

## Stamp Duty refund fraud

HMRC have noticed an increase in claims for Stamp Duty refunds that are incorrect. In fact, new homeowners are being warned about cold calls from rogue tax repayment agents advising them to make speculative Stamp Duty Land Tax (SDLT) refund claims, which could leave them with large tax bills.

The agents have been known to call new property owners after finding them through Land Registry records and property search websites, promising money back on 'unknowingly overpaid' Stamp Duty. Recent analysis undertaken by HMRC suggests that up to a third of claims for 'multiple dwelling relief' refunds were incorrect.

HMRC can raise enquiries on these claims, but sometimes this is after the agent has taken their fee, leaving the homeowner to pick up the difference. Incorrect refund claims must be repaid with interest, with some claimants facing potential penalties.

Anyone approached about a Stamp Duty refund claim should contact their original conveyancer, take independent professional advice or check HMRC's guidance by searching 'Stamp Duty Land Tax' on GOV.UK.

Recent examples include:

- a letter from a rogue agent suggested a homeowner may have overpaid £60,000 worth of Stamp Duty as the home could be designated as two

properties, despite it clearly being one,

- an incorrect claim that a bedroom could be a separate dwelling and in line for getting 'multiple dwellings relief' because it had an en-suite and a built-in wardrobe which could be a kitchen if you added a microwave and a kettle,
- an individual unsuccessfully claimed their house was not wholly residential because a paddock behind the garden was used occasionally to keep a neighbour's horse – the agent advised that they were due lower stamp duty rates because the presence of the paddock made the transaction a mix of residential and non-residential property, which would incur a lower Stamp Duty payment,
- a new owner of a six-bedroom house incorrectly claimed it was not a wholly residential property because a room above a detached garage was used as an office.



HMRC has nine months to enquire into a claim and would look to recover the full tax, with interest, and penalties charged where appropriate from those found to be incorrect.

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