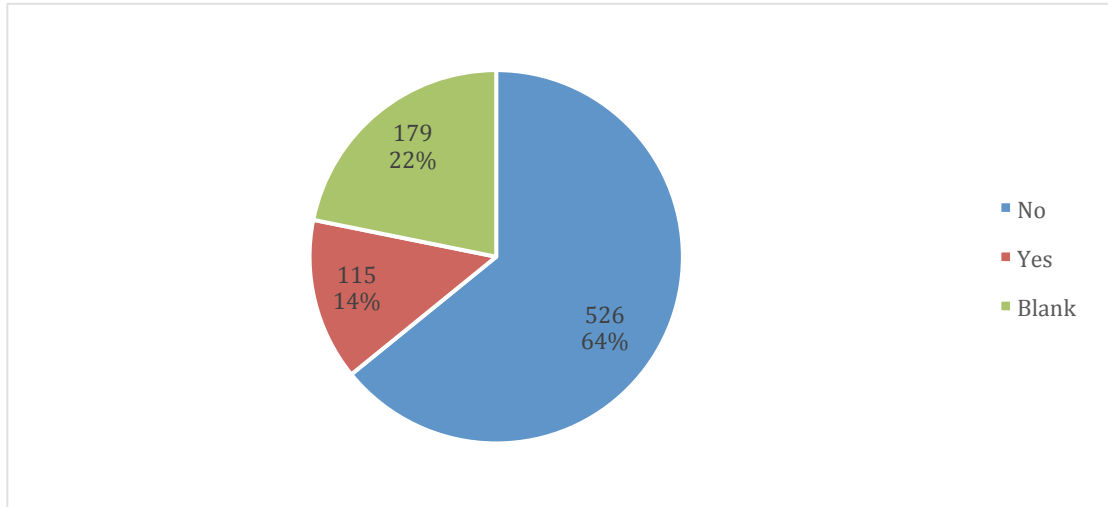
1. Create an understanding of how and why small businesses and contractors/freelancers operate in the UK economy to prevent misunderstanding and prejudice
2. Offer effective and not punitive policies that allow contractors and small businesses to operate in the tax system with clarity in what they are and are not allowed to do and create a system where taxpayers are entitled to certainty in knowing their tax affairs are finalised so they can plan for their future. Something that retrospective, and retroactive legislation, in all forms, denies.

HMRC Experience Survey Report

Sample Comments:

- I have one settlement letter which clearly state that IHT is not due and another settlement letter where it is included.
- They have miscalculated their own tables contained within the settlement offer. AML also queried my APN figures received in 2015 as they looked incorrect for one year. However HMRC confirmed they were correct.
- Incorrect figures of amounts payable sent to me at least three times with three different figures. I had to keep chasing HMRC to refer to their own officers original working calculations from 2015 numerous times as well as prior to this.
- Settlement figures received in Feb this year did not take amounts already paid into account for a settlement and an APN. Over the years I have received demands for random amounts that were so large, they could not possibly be due against any loan amounts I received and were clearly sent to intimidate and bully me.
- I believe the numbers are inaccurate and makes the numbers make no reference to the additional PAYE tax I paid in each of the years as I wanted to pay tax. I have now calculated that I will be paying around 75% tax for the years I used the scheme
- Inaccurate figures. Amounts that did not add up correctly. Mistakes. Misleading wording. No IHT/interest figures/no confirmation APN was being taken off.
- I have now received 2 sets of settlement numbers that differ as they don't actually ADD up! On the second set of numbers they actually did NOT add interest but the grand total did). No way to substantiate the numbers. A complete an utter JOKE
- The info I originally sent seemed to me to be inaccurate, so I sent HMRC more information. Their first settlement figures did not use the updated figures I had provided, failed to address my queries re expenses and also may have miss calculated leap years. A further letter came from HMRC stating that they had revised my tax status from contractor to employee. Then in a following letter used this revised status as a means to reject legitimate expenses. HMRC are attempting to change IR35 status with no justification or evidence, and applying this in years beyond the 2 year limit to review IR35.
- I don't know my exact figures as I no longer have records or a means of getting them so I asked HMRC to send me a settlement figure based on information they held on me. They were happy to do this but I have massive doubts about their figures - they appear made up, though I can't be sure. A subsequent SAR requesting how they came to my "other income" figures has still not been responded to other than a letter pushing it out beyond the settlement disclosure date because they said my request was not specific enough to enable them to respond within the required 30 days - even though I was very specific that I wanted to know where they got the figures from that formed the basis of their calculation.

10. If you have discussed settlement or other payment arrangements have HMRC given you sufficient time to pay based on personal circumstances and income?



64 per cent (526/820) No
 14 per cent (115/820) Yes
 22 per cent (179/820) Blank

64 per cent have not been given sufficient time to pay based on their personal circumstances and income. Comments of those who did not answer this question, 22 per cent, indicate that they have not received settlement figures to know whether HMRC will allow them time to pay within their means or not. These experiences contradict HMRC’s policies that, summarised, indicate that they will not make any taxpayer bankrupt and that they will always help a taxpayer settle their affairs by taking into consideration their personal circumstances.

Discrimination is apparent on several layers. Between participating taxpayers in this survey, 14 per cent were offered affordable payment terms¹⁰ whereas 64 per cent were not. It seems unfair that one person was offered the opportunity for affordable payments that enabled them to keep their home, where others are unable to. Those who officially known as ‘vulnerable’ to HMRC describe how they are harassed—causing their health to deteriorate further.

Sample Comments:

- Yes. The APN payments I made were very large (over £115k) which meant I had to remortgage the house and use up all of my savings. I was offered a year to pay off the balance which is just about manageable.

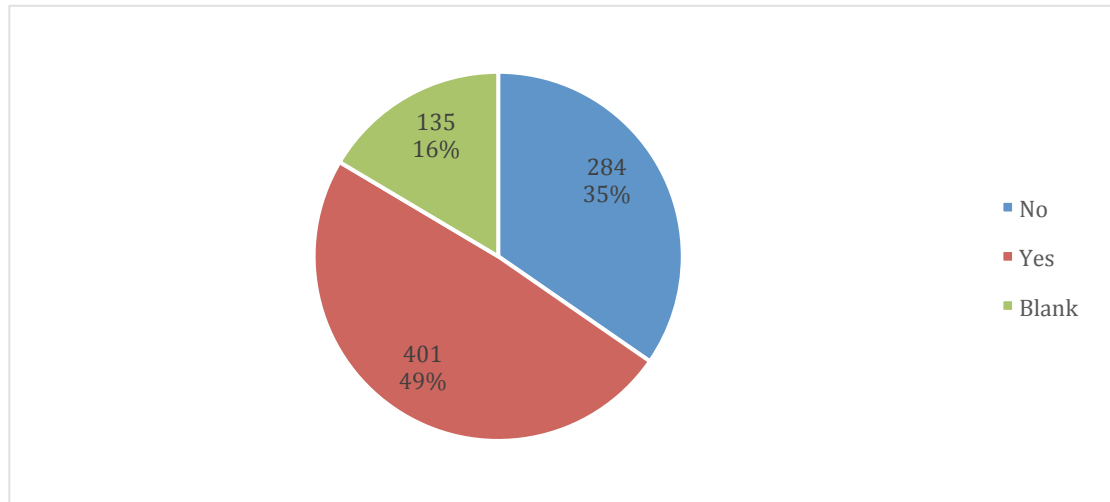
¹⁰ There is a possibility that it wasn’t HMRC specifically offering affordable payment terms but that the settlement terms were affordable to begin with because they were not with a Loan Provider for a great length of time or had the assets available to pay it off.

HMRC Experience Survey Report

- We have been given 31 years at £600 per month, but there is no leeway for being out of work and self-assessment must be kept up to date leaving my ex with no spare money and very stressed about contract continuation and contract rates.
- I had to submit self assessments which practically forced me to pay a large sum as I could not stop this process despite informing I have made a disclosure to contractor loans Resolution team. I was made aware that there would be interest and penalties if I did not pay via self-assessment
- I am coming to end of my career and I will have to liquidate my pension and take out a second mortgage and ultimately have to sell our family home when my current contract comes to an end
- Their initial demand for £112,557.49 was made on 30 January 2019 (received 05 February 2019) and was expected to be paid in full by 05 April 2019 as I do not meet their requirements for an offer of 5 year instalments. I have since been offered 2 year instalments on no, or an unspecified, basis.
- They want 238k in 5 years
- 7. I borrowed money to make payment on account HMRC have me 7 year TTP and have not based it affordability
- My loan charge bill is £325,000. My income due to ill health retirement is £14,000pa. I have limited assets available, excluding my main home. I have offered to pay HMRC £70,000 over a period of years and they refused the offer. HMRC just simply say the whole amount is due.
- They tried to get me to remortgage, which I would've had to lie to get (they won't lend to pay tax debt). This would've been mortgage fraud. In the end I took a £20k loan (that I'm still paying off) abs had to say that was for 'debt consolidation'. Technically I was forced to lie to get that.
- TTP took every spare penny I had. When half of a tree in my garden fell and the other half was potentially going to fall on neighbours house I requested a one month postponement so I could have it felled. HMRC refused and said that I should take out a loan or borrow from family. That is what will happen to thousands who take out TTP - they will default and the debt collecting agency will take their house!

HMRC Experience Survey Report

11. Have HMRC added in what you consider to be unfair additional charges above those of income tax and National Insurance (for example as charging IHT after settlement)?



49 per cent (401/820) Yes
35 per cent (284/820) No
16 per cent (135/820) Blank

49 per cent indicate unfair charges have been levied against them. The most common examples are inheritance tax, penalties for non-payment of APN or settlement (even though HMRC are taking months to respond), backdated National Insurance and mounting interest fees for failing to pay.

Sample Comments:

- Yes. They are trying to charge me £25,000 of interest, even though I have never changed the information I provided on my tax return and only now have they told me additional money is due. The interest is a high rate, and back dated to the end of the specific tax year as if they had informed me at the time. In addition they are threatening me with IHT on the loans if I ask for them to be written off once I've settled with HMRC.
- I made payments against the APN and due to stress used incorrect references numbers against payments. When I realized what I had done I contacted the debt management team and told Laurence Nash(by email). I contacted him twice but heard nothing until I was charged fines for non-payment. The fines added £1200 to the debt.
- 10 years of interest
- I have received additional charges, original 50% of the total amount was interest, this changed around 6 months ago to NI and interest has now been reduced to around 15%. In addition, I have IHT included.
- To be precise, it's not clear what the figures provided to my wife relate to so it's difficult to understand whether they are even accurate. However, we never

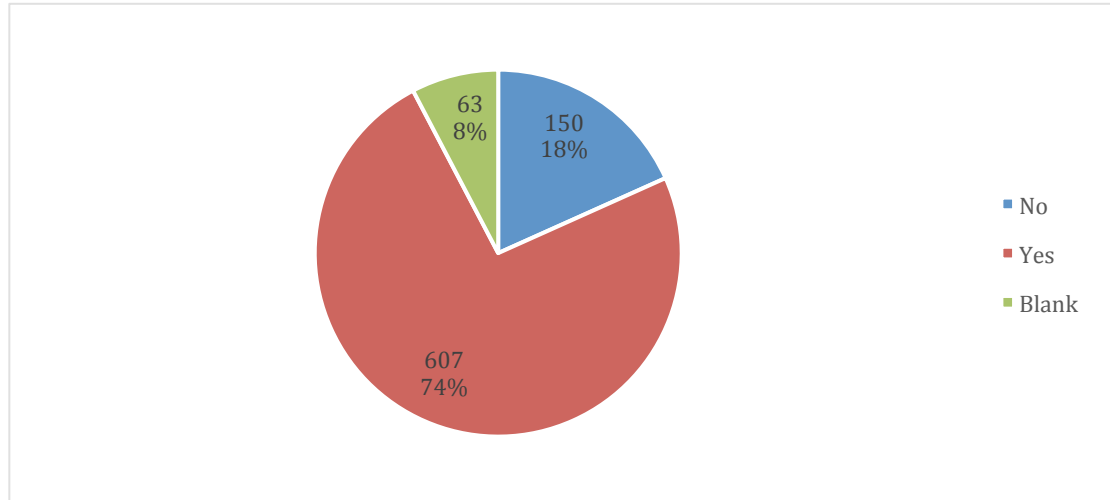
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received the CLSO2 information as we requested so have no idea how much we would owe but assume that interest and penalties are accruing on a daily basis.

- Only in conversations with them directly. In my case, they said 13 years, interest, NI, Employers NI, Income Tax, Forward Interest and IHT. So the tax liability without these charges is 51% of the loan payments I received. With the charges its nearer 70% of the total earned over the 4 years.
- My employer who put me on the schemes has refused to pay my NI
- Absolutely! Charging IHT, in my view, is a crime. They are treating the same monies in two different ways: As income for Income Tax purposes, and as a Loan for IHT purposes. This is a disgrace. Also, HMRC have been accruing interest on the APN's issued when they are still subject to a Judicial review as to their legality. If Interest is to accrue on these, it should only be from the date that the APN's are found to be legitimate. The same goes with penalties for non payment of these APN's (which account for 15% of the APN's plus interest accrued thereon). Again, these non-payment penalties should only start to accrue from the date that the APN's are found to be legitimate. It's government sponsored extortion.
- As above, they offered me a settlement. Then when I accepted it they wrote back, lying and claiming that I "hadn't attached an appendix so it wasn't valid". They then changed the settlement agreement and added on an additional £13000 for inheritance tax. How can they argue on one hand that these "arent loans - but income" and then on the other hand "that theses are loans and inheritance tax is due on them".
- I believe that they keep adding interest charges when some years were in dispute and postponed. I cannot believe they were even allowed to charge interest as this is a tax on a tax.
- Yes. On this point, I was informed that by submitting all loan information things like interest etc would NOT be added to the amount they feel i owe. They have gone back on that and added additional charges. In my view they simply used the lure of not applying interest and additional charges as a carrot to get people to provide the information. This makes me think that they cannot be trusted and have increased my bill by over £13k..... for a scheme that was legal.
- YES! interest for the whole time they didn't respond to my communications and then forward interest- I refuse to pay this !

HMRC Experience Survey Report

12. Do you feel that you have been threatened or bullied or placed under duress to settle?



74 per cent (607/820)	Yes
18 per cent (150/820)	No
8 per cent (63/820)	Blank

74 per cent of participants feel they are being forced to settle through the language utilised and treatment received. There is, as mentioned previously, no chance to defend oneself against HMRC. The words, 'pay what we think you owe' are ambiguous and heightens the confusion and panic that participants experience. Participants reportedly feel shame, despite having followed professional advice or they state they feel they are made out to be criminals for complying with employment and tax laws. In addition to the psychological nudging felt, participants point out that HMRC sends out tight deadlines that add unfair pressure for them to make a decision. There are reports that participants were threatened with penalties by staff or were intimidated by bailiffs or other HMRC officers showing up unannounced at work or home. This form of intimidation terrorises participants and their families, who are sometimes unaware of the situation that their relative is in. These occurrences call into question the use of HMRC's behaviour insights team who have a duty to act ethically to help change taxpayers behaviour. How does this department operate and how does HMRC utilise this department to enforce their policies and create better relations with taxpayers?

Sample Comments:

- In writing, HMRC implied that I had committed a criminal act in closing down my Company for entirely legitimate reasons. HMRC asked the Insolvency Service to investigate me as a Director under the Company Director Disqualification Act 1976 for "my decision to make contributions into an EFRBS" . This caused me and my family major stress and anguish and made me quite ill. HMRC sent me a letter (sent by email) accusing me of committing a fraud. HMRC refused to extend my Settlement date despite the fact that I am very ill AND that all the delays were due to HMRC delays and incompetence

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- The information HMRC require is from closed tax years that I did not require to keep documents for. I have only records going back 7 Tax years which is what I am required to keep. Not the 20 years they are asking me for. If I can not provide what they want, I expect they will pick a figure out of thin air, which suits them and no doubt will be more than I could ever earn in employment. I feel obliged to make up a sum which will please them, to prevent them issuing me with penalties in the form of added interest and fines.
- My case of being bullied by HMRC astounds many people including the tax advisor I employed to attend the last Fraud investigation meeting. My staff are aware of the situation as they have witnessed me being very upset, they have even asked me do I feel suicidal and regularly tell me to go home. They must all be fearful of their jobs as they commonly say how HMRC have driven me into the ground. HMRC ignored the fact I had a tax advisor to speak about my tax affairs instead they phoned my secretary and told her I was involved in tax avoidance, HMRC have disputed the content of the call and have since ignored my MP's multiple requests for a transcript of the phone call that took place 9/8/2016
- HMRC have imposed tight deadlines to receive information but then not met any of their own. Their letters are always include a threat of what if you don't pay, For example with the APNs they stated the tax payer has no right of appeal and many colleagues who didn't pay had Bailiffs sent to their family homes. The letters threatened interest, surcharges and penalties if they were not paid within 90 days. The Loan Charge literature threatened by saying if you don't settle HMRC will claim tax due in one year and it would be gross, meaning we would be taxed also for the money that AML and Helix received. We were also told that it would all be taxed in one year and that there would likely be huge penalties.
- I have been made to feel like a criminal when I am a law abiding/advice taking tax payer. The loan charge itself is a threat/being bullied. It is a dilemma of two evils which is settle now or be charged more later, there is no choice, no protection, no right to contest it and no one to represent me. HMRC are just abusing the least responsible and least able.
- Yes of course, I operated in lawful way, and i would summarise my thoughts below:
#1 HMRC didn't fix the problem - neither tax the law nor the scheme operators. The scheme operators were allowed to operate legally, I was contacted by people telling me that they have fully legal, and demonstrably won cases against HMRC etc. They were allowed to operate in this environment and HMRC should have closed them down and made the Loan charge legislation forward facing not backwards facing - and fixed the tax law. #2 HMRC cherry picked repayment rates and payment terms and conditions This was a carefully constructed trap over many years for maximum gain this legislation didn't appear over night - it was crafted slowly and deliberately. The tax rates available for repayment in the past were lower than the Loan Charge rate now, also as I stated; had those tax planning arrangement not been legal at the time I would have paid myself using a mixture of dividends and

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Income and would attracted taxes at the time which are much lower than they are now - HMRC would be fully aware of this (that's why the loan charge adds everything up and taxes in one year.) #3 what's the long view? - Trust has been eroded - short term gain - long term pain I've never knowingly claimed any benefit in my life, not child benefit not unemployment benefit not nothing, I have been a net positive contributor to the UK economy. So if HMRC did some analysis into the implications of their actions and looked over the course of a person's life, what will be the total tax received? Having been burnt now, I can guarantee that I have started to looking to move elsewhere once this has been put in order, and in the long term how will the UK have benefited? Will their total tax receipts go up or down? will the dependants or those that committed suicide not claim benefits now or sue? - will those that face financial ruin not just retake the money through the benefits system? - will loses from future court cases not slowly mount up ? #4 Repayment options were not disclosed HMRC should have offered the three choices in their correspondence AND provided a documented mechanism to repay the loan, as it is not straight forward a process for the man on the street. Instead they only focused on routes that would benefit them, namely settlement or Loan charge. #5 Settlement - Greed I acted legally - HMRC did not challenge my arrangement and win - therefore they are not entitled to the money, which means settlement is an easy process for them, hence one would expect flexibility - why would HMRC not accept a lesser negotiated settlement? - they've saved legal fees and they getting money they haven't proven they are entitled to. #6 Lack of compassion My father passed away in early 2018, I've been trying looking after my widowed mother since then, and my partner was bed bound for 3 months in early 2019 after an operation to remove a suspected cancer growth, the additional strain of this has made life a misery, I've picked up gambling and other habits during this time as well why should I continue to strive in this country - what is the point? 7# Bullying Settlement is an admission of guilt, when guilt hasn't been proven and when the law hasn't been broken. Furthermore an agreement not to litigate HMRC and for your name to be used in public as a 'defeat' for Tax avoidance purposes (when actually you were effectively signing under duress, fear of ruin and enforcement APNs bankruptcy etc.) - is a contract signed under duress even valid?

- Since the APN in 2016 & HMRC not allowing the company to liquidate, whilst they figure out how to continually change the law....Liquidator & promoter(s) want me to settle too - easier life for them & with regard to Liquidators and further upcoming changes to finance Act in 2020 they need to keep HMRC "sweet" since they will be their first main preferential client. This is really important and currently not understood i.e. liquidators are appointed by the courts and should remain impartial. Absolute rubbish, more often than not they are in cahoots with HMRC and this will make it even worse with HMRC being the first preferential creditor among all others. Liquidators will have a vested interest to keep HMRC happy.
- Yes. The whole thing feels bullying and threatening because there's no course of redress. I didn't financially gain anything from being in the scheme, so I feel like I've

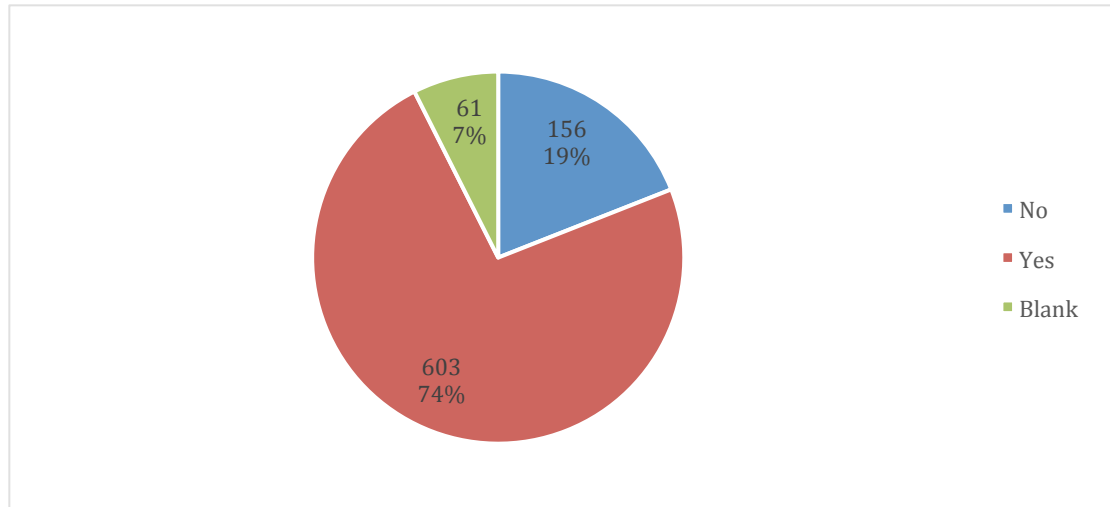
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had my money stolen at every turn. Considering how high my expenses were, I will have paid to work the 18 month contract that I used the scheme for, which is devastating as my health really suffered through the long hours I had to work.

- Threatened and bullied, yes, in that my wife as a vulnerable person has been contacted directly despite HMRC having been advised on numerous occasions not to do so. In terms of settlement, no, as I am still awaiting any figures from HMRC and my wife's figures were prepared without any input from her. In the meantime though this means interest and penalties are accruing which are beyond our control.
- Constant propaganda stating Disguised Remuneration and Tax Avoidance and you owe X tax over the past 2-3 years essentially asking me to settle and sign my rights away and accept I acted illegally. I dispute this and having lost my family, family home and security I will fight this to the end
- When they sent me the original request for payment they said that if I paid that I would not be able to argue the case after the payment was made and would not be due any refund if they lost the case!!
- HMRC have given very short time frames to appoint a tax specialist, validate loan figures and respond within in very tight deadlines. HMRC have changed tax years from closed to open and then open to closed as I have asked for evidence of inquiry being opened and they do not have evidence. HMRC apply a high interest rate on open years where tax is not proven nor ever due. I feel threatened if i do not settle then I have ever increasing interest charges. I have been placed under duress to settle. Settlement Opportunity contract takes way my tax payer rights and is a condition of settlement. If I do not sign the settlement contract then HMRC threat that I face the LC legislation.
- home visit by DM officer, hand delivered letter through door, call from officer's mobile to mine to 'chase me up' about payment.

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13. Do you feel that you have received discriminatory treatment (for example HMRC refusal to accept valid reasons or taxpayers standpoint; feeling criminalised by the letters and / or conversations).



74 per cent (603/820)	Yes
19 per cent (156/820)	No
7 per cent (61/820)	Blank

Survey participants view HMRC as prejudging them as liars and criminals for having been involved in a loan arrangement and refer to the retrospective nature, use of language such as the term, 'Disguised Remuneration' (when often these arrangements were disclosed openly on tax forms), Loan Promoters are not punished, and inconsistent behaviour of HMRC staff as evidence.

The retrospective element of the Loan Charge is a discriminatory act because taxpayers consulted professional advice and are now being punished for following that advice; the primary motivator for entering these arrangements was to be compliant with employment and tax law, in other words a law-abiding citizen.

There are also on-going themes with the way in which HMRC use language to make taxpayers feel ashamed and guilty, creating a sense of fear that leads them to either settle in hopes of escaping the situation or the fear leads to disengagement where they cannot contact HMRC.

Another such example is HMRC use of the term 'tax avoidance' that is open to interpretation causing confusion as to why minimising tax is OK in one situation such as an ISA's but not another. Simple errors, late payments or admitting that they have a mental health issue is met with scepticism and insinuating the taxpayer is lying or 'putting it on' to gain an advantage.

The inconsistent settlement terms between people who were involved in the same loan arrangements and HMRC's inability to tackle the promoters of the loan arrangements provides further evidence that they are discriminated against. Other various indicators of poor institutional performance (with late letters, inaccurate figures etc.) leads taxpayers to ask whether the Revenue is operating incompetently or sinisterly.

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Sample Comments:

- I was called a criminal once by a worker. I made a complaint during my settlement and received an apology from the complaints team.
- I was advised by a qualified and experienced account to enter this scheme and was advised it was perfectly legal and legit. They have received commission that will not be clawed back. How can i run my tax affairs correctly if them that are the experts give you advice that lead to this.
- Signing that you have been a serial avoider and being forced to volunteer to pay recompense to my victim makes me feel like a criminal.
- Tax experts say I have been treated differently from earlier cases. Especially in relation to PAYE code use. Others had BR only used. Although BR was my code HMRC insisted on using higher rates
- Letters appear to have been drafted to cause maximum distress, are often discriminatory in tone and refer to "obligations" which have no basis in law (tax or otherwise). The threatening letters have arrived days before Christmas holidays, sometime on Christmas Eve, designed to cause maximum distress. It's disgraceful.
- All the time. I feel like a criminal and yet this scheme was sold to me by an IFA! I know nothing about tax, but i trust an IFA and my accounts were being submitted to HMRC. The people who sold these schemes should be the ones in the docks, not us - and also HMRC shouldn't be allowed to change the law having given the green light to these schemes for so many years. Who the hell is in charge of overseeing HMRC so that they abide by the law? How on earth are they getting away with years of this persecution, bullying, threatening, this is not legal.
- They state that I have done something wrong. When my accountant writes to challenge they do not reply.
- Well yes, they are asking me to sign a deed of trust saying I won't engage in further tax avoidance. I can't agree to this. Not all tax avoidance, or the words that should be used is "tax reliefs", are bad!!!!!! I have done an EIS scheme this year to invest in A British startup - how is that bad?! I did a pension payment etc. Plus, everyone of us is being criminalised because they want us to report by the 30th September and incriminate ourselves on LC self assessment paperwork.
- Criminalised and ashamed. Some friends have told no one including partners and family and are therefore getting little support. They are too ashamed to.
- Several times under duress I have offered a monthly payment only to be told by HMRC that it is no where near enough
- Made to feel like a criminal for something that was legal. Retrospective legislation now makes limited company liability a thing of past.

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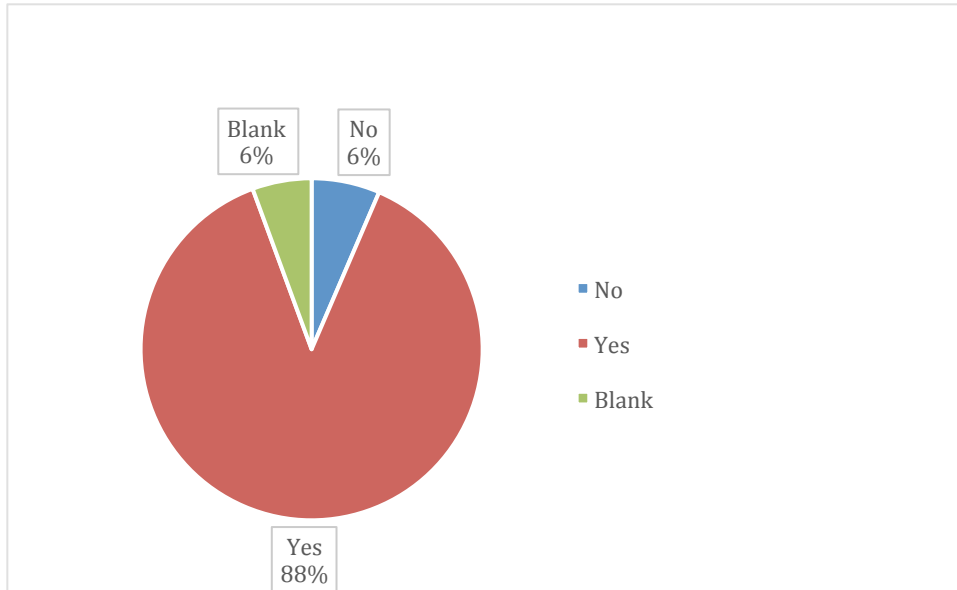
- Yes, the language used in HMRC's letters is extremely intimidating and is typically enforced with deadlines associated with 'big sticks.' I have heard rumours that HMRC use a psychological consultancy to try to aggressively influence your behaviour.
- Yes, I have repeatedly told HMRC I suffer from mental health issues and that I am on anti-depressants due to all the stress of the APNs/Loan Charge. Not only are my health issues ignored, but confidential information that I shared with them was sent around HMRC by email to staff without my consent. I feel that I am treated as a criminal, and that they regard my health problems as an 'excuse' that I am making up. I am at my wit's end, I am not sleeping this week at all.
- My accountants missed a date a few years ago when the apn charges came into play (by 2 days) they wouldn't accept that it was out of my control and I had instructed the accountants with plenty of notice. On the phone I have been told many times I will then lose the court case, and HMCTs are right. Letters make you feel criminal when at the time it was not illegal. Retrospectively charging people when they have no course to change the past is unfair
- HMRC had ample opportunity to request I completed SA in 13-14 the first year unused a scheme and to request I exited the scheme which I would have done so immediately. This would have meant my loan liability was around £8500 A very small and manageable amount from a tax perspective instead of reaching £130000+ over a 4 year period which I have no way of paying tax, NI or other charges.
- I feel like I'm going to go to prison
- The feeling of being criminalised has been overwhelming and often leaves me breaking down. I even received a fact sheet by email from HMRC fraud which included wording such as "dealing with organised criminals". HMRC have since admitted that the VAT notice 726 does not even apply to my industry, therefore, confirming my suspicions that the investigations were completely fabricated concerns as to criminalise and intimidate me.
- Feel criminalised by the whole thing. Letters from Debt management include phrases such as "We'll be checking how long you take to respond to this letter", when the letter has taken 2 weeks to arrive, and a follow up letter arrives the next day saying "You haven't paid, even though we've reminded you"
- The way I have been treated and chased made me feel that I was a criminal and deserve everything that happens, it's like I am being punished for trying to survive and provide for my family. If these schemes were wrong how could they be left to continue....HMRC should be punished for the way they have handled this, it is disgusting.
- My professional advisor told me that a tax QC had deemed these arrangements legal. HMT & HMRCs narrative has consistently been that they "didn't believe these

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schemes ever worked" which seems to be an opinion specifically designed to mislead Parliament that these schemes are illegal. I've been branded a tax avoider by HMRC for following professional advice.

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14. Do you believe that you have experienced a loss of statutory or common law rights or denied statutory taxpayer protections?



88 per cent (721/820)	Yes
6 per cent (53/820)	No
6 per cent (46/820)	Blank

88 per cent of participants believe that they have or will experience a loss of statutory, common law rights, or denied statutory taxpayer protections. The comments are based on their understanding of HMRC letters and phone conversations and thus, the comments served as a way of them to highlight their fears rather than supply hard evidence in this section. Examples are given elsewhere in the LCAG Dossier.

Taxpayers are told they are unable to appeal against HMRC's accusations that they acted 'illegitimately', i.e. illegally. Judiciary assistance is already too costly for many in the United Kingdom, but at least it still exists. To be denied it utterly is undemocratic and further erodes the belief that authoritative institutions such as HMRC act fairly. Taxpayers comment that criminals have better protection in law than they do because they get access to the courts that, in theory, uphold the idea of 'innocent until proven guilty'.

For those involved in Loan Arrangements, HMRC presumes guilt, denies access to democratic freedoms and consequently discriminates against taxpayers in our society. Participants, put simply, live in fear that at any moment HMRC can change their 'interpretation' of the rules that will lead a taxpayer into destitution or tax-debt enslavement.

Sample Comments:

- Ever since the introduction of APNs my rights have been steadily eroded so that I cannot challenge HMRC's demands and assessments. I can only ever have a limited appeal to HMRC itself whereby another HMRC officer will review my case. Access to the courts has been removed.

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- To back date taxes in this retrospective manner is completely unreasonable & frightening due to the life changing amounts. I had already explained my personal circumstances regards inability to pay due to a recent divorce court order settlement in 2009 & 2016 (this involved large payouts from my savings & equity release from my property leaving my assets depleted), but these points were dismissed by HMRC.
- I entered the scheme naively as my manager at the time insisted we were all paid that way. I checked to ensure it was legal. How can a law be retrospective in that way. I would never have done anything illegal.
- I do not believe I did anything wrong. If i worked through an umbrella scheme at the time and they organised/set up the way we got paid and there were legal ramifications in this. That the ordinary tax pay found themselves involved in. Being told it was a way to work through from accountants/agencies/QC? But did not know or understand. And HMRC did not communicate this. (Also HMRC communication is still terrible). There is no recourse to go to court/tribunal/?. We have no voice. Companies who ever thought up this way of being paid are not be pursued and this is not being stopped. It will happen all over again. This is to sort out HMRC failings for the past. The failings are still going on. Backlog of ttp will we get to discuss ttp.
- It is a well-known fact that our Right of Appeal as tax payers has been removed. It is appalling that the situation in this country, in this day and age has even reared its ugly head over this length of time. It's all about HMRC and HMT destroying the masses whilst those in power do exactly the same thing but are above the law. Unbelievable.
- Enquiries opened between 7/2007 and 9/2009 and no further correspondence for another 5 years and 5 months. APN legislation and issue is a process of 'guilty until proven innocent'. Loan Charge takes away all rights altogether and backdates it 20 years. Some taxpayers will not even hold records that far back so will have no opportunity to check or challenge HMRC figures - we are only required to hold tax records for 5 years.
- Absolutely. Unwilling to provide details, for fear HMRC will identify me and retaliate.
- Changing the law retrospectively breaks statutory taxpayer protection
- The Offer letter end of page 4 removes my right to reclaim amounts paid. So even if there is a change in future legislation I will have to continue paying. However, the imposition of retrospective taxation by the government is deemed perfectly fine and HMRC is able to just 'do what it wants'
- Given the HMRC have been aware of these schemes and did not perform its duty to notify tax payers, they have deliberately avoided providing key information to people to make the right decisions, and therefore taken away the taxpayer protections that i would expect the revenue to have provided. Instead of opting to

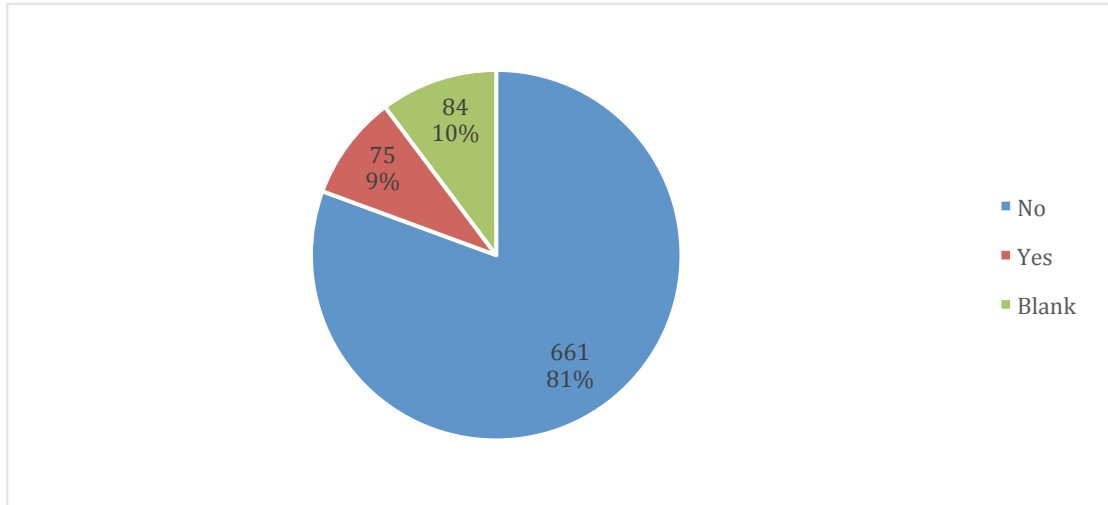
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target and penalise those that were promoting and benefiting from the schemes individuals have to bear the brunt of the mess the HMRC could have avoided if they did their job properly.

- 11. I was mis-sold, mis-led by professionals and let down by HMRC rules and negligence in failing to act against the schemes in a timely fashion to protect taxpayers. HMRC forces me to pay tax with legislation enacted AFTER the event took place and that I could not have known about but wants to claim this is not retrospective. Deluded! HMRC claim the law has always been clear so why do they need this new legislation? It is a blatant contradiction, It is a tool of tyranny, of a despot regime. HMRC take months to reply to me. There is no one to represent me. I can not sue my Accountant for negligence because they say 'it was good advice at the time' and lawyers say that the law is so unclear that I have no recourse to claim.
- Absolutely. The Loan Charge effectively removed the ability to fight to defend the Loan Schemes in litigation as the cost and risk to the taxpayers affected was just too high. With no willing lead cases, there is no case to make. APN's were created with no legal right of Appeal. Even in settlement, their offer letter demands that you waive your right to reclaim funds paid in settlement, and plead 'guilty' to some 'wrongdoing'.
- In my case, I used the umbrella solution between 9 - 13 yrs ago. Nothing has been done as the 6 years has passed on each of the years you would expect HMRC would have either done something or closed the years. I believe all my years are now closed and HMRC failed not only in continuing any correspondence with me or any other request for information within the time limits available. I will not be settling and even if this second whitewash of a review falls in HMRCs failure I will not be paying the LC whether it is lawful or not it is unjust and unfair and against all previous tax protections which are no longer available.

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15. Do you believe that settlement under CLS02 is final and will give you certainty in the future



81 per cent (661/820)	No
10 per cent (84/820)	Blank
9 per cent (75/820)	Yes

81 per cent (661 participants) do not believe or trust HMRC to finalise the matter with CLS02. Instead, they suspect HMRC will ask for further penalties, citing experiences in which they have already settled APN, or Loan Arrangements under CLS01 and HMRC are asking for them to pay again under the Loan Charge.

Others simply feel that the very use of retrospective (or retroactive in another guise) taxation means that HMRC can change the rules as and when they feel it necessary - hence nothing will ever be final.

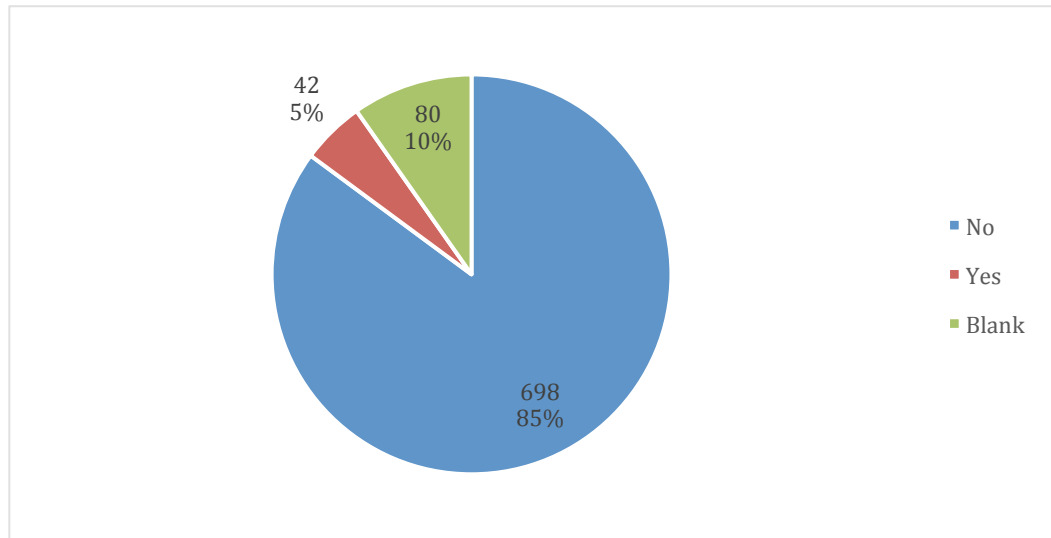
Sample Comments:

- My faith in HMRC has been completely shattered and I do not trust them at all. I fear they will introduce additional retrospective taxes in future. They are not interested in collecting the right amount of tax only in maximising revenues.
- We were forced 'to relinquish the denied advantage' by signing Follower Notices to pay inaccurately calculated APNs. Our TTP ends in 2049, but apparently we should not consider this to be the final amount, even though we will be well in our 80s then. We were in our early 30s when we entered the scheme - this makes retrospective tax a whole life experience with no end.
- HMRC have already revisited years where I have paid APNs. Letters also say they reserve the right to reopen years in the settlement.
- The settlement paperwork indicates the matter will be finalised after settlement but I am very uneasy and disbelieve this based on HMRC actions. If they can investigate and tax closed years, this sets a precedent that no protections are guaranteed. I will be forever looking over my shoulder.

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- Given the retrospective nature of the Loan Charge, together with the fact that closed tax years are in scope of settlement calculations, I do not have confidence that settlement under CLSO2 will be full and final. In particular, the settlement pack which HMRC have sent out states that "Based on the information HMRC holds in relation to the scheme you have been involved in we do not believe that there are currently any inheritance tax charges due. This does not mean that there will be no inheritance tax charges in the future". It goes on to say "For the avoidance of doubt the Agreement will not apply to any tax years, disguised remuneration schemes, sums or payments (whether in the form of loans or otherwise) that are not included in Appendix 2 or to any inheritance tax that has arisen or that may arise in the future in connection with the Payments listed in Appendix 2 and that is not covered by the Agreement". Secondly, the settlement agreement states "It is HMRC'S view that tax is also due on any fees paid to a person abroad as part of your use of Contractor Loans arrangements. It may be that we ask users of these arrangements to pay tax on fees". Settlement should be full and final in relation to ALL taxes for the historic tax years (for the avoidance of doubt to include Income Tax, National Insurance, Capital Gains Tax, Taxes on fees, and Inheritance Tax).
- I have 3 years' exposure to an EBT scheme and HMRC managed to open enquiries for only years 2 and 3. When I settled those (pre-LC) I did think it would be final and given that a statement in CLSO1 (under which I settled the open years) said that they would not go back and open up additional closed years...then along came the LC!...therefore no.
- No - the opposite. It will rob me of my retirement plan - I have no pension fund. I'm afraid for what this means as I approach the age of 50 and have just been made redundant.

16. Did you settle your tax affairs under CLS01?



85 per cent (698/820)	No
10 per cent (80/820)	Blank
5 per cent (42/820)	Yes

85 per cent did not settle under CLS01. In the comment section participants wrote Not applicable, Unsure, I never heard of CLS01.

This is an area that requires further investigation, particularly within HMRC. If the majority of the settlement letters were handed prior to 2017, why have only 5 per cent settled? Why does a sizeable portion of those who marked 'No' or left the response 'Blank' report they had never heard of CLS01?

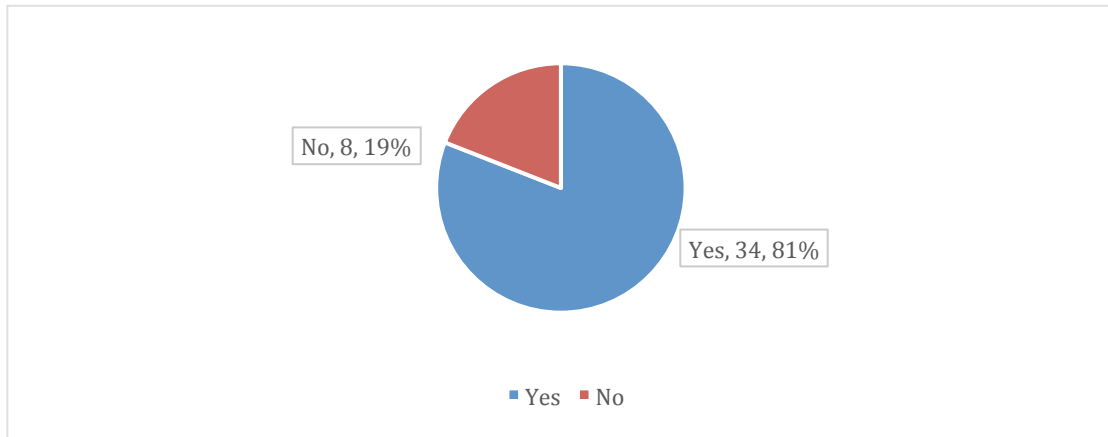
Also, those who are 'unsure' highlight one of the fundamental problems that continues to resurface between HMRC and the taxpayer. HMRC presumes that the taxpayer's understanding of tax law, settlement agreements, and attention to detail is on a par with HMRC staff. Despite not agreeing with HMRC, and finding retrospective taxation appalling, many are still trying to settle but as previous questions have already flagged in relation to CLS01, participants simply do not fully understand or trust the calculations, or settlement terms sent by HMRC.

Sample Comments:

- Haven't got this far but HMRC has made verbal commitment that this is not the end
- 2. Under CLS02, HMRC are now asking for settlement for closed years which were out of scope when I settled open years under CLS01. I would not have settled open years under CLS01 if I knew that closed years would be requested by HMRC under CLS02.

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17. If you settled under CLS01 are HMRC still requiring you to make further settlement for the same periods which you had already settled?



81 per cent (34/42) No
19 per cent (8/42) Yes

Out of the 42 participants who settled under CLS01, 81 per cent (34/42) indicate that HMRC are insisting that they settle these arrangements again. Thus reinforcing the fear that settlement with HMRC is never final¹¹. How then can one live their daily life with an eye on the future?

Sample Comments:

- They are asking me to pay interest charges of circa £17,000.
- I am still being pursued for APNs and penalties which I paid in Aug 2016.
- APN paid for 2010/11 but additional cost included in pack

¹¹ Please note, it is possible that participants are unaware of the distinctions between HMRC's CLS01, CLS02, and APN policies. Once again highlighting the need for a more thorough investigation to understand how HMRC are utilising their policies and procedures to send inquiries.