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## New Treasury Ministers who have opposed the Loan Charge urged to stick to their principles and resolve families' nightmare

The Loan Charge Action Group has written to the two key Treasury Ministers who will have responsibility for the Loan Charge in the reshuffled Government under Prime Minister Liz Truss. Both have previously expressed concerns about the Loan Charge and HMRC's conduct, opening up the possibility that – if they stick to their convictions – there will be a fresh look at the Loan Charge Scandal.

Both the new Financial Secretary to the Treasury, Andrew Griffith and the Economic Secretary to the Treasury, Richard Fuller, have expressed concern about the Loan Charge and HMRC's approach to people facing it.

Andrew Griffith MP has been an active member of the Loan Charge and Taxpayer Fairness All-Party Parliamentary Group (APPG) and in a parliamentary debate called for an amnesty for Loan Charge victims. He stated in the debate on the Finance Bill in April 2020:

*“To focus on the future, we must release time and energy by not refighting the battles of the past. That means dealing with historical issues, such as properly compensating Equitable Life policy holders, many of whom were doctors and nurses, and **giving an amnesty for all but the most egregious cases of abuse in respect of the loan charge.** The only way to truly rebuild the economy is with an enterprise-led renaissance, as only business can create real jobs, opportunities and prosperity”.*<sup>1</sup>

Richard Fuller MP, the Economic Secretary to the Treasury, appointed in July slammed HMRC in a debate about the way they have failed to act in a fair or trustworthy way regarding the Loan Charge. He stated in a debate on the Loan Charge in March 2020:

*“My hon. Friend puts his finger on one of the core points. Who is running the show here? Is it HMRC, or are the Government making sure that law on this matter is paramount? Does he not find it ironic that HMRC's annual report this year says that HMRC wants a system that can “be trusted and seen to be fair, with the right safeguards in place to protect customers”? Does this case not show that it is falling woefully short of meeting that ambition?”*<sup>2</sup>

It is clear also that Richard Fuller shares the serious concerns of campaigners, MPs and sector professionals at the way HMRC have been allowed to 'run the show' and dictate to the Treasury over this policy.

The letters from LCAG urge both Ministers to stick to their convictions and agree to review and resolve the whole Loan Charge scandal and work with campaigners and sector professionals to do so. At the moment it is not clear whose responsibility oversight of HMRC and the Loan Charge will come

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<sup>1</sup> <https://hansard.parliament.uk/Commons/2020-04-27/debates/C37146D2-C2C0-4146-A015-E038C1E439DA/FinanceBill?highlight=loan%20charge#contribution-591063B9-84FE-41D2-AFD6-A1B9819972F6>

<sup>2</sup> <https://www.theyworkforyou.com/debates/?id=2020-03-19a.1191.0#g1204.2>

under, with it previously being the Financial Secretary to the Treasury, but with HMRC no longer listed in the responsibilities of the post on the Government website. At the moment, the responsibilities of the Economic Secretary to the Treasury are listed as 'To Be Confirmed' <https://www.gov.uk/government/ministers/economic-secretary-to-the-treasury--3#responsibilities> .

The letters follow the commitment made by the new Prime Minister, Liz Truss to look into what she described as the “appalling” Loan Charge suicides as well as slamming the “very poor” way the whole situation has been handled. The nine suicides were confirmed recently in a letter to MPs from the previous Financial Secretary to the Treasury, Lucy Frazer. The commitment was made at a ‘meet Liz’ event in Purley hosted by Croydon Conservatives, when Liz Truss was asked about the nine confirmed suicides and asked if she would act before more people take their own lives facing the controversial policy. She stated:

“It is appalling to hear about that and the way the whole situation has been handled has been very poor in my view and we’ll look at what we can do on that specific issue and we’ll also make sure as part of our tax review we’re looking at IR35 and the impact that’s had because again, the people who are self-employed do not get the same benefits as people who are on Pay As You Earn so we should be doing what we can to help those people but I’ll certainly look at that and it’s very very tragic, I think, that this has happened”.<sup>3</sup>

The previous Financial Secretary to the Treasury, Lucy Frazer refused to engage on the issue, failing both to reply to a letter sent by a group of tax professionals urging the Treasury to resolve the issue and consistently parroting HMRC propaganda. Her departure from the role was welcomed by campaigners and sector professionals alike and the hope is that a new Treasury team with integrity will change the approach to the Loan Charge, to IR35 and the oversight of an out-of-control HMRC.

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

"We are heartened that at last we have Ministers in the Treasury who have spoken up against the dangerous Loan Charge and criticised the way HMRC have behaved.

“We urge both Andrew Griffiths and Richard Fuller to have the courage of their convictions and to act to review and resolve the whole Loan Charge Scandal. With the Treasury having confirmed nine Loan Charge suicides, this decision needs to be made as soon as possible.

“We also hope, to quote the Economic Secretary to the Treasury, Richard Fuller that we will now see Treasury Ministers “running the show” not HMRC and that they will hold the out-of-control HMRC to account for this policy failure that has caused suicides but also has failed to stop the ongoing mis-selling by rogue operators.

“We hope to be able to engage with the Treasury now to find a way out of the never ending nightmare for thousands of UK families and also a way to allow the Government to move on and focus on the cost-of-living crisis and the economy, to which freelancers, contractors and company directors make a huge contribution“.

The letters can be found here:

[20 Sep 2022 – LCAG letter to Andrew Griffith MP Financial Secretary to the Treasury](#)

[20 Sep 2022 – LCAG letter to Richard Fuller MP Economic Secretary to the Treasury](#)

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<sup>3</sup> <https://youtu.be/TP11NPmHnbl>