



Enforcement Notice:

Tax Repayment Agents

Who we are

We are the [Committee of Advertising Practice](#) (CAP). We write the advertising rules (in the CAP Code), which are enforced by the Advertising Standards Authority (ASA), the UK's independent advertising regulator. We help to secure compliance with the Code and with ASA rulings. You can read about the UK advertising regulatory system [on the ASA website](#).

HM Revenue & Customs ([HMRC](#)) is the UK's tax, payments and customs authority. It is a non-ministerial department that collects the money that pays for the UK's public services and also helps families and individuals with targeted financial support. We do this by being impartial and increasingly effective and efficient in our administration. We help the honest majority to get their tax right and make it hard for the dishonest minority to cheat the system.

Why are we contacting you?

We are concerned that some ads promoting the services of tax repayment agents are misleading individuals and businesses into using their services, including by claiming tax refunds or reliefs from HMRC. Please read the below in detail and take action accordingly.

Ads must give consumers all the information they need to make an informed choice about whether or not to use a service. A number of ads promoting the services of tax repayment agents have misleadingly omitted or failed to make clear significant information, including –

- How an agent can make repeat tax claims in future tax years after receiving a 'nomination' from a consumer.
- Fees payable to the agent (and that these would be deducted from the refund due).
- The existence of a free route to claiming the advertised refund directly via HMRC.

Additionally, some ads actively mislead by:

- Implying that online tools can determine whether consumers are entitled to a refund from HMRC, and how much that is likely to be, when that is not the case.
- Including claims which are unsupported or use misleading statistics, such as, overstating the potential amount that consumers may be eligible to claim for, overstating the number of consumers that a refund may apply to or implying that a repayment agent has a 100% success rate if that is not the case.
- [Designing ads to appear similar to HMRCs branding](#), which may make consumers think they are using a HMRC endorsed service.

This is a non-exhaustive list of elements to consider. If you advertise your service via a post from your social media account or as a paid ad in social media, you need to be sure that the social media ad is not itself misleading; and if you rely on the landing page of any website to which the reader of the social media is directed, to provide material information that you cannot fit into the social media ad, you need to make sure that information is sufficiently prominent and not misleading when read together with the social media ad. The exact nature of the service being advertised will affect whether other terms and conditions need to be stated prominently. For instance, if you are [collecting personal information for lead generation purposes](#), you have to make that clear. Remember, consumers need to have all the relevant information, presented in a clear manner, in order to make an informed decision so if you oversimplify the significance





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of the nominations process it has the potential to mislead.

Action required

Please review this guidance and take immediate steps to check that all of your advertising, including your social media advertising and website advertising adhere to it.

If you receive notice making clear that your advertising is misleading in ways specified in the guidance, and fail to amend your advertising to comply with the rules within a reasonable period (or if CAP is unable with due diligence to make contact with you in respect of such advertising):

- In respect of social media ads, we may work with platforms to remove them.
- In respect of advertising presented on page(s) of the website to which your social media ads click through, or on other pages of that site, we may take enforcement action, which may include publicising your company's non-compliance (including to potential customers) and referring your company to Trading Standards for action under consumer protection legislation, which can lead to prosecution and potentially fines.

HMRC will challenge agents when there are potential concerns about their practices and seek to work with them. Failure to engage will result in action in line with HMRC's published approach (see appendix HMRC Guidance). HMRC monitors tax agents and where they have potential concerns can take action, which includes suspending the processing of claims or refusing to deal with an agent.

Scope

This notice applies across all media falling within the remit of the CAP Code. We understand that ads promoting the services of tax repayment claims services are primarily being advertised online via pay-per-click ads, paid-for ads on social media and on websites. Therefore, we will prioritise enforcement in these areas. However, we will not hesitate to take action wherever we see non-compliant advertising and we strongly advise tax repayment agents to apply the principles in the notice across all their marketing materials.

It should be read in conjunction with advice from HMRC about tax issues more broadly. The notice does not apply to the promotion of general tax accounting services.

Please read the guidance below and apply it to your advertising.





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Guidance

Ads must not omit important information that would help a consumer make an informed choice, including information on significant conditions and fees. Neither should ads mislead by inaccurately describing the service on offer or exaggerating the likely outcomes of using the service. Depending on the claims made, certain information may need to appear up front, even in your paid or organic social media ads. If the advertiser seeks to rely on information on the advertiser's website, material information should appear clearly on the landing page, not placed for example in footnotes, small or less prominent text, or terms and conditions.

Omissions

What is offered for free, and fees



Ensure that information about any commitment, about fees, and about the free HMRC service, is not omitted and is presented clearly to consumers.

- *Case Study:* The [ASA investigated](#) a Google ad for a tax repayment agent headed “Married Tax Relief Checker – Tax Preparation Service Online Check How much you can claim. Find out for Free. Claim up to £1200”. The landing page of the advertiser's website stated “ARE YOU MARRIED OR IN A CIVIL PARTNERSHIP? You may have paid TOO MUCH tax. Claim a TAX REFUND – up to £1220!” and contained a link to “Check Now”, with small print further down the page giving a “FEE EXPLANATION If your claim is successful we will deduct a fee of 36% inclusive of VAT subject to a minimum charge of £30 inc VAT”.
 - The ads failed adequately to distinguish between eligibility to make a claim and the amount potentially recoverable if a claim were made.
 - Although information about the fees, which in this case would be deducted as a percentage of the total refunded amount, was stated in the website terms and conditions, the ASA ruled that this was not sufficiently prominent given the significance of such information.
 - Information about an assignment process (which would transfer ownership of the benefit of a claim to the agent, a process now banned by legislation) was omitted from the Google ad, and only included in the terms and conditions on the website.
 - No information was provided about the existence of the free HMRC service.

Advice – The commitments into which the consumer will enter with the agent should be made clear in an ad and presented in a prominent position.

Substantiation and Qualification

Refund Quotes and Fees

Advertisers must hold evidence to prove claims that consumers are likely to regard as objective and that are capable of objective substantiation, prior to publication. Where fees are payable





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for the service used, it should be made clear that these will be deducted from the refund due.



Ensure you hold evidence to support quoted refund figures.



Clearly state any fees or deductions that may be applied to the refund due.



Clearly state where fees are payable for the service used; consumers should be made aware that a free route to claiming the advertised refund is available, via HMRC.

- *Case Study:* The [ASA investigated](#) a paid-for Facebook ad for a tax repayment agent which stated “Get your money from the tax man! 3 million claims have already been submitted, have you check [sic] to see if you’re owed £624? People who worked through COVID can claim up to £624 back from the tax man. Use the FREE online tool below to check if you are owed anything”. The landing page of the advertiser’s website stated “your £624 tax claims starts here”. Small print at the bottom of the page included links labelled “terms of business” and “pricing”.
 - The ASA considered that readers were likely to understand the references to the amount that could be claimed, to indicate the amount of refunded tax they would be likely to receive if they used the advertised service.
 - Further, the ASA understood from the terms of business on the website that if clients received a refund from HRMC the advertiser would deduct 42% of the refund plus a £30 admin fee.
 - In the absence of evidence to demonstrate the quoted figure was achievable and in the absence of prominent qualification to highlight the quoted figure was subject to deductions, the ASA considered the ads were misleading on that basis.
 - The ASA considered that consumers were unlikely to be aware that there was a free route to claiming the advertised tax refund. This was also significant information likely to affect how they would respond to the advertising. Because that had been omitted from both ads, and for the reasons above, the ASA concluded that the advertising was likely to mislead.

Advice – Ensure that you hold adequate evidence to substantiate information related to potential refunds. In addition, ensure that you include qualifying information in your advertising to clearly spell out any fees or deductions that might apply to any refund owed.

Misleading



Do not imply that online tools can determine whether consumers are entitled to a (specific) refund from HMRC when that is not the case.

- *Case Study:* The [ASA investigated](#) a Facebook ad stating “Breaking News. £3,000 tax refunds being paid on UK PPI claims. 2022 FREE online tool can chek [sic] in less than 60 seconds.” The advertiser’s website included a landing page stating “Your £3,000 PPI tax claim starts here.... Use this free and easy 60 second check to find out how much you could be owed from HMRC”.
 - The ASA considered that readers were likely to understand that if they completed the advertised online check, they would be informed whether they were owed a refund by HMRC and how much that was likely to be.





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- The ASA understood that the tool simply checked whether respondents were eligible for the advertiser to submit a claim to HMRC on their behalf, rather than being able to accurately estimate the claim amount and considered the ads misleading on that basis.

Advice - If using online tools to assess consumer eligibility to use your service, avoid implying that consumers are entitled to a (specific) refund from HMRC, if that's not the case.

Official approval or endorsement



Do not state or imply that your ad, your company or your service is approved or endorsed by an official government body, for example HMRC, when that is not the case.

- Case Study(a): The [ASA investigated](#) three paid-for Facebook ads, one of which included an image of a Union Jack and stated “Struggling with the Cost of Living?” Further text in a grey box, with a green line running down the side, stated “This HMRC rebate is still available to claim. Largest rebate: £11,767.69. Claim your rebate”.
 - The ASA considered that the presentation of the ad, such as the font and graphics used, were similar to those used on UK government department websites, and Facebook accounts.
 - The ASA considered that the ads implied they were from an official government source.
- Case Study(b): The [ASA investigated](#) three paid-for Facebook ads, one of which stated “Successful PPI claimants are discovering they could be owed an extra payment. HMRC does not automatically refund overpaid PPI tax. Find out if you could be due money in seconds”. The ad also included an image of a crown alongside text that stated “HMRC Refunds”. Further text stated “HMRC Is Paying Out. Average claim: £3000”, followed by a bullet-pointed list that stated “HMRC is refunding. Only takes 60 seconds. Helps with the cost of living. Find Out For Free”.
 - The ASA considered that direct references to HMRC and the inclusion of the image of a crown, the same as that used on UK government websites and social media channels, meant that presentation and text of the ad gave the impression they had been endorsed by an official government body.
 - The ASA considered “Helps with the cost of living” risked exploiting some consumers’ concerns about their finances and contributed to the impression that the ad was from an official government source that could help with the increased cost of living.

Advice – Consider the branding, texts, graphics and presentation of your ads to ensure they do not imply to consumers that your ad, your company or the service you offer are approved or endorsed by an official government body, for example HMRC, if that is not the case.

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HM Revenue
& Customs

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Appendix:

Background, HMRC Guidance, Code Rules and Useful Reading

Background

In 2022, HMRC published a consultation on how to protect customers and increase transparency around claiming tax repayments. With effect from 15 March 2023, legislation ended the use of legally binding 'assignments' which consumers could only end if both they and the agent agreed to do so, and which allowed agents to file claims (and take fees from) repayments outside of their initial terms of the agreement without the customer's request.

The ASA has ruled against a number of [ads from tax repayment agents](#) for various claims about their businesses that were unclear.

HMRC Guidance:

The [HMRC standards for agents](#) sets out what HMRC expects of tax agents. This includes transparency and clarity in advertising.

HMRC also explains what action it will take, and how it will take it, in the [HMRC approach to working with agents](#).

Agents who do not follow the standard are considered to be in breach of it. HMRC has a range of different approaches, policies and powers to deal with breaches of the standard. For agents unwilling to engage with HMRC, options may include blocking access to HMRC's agent services, dishonest tax agent conduct notices, refusing to deal with an agent altogether and where appropriate informing relevant professional bodies about misconduct by their members.

For more information, [read 'Raising standards in the tax advice market - HMRC's review of powers to uphold its standard for Agents'](#).

Relevant [CAP Code](#) rules:

1.1 – Marketing communications should be legal, decent, honest and truthful.

3.1 – Marketing communications must not materially mislead or be likely to do so.

3.3 – Marketing communications must not mislead the consumer by omitting material information. They must not mislead by hiding material information or presenting it in an unclear, unintelligible, ambiguous or untimely manner.

Material information is information that the consumer needs to make informed decisions in relation to a product. Whether the omission or presentation of material information is likely to mislead the consumer depends on the context, the medium and, if the medium of the marketing communication is constrained by time or space, the measures that the marketer takes to make that information available to the consumer by other means.





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3.4.3 – For marketing communications that quote prices for advertised products, material information [for the purposes of rule 3.3] includes:

- the price of the advertised product, including taxes, or, if the nature of the product is such that the price cannot be calculated in advance, the manner in which the price is calculated

3.7 – Before distributing or submitting a marketing communication for publication, marketers must hold documentary evidence to prove claims that consumers are likely to regard as objective and that are capable of objective substantiation. The ASA may regard claims as misleading in the absence of adequate substantiation.

3.9 – Marketing communications must state significant limitations and qualifications. Qualifications may clarify but must not contradict the claims that they qualify.

Want See CAP's advice on: [Misleading Advertising](#), [Qualifications](#), [Compulsory more? Costs and Charges](#)

Or contact the CAP [Copy Advice team](#), which offers a free and confidential bespoke pre-publication advice service

