

"WI had very limited information. It [what Watson said at PMQs] wasn't a true reflection of what I was trying to get across and I was surprised there was an urgency.

"He should have waited until the picture was complete. He should have met me face to face. I was the source of the PMQ but ... it became convoluted in his head."

Mr McKelvie, who has since fallen out with Mr Watson, said he would give full evidence on what precisely he told the MP to the Goddard Inquiry, set up by the Government last year to examine historic allegations of sex abuse in institutions including boarding schools and children's homes.

Mr McKelvie confirmed he had never mentioned to Mr Watson claims of abuse at Dolphin Square, a set of apartments in Westminster, and at Elm Guest House in Barnes, south-west London.

Police are investigating both sets of allegations but have had to retract a statement that one alleged victim's claims of witnessing murders at Dolphin Square were "credible and true".

Mr McKelvie said: "When I went to Tom Watson I had never heard of Elm House or Dolphin Square.

"I would never have wanted Tom Watson to do a PMQ as a tactic until he heard the whole story.

"The only thing I wanted to say about politicians is every institution has abusers in it.

"The more powerful people are, the more likely they are to get away with it. I never talked about rings."

Mr McKelvie's evidence to the inquiry could be damaging for Mr Watson, who is already under fire for intervening in a separate police investigation into a claim that Lord Brittan, the former Tory home secretary, raped a 19-year-old woman in 1967.