



Mr John-Paul Marks CB
First Permanent Secretary and Chief Executive
HM Revenue & Customs
100 Parliament Street
London
SW1A 2BQ

19th June 2026

Dear Mr Marks,

HMRC'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 HMRC'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 HMRC and Treasury officials were aware, from the outset, that the review could not credibly be presented as genuinely independent.

The disclosed documents show that officials explicitly recognised the risk that Mr McCann's appointment created a perceived conflict of interest, particularly given his previous senior role within HMRC and his direct involvement in anti-avoidance work connected to the very policy area under review.

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 so-called 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)."

“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 are not concerns invented after the event by campaigners or affected taxpayers. ***They were concerns identified internally by Government officials before and during the appointment process.***

That makes the subsequent presentation of the review as an independent exercise extremely troubling.

The public position taken by HMRC and the Treasury has been that the McCann Review provided an independent basis for closure. Yet the disclosed documents show that 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 parliamentarians.

The concern is not merely that Mr McCann once worked for HMRC. It 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 review a policy area in which HMRC’s own conduct, assumptions, settlement strategy and historical failures remain central matters of dispute.

That is not independent in any meaningful public-law, parliamentary or ordinary-language 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 ignored.

This raises a serious question for HMRC’s senior leadership: why was a review that officials knew carried obvious and foreseeable independence concerns nevertheless presented to affected taxpayers, Parliament and the public as an independent review capable of bringing the Loan Charge scandal to a close?

The concern is compounded by the fact that discussions about Mr McCann potentially chairing the review appear to have taken place before any clearly evidenced open or formal appointment process. One disclosed 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 shaped through discussions between Government and the eventual reviewer.

Given HMRC's central role in the Loan Charge, and given that HMRC's conduct remains one of the core areas of public concern, it is unacceptable for HMRC simply to treat this as a matter for Treasury Ministers. HMRC was not a passive bystander. HMRC was the department whose conduct, litigation approach, settlement policy, communications, enforcement strategy and treatment of affected taxpayers were all directly relevant to the review.

We therefore ask you to answer the following questions:

1. Were HMRC officials consulted on Ray McCann's appointment and if so, what was the basis of the consultation and what was the response?
2. Did HMRC consider or advise on the reputational risk of relying on a review led by a former senior HMRC anti-avoidance official to justify the continuation of HMRC's Loan Charge enforcement strategy?
3. Did HMRC officials contribute to, review, approve or supply material for the due diligence notes and ministerial briefing documents that identified those independence concerns?
4. Will HMRC now publish, or support publication of, all non-personal material relating to HMRC's role in the appointment, briefing and support of the review?
5. Did HMRC provide Mr McCann with data, analysis, submissions, briefings, draft material, suggested lines or factual corrections during the review?
6. Has HMRC retained all communications between HMRC, the Treasury and Mr McCann relating to the review, its scope, its findings, its publication and its subsequent presentation?
7. 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? Was HMRC aware of this?
8. Do you accept the inevitable conclusion that public confidence in the review has been materially damaged by these disclosures, particularly among affected taxpayers and their families?

This issue goes directly to trust in HMRC, an issue identified both by Ministers and by Mr McCann. It is not credible to continue telling affected taxpayers, Parliament and the public that the McCann Review represents independent closure while withholding or minimising the fact that officials themselves identified material independence concerns from the beginning.

The Loan Charge has devastated lives and families. At least eleven suicides have been linked to the issue, and many thousands of people remain trapped in historic disputes, often as a result of arrangements they were advised were compliant and in many cases after HMRC failed to act effectively against promoters, employers and scheme operators at the relevant time.

In that context, independence is not a procedural nicety. It is fundamental.

HMRC cannot restore confidence by continuing to rely on a review whose independence was questioned internally before it even began. Nor can HMRC credibly use that review as the basis for continuing an enforcement strategy that many now regard as morally, administratively and financially indefensible.

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. HMRC should not continue to rely on the McCann Review as a basis for closure while ignoring the very independence concerns that officials themselves identified.

We ask that you personally review the disclosed material and provide a substantive response to the questions above. We also ask that HMRC now takes active steps to ensure full transparency around its role in the McCann Review.

Yours sincerely,



Steve Packham
Spokesman & Executive Director



Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group