

August 2011 Enews

In this month's enews we report on HMRC's announcement of a Civil Disorder Helpline. Please contact us if you would like any further details on any of the issues covered.

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HMRC Civil Disorder helpline

HMRC have announced a new helpline - 0845 366 1207- to assist businesses and individuals adversely affected by the recent civil disorder.

According to the press release:

'The dedicated Civil Disorder helpline is available to provide comprehensive advice and deal sympathetically with problems currently faced by businesses and individuals. In particular, HMRC will:

- agree payment schedules with those who are unable to pay their tax bills due to short-term financial difficulties; and
- discuss practical solutions where businesses and individuals cannot meet their other obligations to HMRC – for instance, their records have been lost or destroyed in the disturbances.'

'In these circumstances, and whenever possible, HMRC will review any penalties imposed and withhold additional surcharges that would normally be triggered by missed deadlines.'

'In short, if you want to talk about how the disorder has affected you in relation to the tax system (including tax credits), please contact HMRC – we are here to help. There are a range of existing reliefs available and HMRC's trained advisors will be happy to help.'

Please do get in touch if you would like further advice.

Internet link: [News release](#)

Pensions online interactive tools

The Pensions Regulator has launched an online tool designed to help smaller businesses get to grips with their employer duties under the new laws, which start in 2012. The tools cover issues such as:

- Find out your staging date (this is the date from which these rules will apply to your business)
- Your employer duties
- How to automatically enrol your staff
- Your minimum employer contributions

Internet link: [The Pensions Regulator website](#)

'Ghost' plumbers arrested in tax raids

HMRC have announced that five plumbers have been arrested and approximately 600 are under civil investigation by HMRC for failing to pay the right amount of tax.

The arrests and investigations have taken place as part of a campaign targeting plumbers which invited them to put their tax affairs in order, referred to as the Plumbers Tax Safe Plan (PTSP). Under the PTSP those coming forward to make full disclosures of unpaid liabilities face reduced penalties. They have until 31 August 2011 to arrange for payment. According to the HMRC press release they believe that some of those involved owe up to £150,000.

More raids are expected to take place over the coming weeks across the UK, including Yorkshire, Kent, Cambridgeshire, Tyne & Wear, Midlands and South Wales.

John Pointing, Assistant Director of HMRC Criminal Investigation, said:

'These raids and arrests of 'ghosts' - people who have not declared income from the work they do - are the culmination of months of work by HMRC.'

'We provided a chance for those we have arrested, and the 600 we are investigating, to come forward voluntarily and put things right. These arrests send a clear message that HMRC will take action against those who choose not to come forward and pay the tax they owe.'

Mike Wells, Director HMRC Risk & Intelligence Service, said:

'These arrests are just the start. HMRC is considering hundreds of further cases for criminal investigation in the plumbing and medical professions. Some people may have thought we were bluffing when we said we have information that we will use to prosecute tax evasion.'

Internet link: [News release](#)

Autoclenz status case

A Supreme Court judgement has found that workers engaged as car valeters by Autoclenz were in fact employees and not self-employed as Autoclenz had contended.

The case was brought by a group of car valeters engaged by Autoclenz in an attempt to show that they were employees. Autoclenz claimed that a substitution clause in the workers contracts, which obliged the individuals to provide a substitute to perform the cleaning services when they themselves were unable to, meant that the individuals were self-employed.

The Supreme Court confirmed that these clauses were not a true reflection of the reality of the situation and that in fact no genuine right of substitution existed. They therefore concluded that the individuals were working under contracts of employment.

This case could have implications for other employment status cases. We will keep you informed of developments.

Internet link: [Supreme Court ruling](#)

Closure of HMRC's old bank accounts

Business Link is reminding businesses that HMRC Bank of England accounts closed with effect from 9 August 2011. They are also warning that where businesses use these account details the payments will no longer be accepted. This may result in interest charges if the payment is not received by HMRC by the agreed payment date.

Businesses should use the correct HMRC bank account details, to make electronic payments by BACS Direct Credit, internet/telephone banking or CHAPS.

Where paying HMRC by Bank Giro please ensure that the payslip shows the correct NatWest account details. Payslips containing HMRC's old Bank of England account details should no longer be used as the payment will be rejected.

Internet link: [Business Link guidance](#)

Data Protection Breach

The Information Commissioner's Office (ICO) has ruled that cosmetics retailer Lush breached the Data Protection Act after the security of its website was compromised. The breach, which happened between October 2010 and January 2011, meant that hackers could access the payment details of 5,000 customers who had previously used the company's website.

Lush has signed an undertaking to ensure that future customer credit card data will be processed in accordance with the Payment Card Industry Data Security Standard.

The ICO is warning online retailers that if they do not adopt this standard, or provide equivalent protection when processing customers' credit card details, they risk enforcement action from the ICO.

Lush discovered the security lapse in January 2011 after receiving complaints from 95 customers who had been the victim of card fraud. On investigating, Lush discovered that hackers had managed to access their customers' payment details.

The ICO's investigation found that Lush's systems were not sufficient to prevent a determined attack on their website. The business's procedures for recording suspicious activity on their website were also insufficient, causing a delay in identifying the security breach.

Acting Head of Enforcement, Sally Anne Poole said:

'With over 31 million people having shopped online last year, retailers must recognise the value of the information they hold and that their websites are a potential target for criminals.'

'Lush took some steps to protect their customers' data but failed to do regular security checks and did not fully meet industry standards relating to card payment security. Had they done this, it may have prevented the fraud taking place and could have saved the victims a great deal of worry and time invested in claiming their money back. This breach should serve as a warning to all retailers that online security must be taken seriously and that the Payment Card Industry Data Security Standard or an equivalent must be followed at all times.'

Internet link: [ICO press release](#)

HMRC update advice on delayed statements

HMRC have updated their guidance to those taxpayers who did not receive their Self Assessment statements on time. As previously advised, HMRC have had more Self Assessment statements than usual to issue this year. Normally these are all issued in July, but this year some are being issued in August. However, many taxpayers wait for the statement to confirm what they need to pay. More importantly, if HMRC have asked taxpayers to make a second payment on account in July, they normally have to pay this by 31 July.

However, due to the delays in issuing some statements HMRC have advised:

'You don't need to worry about this. If HMRC have asked you to make a second payment on account, you normally should have paid this by 31 July.'

'You usually have to pay interest if you don't pay on time. If you receive your statement in August, you should still pay the tax due as soon as you can. However you'll only be asked to pay interest on the tax due on the second payment on account if you still haven't paid it by 27 September.'

HMRC are also reminding taxpayers that if they use their online service, they can check their statement online.

If you have any concerns regarding payment please do get in touch.

Internet link: [HMRC update](#)

Enterprise Zones

The government has announced 11 new Enterprise Zones as part of the government's 'Plan for Growth'.

The government had previously announced 11 Enterprise Zones in some of the country's largest cities, including Manchester, Birmingham, Merseyside and Newcastle and had invited applications for 10 more in other areas.

According to the press release 'the strength of the applications from Local Enterprise Partnerships was such that Government has agreed to increase this invitation to 11.'

The second wave of Enterprise Zones will be located in:

Humber Estuary Renewable Energy Super Cluster
Daresbury Science Campus in Warrington

Newquay AeroHub in Cornwall
The Solent Enterprise Zone at Daedalus Airfield in Gosport
MIRA Technology Park in Hinckley Leicestershire
Rotherwas Enterprise Zone in Hereford
Discovery Park in Sandwich, Kent and Enterprise West Essex in Harlow
Science Vale UK in Oxfordshire
Northampton Waterside
Alconbury Airfield, near Huntingdon in Cambridgeshire, and
Great Yarmouth in Norfolk, and Lowestoft in Suffolk.

The Chancellor of the Exchequer George Osborne, said:

'It is vital that we create balanced economic growth across the country. It is time for us to help every part of the country to grow and realise its potential.'

'Enterprise Zones are a critical part of our Plan for Growth and will support economic development and create over 30,000 new jobs by 2015. The zones will benefit from over £150 million in tax breaks over 4 years, new superfast broadband, lower levels of planning control and the potential to use enhanced capital allowances.'

Internet link: [Press release](#)