

Written evidence submitted by Doug Peters

I write to you to ask for your urgent attention on the financial impact of the COVID-19 crisis for Self Employed Sole Traders in my situation.

I've been a freelance photographer for 27 years. For those entire 27 years I have been fully transparent and honest with my tax returns, which have always been paid on time and in full.

My work revolves around events such as Royal Engagements, Film Premieres and Award Shows in the entertainment industry. I also take on commercial commissions. For the last 4 weeks, all work has ceased. When you hear the likes of Wimbledon, Trooping the Colour and Royal Ascot being cancelled, that affects me. Given the scale and magnitude of the crisis and the inevitable cancellation of all such events this year, it is not unrealistic to assume I will see no income for the next 6-9 months as a minimum.

When the Chancellor announced measures to support self employed individuals, the relief in our household was palpable given the stress the week leading up to that had caused us. You'll note then my dismay and despair when the announcements included a cap of those earning £50,000 or above as an average over the past 3 years.

My average is approximately £55000 however my profit in the 2019/2020-tax year was £39,000. This most recent year is not included in the calculation for help.

The Chancellor stated that the top 5% that will not receive support and earn an average of £200k. That statistic may well be factual but it is clearly skewed by the top 1% of millionaires etc. The VAST majority of us in the lower brackets are being penalised and left to sink based on an arbitrary and frankly what appears to be, a political figure. Effectively the Chancellor is saying that a self employed worker on £50000 has more in common with a multi millionaire than they do with someone earning £1 less than themselves. This makes no sense at all and is grossly unfair.

These two examples show clearly the unbalance and unfairness of the packages announced:

- A PAYE employee with a salary of £50000 will receive £2500 per month for three months
- A Self Employed worker with a net profit of £50000 will receive nothing
- A PAYE employee with a salary of £850000 will receive £2500 per month for three months
- A Self Employed worker with a net profit of £50000 will receive nothing

We could also pick up the point that a married couple, both self employed, both earning £49000 would give the household payments of £5000 per month. The single self employed worker on £50000 will receive nothing. None of this has any logic to it.

I am not eligible for universal credit as I have savings for my tax and my wife has a job. The Coronavirus Business interruption loan is not fit for purpose and it is impossible to get hold of the banks to even discuss it. And even if it were – why should those who earn £49,999 receive a grant whilst those earning £1 more must take on huge debt?

The disparity between the employed and self-employed scheme is a scandal and requires immediate attention.

An employed individual on furlough will receive 80% of salary up to £2500 per month but non-means tested, meaning they could earn £250k and still receive the funding regardless of income or savings.

A self-employed individual on £50,000 will receive nothing and are expected to use their hard earned, prudently put away retirement savings to merely keep afloat.

I am not rich, nor a millionaire. I have bills that are sizeable to the house that we have, the location that we live in (Hertfordshire) and have worked all my life to make a success of my career.

To receive no support from the government now through circumstances that are no fault of my own, is soul destroying. My wife is losing her hair, literally, at the stress we are facing daily.

And yes, I've applied for jobs at all the supermarket and temporary employers but have yet to respond and to make the point again, why should I have to be when others are not?

I am not asking for help over and above anyone else – I am asking for fairness, parity with PAYE employees and understanding.

Boris Johnson stated 'no one will be left behind' in this crisis. As it stands that is clearly not true, even if it is a great soundbite being pushed as often as possible for the media and the public. What can you do to ensure that over time when this catchphrase is spoken it is finally a true statement?

I look forward to receiving a swift response and will be hopeful that you will act to prevent a dire crisis for those in my situation.