



HM Revenue  
& Customs

Mr Chris Robinson

By email:

[request-489616-af799b23@whatdotheyknow.com](mailto:request-489616-af799b23@whatdotheyknow.com)

**Counter-Avoidance**

Freedom of Information Team  
S1715  
6 Floor  
Central Mail Unit  
Newcastle Upon Tyne  
NE98 1ZZ

**Email** [foi.request@hmrc.gsi.gov.uk](mailto:foi.request@hmrc.gsi.gov.uk)

**Web** [www.gov.uk](http://www.gov.uk)

Date: 29 June 2018

Our ref: FOI2018/01170 & FOI2018/01301

Dear Mr Robinson

**Freedom of Information Act 2000 (FOIA)**

Thank you for your requests, which were received on 6 and 21 June 2018, for the following information:

**FOI2018/01170**

"In a response to a written question from Mr Roger Godsiff on the topic of the so-called "2019 loan charge", Financial Secretary to the Treasury Mel Stride wrote the following on 5th June 2018:

"Its announcement at Budget 2016 provided scheme users with a three year period to repay their loans, or to agree a settlement with HMRC before the charge takes effect. The government estimates that around 50,000 individuals are affected by this legislation".

Notwithstanding the contradiction in terms (it is unclear how "non-repayable" (according to the Financial Secretary to the Treasury) loans could be repaid), we are requesting that HM Revenue and Customs precise how many letters they have sent to the estimated 50000 "scheme users" affected by the legislation, since the Budget 2016 announcements and up to the date of Mel Stride's statement, in order to inform them of the aforementioned options."

**FOI2018/01301**

"In an answer dated 14 June 2018 to a FOI request made by Mr Colin Wight (link: <https://www.whatdotheyknow.com/request/487899/response/1176411/attach/2/FOI2018%2001109%20Wright.pdf>), HMRC revealed, with respect their decision to introduce a retrospective "new charge" going back 20 years, aimed specifically at contractors, and expected to cause grave distress to individuals who never broke any law, the following, astonishing facts:

"No estimate of the number of insolvencies was produced at the time the policy paper was written."

and

"No estimate of the number of individuals affected by a breakdown of their family was produced"

This seems to suggest (and one would hope) that HMRC has since produced such assessments.

I am hereby asking HMRC:

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1/ to indicate whether this is the case, and if so,  
- the date  
- the methodology used  
- and the result of these assessments.

2/ How they have arrived to the figure in the following statement :

"this measure is expected to affect up to 40 000 individuals"

as found in the policy paper.

Recently, the Financial Secretary to the Treasury Mel Stride has been quoting the number 50 000 affected, which casts doubt on this figure and how it was obtained.

Please clarify the methodology followed and the calculations by which you have arrived to this figure."

Under section 12(4) of the FOIA, with reference to regulation 5 of the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004, when estimating the cost of complying, HMRC may aggregate two or more requests made by the same person, when the same or similar information is requested and where those requests are received within a period of sixty consecutive days (see the links below).

- <http://www.legislation.gov.uk/ukpga/2000/36/section/12>
- <http://www.legislation.gov.uk/uksi/2004/3244/regulation/5/made>

I am therefore aggregating your requests and this response covers all three requests. I can confirm that HMRC holds some information that falls within the scope of your requests. However, we estimate that it would exceed the FOIA cost limit to deal with them. The cost limit, which is specified in regulations, equates to one person spending 3½ working days locating and extracting all of the information within scope of the request.

Normally, HMRC would explore with you how you might be able to narrow or refine your request so that it did not exceed the FOIA cost limit. However, in this case, I cannot see any scope for doing this.

HMRC published detailed settlement terms on 7 November 2017 as part of a campaign to encourage taxpayers to come forward and settle their tax affairs ahead of the loan charge introduction. We notified taxpayers through letters, emails, phone calls, and in webinars. To provide number of taxpayers notified by letters would mean searching records across a number of HMRC systems. We would have to review each record to identify the method of notification used.

I have established that the time necessary to complete this task would exceed the cost limit by some way. Consequently, under section 12(1) of the FOIA, HMRC is not obliged to comply with your request and we will not be processing it further.

Although I am unable to answer your FOIA request, I can provide some information outside of the Act on a discretionary basis.

### **Outside of the FOIA**

You may be interested to know that at the end of 31 May 2018, we had recorded 20,919 registrations. However, this figure is subject to change as a number of interests received close to the 31 May deadline still need to be logged.

If you are not satisfied with this reply you may request a review within two months by emailing [foi.review@hmrc.gsi.gov.uk](mailto:foi.review@hmrc.gsi.gov.uk), or by writing to the address at the top right-hand side of this letter.

If you are not content with the outcome of an internal review, you can complain to the Information Commissioner's Office. The following link explains how to do this:

<https://ico.org.uk/concerns/>

Yours sincerely,

Freedom of Information Team