

French Duncan LLP – Frequently Asked Questions

Q I've done nothing wrong, why should I worry about a tax enquiry?
Most tax enquiries are generated by computer 'risk profiling' and many are selected completely at random. As a result, HMRC sometimes picks the wrong targets. Even if you have done nothing wrong, HMRC will not give up and will still try hard to find errors.

Q Can anyone's tax affairs be scrutinised by HM Revenue & Customs?
Anyone who submits a tax return can come under scrutiny. Every year, HMRC start enquiries into many thousands of personal and business tax returns and accounts. VAT and PAYE payments are also thoroughly checked. This is HMRC's seventh consecutive year of record total tax revenues, collecting a total of £574.9 billion - £38.1 billion more than the previous year.

Q I need to reduce my spending and so won't pay for a Tax Investigations Service
Not paying the annual cost could be a false economy. The potentially high costs of defending you in an enquiry would be much less affordable than the small annual charge. One thing is certain – HMRC does not stop making enquiries into tax returns. The amount of debt the government is in at present is only likely to increase the potential threat of an investigation!

Q I don't think I need fee protection
Like any other protection to meet an unexpected cost, everyone hopes that they don't need it but when a costly enquiry starts, clients are glad that they've paid the small charge.

Q I've already got some fee protection through a trade subscription or policy eg FSB
The service offered by these types of protection will normally be limited and not as wide ranging as the package we offer. Such policies are not likely to pay our fees to look after you and may instead bring in an outside consultant who doesn't know you.

Q How much could a tax enquiry cost me in professional fees?
The questions asked by HMRC are usually very detailed and time-consuming to answer. The costs of defending you can easily run into thousands of pounds, even if little or no extra tax is paid at the end of the enquiry. These costs are not included in the normal annual fees paid to us.

Q Is there anything I can do for peace of mind?
You can subscribe to our Tax Investigations Service which will settle the costs of defending you in the event of a tax enquiry by HMRC.

Q What is a Tax Investigations Service?
It is a service set up by us and is backed by an insurance policy we have taken out in our name with Abbey Tax and protects our clients who suffer a tax enquiry. For an annual fee, you can join our service and obtain the benefits described on the Service Summary.

Q What are the main benefits to subscribing clients of this Tax Investigations Service?

- We will defend you, if and when you are selected for a tax enquiry by HMRC
- You will be protected against the potentially high costs of professional fees
- It will not be necessary to accept unreasonable tax charges by HMRC due to concerns about professional fees
- You will also get free access to a 24/7 business legal helpline

Q What is protected by the Tax Investigations Service?
Under the service, subscribing clients will be fully protected up to £125,000 of professional costs.

Q What is protected by a business subscription?
Full details of what is covered is contained in our Service Summary. If you wish to ask a specific question, just contact us.

Q What is not protected by the Tax Investigations Service?
Again these are detailed in our Service Summary. If there is a specific cost you are worried about, just ask us.