Loan Charge: Treasury accused of "evading proper scrutiny and accountability"

The Treasury and HMRC have been accused of "evading proper scrutiny and accountability" by the All-Party Parliamentary Loan Charge Group (APPG), following the publication of a report which has been described as "a cynical and misleading attempt at justification of an unjust policy".

In its official response, published yesterday, the Loan Charge APPG claimed the Treasury's report is merely an updated version of the same misleading documents that have already been circulated to MPs and journalists.

"The Treasury report fails to deal adequately with the widely held view that the Loan Charge represents a change in the tax law for the past years – and offends against the rule of law," comments Sir Ed Davey MP, Chair of the Loan Charge APPG.

"This is not the review that MPs were expecting, or the Prime Minister promised, and MPs on all sides will want to come back to this issue on behalf of their constituents who are being so badly treated."

APPG exposes Treasury and HMRC propaganda

The Loan Charge APPG's official response contains an extensive list of critiques, exposing the report as mere propaganda from the Treasury and HMRC. Among these are:

> - No critical examination of HMRC's assertions, demonstrating no genuine oversight of the taxman on this issue
> - Constant reference to Government's "views" and "belief", as opposed to actual facts
> - Attempts to dismiss the suffering of those affected by highlighting that they make up a relatively small proportion of the UK population.

"In what other area of Government policy would the fact that only 50,000 to 100,000 people are affected be an excuse for inaction?" the APPG asks in its response.

Within the report, no new evidence was sought by either HMRC or the Treasury from any outside party, though the APPG submitted 70 submissions by taxpayers affected by the Loan Charge. However, all of these were dismissed on the basis that "HMRC does not accept the claims".

The APPG also takes issue with indications that the £3.2bn figure that HMRC and the Treasury have previously claimed the Loan Charge would raise is in fact the expected revenue from a package of measures.

‘Treasury has acted in bad faith’

The Treasury report has been released just two months after the Government was forced to accept a cross-party amendment by Davey, which it was understood would lead to a review of the Loan Charge.

However, shortly after, the Loan Charge APPG was told that the Treasury would instead publish a report ruling out any changes to the Loan Charge, ignoring the threat that the legislation poses to the wellbeing of thousands.

The publication of the report came in spite of calls earlier this month by the APPG for the Prime Minister to intervene and delay the Loan Charge, citing evidence suggesting that the Treasury had acted in bad faith.

“It is no surprise at all that the Treasury have tried to fob off MPs and journalists with this whitewash, considering the way they have mishandled the whole Loan Charge scandal from start to finish,” notes Loan Charge APPG Vice-Chair Ruth Cadbury MP.

“It is disgraceful that they have failed to review the impact the Loan Charge will have and are still trying to pretend it will not ruin many lives. Considering that HMRC have now admitted they are aware of a suicide, as well as knowing about the anxiety many people are facing, the fact that they and the Treasury continue to refuse to delay the Loan Charge is a disgrace.”

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