

# Taxpayers left waiting for rebates

TAXPAYERS are having to wait months to receive repayments which HM Revenue & Customs has already agreed they are owed.

The delays are hitting some of the nine million who complete self-assessment forms each year. They are pensioners, the self-employed, those with more than one source of income and small businesses.

Mike Warburton, of leading accountancy group Grant Thornton, says: 'They're happy to collect the money, but they don't want to give it back. It's not their money, it's yours.'

'It's like trying to get blood out of a stone.'

In one case, a Deloitte client waited six months for a refund of more than £100,000.

Peter Mitchell, head of the Society of Professional Accountants, says: 'The problem of late payment is widespread. Staff cutbacks at HM Revenue & Customs has led to unreasonable delays. For the individual taxpayer, it can be devastating to their cash flow.'

One society member says a client with a construction business had to wait nine months for his £53,000 refund, and was not paid a penny in interest. The delay was caused by incorrect information being input by HMRC staff.

John Whiting, of the Chartered Institute of Taxation, says: 'This is the most common cause of complaints. Too often the taxpayer and their advisers are left in the dark about what's happening.'

The Revenue says it's unaware of any problems and that despite the online system saying a repayment is due, there may still be checks to carry out — on the amount to be refunded and potentially a security check to ensure it isn't a fraudulent claim. A spokesman says: 'While we consider these checks to be essential, we also acknowledge the importance of keeping delays to a minimum.'

Interest on rebates is 0.5 pc, while taxpayers are charged 3 pc by the Revenue on their late payments and can be fined a further 5 pc.

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