



James Bowler CB  
Permanent Secretary  
HM Treasury  
1 Horse Guards Road  
Westminster  
London  
SW1A 2HQ

19<sup>th</sup> June 2026

Dear Mr Bowler,

### Treasury official's role in the appointment of Ray McCann despite conflicts of interest

We are writing on behalf of the Loan Charge Action Group (LCAG), representing and supporting individuals and families affected by the Loan Charge and related so-called disguised remuneration disputes, regarding Treasury official's role in the appointment, briefing, support and subsequent presentation of Ray McCann's review of the Loan Charge.

Recent disclosures obtained through [Freedom of Information requests](#) raise serious concerns about the extent to which HM Treasury and HMRC were aware, from the outset, that the review could not credibly be presented as genuinely independent.

This is not a minor procedural issue. HM Treasury and HMRC have relied on the McCann Review as a basis for seeking to bring the Loan Charge matter to a close. Yet the disclosed material shows that officials were aware, before and during the appointment process, that Mr McCann's appointment carried significant perceived and possible conflicts of interest.

The disclosed documents show that officials explicitly recognised the risk that Mr McCann's previous senior role within HMRC created a perceived conflict of interest, particularly if the review touched on HMRC's historical role in tackling so-called disguised remuneration before the Loan Charge was introduced.

One [briefing note prepared \(Page 4\)](#) for Ministers stated:

*"You should note the risk that this creates a perceived conflict of interest, particularly if the scope of the review requires a reviewer to consider HMRC's historical role in tackling disguised remuneration prior to the introduction of the Loan Charge."*

The same material acknowledged that LCAG had called for a reviewer with:

*"no links to HMRC or Government, past or present"*

before concluding:

*"So, you should note that Mr. McCann does not meet LCAG's stated criteria for a suitable reviewer."*

A [subsequent due diligence note \(Page 7\)](#) again highlighted "perceived and possible conflicts" arising from Mr McCann's previous 31-year career within the Inland Revenue and HMRC, including his senior role in HMRC's Anti-Avoidance Group and his direct involvement in HMRC's activity to counter disguised remuneration schemes.

The disclosed material records:

*“Mr. McCann worked for the Inland Revenue/HMRC for 31 years. During his time with HMRC, he worked as an Inspector of Taxes in various compliance roles and was latterly a Deputy Director in HMRC’s Anti-Avoidance Group (AAG) (the predecessor to the current Counter Avoidance directorate).”*

It further states:

*“During his time in AAG, Mr. McCann was directly involved in HMRC’s activity to counter the use of disguised remuneration schemes, including leading on the development and implementation of the Disclosure of Tax Avoidance Scheme (DOTAS) rules that require promoters of tax avoidance schemes to notify HMRC of their schemes.”*

The same note then warned:

*“You should note the risk that this creates a perceived conflict of interest, particularly if the scope of the review requires a reviewer to consider HMRC’s historical role in tackling disguised remuneration prior to the introduction of the Loan Charge.”*

These concerns were not raised only by campaigners after the event. They were identified internally by Government officials as part of the appointment process.

That makes the subsequent presentation of the review as independent deeply troubling.

The public impression created by Ministers and officials was that the McCann Review was an independent exercise capable of resolving the Loan Charge controversy. The disclosed documents show that Treasury officials knew there were serious independence concerns, knew those concerns would be scrutinised, and knew that Mr McCann did not meet the independence criteria sought by LCAG and many affected taxpayers.

The concern is not merely that Mr McCann once worked for HMRC. The concern is that he spent 31 years in the Inland Revenue/HMRC, held a senior role in anti-avoidance, was directly involved in activity to counter so-called disguised remuneration schemes, had previously commented publicly on the Loan Charge issue, and was then appointed to conduct a review in a policy area where HMRC’s own conduct, assumptions, settlement strategy and historical failures remain central matters of dispute.

That cannot sensibly or credibly be described as independent in any ordinary public sense.

The disclosed notes also acknowledge that Mr McCann’s previous commentary and engagement on the issue were likely to be “scrutinised carefully” and could be used to undermine confidence in the review and its conclusions. That is precisely what has happened. The problem was foreseeable, identified internally, and then disregarded.

The disclosures further suggest that discussions about Mr McCann potentially chairing the review took place before any clearly evidenced open, formal or competitive appointment process. One note records that the Minister raised “the possibility of Ray chairing a potential review in the future, and Ray indicated he would be willing to do so.” Another records the Minister formally asking Mr McCann to undertake the review after discussions regarding the objectives and desired outcomes of the review itself.

This creates the impression that the reviewer was effectively identified before any meaningful independent selection process took place, and that the parameters of the review were discussed between the Treasury and the eventual reviewer before appointment.

That raises serious questions about whether alternative candidates were genuinely considered, whether the selection process was appropriately independent, and whether the review was designed to deliver closure rather than scrutiny.

No one is disputing that Mr McCann is knowledgeable about the Loan Charge and that he has considerable expertise, but this has no bearing on independence. A person may be knowledgeable and experienced while still being unsuitable to lead a review that must command confidence from those who believe HMT and HMRC are part of the problem.

Nor is it sufficient to argue that Mr McCann's previous HMRC role was mitigated because the review was limited in scope. The scope of the review is itself part of the concern. A review into the Loan Charge that does not fully examine HMRC's historic conduct, its failure to act against promoters and scheme operators, its communications with taxpayers, and its role in allowing disputed retrospective demands to accumulate over many years cannot provide meaningful closure. Indeed, it is therefore not, in itself, an independent review.

We therefore ask you to answer the following questions:

1. Who within the Treasury first suggested Ray McCann as a possible reviewer?
2. On what date was Mr McCann first discussed as a potential reviewer by Treasury officials or Ministers?
3. Whether any other candidates were considered, shortlisted, approached or assessed?
4. Whether there was any formal selection process, scoring process, interview process or appointment panel?
5. Whether HMRC suggested, supported, commented on or was consulted about Mr McCann's appointment?
6. Why Treasury officials proceeded with the appointment despite the internally identified perceived and possible conflicts?
7. Were Ministers advised in writing that Mr McCann's appointment could undermine public confidence in the review?
8. Did Treasury officials discuss the intended scope, objectives, parameters, recommendations or desired outcomes of the review with Mr McCann before his appointment was finalised?
9. Did the Treasury or HMRC supply Mr McCann with draft material, suggested lines, factual submissions, analytical papers, statistical material or proposed wording during the review?
10. Will the Treasury now publish the appointment submission, due diligence note, conflict assessment, ministerial advice, candidate assessment material and correspondence between the Treasury, HMRC and Mr McCann relating to the appointment and conduct of the review?

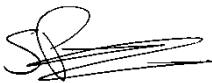
11. Was Mr McCann selected because he would agree to conduct a partial review that ruled out consideration of HMRC's historical role, something that FOI disclosures have revealed the Government had already excluded from the review's scope?
12. Was Mr McCann selected due to his public comments supportive of the Labour Party/the current Government and his negative comments about the previous Conservative Government?

LCAG has repeatedly warned that a review lacking genuine independence would not command the confidence of those affected. The disclosed material now confirms that those concerns were known inside Government before the review began.

We ask that you personally review the disclosed material and provide a substantive response to the questions above.

We also ask that the Treasury publishes all non-personal material relating to the appointment, due diligence, briefing and support of the review.

Yours sincerely,



Steve Packham  
Spokesman & Executive Director



Andrew Earnshaw  
Executive Director

On behalf of the Loan Charge Action Group