

Beware the rise in tax scams

Increased online spending during the pandemic has brought with it a corresponding rise in the number of people falling victim to financial scams. Many scams are designed to fool people into making online payments, but incidences of tax-related frauds are also rising.

Push payment scams

The Financial Ombudsman has reported a substantial increase in the number of complaints concerning authorised push payment scams. These are scams where a person is tricked into making a bank transfer into the account of someone posing as a genuine payee. It is always a good idea to make a small test transaction first.

Other push payment scams might induce you to set up a safe account because your bank account has been 'compromised'; ask you to pay for goods and services that don't exist (be particularly wary of adverts on fake, but legitimate looking, websites); or offer an investment opportunity that is too good to be true (the company name will often be similar to that of a genuine investment organisation).

Tax-related scams

Tax-related scams evolve. A worrying new development involves the use of taxpayers' Government Gateway credentials by companies offering to make tax relief claims on the taxpayers' behalf.

In one example, the refund company said they would claim employment expenses, but then used log-in details to obtain relief under the enterprise investment scheme (EIS). This generated a large tax refund from which the company took their commission. On discovery of the illegitimate EIS claim, HMRC demanded the full amount be repaid.

Legitimate tax advisors can file returns as your agent, but any other request for your Government Gateway username and password should set alarm bells ringing.



The extended deadline to pay self-assessment tax has also created an opportunity for scams. These can come in the form of texts, emails, or calls either offering a refund or demanding unpaid tax, often disguised as genuine messages from HMRC.

If you are at all concerned, HMRC customers can report suspicious phone calls using a form on the Government website, emails can be forwarded to phishing@hmrc.gov.uk and texts to 60599.

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