

# OpenVoiceNews U.K.

Transparent. Unbiased. Yours.

## Accountants Paid to Channel Clients Into Controversial Loan Schemes Now Targeted by HMRC

July 18, 2025

– Categories: Finance



A growing scandal involving professional accountants receiving payments for steering clients into tax avoidance schemes has cast fresh scrutiny on the accountancy sector, prompting calls for a broader investigation into the so-called *loan charge*. These schemes, now targeted by HMRC (His Majesty's Revenue and Customs), have left thousands of workers with life-altering tax bills, many unaware they were ever part of a tax avoidance arrangement.

At the heart of the controversy is the revelation that chartered accountants were not only recommending these schemes but receiving commissions from the companies that ran them. These arrangements, often pitched as legal and compliant with IR35 (a UK tax legislation designed to combat tax avoidance by workers supplying services via intermediaries), involved workers receiving payment as loans rather than standard income, a loophole used to sidestep income tax. While technically tax avoidance is not illegal, HMRC has increasingly clamped down on such schemes in the courts, leaving workers to foot the bill.

One of those affected is Richard Clancey, a retired IT professional who trusted a Kent-based accountant to help him set up his contracting affairs. Instead of establishing a limited company, he was advised to join a loan scheme purportedly compliant with UK tax laws and “approved by a tax QC (Queen’s Counsel, now King’s Counsel).” Only later did he discover that his accountant was receiving commission fees, and that HMRC considered the scheme invalid. He now faces a tax bill exceeding £100,000, alongside years of financial stress and deteriorating mental health.

“I trusted a chartered accountant to act in my best interests. Instead, I was led into a scheme that has destroyed my financial security and well-being,” Mr Clancey stated. He described the actions of HMRC as “state-sponsored bullying,” citing years of aggressive demands and penalties despite never having sought to avoid tax knowingly.

The Loan Charge, introduced to recover unpaid taxes from such arrangements, has been widely criticised for disproportionately targeting individuals while ignoring the role of the scheme promoters. A limited independent review is currently underway, but critics argue it does not go far enough. The government has paused HMRC enforcement until the review concludes, though the pause focuses on reaching settlements rather than investigating how these schemes proliferated.

Greg Smith MP, co-chair of the Loan Charge and Taxpayer Fairness APPG (All-Party Parliamentary Group), said:

“It’s clear that many chartered accountants were directly involved in the promotion of loan schemes. People trusted their advice. If HMRC warned against them, the accountants acted recklessly. If HMRC failed to warn, then they share the blame. Either way, a wider inquiry is needed.”

The Institute of Chartered Accountants in England and Wales (ICAEW), the professional body responsible for setting standards in the sector, insists that its rules have since been strengthened. In a statement, a spokesperson said:

“We expect our members to adhere to the highest standards. Since 2017, standards have made clear that tax planning schemes which exploit legislative gaps or contravene the intention of Parliament are unacceptable.”

Yet for victims like Mr Clancey, the damage is done. His trust in financial professionals has been shattered, and he questions how industry-regulated advice could lead to such personal and financial devastation.

This episode raises fundamental questions about accountability in the UK’s tax system. While individuals are being pursued for backdated payments, those who designed, promoted, and profited from the schemes remain largely unscathed. A fairer, more transparent approach would demand equal scrutiny for all involved, not just the end users of flawed professional guidance.