



Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

19th June 2026

Dear Chancellor,

[FOI reveals that Treasury officials were aware that Ray McCann's past working with HMRC would give rise to a conflict of interest – and that it failed the APPG tests of independence](#)

We are writing on behalf of the Loan Charge Action Group regarding the appointment of Ray McCann to lead the Government's so-called "Independent Loan Charge Review".

Recent disclosures obtained through [Freedom of Information requests](#) expose the fact that Treasury officials themselves explicitly recognised concerns regarding Mr McCann's independence and the perception of conflicts of interest arising from his previous role within HMRC.

The key section in the FOI material, from a document headed [No 10 Direct Appointments Pro Forma](#), there is a section on candidate due diligence (halfway down page 10). This states:

We have identified three key sources of potential perceived conflicts, namely:

- **Previous work for HMRC:** Some campaigners on this issue have said the reviewer should have no links to HMRC, although Mr McCann was recommended as a potential reviewer to XST during a meeting with campaigners and Mr McCann left HMRC more than 18 years ago.
- **Public comments on the policy area:** Mr McCann has engaged extensively on this subject. This is, in many respects, a benefit given the expertise and experience he will bring to the role. But it also carries risk. For example, his past comments could be used by those who do not agree with the outcome of the review to undermine the reviewer, his review, or its recommendations.
- **Public support for the governing party:** Mr McCann has criticised the Conservative Party on social media, both when they were in government and since they have been in opposition. He has also supported the current government on certain issues, including measures recently announced at Budget. We would encourage Mr McCann to cease all political commentary during the review period.

A [briefing note to Ministers](#) (page 7) admits:

"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."

Acknowledgment of the conflict of interest with Ray McCann's long history working for HMRC

The same [briefing note](#) (page 4) lays out Mr McCann's HMRC history as follows, noting not only is very long time working for the tax authority, **but also that he worked in the same department and area of work as that related to the Loan Charge.**

The briefing note states that:

“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. 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.”

This is despite a previous promise by James Murray, who appointed Mr McCann, that he would commit to commissioning a **“truly independent review”**¹, something also echoed by Darren Jones MP, who was Chief Secretary to the Treasury when Ray McCann was appointed and is now Chief Secretary to the Prime Minister². The latest revelations show that Mr Murray – and the Chancellor – understood any review led by former HMRC Assistant Director Ray McCann could not and would not be “truly independent”. James Murray also called for a fresh independent review in the House of Commons in opposition in 2021, proclaiming *“This new review must finally offer a truly independent assessment”*³ something that the McCann Review most certainly is not.

This note concludes:

“You should note the risk that Mr McCann's time in HMRC creates a perceived conflict of interest, though this is mitigated by the fact that the review focuses only on the Loan Charge which was introduced after Mr. McCann left HMRC.”

However, this supposed mitigation is not the point, as the review (which in reality was only a review of settlement terms, not actually the Loan Charge legislation) was looking at those mis-sold what HMRC calls ‘disguised remuneration schemes’.

What this admission in fact means is that the review was deliberately restricted to AVOID looking at the fundamentally important issue of HMRC's role and handling of the whole issue, something that has been the focus of huge amounts of criticism.

It is also important to note that any genuine review of the Loan Charge Scandal MUST *“consider HMRC's historical role in tackling disguised remuneration prior to the introduction of the Loan Charge”*. The fact that the Government ruled this out of scope – with the cooperation of former

¹ https://x.com/jamesmurray_ldn/status/1466102915056218115

² <https://hansard.parliament.uk/commons/2024-01-18/debates/2DAF0F4F-46F3-446E-9594-292B97A6F3E0/LoanCharge#contribution-E0F7692A-DCF2-4BEE-8A6A-D892BBAC8818?text=Will%20the%20Treasury,of%20those%20schemes.>

³ <https://hansard.parliament.uk/Commons/2021-12-01/debates/>

HMRC senior counter avoidance official Ray McCann is in itself proof that the McCann Review was manifestly not independent and restricted. This is ironic when it was made clear at a meeting on 8th August 2024 to the then Exchequer Secretary to the Treasury, James Murray, including by Greg Smith MP, a Co-Chair of the Loan Charge and Taxpayer Fairness APPG that the previous restricted and flawed Morse Review “*wasn’t fully independent...and was constrained*”.

Treasury Ministers completely ignored this – and repeated exactly the same thing, a review that was not independent and that was highly constrained by a limited and biased terms of reference.

Acknowledgment that Ray McCann failed the basic tests of independence of the APPG & LCAG

Further information revealed exposes that the Treasury appointed Ray McCann despite acknowledging that he did not – and could not – be regarded as independent, according to the simple criteria laid down by both the MPs and peers of the Loan Charge and Taxpayer Fairness APPG and the Loan Charge Action Group (LCAG). The Loan Charge and Taxpayer Fairness APPG, had laid out in detail, [in a letter to the Chancellor in December 2024](#), before the review was announced, the basic criteria of what independent would mean including that it had to be someone with no links to HMRC.

A [briefing note](#) (page 4) states that this was understood – but completely ignored :

*“In their letter to the Prime Minister (in his then position of Leader of the Opposition) during the General Election period, the Loan Charge Action Group (LCAG) set out their asks for a ‘genuinely independent review’. These included that “*The reviewer/head of the inquiry must not be appointed by Government (Treasury and HMRC) and they must have no input into candidates or candidate selection. The APPG has previously suggested a tax judge, but whoever it is it must be someone with no links to HMRC or Government, past or present.*”*

The [Ministerial briefing note](#) (page 4) acknowledged that the Loan Charge Action Group had called for:

“someone 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.”

Acknowledgment of the conflict of interest with Ray McCann’s public commentary on the issue

The concerns are compounded by Mr McCann’s long-standing and public involvement in the Loan Charge debate. Mr McCann has an extensive history of public debate on Twitter (now X).

Prior to his appointment, Ray McCann had regularly expressed views publicly on the Loan Charge and the whole scandal something that in any genuinely independent review would also have ruled him out.

The [Ministerial briefing note](#) (page 8 point 14) states:

“...his commentary and engagement on this issue are likely to be scrutinised carefully following his appointment and may be used by those unsatisfied by the review in an attempt to undermine Mr McCann, his review and/or its recommendations. For example, while his evidence to the TSC in 2018 was reasonably even-handed and not uncritical of the Loan Charge policy and HMRC, he

did say: ***"It is quite a challenge for someone who has any knowledge and experience of these arrangements [loan schemes] to look at this with great sympathy."***

He [stated on Twitter back on 8th August 2019](#):

"My views are well known to everyone interested in this issue".

There is a huge history of Ray McCann being involved in the debate on the Loan Charge and regularly challenging those affected by the Loan Charge and advisers concerned about it - something that should have ruled him out to lead a supposedly independent review.

Ray McCann was a politically convenient appointment supportive of the Labour Party

As laid out, the Treasury also identified the potential conflict of interest due to Ray McCann's supportive comments on social media about the current (Labour) Government (and previously of the Labour Party in opposition) critical comments he had made about the previous Conservative Government.

As above, in the [No 10 Direct Appointments Pro Forma](#) section on candidate due diligence it identifies the concern about:

Public support for the governing party: Mr McCann has criticised the Conservative Party on social media, both when they were in government and since they have been in opposition. He has also supported the current government on certain issues, including measures recently announced at Budget. We would encourage Mr McCann to cease all political commentary during the review period.

Concerns that Ray McCann was the only candidate considered

The material disclosed by FOI also reveals that discussions about Mr McCann potentially chairing the review took place before any formal appointment process, including meetings with the Exchequer Secretary to the Treasury in August and September 2024. 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 detailed discussions regarding the objectives and desired outcomes of the review itself.

There is no sense that any other candidate was considered, nor that proper consideration was done about what a genuinely independent reviewer would look like and with a range of options considered, including (as the Loan Charge Action Group has suggested) a retired tax judge, with no history of working for HMRC of the Treasury.

There is also a strong sense that Ray McCann had been identified by the Treasury as a highly convenient person who would agree with the restricted, arial and biased review, despite his long history of working for HMRC and other obvious conflicts of interest.

This lack of any transparent and proper appointment process, considering a variety of candidates, is completely inconsistent from a genuinely independent review.

The dishonest way the Treasury has described Ray McCann in the context of the review

Now that all of this is public, it also exposes the sheer dishonesty on the part of the Treasury when deliberately omitting Ray McCann's 31 year history of working for HMRC in all descriptions of him

regarding the Review. In each case, ***only mentioning his one year as a former President of the CIOT (the Chartered Institute of Taxation) and omitting his 31 years working for the tax authority.***

This is what James Murray said in his [ministerial statement](#) when announcing the review:

“I have therefore asked Ray McCann, a former President of the Chartered Institute of Taxation, to conduct a review”.

Similarly, this is what it states on [the Government website](#):

“In January 2025 the then Exchequer Secretary to the Treasury commissioned Ray McCann, a former president of the Chartered Institute of Taxation, to lead a new independent review of the loan charge”.

In all descriptions of Ray McCann, in conjunction with the review, the Treasury and HMRC have deliberately omitted any mention of his 31 years working for HMRC/the Inland Revenue, despite having privately discussed this in detail.

This is wrong and there needs to be an investigation into this as to which civil servants are responsible, as this deliberate and cynical omission is a breach of the civil service code core value of ‘honesty’ which is defined as being ‘truthful and open’. There also should be an apology for this clearly deliberate attempt to airbrush Ray McCann’s long history of working for HMRC from Government documentation, announcements and replies to Parliamentary Questions.

[Conclusions from the latest revelations](#)

These new damning revelations, that blow apart any credible claim that Ray McCann could be considered as genuinely independent and we now know that privately officials and Ministers were discussing these clear conflicts of interest, all of which should have ruled him out. It also therefore further shows that the McCann Review was not independent and not what Ministers promised.

With his 31 year history of working for HMRC and in the same overall area of HMRC activity, Mr McCann could not be further from what the APPG laid out in terms of what an independent chair or review lead should be.

Appointing former HMRC Assistant Director Mr. McCann to lead an ‘independent review’ of HMRC’s Loan Charge is like appointing a former senior Post Office executive to lead an ‘independent review’ into the Post Office Scandal.

Given the scale of the controversy surrounding the Loan Charge, the devastating impact on the many affected individuals and families, and the continuing concerns regarding HMRC’s conduct and approach, it is essential that any review commanded widespread trust and credibility. This clearly does not and cannot.

It is ironic that that when in opposition, James Murray, who announced the appointment of Ray McCann when he was Exchequer Secretary to the Treasury, said “*It’s about having an independent review to restore trust*”.⁴

Instead, a cynical decision was taken to appoint a former Assistant Director of HMRC, who worked for HMRC and the Inland Revenue for 31 years to lead a review that wasn’t even a review of the Loan

⁴ <https://www.yorkshirepost.co.uk/business/loan-charge-victim-contemplated-ending-their-own-life-mps-are-told-3487833>

Charge itself or how and why HMRC proposed it – and then omit his 31 years of working for HMRC from all Government documentation. **Rather than “restore trust” this has inevitably done the opposite.**

We also remind you of [your own words in January 2024](#) when you said, criticising the approach of the previous Government:

“HMRC seem to be coming after the people who were mis-sold these products rather than the people who were mis-selling them, and that is a real scandal”.

Yet the McCann Review recommendations leave in place the same approach – with HMRC only pursuing victims of mis-selling, whilst not seeking to recover a penny from those who mis-sold the arrangements and made millions doing so.

This, of course, is on top of the clear broken promise made in opposition to conduct a “truly independent” review into the Loan Charge, not merely a limited review of the fairness of settlement terms, carried out by a former Assistant Director of HMRC, that started from the position of supporting the Loan Charge.

It is fair to say trust was already in short supply, but this all shatters any faith in the current Treasury Ministers to fulfil their promise or to resolve the whole issue fairly.

Key Questions the Government must now answer

As the new FOI disclosures make clear, Mr McCann was not a suitable candidate, due to his clear lack of independence as a former senior HMRC official, according to both the Loan Charge Action Group and the Loan Charge and Taxpayer Fairness APPG.

We therefore ask:

1. Why has the Treasury has presented Ray McCann as an independent reviewer and labelled his limited review as an ‘Independent Loan Charge Review’ when internally Treasury officials were acknowledging the perceived conflict of interest with him having worked for HMRC/IR for 31 years, including as senior official in the area of work related to the Loan Charge, prior to its introduction?
2. What declaration of potential conflicts of interest did Ray McCann make, when approached to lead the review?
3. If so, are you prepared to publish this declaration?
4. Was Mr McCann asked if he worked directly with HMRC officials who later devised and implemented the Loan Charge?
5. Whether any other candidates were formally considered or approached for the role?
6. As it is known (from the McCann Review report and from Ray McCann’s public comments prior to his appointment) that he supports the controversial Loan Charge legislation in principle, can you confirm that reviewing the Loan Charge itself (the legislation, how it was conceived and implemented) was excluded, in preliminary discussions between Treasury Ministers/officials and Mr McCann prior to the publication of the Terms of Reference?
7. Did Treasury Ministers or officials discuss preferred outcomes or parameters of the review with Mr McCann prior to his appointment?

8. Will all documents relating to the appointment process will now be published in full in the interests of transparency?
9. Why have Ministerial letters, forewords and answers to Parliamentary Questions deliberately and cynically omitted Ray McCann's 31 year history of working for HMRC, when this is clearly materially relevant to his background? Will you now apologise for this and ensure that all future references to Mr McCann's background in Parliamentary questions include his past working for HMRC?
10. Will the Treasury now acknowledge that the McCann Review, into HMRC's Loan Charge, where the reviewer was a former HMRC Assistant Director, who worked for HMRC/the Inland Revenue for 31 years including at a senior level in the same area of HMRC work as the Loan Charge and who has made many public declarations showing an established and prejudiced position, was not "truly independent"?
11. Will the Treasury now stop inaccurately referring to the McCann Review into settlement terms (which is what it was) as an 'Independent Loan Charge Review' when it is demonstrably not independent and wasn't a review of the Loan Charge?

As we have also laid our in [our recent letter to the current Exchequer Secretary to the Treasury](#), the McCann Review will fail to resolve thousands of cases and will not therefore resolve the Loan Charge Scandal.


Thankfully, with the current situation the Prime Minister I facing, it seems highly likely that there will be a reshuffle and a change of Treasury Ministers in the coming months. We hope that the new Ministers will be honest about what the McCann Review was – and what it was not – and that would be a very significant first step in restoring some trust.

The next thing – and only thing ultimately that will really do so – is for the Government to do what it should have done in the first place and **announce a genuinely independent inquiry into the whole Loan Charge Scandal chaired by someone with no links to HMRC or the Treasury** (or the current Government and previous Conservative Governments) and that addresses the whole issue, including HMRC's clear failures, as laid out by the Loan Charge and Taxpayer Fairness APPG letter to you in January 2024. It is a great shame that rather than fulfilling the promise that both you and James Murray made in opposition, you did not follow their advice.


We look forward to your response and answers to the important questions asked.

We are sharing this letter – and these new damning revelations – with the Loan Charge and Taxpayer Fairness APPG and with the Treasury Select Committee.

Yours sincerely,



Steve Packham
Spokesman & Executive Director



Andrew Earnshaw
Executive Director

On behalf of the Loan Charge Action Group

cc Loan Charge and Taxpayer Fairness APPG

Dame Meg Hiller MP, Chair, Treasury Select Committee