



Gregory Campbell MP
House of Commons
Westminster
SW1A 0AA

23rd January 2021

Dear Mr Campbell,

Unacceptable and misleading answer to your Parliamentary Question

We are writing with regard to your written Parliamentary Question to the Treasury, tabled on 16th December, relating to the estimate they have made of the number of people subject to the Loan Charge who have been declared bankrupt.

We thank you for this and for continuing to challenge the Treasury regarding the Loan Charge. We are writing to you because the answer, from the Financial Secretary to the Treasury, Jesse Norman, on 11th January, fails to answer the question you were asking and worse than that, is disingenuous and an attempt to mislead.

You asked (UIN 130647):

To ask the Chancellor of the Exchequer, What estimate he has made of the number of people subject to the Loan Charge who have been declared bankrupt?

Jesse Norman answered:

‘No estimate of the number of individual bankruptcies has been made, although the original impact assessment acknowledges that there are likely to be some. The impact assessment can be found here:

<https://www.gov.uk/government/publications/disguised-remuneration-further-update/disguised-remuneration-further-update>

HMRC cannot provide an estimate for the number of people subject to the Loan Charge who have been declared bankrupt, as they could have been declared bankrupt for many reasons and not necessarily as a direct result of a Loan Charge liability. HMRC are not always the only creditor and some people may be declared bankrupt as a result of a non-HMRC debt, and some individuals may choose to enter insolvency themselves based on their overall financial position.

The reality is, as Mr Norman knows full well, that at least one person facing the Loan Charge has been made bankrupt. Yet because the question asked what *estimate* has been made of bankruptcies that may have happened, they have decided to avoid admitting that any bankruptcies have happened. There may have been no estimate made, but what Mr Norman clearly should have stated is that there have been people facing the Loan Charge who have gone

bankrupt and given the figure of how many. HMRC *will* hold this information because they will be primary creditors on any bankruptcies.

Therefore, rather than being honest and giving you this information, Mr Norman and the Treasury have chosen to avoid it by referring very literally to the lack of an estimate. This is disingenuous and also misleading as it infers both that they don't know about bankruptcies of people facing the Loan Charge (they do) and also suggests there may not have been any so far (there have).

Unfortunately, this is routinely typical of questions on the Loan Charge and typifies the way that both HMRC and the Treasury have consistently misled MPs and peers over the Loan Charge and associated matters, something that the Loan Charge APPG has continuously raised. This campaign of disinformation continues to give a false picture of the Loan Charge, its reality and its impact, and is preventing HMRC being held answerable or accountable for their continued inaction, mismanagement and failures.

We thank you once again for asking these questions and we trust that you will continue to challenge HMRC and the Treasury over the Loan Charge, demanding that their answers are honest and complete, providing supporting evidence where necessary, all of which are regrettably conspicuous by their continued absence.

Please do not hesitate to ask or to make contact with the Loan Charge APPG, for any assistance or advice on the issue via contact@loanchargeappg.co.uk.

Thank you again and best wishes,

Yours sincerely



Steve Packham
Spokesman & Executive Director



Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group