



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Loan Charge Action Group

18 March 2024

Dear Mr Packham and Mr Earnshaw,

Thank you for your letter dated 8 March about the Loan Charge.

I set out the Government's position in the debate in the House of Commons on 18 January and I stand by my comments.

I understand the strength of feeling around this issue. As I said during the debate, since my appointment in November last year, I have met multiple times with the HMRC officials with policy and operational responsibility for the Loan Charge. I have made absolutely clear my expectation that HMRC treat taxpayers sensitively, fairly and at all times in accordance with the HMRC Charter. I have received firm assurances on these points and I fully intend to hold HMRC to account in this regard.

In particular, I have pressed HMRC on their tone and approach taken when contacting people about their affairs. Where a taxpayer disagrees with HMRC's decisions or its conduct, there are routes of appeal independent of HMRC. After raising a complaint with HMRC, anyone who feels HMRC has treated them poorly can complain to the Independent Adjudicator. They can also ask their MP to refer their complaint to the Independent Parliamentary and Health Services Ombudsman.

As a Minister I cannot comment on individual cases. However, I would encourage you to provide me with evidence of where HMRC has failed to meet the standards set out in the HMRC Charter, and I will ensure that HMRC responds to those concerns. Again, I intend to continue holding HMRC to account in respect of this and the other assurances they have given. However, it is extremely important that people with disguised remuneration liabilities engage with HMRC and work with them to reach settlement.

I want individuals with tax liabilities to resolve their disputes with HMRC without stress or anxiety. I have pressed HMRC for firm assurances on settlements and they are clear. HMRC will not require disguised remuneration scheme users to sell their main home or cash in their pension savings to pay their debts. HMRC will not petition for bankruptcy with their agreed payment plan and doesn't incur additional tax debt – it is in nobody's interest to do this.

HMRC continues to encourage people to settle their tax affairs and it wants to make the settlement process as straightforward as possible. HMRC works with those affected to agree manageable payment plans and has a well-established Extra Support Service focused on those in vulnerable circumstances. HMRC offers payment plans based on peoples' specific financial circumstances – meaning there is no 'standard' repayment

plan. HMRC look at what people can afford to pay and then use that to work out how much time they need to pay. There is no time limit on how long a Time to Pay arrangement can be for – HMRC simply expect people to pay off their tax debt as quickly as they can afford.

I understand that the Loan Charge Action Group provides secretariat support to the Loan Charge and Taxpayer Fairness All Party Parliamentary Group. You will be aware that I met last month with members of the APPG to hear their concerns. I think the APPG is the most appropriate body for me to engage with and I intend to continue this engagement over the coming months.

Thank you for taking the time to make me aware of your concerns.

Yours sincerely,



Nigel Huddleston MP
FINANCIAL SECRETARY TO THE TREASURY