



Lucy Frazer QC MP
Financial Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

20th September 2021

Dear Lucy,

Please look at the Loan Charge afresh to prevent more avoidable suicides

May we offer our congratulations on your appointment as Financial Secretary to the Treasury, a very important position in Government and with oversight of HMRC. We wish you well with your new role and responsibilities.

The Loan Charge Action Group (LCAG) represent all victims of the Loan Charge - an invidious piece of legislation that overrides basic, long-established taxpayer protections and undermines the rule of law, something that we imagine would trouble you with your background as a barrister and QC.

We are reaching out to you in your new position to *implore* you to look afresh at the Loan Charge and the dangerous reality of this ill-conceived policy, which was afforded neither an adequate impact assessment, nor properly explained to, or scrutinised by, Parliament when introduced.

There has been a constant, ever-growing, cross-party opposition to both the Government's handling of the Loan Charge 'debacle' (as described by Jim Harra) and the unacceptable behaviour and attitude of HMRC themselves, with support for victims from across the House expanding on an almost daily basis as more MPs and peers start to understand the facts based on evidence available. This is a serious problem which is not going away – as verified by the many emerging (and damaging) revelations from FOI requests and the amplified nature of the debate.

It is alas the case, that if the Government does not change course, and if HMRC proceeds to enforce the Loan Charge, thousands of UK families will have their livelihoods destroyed - and there will potentially be further suicides (following the tragic and unnecessary deaths of, at least, seven people who were pushed to take their own lives as a result of facing the Loan Charge).

HMRC - alongside your two predecessors - have waged a deliberate and cynical propaganda campaign against the thousands of Loan Charge Victims, painting us as faceless, wealthy individuals deserving of this draconian law – which, almost uniquely in our legal system, we cannot individually afford to appeal.

The truth is that we are just ordinary people trapped in the ongoing loop of a nightmare *simply for following professional advice* whilst seeking to work and remain compliant with 'IR35' legislation.

We are IT professionals, nurses, doctors, armed forces veterans, oil and gas workers. We are wives, husbands, mothers and fathers, sons and daughters. We are people that have worked hard and

contributed to the economy and to public services. We are relatives of people who have taken their own lives. We are also volunteers who have spent countless hours on a dedicated helpline to support Victims cope with their situation in order to prevent *further* tragedies - something that Government should be doing themselves. We face total ruin.

Your new ministerial colleague at the Treasury, Simon Clarke MP, has recognised the unfairness of the Loan Charge and previously signed two letters to Ministers on this matter. We hope he will seek to challenge what both he and the Prime Minister have publicly acknowledged as being unjust. We trust that you both will look beyond the HMRC propaganda and acknowledge the stark reality of the Loan Charge - what it has done, and will *continue* to do to people and their families if a solution is not found.

The Government claim that there has been an 'independent' review of the policy - but the truth, as exposed through the disclosure of internal emails via FOI requests, is that it was **not** independent and further revelations have also proven that the key conclusion of the Morse Review – that the law was supposedly clear from December 2010 – is **wrong**. The law was **not** clear until the Finance Act of 2017.

Even Jim Harra, First Permanent Secretary and Chief Executive of HMRC, openly admitted to the House of Lords Economic Affairs Committee in a recent oral evidence session - "I am not claiming that the law was always clear". HMRC have also admitted that they cannot find any legal precedent to overturn the 2017 Supreme Court decision that determined employers, **not** employees, are liable for any tax deemed to be due.

We therefore appeal to you to review the Loan Charge again.

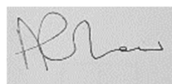
We also very much welcome any opportunity to meet with you and to discuss this issue, the reality of which is that we simply cannot afford the sums being demanded of us for arrangements which we were told were legal and our best way of ensuring compliance with the prevailing off-payroll legislation.

We genuinely wish you well in your new role and look forward to engaging with you Lives - quite literally - depend on it.

Yours sincerely,



Steve Packham
Spokesman & Executive Director



Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group