



Andrew Rosindell MP
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House of Commons
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2nd July 2026,

Dear Andrew,

[Your question on the Loan Charge at Treasury Questions](#)

First of all, thank you for raising the Loan Charge during [Treasury Questions on 26 June 2026](#). We are very grateful that you raised this question and highlighted the continuing suffering of those affected.

Your question was:

The Minister will be aware that tens of thousands of people continue to suffer because of the loan charge scandal, and that successive Governments, both Labour and Conservative, have failed those people. They have dithered, delayed and ignored reviews, causing confusion, worsening the financial harm and anxiety for so many people. Surely the Minister must agree that the victims deserve resolution and closure, so that they can move on with their lives?

Your observation that tens of thousands of people continue to suffer because of the Loan Charge, and that successive governments have "dithered, delayed and ignored reviews", accurately reflects the experiences of many of the people we represent. We particularly welcomed your concluding question to the Minister:

"Surely the Minister must agree that the victims deserve resolution and closure, so that they can move on with their lives?"

This is now the central issue.

The Government's implementation of the McCann Review will not resolve the Loan Charge Scandal

The Minister replied that he also agreed that people affected by the Loan Charge "need to be able to move on with their lives" and referred to the Government's settlement announced following the McCann Review, describing it as a "generous settlement offer" that went further than the review's recommendations.

Yet the reality is that the Government's current proposals, based on recommendations from the limited and flawed McCann Review, will not provide "resolution and closure" for thousands of people caught up in the Loan Charge Scandal.

This is for two simple reasons:

1. Despite claiming that the purpose of the whole review and its implementation "aims to bring the matter to a close for those affected", the Government in their wisdom decided to exclude thousands of cases - those with HMRC demands for years before December 2010 and after April 2019. For those individuals, there is no change at all to their current predicament and

no possibility of fair resolution (or resolution at all). They remain subject to continuing disputes with HMRC, ongoing financial uncertainty and, in many cases, serious personal hardship.

2. The Government (and the review) has been prejudiced against those with higher demands, with a cap of the amount of reduction meaning they still face wholly unaffordable as well as unfair demands, considering they are victims of mis-selling (something current Ministers have acknowledged, but then chosen to ignore).

As a result, thousands of cases will therefore drag on, at considerable cost to HMRC and the disastrous personal impact on those who remain affected.

No cost estimate of the Government's ongoing approach

It is also very troubling that no cost estimate has been published by the Treasury or HMRC of how much it will cost to finalise all outstanding cases. The most recent figure given for cases currently involving the Loan Charge is 37,000, [a figure given by John-Paul Marks, HMRC First Permanent Secretary and Chief Executive to the Treasury Select Committee on 18th May 2026](#). On top of this are the pre-December 2010 and post April 2017/2019 cases.

It is now known that [the annual costs of Loan Charge/related activity has cost £31 million a year since 2019](#), when the Loan Charge came into force. In that time, HMRC managed to resolve only an extraordinarily low 800 cases, out of a [previously estimated 67,000](#).

These 800 cases were settled for £44 million, at the same time HMRC spent at least £186 million. This shows what a catastrophic failure the whole approach has been.

For the Government and HMRC simply to carry on with the same failed approach, with limited tweaks to settlement terms (and no changes to settlement terms for many) without publishing what the costs will be, is both unacceptable and also reckless.

The Government proposals are neither generous nor fair to victims of mis-selling

The Minister also described the forthcoming so-called 'settlement opportunity' as being "generous". Ministers have also described their plans as "fair".

In terms of it being "generous", it is also, for most people, nowhere near the percentages that the big banks were allowed to settle with HMRC as exposed by Ray McCann himself. As he stated in this [article in Accountancy Daily Croner-i entitled, 'A Bird in the Hand'](#):

"The 2005 settlement opportunity was offered to banks...Settlements of 10% or 15% of what would otherwise have been payable, assuming that PAYE, NIC and IHT was due, were not uncommon".

Despite being critical of the way HMRC has singled out contractors and pursued (in his own words) a "punishment strategy" against them, the terms proposed by Mr McCann are nowhere near 10-15% for the majority of those caught up in the Loan Charge Scandal (who, unlike the multi-billion banks, cannot defend themselves).

In addition, the big banks were not victims of mis-selling. Ordinary people who used these arrangements were advised ([including by chartered accountants](#)) that they were entirely legal, legitimate and tax law compliant (or they would not have used them). Not only were they not warned of the risk of HMRC action, many were actually told that they needed to use this method of receiving their wages to avoid the risk of facing HMRC action over IR35 rules.

James Murray, who appointed Ray McCann when he was Exchequer Secretary to the Treasury, told the House of Commons in 2021, when (rightly) criticising the previous Government's approach and record on this issue:

"The [Conservative] Government's approach to the loan charge means that ordinary people who are victims of mis-selling are facing huge bills that are causing untold distress and personal harm. It was truly shocking to read reports only last week of eight cases of suicide among those facing demands for payments. A new approach to the loan charge is urgently needed."

Yet Mr Murray then did a U-turn and commissioned a partial review that started from the position that the Loan Charge should stay in place and has recommended the same approach of *only* pursuing those who he has called victims of mis-selling. No new approach – and a clear broken promise.

The current Chancellor herself, when in opposition (as Shadow Chancellor), criticised the previous Government's approach stating that *"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"*. Then, when in Government, she and other Ministers have ignored this fact and have continued **the same unfair approach of only pursuing users of schemes and not those who recommended, operated and profited hugely from them**. This is clearly unfair and the central injustice of the whole Loan Charge Scandal.

Secondly, it excludes many cases for precisely the same and very similar schemes mis-sold by the same promoters/professionals and completely excludes those who settled believing they would be much worse off otherwise. This is an injustice in itself, as this group of people did precisely what Ministers and HMRC officials were urging them to do – yet now they are being seriously penalised for doing so.

Thirdly, it continues the prejudice that those who used these arrangements for longer periods or had higher incomes should be treated more harshly than those with lower levels of HMRC demands. Mr McCann has claimed that those with higher alleged 'liabilities' are somehow less likely to have been victims of mis-selling, when in actual fact, it was generally the higher earners who took professional advice and who were directly advised by chartered accountants to use the payroll arrangements, including to avoid HMRC action regarding confusing IR35 rules.

The Government proposals are not generous or fair, they do not take proper account of the mis-selling, they entirely ignore the perpetrators of the mis-selling (who STILL aren't being asked to pay a penny of the disputed tax). As a result, many cases will not be resolved – and there remains a fundamental injustice.

New revelations shatter any pretence that the McCann Review was independent

In his reply to you, Dan Tomlinson referred to Ray McCann as the "independent reviewer". However [new revelations, exposed by a Freedom of Information response](#), shatter any ongoing pretence that the McCann Review could credibly be described as independent.

The disclosures 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.

In a 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.”

The same [briefing note](#) (page 4) lays out Mr McCann’s HMRC history as follows, noting not only is it a very long time working for the tax authority, *but also that he worked in the same part of HMRC, counter avoidance/DR activity, the part responsible for the implementation of 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...**You should note the risk that this creates a perceived conflict of interest”.**

This is despite a previous promise by James Murray, who appointed Mr McCann, that he would commit to commissioning a “[truly independent review](#)”, something also [echoed by Darren Jones MP](#), who was Chief Secretary to the Treasury when Ray McCann was appointed. James Murray also called for a fresh independent review in the House of Commons when in opposition in 2021, proclaiming “*This new review must finally offer a truly independent assessment*” something that the McCann Review most certainly is not.

The revelations also expose that Mr McCann has been publicly supportive of the Labour Government – and has been critical about the Conservatives. As well as clearly not being independent or impartial, due to his past role and his past regular commentary on this issue, it is also now clear he was a politically convenient appointment, as mentioned in [this recent article in the Daily Telegraph](#). We also note that such was the concern expressed about the several issues regarding Mr McCann’s independence, that the Treasury were having to advise him to cease all political commentary during the review period. To have to gag a supposedly independent reviewer doesn’t look very independent!

[LCAG has written to the Chancellor](#) about this. Ministers should no longer be able to get away with perpetuating the myth that the flawed, restricted and biased review – conducted by someone who clearly couldn't be regarded as impartial – was independent. It was clearly not.

What is even worse is that at the same time as discussing Mr McCann's clear conflicts of interest, especially his history of working for HMRC and in the same department as the Loan Charge, Treasury Ministers and officials have cynically omitted **any** mention of Mr McCann's senior role within HMRC from their descriptions of his past employment. Instead they refer to him as a 'past President of the Chartered Institute of Taxation (CIOT)'. *This is a voluntary position that Mr McCann held for just one year. He worked for HMRC/the Inland revenue for some 31 years including as an HMRC Assistant Director.* It is this kind of cynical deception that is why so many ordinary people have no trust in Governments. We would implore you and other MPs to hold Ministers to account for this deliberate dishonesty.


We therefore hope that you will continue to press Ministers on five key questions:

1. How many people affected by the Loan Charge will still have unresolved cases once the Government's so-called settlement proposals have been fully implemented?
2. What is the estimated cost be of resolving all the outstanding cases, the 37,000 Loan Charge cases and the other related cases, when it has cost £186 million to resolve just 800?
3. If the Government accepts that victims deserve "resolution and closure", what further action does it intend to take for those who remain excluded from the potentially adjusted settlement and whose cases will therefore remain unresolved?
4. In light of the recent Freedom of Information disclosures, how can Ministers continue to describe the McCann Review as an independent review without providing Parliament with a full explanation of the extent of HM Treasury's involvement in its choice of reviewer?
5. Who proposed and who signed off the cynical and dishonest decision to present Mr McCann, in Government documentation and in answers to parliamentary questions, only as a Past President of the CIOT and deliberately omitting his **31 years working for HMRC and the Inland Revenue**, including in the same area of HMRC as the Loan Charge?

Thank you once again for raising this important issue in the House of Commons and for recognising the continuing impact the retrospective Loan Charge has on so many individuals and their families. Your intervention reflected the concerns that LCAG continues to hear from people whose lives remain on hold and whose cases have still not been fairly resolved.

We urge you to keep challenging the Government on this failed approach, which ignores the fundamental injustice, continues to let promoters off the hook, will leave thousands of cases unresolved – and will cost many millions of pounds. It is an approach that is unfair and doesn't make sense.

Yours sincerely



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Spokesman & Executive Director



Andrew Earnshaw
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On behalf of the Loan Charge Action Group