

# LITRG welcome plan to get tough on refund companies

## Briefings



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The CIOT's Low Incomes Tax Reform Group (LITRG) have given a broad welcome to HMRC's plans to tighten up the tax refund company market – but are urging them to translate these plans into reality as soon as possible for taxpayers who need to claim tax relief.

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For a number of years, LITRG have been pressing HMRC to take action to protect taxpayers from the abusive practices of some refund companies.

Recognising this, HMRC invited Victoria Todd, Head of LITRG, to contribute a quote to their press release announcing the new legislation. Victoria welcomed the proposed steps, and the recognition of HMRC's role in consumer protection which they signify, but said it was also important that more effort goes into raising awareness of refunds and ensuring that it is as simple as possible for taxpayers to

access them.

As well as prohibiting legal assignments of income tax repayments, HMRC is proposing a significant strengthening of its 'Standard for Agents' which will apply to tax agents generally. This will introduce stricter transparency rules and require greater evidence of customer consent.

CIOT and ATT both gave this a qualified welcome. John Cullinane, CIOT Director of Public Policy, said the changes were unlikely to impact much on tax agents who are members of professional bodies, as they are already subject to Professional Conduct in Relation to Taxation, but they would be a step forward in raising standards among those outside these bodies.

Senga Prior, Chair of ATT's Technical Steering Group, said that for the standard to be effective, HMRC need the legislative power to enforce any non-compliance.