



Ray McCann

By email

17th October 2025

Dear Ray,

A personal plea from victims of the Loan Charge

We are writing to you, on behalf of all those caught up in the Loan Charge Scandal, regarding the review into settlement terms that you have conducted this year.

This is addressed to you as an individual (as opposed to you in your role as the Government appointed reviewer), to implore you to reject any attempts by the Government to reduce or restrict your recommendations, which from what you have previously said and from what the Ministerial statement says, we believe is likely to happen.

Moreover – and even more importantly - we are also imploring you, in the event that you feel that you are unable to make recommendations that reflect your view and your position having conducted the review, that you say so publicly and in doing so make clear that you have been unable to recommend what you believe to be fair (and what you believe will actually resolve the nightmare for those caught up in it).

We say this because we believe this scenario is highly likely, due to the restrictions placed upon you by the Treasury in terms of what you are permitted to recommend and crucially, what if any ability you had to recommend significant reductions in settlements. This applies to reductions for individuals and for reduction in the overall projected settlement 'take' predicted by HMRC, flawed as that is.

We are not clear to what extent you agreed to the restrictions imposed on your review, but it seems apparent from the Minister's own statements and from what you told the Loan Charge and Taxpayer Fairness APPG when you met them, that you have been considerably restricted in what you could recommend in terms of reductions. This is unfair, when Ministers, including the Chancellor and the Chief Secretary to the Treasury, have themselves acknowledged that people affected are victims of mis-selling.

The justification given by Government for a review only of settlement terms has been because they wished to resolve cases/the whole scandal and this is why they didn't pursue a full and proper review/inquiry of the whole matter.

However if the restrictions imposed on you do not allow you to make significant reductions in settlements that (a) reflect the chronic mis-selling that has happened and (b) that make it possible for people to settle their cases without hardship, then the whole exercise will have been a profound failure by its own measure, as it will not resolve the matter. This would of course be bitterly ironic considering the Loan Charge itself completely failed to achieve the objectives Ministers claimed it would have when it was introduced!

You know – and have acknowledged – that the people affected simply don't have anything like the money to pay the demands HMRC is making of them (even without the punitive interest

and penalty charges on top). It is entirely futile demanding money that people do not have, but it is also dangerous. As well as inevitable bankruptcies, there will be hardship, including for those in retirement and those already suffering from the financial impact of relationship breakdown and divorce, as a result of the whole Loan Charge Scandal. Therefore, unless you recommend considerable reductions, you will be participating in an exercise which will fail to resolve the scandal and will simply continue the nightmare for all affected, including then facing the likelihood of enforcement and the disastrous consequences this will inevitably have, including the very real possibility of more suicides.

We therefore urge you to have the courage to make clear if the restrictions imposed on you mean that you are not able to make recommendations (and reductions) that would resolve cases. We believe that it is almost inevitable that this will be the case, from what the Minister has said. We hope that rather than put your name to weak recommendations that you know will not resolve this scandal, that you state that the review parameters mean that you cannot deliver the resolution the Minister asked of you. This would be the right and professional thing to do, as opposed to going along with a review that is little more than a settlement twiddling tick-box exercise. We hope that you would not want to put your name to any review report that is such a thing.

We do also remind you that you signed [the proposal put forward by independent sector professionals](#) that includes recommending that those affected should have their outstanding tax liability reduced by any PAYE credit that should have applied. We hope this is something that you will therefore include in your suggestions – and if you are prevented from doing so by the Government, that you will say so publicly.

We also believe that if you have reviewed cases and related evidence in some detail (as it appears you have), that you will surely agree with the position of the Loan Charge and Taxpayer Fairness APPG, that there must be a full independent inquiry into the *whole* Loan Charge Scandal, in the knowledge that your own review is *only* of settlement terms. We therefore hope that you will have the courage to publicly recommend that such an inquiry takes place to look into the whole scandal, the profound failure of the policy/legislation, the whole supply chain and the conduct of HMRC. Nothing else will properly examine this whole fiasco and policy failure.

You are also aware that your review, because of the way the Government restricted it to only look at cases currently facing the Loan Charge, that it cannot actually resolve all related cases that are part of the whole Loan Charge Scandal. First of all, it doesn't include cases that were taken out of the remit of the Loan Charge by the Morse Review recommendation, but are still being pursued by HMRC. There are also, as you know, many cases where workers (including low paid workers) have been mis-sold schemes after the Loan Charge no longer applies.

It makes no sense to exclude these cases, but in any case, even if you manage to 'resolve' Loan Charge cases (and we do not believe you can, due to the restrictions imposed on you), you are not permitted to resolve these other cases. Many of these relate to the same schemes/scheme promoters and some also involve the same individuals (with some of those affected having some tax years caught by the Loan Charge and some not).

The scandal will only be resolved (and without further human harm) when *all* such cases are reviewed fairly and by taking into account the important roles of promoters, accountants, umbrella companies and recruiters for their part of directing people to use such arrangements

in the first place. Any fair resolution must also acknowledge the failures of HMRC and the Government in closing these schemes down and adequately warning anyone who was likely to be affected. This is the only thing that will 'draw a line' under the historic use of such schemes, which as you know, was the stated intent of the Loan Charge, something it has spectacularly failed to do (and with no one being held accountable for this failure).

In addition, your review has been prevented from making reductions to settled cases, which is completely unfair and wrong. As it is, you are well aware that any improvements in settlement terms creates an immediate and profound injustice for all those who did what HMRC and Ministers were calling upon them to do and 'settle' with HMRC.

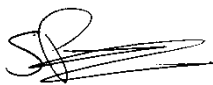
In many cases, people effectively settled under duress, doing so under great pressure from HMRC and facing the threat that those who did not settle would face much greater liabilities. It would be disgraceful for those who settled under these circumstances to end up facing higher liabilities and a worse outcome than if they had not settled, compared to if they had not done so. This cannot be ignored. You acknowledged this potential injustice at the meeting you had with the Loan Charge and Taxpayer Fairness APPG and it is something that must be rectified.

The Minister has said that you will have the 'final say' on the report and recommendations, even though he and you have made clear that this final say will happen only after there have been discussions – and potential changes – to the report and recommendations. If those discussions and changes prevent you from recommending what you believe will resolve the issue or what you believe is right, then you must in conscience use your 'final say' to make this clear and disown the revised recommendations altogether.

We therefore urge you, as an individual who says they care about this issue and does genuinely want to see it resolved without further human tragedies, to speak up and recommend only what will genuinely resolve cases and also to recommend a full inquiry, to look at all aspects of this scandal that you were not allowed to examine or to change.

We are not seeking a formal reply to this letter and we realise that in any case, you couldn't supply us with one because the review report has not been published. We just wanted to ask you to have the courage to make clear if the restrictions put upon you have prevented you from making the recommendations you would want to make, to resolve the Loan Charge Scandal.

Yours sincerely,



Steve Packham
Spokesman & Executive Director



Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group