

On 18 Jan 2024, at 14:19, Dan Neidle <[REDACTED]@taxpolicy.org.uk> wrote:

Dear Mr [REDACTED]

We are publishing very soon. Can you please tell me who your clients are, and correct the record for the false claim in your original email to me?

Yours sincerely,

Dan Neidle
Tax Policy Associates Ltd

On 18 Jan 2024, at 10:50, Dan Neidle <[REDACTED]@taxpolicy.org.uk> wrote:

Dear Mr [REDACTED]

There was a clear attempt to mislead. You said that your client's schemes had been properly notified to HMRC. They were not. I am giving you an opportunity to correct the record. If I'm wrong and your client did notify to HMRC then he will be able to provide the DOTAS number and date of notification. He won't have this, because there was no contemporaneous notification.

I am sure you had no idea that the claim in your email was false - I expect your client lied to you, just as (as he has admitted) he lied to his previous lawyers. In these circumstances I don't understand how you can continue to act.

I have now asked twice for you to identify the clients for whom you are acting. Can you please do so?

I will certainly print your email below; I will note that you do not deny that your client was connected to Vanquish, and therefore I infer that your client was (again) lying. I also note that you have made no attempt to explain or defend the false documents created by your client's businesses. That fact HMRC has not picked up this point is hardly relevant. Nor is the the fact that others promoted loan schemes relevant to the question of whether your client's particular schemes were fraudulent.

Yours sincerely,

Dan Neidle

On 18 Jan 2024, at 10:28, [REDACTED] <[REDACTED]@grosvenorlaw.com> wrote:

Dear Mr Neidle

There is no attempt to mislead.

My clients' position as set out in the statement sent to you yesterday is clear and we invite you to ensure that its contents will be properly noted, particularly given the serious allegations which you have previously indicated.

As I have sought to explain to you and your colleagues at the BBC / Guardian, my instructions are that the relevant information / documents have been in the hands of HMRC for several years; my instructions are that the tax authorities have never even suggested any impropriety, let alone made any such accusations. That is a clear statement on the basis of my instructions.

For you to suggest otherwise is mere speculation and is not justified.

By way of context, HMRC estimate that there are 50,000 tax payers in the UK who have used a loan scheme. My instructions are that a large number of companies and professional advisors promoted these (legally compliant) schemes at the time: the Knox Group accounted for a small percentage of this number overall.

Please can you formally confirm in the interests of fair and balanced reporting that all of these points will be properly covered in any article / tweets etc.

Yours sincerely

[REDACTED]
Senior Partner

[REDACTED]
Grosvenor Law
27 Grosvenor Street
Mayfair
London W1K 4QP

www.grosvenorlaw.com

On 17 Jan 2024, at 16:57, Dan Neidle <[REDACTED]@taxpolicy.org.uk> wrote:

Caution: This is an external email. Please take care when clicking links or opening attachments.

Dear Mr [REDACTED]

Thank you for your email.

Can you please respond to my question as to who your clients are?

Can you please also respond to my specific question as to why your letter claimed that your client's schemes had been properly notified to HMRC? It is clear that at the time the schemes were marketed they were not notified under DOTAS, as was required by law.

This claim therefore appears to have been an attempt to mislead the BBC and Newsnight. I appreciate that you were likely unaware of that, but (as you will be aware) you have a duty not to mislead third parties.

I would therefore invite you to retract that claim.

Yours faithfully,

Dan Neidle

On 17 Jan 2024, at 16:14, [REDACTED] [@grosvenorlaw.com](mailto:[REDACTED]@grosvenorlaw.com)> wrote:

Dear Mr Neidle

Please see below for your information a copy of a statement just sent to the BBC.

Many thanks

[REDACTED]
Senior Partner

[REDACTED]
Grosvenor Law
27 Grosvenor Street
Mayfair
London W1K 4QP

www.grosvenorlaw.com

www.grosvenorlaw.com/team/ [REDACTED]

STATEMENT BY THE KNOX GROUP

The Knox Group denies any and all allegations of dishonesty, misconduct and wrongdoing. HMRC has had disclosures of all relevant documents and information relating to the loan charge arrangements for a lengthy period and the parties have been engaged in an ongoing and extensive process of dialogue and disclosure with the HMRC for several years in relation to such schemes.

HMRC has had all relevant materials for several years during which time it has never even suggested, let alone alleged, that there has been any form of dishonesty or wrongdoing by the Knox Group.

For the BBC to allege otherwise is speculative and not justified.

The Knox Group deeply and sincerely regrets that any contractor or their families suffered any distress or anguish arising from tax charges levied by HMRC when it retrospectively and retroactively amended the relevant legal framework. This retrospective change in the law was a matter of industry-wide criticism at the time from bodies such as the Chartered Institute of Taxation and the Institute of Chartered Accountants

From: Dan Neidle <[REDACTED]@taxpolicy.org.uk>
Sent: Tuesday, January 16, 2024 4:40 PM
To: [REDACTED]@grosvenorlaw.com>
Subject: Re: Knox Group / Mr Barrowman

Caution: This is an external email. Please take care when clicking links or opening attachments.

Dear Mr [REDACTED]

Thank you for your email.

You say you act for Douglas Barrowman and the “Knox Group”. Could you please clarify what you mean by the “Knox Group”, i.e. which specific companies you are acting for? In particular, are you acting for AML Tax (UK) Limited and Vanquish Options Limited?

1. Vanquish and AML

Your client and his wife, Baroness Mone, previously denied that they were connected to PPE Medpro, and instructed lawyers to send libel threats to journalists reporting that they were. Your client and Baroness Mone subsequently admitted, in a TV interview, that they were in fact connected to PPE Medpro (with Mr Barrowman saying he was the “ultimate beneficial owner”). Of the three law firms who acted for your client and Baroness Mone, one has now offered an unqualified apology for (unintentionally) misleading people, and I understand that the other two have ceased to act. I believe all three firms are now being investigated by the SRA.

Baroness Mone said that lying to the press is not against the law. That may be correct, but it means that the word of Mr Barrowman and his wife is now of little value. Your client has shredded his own reputation. If he wishes anyone to believe him then he will need to do better than your generic denials, which fail to respond to a single specific point that we have made.

To be clear:

1. Your client denied any connection to Vanquish. There are multiple independent lines of evidence showing that Vanquish was part of his group. I believe that your client was, again, lying about his ownership of a company.
2. We have documents, signed by some of the most senior members of your client’s business, saying that the Vanquish loans had been repaid, when they had not. We have documents claiming that new loans had been advanced, when they had not been. The documents are in my view, and that of the leading tax experts we work with, false documents suggestive of tax evasion.

3. These false documents appear to have been drafted by John Hardman, a former solicitor struck off for dishonesty.

4. Vanquish told clients to submit tax returns stating that the loans had been repaid, when they had not been. That is again suggestive of tax evasion.

5. The stated technical basis for the Vanquish scheme was without merit, something even a non-specialist would know upon reading the legislation. That again suggests tax evasion.

Your only substantive response to any of this is when you said in your email to the BBC and the Guardian (but not in your email to me) that "We are instructed that the arrangements to which you refer were all properly notified to HMRC and there has been extensive dialogue and ongoing disclosure concerning the same."

The evidence that we have suggests that the first element of this claim is untrue, and the arrangements were not properly notified to HMRC at the required time. We are aware of an email from Arthur Lancaster expressly stating that the AML structure was not disclosed to HMRC under DOTAS. The Vanquish structure was also not properly notified to HMRC under DOTAS; indeed Vanquish personnel went out of their way to tell clients that the structure was being kept from HMRC. It is clear from reported tribunal cases that these failures by your client's businesses to comply with tax law are not isolated incidents. A notification months or years after the required date, and following an HMRC investigation, is not a "proper" notification.

So why did your client instruct you to tell us that the arrangements were "properly notified" to HMRC?

I agree that your client's business has subsequently had an "extensive dialogue" with HMRC, although the more accurate term is an "HMRC investigation". HMRC has described your client's response to that investigation as a "sustained campaign of non-compliance".

****Breaches of company law****

You say in your email that I've accused your client of "dishonestly breaching" disclosure rules. That is incorrect. I don't believe I have accused your client of dishonesty in this regard, for the good reason that none of the rules in question include dishonesty in the *mens rea*. If I am mistaken, please let me know where/when I accused your client of dishonestly breaching these rules, and I will gladly correct the record.

I have certainly set out a series of serious disclosure failures by your client's group. These include multiple unlawful disclosures of overseas companies as the PSC/beneficial owner. This is not a matter where different people can take different views of the law, it is simply not permitted to list an unregulated overseas company as the PSC/beneficial owner. If you disagree, it would be helpful to understand why.

Your client's group appears to systemically break disclosure rules. If this was a small widget-manufacturing business then I would put it down to ignorance of the law, but your client and his businesses profess expertise in the management of corporate structures. I therefore infer that these breaches of the law are intentional. If you have some other explanation then I would be grateful if you could let me know what it is.

I welcome your admission that your client has breached the law – at least I think that is what you mean when you say your client is “taking active steps to update the relevant entries”. These “active steps”, however, appear to be very slow steps. PPE Medpro still fails to show your client as a “person with significant control”, despite your client’s admission that he in substance controls/influences it. If you disagree that this amounts to a continuing offence under the Companies Act, it would be helpful if you could explain why.

We are committed to accuracy in our reporting and our legal and tax analysis. If we are in error, or our investigation is based on a “partial and incomplete misunderstanding” then please explain where we have gone wrong, and we will correct the record as soon as possible.

Yours sincerely,

Dan Neidle
Tax Policy Associates Ltd

On 15 Jan 2024, at 17:42, [REDACTED] [@grosvenorlaw.com](mailto:[REDACTED]@grosvenorlaw.com) wrote:

Dear Tax Policy Associates

We are instructed by the Knox Group and by Mr Doug Barrowman.

We have been provided with a copy of your email to Mr Barrowman dated 12 January 2024, as well as with emails from the BBC and The Guardian in respect of the same subject matter. It appears from your email that your investigation is based on a partial and incomplete misunderstanding of the relevant facts.

Our clients do not propose to litigate their position with you in correspondence, particularly in circumstances where you have said you will publish it. However, your outright and unqualified allegations of dishonesty, wrongdoing and misconduct are denied by our clients in their entirety. We have written to the Guardian and the BBC in this regard to clarify the position accordingly.

We note from the said email correspondence that your enquiries are part of a ‘collaborative investigation’. Given your well-publicised prior comments about Mr Barrowman in respect of unrelated matters and notwithstanding that we have clearly set out the position to the media organisations with whom you are engaging, our clients have zero confidence that this collaborative investigation will be fair or balanced.

For these reasons, our clients see no point in any substantive engagement with you.

Over the past 14 days, you have also posted or made in excess of 100 adverse comments in the public domain about Mr Barrowman, his associates or companies which you believe are connected with him. All of those comments are seeking some form of public censure or criminal prosecution.

You have claimed in particular – and incorrectly - that our clients (or persons connected with them) have dishonestly breached relevant disclosure rules in respect of a number of specific companies in order conceal their interests. The disclosures were all made with appropriate professional advice at the time. Our clients have carefully reviewed the disclosures made to Companies House. The entities to which you refer are either (i) beneficially owned by clients of KHT where Mr Barrowman has no ownership interest: the details of these companies are all correctly disclosed at Companies House; or (ii) our clients confirm the relevant Companies House disclosures are compliant or if and where updates are required, they are taking active steps to update the relevant entries. We do not propose to provide a running commentary in respect of each specific entity but our clients reject any allegation of misconduct.

Our clients will hold you to account for your conduct should your campaign cause loss. Our clients will be carefully monitoring the extent to which your ongoing conduct complies with the SRA Code of Conduct.

You are duly on express notice of the same and our clients reserve their rights accordingly.

Yours faithfully

GROSVENOR LAW

This email and any enclosures are confidential, may be legally privileged and must not be disclosed to or used by anyone other than the intended recipient. If you are not the intended recipient, please notify the sender of this email and then delete this email. We are continually aware of the significant and increasing risks posed by cybercrime and fraud, and specifically the targeting of email accounts and bank account details. We will never notify you of a change in our bank account details via email and we will not accept responsibility if money is transferred into an incorrect account. Grosvenor Law is a trading name of Grosvenor Law

Ltd authorised and regulated by the Solicitors Regulation Authority (608057) and is a limited company incorporated in England & Wales whose registered number is 7663006. Registered office 27 Grosvenor Street, London W1K 4QP. VAT No. 103 9029 44. PLEASE NOTE: we do not accept service of legal documents by email unless by prior written agreement.

From: Dan Neidle <[REDACTED]@taxpolicy.org.uk>
Subject: Douglas Barrowman - fraud - request for comment
Date: 11 January 2024 at 18:33:24 GMT
To: [REDACTED]@barrowmanprivateoffice.com

Dear Mr Barrowman,

I am the founder of Tax Policy Associates, a think tank established to improve tax policy and the public understanding of tax.

We have been investigating the contractor loan tax avoidance schemes promoted by your AML tax business and other affiliates from approximately 2006 to 2019. We have found evidence that these companies committed fraud against their clients, and against HMRC. We believe you profited very significantly from that fraud.

In particular:

1. The original AML schemes were marketed to contractors on the basis they were disclosed to HMRC. They were not.
2. Contractors were not warned that the Government had already threatened retrospective legislation against remuneration avoidance schemes.
3. Contractors were assured in emails that the corporate trustees lending to them were independent. They were not: the corporate trustees were members of your group.
4. Your companies assured contractors that the loans made to them would never have to be repaid. In fact the loans were drafted so they were repayable on demand.
5. Your companies told contractors you had an in-house barrister advising on the schemes. We understand that your companies at no point employed any barristers.
6. In fact, the scheme documents were drafted by John Hardman, a former solicitor struck off for dishonesty, who provides you with legal advice.
7. There was no warning at all about the risks that the schemes were running, and that if HMRC successfully challenged it, or if there was a retrospective change of law, scheme users would be solely responsible for repaying the tax.
8. The schemes continued, even after the introduction of the loan charge, when it was clear that their only effect was to increase contractors' tax liability. One scheme company, Smartpay Limited, made loans as late as December 2018.

When the Government introduced the 2019 loan charge to counter these schemes, AML and your other companies walked away and ceased trading. Contractors were left with huge liabilities, and many went bankrupt. Two of your clients committed suicide as a result.

We are calling on the CPS to investigate those involved in AML and your other schemes for fraud against your clients.

After the loan charge was introduced, AML and your other businesses pushed clients towards a company called Vanquish Options Limited, which offered a “preferred loan repayment opportunity” to avoid the loan charge.

You have denied any connection with Vanquish Options Limited. However, we have multiple lines of evidence leading us to believe that you lied:

- Email headers reveal that Vanquish used the same email server as AML, Knox and your other companies, and Vanquish staff used computers on the same network (aml.local)
- Arthur Lancaster was a director of AML Tax and Vanquish Options Limited
- Metadata in documents sent by Vanquish Options to its clients shows the authors included John Hardman, HC Legal Consulting (Hardman's firm), Sandra Robertson (at the time a director of the Knox Group) and Nerys Roberts/Rowlands (head of marketing for the Knox Group).
- Vanquish was established in 2008 as "Aston Ventures Consultants Limited", part of your Aston Ventures group.

We note that you have admitting lying when you previously denied any connection to PPE Medpro Limited.

As part of the Vanquish Options scheme, clients were granted new loans equal to 5% of the amount they'd been lent under their previous contractor loan schemes. The lenders were six entities in your group: AML Management Limited, Smartpay Limited, Knox House Trustees Limited, Principal Contracts Limited, SP Management Limited (Isle of Man) and SP Management Limited (Malta).

These loans were fraudulent documents, because they stated that money was lent but in fact no new money was lent to the contractors. The contractors were required to “repay” the new loan amount (even though it had not been lent).

The six entities then issued contractors with “statements of no liability” which stated that the contractors’ original loans had been repaid. However this was not true: the contractors had not repaid their original loans at all. Loan charge liability remained. The statements were false. The statements were fraudulent documents, intended to deceive HMRC.

The statements were signed by the directors of the six lender entities: Timothy Eve, Anthony Page, Voirrey Coole, Lisa Rowe and Timothy Blackburn. We believe these are some of your most senior personnel.

Other aspects of the Vanquish arrangement appear fraudulent:

- Vanquish told clients to submit false tax returns, declaring no disguised remuneration loans, and including a note in the "white space" on the tax return reading "I did receive loans that were caught by the loan charge, but these were all repaid by 5 April 2019". The loans were not repaid, so this statement would again be false.
- Vanquish told a client that, after the Vanquish structure had been executed, the trustee lender would report a zero loan balance to HMRC (and not disclose that the Vanquish structure had been used). Any such report would be false.
- The stated technical basis for the Vanquish scheme, on the strength of which clients filed their tax returns, was false, and anyone reading the legislation (even a non-specialist) would have realised it was false.
- Vanquish told its clients not to mention the arrangement to HMRC: "We do not want to weaken the position of the individual by giving out any information that could end up with HMRC".

We will therefore be calling for the CPS to investigate those involved in Vanquish for fraud against its clients, and HMRC to investigate Vanquish for tax fraud/cheating the revenue.

We believe that your businesses made somewhere in excess of £300m in revenue from AML and the related tax avoidance schemes.

I would be grateful if you could reply by 6pm on Monday 15 January to dan@taxpolicy.org.uk. We will publish your response in full.

Yours sincerely,

Dan Neidle
Tax Policy Associates Ltd

This email and any enclosures are confidential, may be legally privileged and must not be disclosed to or used by anyone other than the intended recipient. If you are not the intended recipient, please notify the sender of this email and then delete this email. We are continually aware of the significant and increasing risks posed by cybercrime and fraud, and specifically the targeting of email accounts and bank account details. We will never notify you of a change in our bank account details via email and we will not accept responsibility if money is transferred into an incorrect account. Grosvenor Law is a trading name of Grosvenor Law Ltd authorised and regulated by the Solicitors Regulation Authority (608057) and is a limited company incorporated in England & Wales whose registered number is 7663006. Registered office 27 Grosvenor Street, London W1K 4QP. VAT No. 103 9029 44. PLEASE NOTE: we do not accept service of legal documents by email unless by prior written agreement.

This email and any enclosures are confidential, may be legally privileged and must not be disclosed to or used by anyone other than the intended recipient. If you are not the intended recipient, please notify the sender of this email and then delete this email. We are continually aware of the significant and increasing risks posed by cybercrime and fraud, and specifically the targeting of email accounts and bank account details. We will never notify you of a change in our bank account details via email and we will not accept responsibility if money is transferred into an incorrect account. Grosvenor Law is a trading name of Grosvenor Law Ltd authorised and regulated by the Solicitors Regulation Authority (608057) and is a limited company incorporated in England & Wales whose registered number is 7663006. Registered office 27 Grosvenor Street, London W1K 4QP. VAT No. 103 9029 44. PLEASE NOTE: we do not accept service of legal documents by email unless by prior written agreement.