New HMRC initiatives around repayment claims

Management of taxes | Personal tax | General Features



19 February 2024

HMRC are taking a number of steps to tackle unscrupulous repayment agents, which may also affect members who make repayment claims for their clients.

Agent reference number requirement

HMRC have confirmed (tinyurl.com/s69nhw5j) that, from 26 February 2024, an agent reference number (ARN) will be required on forms P87 (tax relief on employment expenses claims) and marriage allowance election forms. Where a form is submitted by an agent without an ARN, HMRC will treat any nomination on the form as invalid and will make payment directly to the taxpayer.

The requirement for all agents that are charging fees for making repayment claims to register with HMRC through an agent services account has been in place since 2 August 2023. To enforce the requirement, HMRC are now updating the P87 and marriage allowance forms to include a box to enter the ARN. The new versions of

these forms should be on GOV.UK from early February 2024.

Print and post form R40 already has a box for the ARN in the nomination section. From 30 April 2024, any forms submitted by an agent completing this section without an ARN, will also be treated as an invalid nomination.

Joint HMRC/Advertising Standards Authority Enforcement Notice

HMRC have been working with the Advertising Standards Authority to report and take down misleading adverts by repayment agents.

On 7 December 2023, they issued a joint Enforcement Notice (tinyurl.com/4bumhebp) which provides guidance to those advertising, marketing and promoting tax repayment agent services. The notice applies across all media (including paid-for advertising, websites and social media) which targets UK consumers.

Any advertisers that fail to adhere to the guidance within the Notice will be subject to sanctions. Following a grace period, we understand targeted monitoring and enforcement has now begun.

R40 (PPI) claims: new evidence requirement

In a recent article (tinyurl.com/49m6928h), LITRG explained that HMRC have changed the requirements for submitting a Payment Protection Insurance (PPI) repayment claim on form R40. This is in response to concerns over the nature and scale of R40 claims for PPI tax refunds being submitted by certain tax refund companies. The changes aim to help ensure that HMRC are only processing claims that are correct and properly authorised by the taxpayer.

HMRC now require evidence of the PPI claim before they will progress a claim for repayment of tax deducted. The supplementary evidence required is either:

- the final response letter from the company that made the PPI payment to the taxpayer; or
- a certificate from the company that refunded the taxpayer to confirm the amount of tax deducted.

HMRC expect that people making genuine claims will easily be able to provide the supplementary evidence that is being requested. Legitimate agents who have a good and proper relationship with their clients should be able to interact with them to get the evidence and should therefore also be able to provide it.

Going forward, HMRC will write to taxpayers who submit an R40 form to obtain a PPI tax refund, to inform them of this requirement where the evidence is not already attached. We understand agents who have a 64-8 in place will receive a copy of the correspondence sent to taxpayers.

Meredith McCammond *mmccammond@litrg.org.uk*