

Ex-Tax Inspector Debunks HMRC Compliance Checks / Enquiries Know-How

Amit Puri says HMRC collected record revenues in y/e 31/03/25 – £875.9 billion – from 316,000 compliance checks, using its army of over 62 thousand employees.

LONDON, UNITED KINGDOM, August 27, 2025 /EINPresswire.com/ -- Amit

Puri says HMRC collected record revenues in y/e 31/03/25 – £875.9 billion and protected a further £48.0

billion from fraud and other non-compliance, using its army of over 62 thousand employees. HMRC does this by carrying out a '[compliance check](#)' to ensure people and businesses are paying the right amount of tax, so collect additional taxes (not voluntarily returned). While there are



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many types of enquiries and investigations, and so differing approaches, in y/e 31/03/25 HMRC completed some 316,000 compliance checks.

One of HMRC's top priorities remains “closing the tax gap” which is the difference between tax collected and the theoretical tax liabilities collectible – which stood at 5.3%, or a huge £46.8 billion, in y/e 31/03/24. So this year the government has announced 5,500 new compliance staff will be recruited over the next 5 years.

HMRC Compliance Checks cover so many types of entrepreneurs and companies, and range from simple routine enquiries into single tax returns (sometimes reviewing just a few entries) through to full business enquiries (where the entire structure, all activities and transactions are scrutinised) concerning multiple taxes in-depth. So not all tax compliance checks are the same.

Tell me more about HMRC Compliance Checks

Puri's article says that Compliance Checks are initiated by many parts of HMRC, but Wealthy and Mid-sized Business Compliance (WMBC) and Individuals and Small Business Compliance (ISBC)

are the most recognisable. See it here:
[Compliance Check - What is it and what should I know?](#)

Every year, c.300,000 compliance checks are opened into individuals', partnerships' and companies' tax returns. In the case of a formal compliance check, HMRC sends a Notice of Enquiry in writing, within 12 months of that tax return being submitted. At the same time, HMRC usually requests documents and information relevant to the entries on the tax return in question.

Normally, one is given 30 days to respond in full. It is recommended that the recipient discusses the information requested with a suitably experienced, HMRC / tax investigations specialist, to ensure HMRC is not inadvertently given information they are not entitled to or on a fishing expedition, and potentially attracting unnecessary scrutiny. Handled correctly, they can usually be closed quite quickly.



What happens during a Tax Compliance Check?

Failure to provide adequate information as requested e.g. statutory business records, could give rise to more aggressive action like formal information notices and penalties for failures to comply. So it is important to ensure a timely and well-considered response. One should ensure compliance with HMRC's information requests whilst protecting their interests by narrowing the scope of the compliance check at all times.

HMRC compliance checks usually focus on specific taxes and figures/entries, but can sometimes cover multiple taxes and entire businesses. In the largest such cases, HMRC specialists work together to identify and scrutinise tax risks e.g. VAT and PAYE as well as Corporation Tax. See specific guidance on [full enquiries into the largest corporates here](#).

What should I do if I receive an HMRC Compliance Check letter?

HMRC do not carry out random enquiries, they target potential tax risks they have identified. If HMRC have contacted you and/or your client, they will have a specific risk area(s) in mind.

One should narrow the compliance check's scope, the number of lines of enquiry, the volume of records being provided (instead, offer a representative sample), and reduce the possibility of discussing other people and other tax periods. This ensures the matter is resolved as promptly and as efficiently as possible.

What should I ask myself when considering a HMRC / tax enquiry?

- Do you feel uncomfortable dealing with HMRC on your own? Or, as an agent, do you feel your client should use tax investigation specialists instead?
- Do you feel like your knowledge of HMRC's assessing powers, information gathering, penalty mitigation and their varying approaches is not up-to-date?
- Does HMRC's approach and/or requests for information seem unreasonable or overly onerous to comply with?
- Are you concerned that a straightforward looking compliance check is escalating out of control and developing into a much more in-depth and intrusive tax investigation?
- Do you feel like you are unable to properly manage and control HMRC, perhaps having shared too much information, therefore the enquiry's scope widened?
- Do you want to avoid your details being published as a deliberate tax defaulter?

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