LITRG: Tax refund debacle should never happen again

Briefings

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Following pressure from the CIOT's Low Incomes Tax Reform Group (LITRG) to investigate the end-to-end process used by Tax Credits Ltd, a tax refund company, to sign people up to its services, HMRC has announced it will now take steps to resolve the situation for affected taxpayers. LITRG welcomed this announcement but said there is more that HMRC can do to tackle bad practice by certain companies.

Victoria Todd, Head of LITRG, said: 'For more than a year, LITRG has raised concerns with HMRC regarding Tax Credits Ltd (TCL), after a series of complaints to us from taxpayers. We have also raised issues relating to other refund companies and their practices. LITRG has maintained all along that a document with an electronic signature attached, which a taxpayer has not seen, understood or approved, should not be accepted by HMRC as a valid assignment.'

Todd said she was pleased that HMRC will now take steps to put right this wrong. 'We very much hope that lessons have been learned, in terms of how HMRC responds, should a similar situation ever arise again.'