



Rt Hon. Theresa Villiers MP
House of Commons
Westminster
SW1A 0AA

27th January 2021

Dear Theresa,

Unacceptable and misleading answer to your Parliamentary Question

We are writing with regard to your written Parliamentary Question to the Treasury, tabled on 30th November, relating to what steps are being taken now on the mis-selling of schemes subject to the Loan Charge.

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 8th December, fails to answer the question you were asking and worse than that, is disingenuous and an attempt to mislead.

You asked (UIN 122616):

To ask the Chancellor of the Exchequer, what steps he is taking on the mis-selling of schemes now subject to the Loan Charge?

Jesse Norman answered:

‘While the Government sympathises with anyone who believes they were misled into using a disguised remuneration (DR) scheme, it is an individual’s responsibility to ensure the accuracy of their tax return and to understand the consequences of their decisions.

The Government and HMRC are determined to continue to tackle promoters of tax avoidance schemes. This includes challenging those who promote disguised remuneration loan schemes.

Mr Norman’s response on mis-selling shows yet again that the Government thinks it is fine to pursue and ruin people who have been victims of mis-selling of schemes deemed by HMRC to be unacceptable tax avoidance. This confirms what the House of Lords Economic Affairs Committee stated, that the HMRC and Government strategy is that it is fine to go after the ‘low hanging fruit’ of individual taxpayers, who were mis-sold schemes as legal and legitimate.

Then when it comes to the part of the answer referring to promoters, Mr Norman states that HMRC will “*continue* to take robust action against promoters of tax avoidance” when HMRC know full well that they have not taken any robust action whatsoever, either to pursue promoters or to shut down schemes, which continue to be marketed openly. This is not

something that they can 'continue', so the inclusion of that word is an attempt to give a false impression and deceive.

The reality is that those who promoted, (mis)sold and recommended loan schemes now subject to the loan charge have not faced any criminal pursuit, have not been fined and have not been asked to pay a penny for doing so; whereas those they promoted, sold and recommended the schemes to are facing huge, and in many cases life-ruining, bills.

Jesse Norman himself admitted that the Government cannot prosecute anyone unless they retrospectively change the law – and has confirmed that they do *not* intend to do so. On BBC Politics Live in July 2019 Jesse Norman stated the reality and what he should have said in his reply to you, if he was being honest:

“The difficulty is that unless they’ve done something that is actually illegal, it is very hard and of course we’re not seeking in any case to pass retrospective legislation that would allow us to go after those promoters”.

Yet, this is precisely what the Government did to ordinary people mis-sold schemes by creators and promoters, as well as confirming the truth that the Government has no intention of doing anything to pursue those who mis-sold and promoted loan schemes.

The reality is that the Government passed retrospective legislation to go after the people who were victims of mis-selling, ruining many lives, pushing people to bankruptcy and mental breakdown. Tragically, there have been at least seven suicides resulting from this devastating and retrospective policy. The double standards in the way that the Government and HMRC are treating ordinary people, the victims of mis-selling compared to the way they are doing nothing to tackle mis-selling is shameful, especially when the Treasury and HMRC are well aware who these promoters are.

Mr Norman also refers to the strategy published of how the Government and HMRC intend to clamp down on promoters going forward, **yet there is nothing in those proposals with regard to taking action against those who have already mis-sold schemes subject to the Loan Charge, which is what you asked.**

It is simply not honest for Mr Norman to keep answering questions of what action has been taken against promoters of schemes subject to the Loan Charge by talking about proposals, not yet even agreed, to try to stop scheme promoters going forward.

We hope that this is helpful clarification, something that the Treasury fail to do regarding questions about the Loan Charge, indeed the questions routinely and deliberately seek to mislead, which 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 hope 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