

# Ex Tax Inspector Says UK's Serious Civil Tax Investigations Lack a Deterrence Effect

*Amit Puri wrote for Bloomberg Tax highlighting serious tax investigations, including those tackling tax fraud, and shares statistics on cases opened, settled & yield*



Amit Puri - MD of Pure Tax Investigations

UNITED KINGDOM, September 15, 2025 /EINPresswire.com/ -- Amit Puri wrote for Bloomberg Tax to highlight serious tax investigations, including those tackling tax fraud, and shares

statistics: cases opened, concluded and yield secured annually. He said they should not to be confused with regular HM Revenue & Customs compliance checks, which are typically only carried out into a single personal or corporation tax return, focusing on only a single tax year or accounting period, and usually consider just a handful of aspects.

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*Amit Puri*

Amit said HMRC's specialist Fraud Investigation Service take the lead in these investigations. They are resource intensive and psychologically drained..

With some 5,500 new investigative officers promised in the UK's recent budgets, Amit Puri said the general public expects HMRC to “do more, with more.” However, it seems the chains have still not come off in the case of HMRC's most aggressive civil tax investigations carried out by the Fraud Investigation Service, or FIS, where large amounts of

tax are believed to be at risk and/or suspicions of tax fraud are alleged.

Despite an impressive responsibility, FIS staff numbers have stayed stubbornly close to or below 5,000 across the country. Amit said anecdotal evidence showed that the public is not afraid of FIS civil investigations and is seldom aware that a person has been subject to one thus the low number of investigations has a poor deterrence effect.

- Notably, over the 2024-2025 period, only 450 new such investigations were commenced (down

from 480 in the 2023-2024 period), although FIS still managed to secure almost £190 million (\$257 million) in revenue.

His latest [full article for Bloomberg Tax](#) makes for good CPD learning and includes Practical Considerations too: "UK's Serious Civil Tax Investigations Lack a Deterrence Effect"

Why are these investigations "serious"?

Because these civil investigations are a lot more time intensive and resource hungry, FIS investigators typically

manage no more than 10 at any time. Other front-line HMRC officers (for example, in Wealthy and Mid-sized Business Compliance and Individuals and Small Business Compliance) have a much higher number of cases (30 to 40). So more time, attention, and experience is required by tax investigation specialists supporting their clients. HMRC is seeking recovery of taxes, late payment interest, and typically large penalties, for failing to submit correct tax returns or failing to notify HMRC that taxes were payable. Allegations of having acted deliberately or dishonestly are typical, with HMRC seeking to publicly name and shame people too.

### [Code of Practice 9](#)

A Code of Practice 9, or COP9, is a civil investigation of suspected tax fraud, where taxpayers are explicitly accused of having acted dishonestly/with fraudulent intent. Taxpayers are given an opportunity to admit (at a high-level) tax fraud within 60 days in return for being able to make disclosures in much more detail later.

Taxpayers must disclose the background and reasons for their deliberate actions, compute the additional income, profits, gains, taxes, and late payment interest and penalties—all at their own cost. HMRC expects taxpayers to commission comprehensive disclosure reports—usually prepared by suitably experienced tax investigations specialists. In return, lengthy, in-depth, and intrusive investigations by HMRC are avoided, which can otherwise run on for many years.

### [Code of Practice 8](#)

A Code of Practice 8, COP8, is a civil investigation into large amounts of tax at risk, but not necessarily due to tax fraud—but it can include that. It's not unusual for these to be used against marketed avoidance schemes or arrangements and bespoke tax planning, where HMRC is likely



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to have made a discovery about historic tax risks.

The investigators are well prepared to argue they have identified new information and culpability— also triggering penalties. There is little possibility of dissuading them in favour of a COP9-style disclosure report and also typically some span years due to their in-depth nature.

- Overall in fiscal year 2024-2025, 30 fewer cases were closed.
- Much fewer COP8 cases were opened, in favour of more COP9 investigations opened.
- HMRC's focus appears to remain on concluding older COP9 cases as in recent years. They are regularly criticised for not settling inquiries and investigations sooner.
- Penalties charged in COP9 cases were almost double, averaging £25,719 per case, compared to £13,585 in COP8 cases. This is unsurprising, because COP9 cases are about tax fraud, whereas COP8 cases focus on tax planning where a client might not also be culpable.
- Total revenues secured in 2024-2025 more than halved to £187.5 million (856 settlements), from 2023-2024's higher total of £421.60 million (886 settlements). However, 2023-2024 seems to be an anomaly year, suggesting more larger yielding cases were settled. Despite an almost identical number of conclusions, the yield in 2024-2025 was lower than in 2022-2023.

Tax practitioners consider that there is a clear case for more such investigations, given the yields and deterrence effect that would secure, but HMRC seems to disagree.

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