

Free Investigation Service

HMRC Enquiries

What are the risks?

Enquiries are becoming ever more complex which means explaining the intricate and unique tax positions of our clients to HMRC takes more time, incurring more expense as a consequence.

We want to achieve the best possible outcome without you having to worry about the time and costs involved in defending you to the fullest. Having an expert who understands your business and your tax affairs is key to dealing with HMRC enquiries.

HMRC are using their compliance resources to undertake targeted campaigns and cross-tax enquiries in an attempt to maximise the tax it can recover.

HMRC continue to narrow the tax gap

In the Spring 2024 Budget speech, the Chancellor of the Exchequer pledged to “provide HMRC with the resources they need to ensure everyone pays the tax they owe”.

Post-pandemic, insurers have already seen a noticeable uptick in enquiry activity and this trend is expected to continue.

In practice, HMRC’s approach involves not just chasing tax avoiders and evaders but also focusing increased resources on checking the technical basis on which tax returns have been submitted. This can result in significant time being required in dealing with HMRC questions and technical challenges, even though no adjustment is ultimately required.

Enquiries seem to be taking around 24 months to resolve on average, and the process can be both frustrating and upsetting which is why we offer this service to at least ensure that our costs are taken care of.

With HMRC’s continued investment in compliance, do consider protecting yourself with our comprehensive tax investigations package.



How we can protect you?

No one can prevent an investigation, but our tax investigations package will enable us to:



Explain any complex or technical tax challenges that are raised during the enquiry without any restrictions due to cost



Challenge HMRC’s assertions and assumptions head on, establish that the basis of any enquiry is correct and make sure your case is handled fairly



Ensure the tax inspector is only requesting relevant information and documents, and provide all supporting evidence from our files relating to your return



Handle all communication with HMRC, including letters, phone calls or notices issued



Prepare for and attend any face-to-face meetings with HMRC



Ensure you receive the best defence to protect your tax position

An enquiry can arise for any number of reasons so whether it is a cross-tax enquiry, a technical challenge or a detailed books and records review, our tax investigations package is designed to get you the best possible result. We strongly recommend that all our clients subscribe.

For an annual charge, you can rest assured that you are protected against the professional costs associated with an HMRC enquiry.



Who's most at risk of a tax investigation?

Tax investigations can happen to anyone – whether you are an individual or in business – however good your records are. HMRC regularly undertake random enquiries as a means of policing the system.

Areas in which enquiry activity has been increasing include the following:

Businesses

- PAYE deductions and procedures
- Research and development relief
- Withholding taxes to offset UK corporation tax
- VAT returns, especially where there is a significant repayment

Individuals

- Income tax trading loss relief
- Capital gains tax
- Rollover Relief time limits and qualifying investments
- Business Asset Disposal Relief qualifying conditions
- Main Residence Relief/Principal Private Residence Relief extent of the relief such as permitted area and allocation of proceeds
- Inheritance Tax Agricultural and Business Property Reliefs on both company shares and directly-owned property

Where a claim is accepted by our insurer the settlement of our fees is not dependent upon the outcome. Following a successful claim fees are covered whether or not additional tax becomes payable at the end of the enquiry.

As well as more formal enquiries there is an increasing use by HMRC of 'nudge letters' prompting taxpayers to review their affairs. A review following receipt of such a letter is also generating professional attention and therefore cost in advising clients on their implications.

Expert legal support when you need it most

**What are the current maternity rules?
How do I make someone redundant?
My customer hasn't paid me. What can I do?**

When you subscribe to our tax investigations service as a business client, you'll have access to a team of qualified solicitors for employment law, health and safety matters and commercial issues.

A legal expert is only a phone call away and, most importantly, the advice is:

- in plain English
- available 24/7, 365 days a year
- free* and unlimited

*Calls from a landline will be charged at your local rate. Calls from mobile phones are charged at your network provider's rates in accordance with your tariff.

Business Hub for business clients

Business Hub includes:

Business Hub assists with everyday legal issues around employment, health and safety, trading and contracts, cyber and data, debt and insolvency.

The Business Hub provides practical DIY templates and guidance around these topics, which saves business time and money.

- 850+ DIY contracts, policies, forms and letter templates
- 460+ guides
- 360+ links to key resources

In the current climate, businesses need legal assistance more than ever. Don't put your business at risk – ensure you have access to expert assistance when you need it most.