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Digital account timeline overview

HMRC has revealed how it plans to introduce digital tax accounts over the course of the 2015/16 tax year.

First announced in Budget 2015, news that HMRC wants digital accounts to replace traditional annual tax accounts created much debate.

Now, further details of what this transitional process will look like have been provided by HMRC:

- **July – September 2015** – business tax accounts, PAYE update services and married couple's allowance
- **October – December 2015** – personal tax accounts for self-assessment and tax credits
- **January – March 2016** – calculating re-payments for national insurance and PAYE.

HMRC wants to introduce digital tax accounts in order to simplify the process for everyone involved.

However, some members of the Public Accounts Committee (PAC) have expressed concerns that HMRC will not be able to deliver on its proposed timetable.

In the summary of the PAC report into the digital transition, the committee stated:

"HMRC's record in managing the Aspire contract and other IT contractors gives us little confidence that HMRC can successfully achieve this transition or that it can manage the proposed model effectively to maximise value for money.

"HMRC also demonstrates little appreciation of the scale of the challenge it faces or the substantial risks to tax collection if the transition fails."

Benefits of digital tax accounts

The cost benefits of HMRC running more of its processes through its own IT systems will be a 24% saving on its £800 million annual IT budget by 2020/21.

But HMRC also wants to stress a number of other key benefits to taxpayers:

- view and manage their information
- pay tax without having to provide HMRC information it already has
- digital tax accounts can potentially be linked to business accounting software
- simpler and clearer personalised support.

Get in touch to talk about reporting and paying tax.

Consumer ombudsman to change complaints process

Ombudsman Services is launching a new service that will accept all consumer complaints.

The newly created consumer ombudsman will be able to receive complaints relating to the conduct of sectors that don't have a current ombudsman. This includes retail, home maintenance, improvement or installation services, second-hand cars, car repairs and car servicing. The ombudsman is for any unresolved complaint a consumer has with an organisation, meaning that all internal complaints processes must have been attempted.

Consumers are able to register complaints with the consumer ombudsman regarding goods and services bought after 1 January 2015.

The move has caused some controversy in the business community regarding the new obligations that will be placed on businesses dealing with complaints.

John Allan, national chairman of the Federation of Small Businesses, said:

"As of Thursday 1 October 2015 companies will be required by law to make consumers aware of a relevant alternative dispute resolution scheme e.g. the new consumer ombudsman.

"While this is a potential headache for small firms, we're glad that the usage is not compulsory which would have added even more burdensome red tape."

Consumer ombudsman process

The consumer ombudsman outlines a 5 step process for consumers that would like to lodge a complaint:

1. The consumer should first ensure that the company they are unhappy with is aware of the exact nature of their complaint.
2. All contact with the company from the first complaint should be gathered as potential evidence for the ombudsman.
3. The company in question should be given a "reasonable opportunity" to resolve the original complaint.
4. The consumer should contact the consumer ombudsman who will then contact the company in question.
5. The resolution will either be resolved through the agreement of both parties or settled in a small claims court.

The company that is having the complaint lodged against them can choose whether or not they are willing to work with the ombudsman to reach a resolution.

Talk to our team about managing your business today.

YOUR MONEY

Pension scams put savings at risk

Over-55s are the targets of repeated cold-calling and email scams offering fake pension opportunities.

5 months after the introduction of the new pension freedoms, 40% of Citizens Advice pension staff have come into contact with people affected by pension scams. Around 10% have seen people fall victim to scams.

Of those contacted by scammers, 80% had been cold-called, a third had been sent emails and a third had received post.

The emerging scams highlighted by Citizens Advice are:

- fake financial products where the fraudster promises to invest a pension pot for a high return
- cold calls offering free pension reviews that require access to the victim's pension
- pension cash investment schemes for assets like overseas property or fine wines.

Gillian Guy, chief executive of Citizens Advice, said:

"Pension scams threaten people's financial security. People are targeted again and again with bogus investment offers or fraudulent pension opportunities."

Pensions Minister Baroness Ros Altmann, added:

"Pensions are precious so don't fall foul of conmen who want to snatch your money."

Avoiding pension scams

To stand the best chance of avoiding falling prey to a pension scam, individuals need to be aware of the common signs of fraudulent deals:

- any offer of a free service by an organisation or individual you have no previous relationship with
- a rate of return that is substantially higher than those offered by other investors or products
- feeling pressured into making a decision
- being offered the chance to access your pension before the age of 55.

Contact us to discuss your pension.