

i Helplines

If you would like more help:

- go to www.hmrc.gov.uk/taxcredits

- phone our helpline on 0345 300 3900

- textphone the helpline (for people with hearing or speech difficulties)

on 0345 300 3909

- write to us at
Tax Credit Office
PRESTON
PR1 4AT.

For our opening hours see www.hmrc.gov.uk/contactus

When you get in touch with us, please tell us:

- your full name
- your National Insurance number and
- a daytime phone number.

i Your rights and obligations

Your *Charter* explains what you can expect from us and what we expect from you go to www.hmrc.gov.uk/charter and have a look at *Your Charter*.

When to use these Notes

These notes are for guidance on our procedures. They explain:

- why we have made a penalty determination
- how to pay the penalty, and
- what to do if you wish to appeal against the penalty determination notice.

The tax credits penalty determination has been raised against you in accordance with the Tax Credits Act 2002, and we have included the relevant extracts at Note 3.

If you have any questions about the penalty determination (or wish to send in an appeal), our address is on the top right hand corner of the enclosed covering letter.

Please make sure that you quote the reference number (which you can find at the top left of the notice) in all correspondence.

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right to appeal.

Why a penalty determination has been made

If you are a claimant

We have reason to believe that you have:

- given incorrect or incomplete information,
- not told us about prescribed changes of circumstance,
- not given us all the information you are required to tell us about, or
- been negligent (for example, you did not check that the information you gave us was correct and complete).

If you are a third party

We have asked you to give us information to help us work out the tax credits due to a claimant.

We have reason to believe that you have:

- given incorrect or incomplete information,
- not given us all the information you are required to tell us about, or
- been negligent (for example, you did not check that the information you gave us was correct and complete).

We have a range of services for people with disabilities, including guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact us on any of our phone helplines if you need these services.

Note 1

Payment

Information on how to pay is given on the reverse of the enclosed payslip. Payment is due within 30 days of the date of issue. Interest may be charged if payment is made late.

Note 2

Appeals

Please note that we will only have made the penalty determination, and decided on the amount to charge, after careful consideration of all the facts known to us.

You can appeal against the determination if you believe that:

- the penalty is not due, or
- the penalty is excessive.

For example:

- you had a reasonable excuse for not complying with any notice,
- any error was not due to fraudulent or negligent conduct, or
- there are good reasons to reduce the amount of the penalty.

If you do decide to appeal, you must:

- send it within 30 days of the date of issue,
- clearly state the reasons for your appeal, and
- write to us at the address shown on the covering letter.

Appeals Tribunal

We will always try to settle your appeal by agreement with you. But if we cannot settle it by agreement, then it will be referred to an appeals tribunal. The appeals tribunal is completely independent of HM Revenue and Customs and will hear both sides of the matter before deciding how to settle the appeal.

You will be advised of the time, date and place of the appeal hearing and, if you wish, you can be represented by a professional adviser or agent acting for you. While the tribunal can cancel the penalty, it can also confirm, reduce or increase the penalty (within the maximum permitted). If you want to know more about the appeal procedures, please contact us and ask for leaflet WTC/AP *How to Appeal Against a Tax Credit Decision or Award*.

Interest may be charged if the penalty is paid after the 30 day period, even if you make an appeal. If you do not want to pay interest, you should pay the penalty before the appeal is heard.

Note 2 - continued

If your appeal is successful we will pay back the amount you have paid, with interest (if applicable) for the period up until the date we repay you

Penalty Legislation

This penalty determination was raised against you in accordance with the Tax Credits Act 2002. We have reproduced the relevant extracts below. Please let us know if you need more information.

Incorrect statements

Tax Credits Act 2002, Section 31 states that,
1. Where a person fraudulently or negligently:
a) makes an incorrect statement or declaration in or in connection with a claim for tax credits or a notification of a change of circumstances given in accordance with regulations under section 6 or in response to a notice under section 17, or
b) gives incorrect information or evidence in response to a requirement imposed on him by virtue of section 14(2), 15(2), 16(3), 18(10) or 19(2) or regulations under section 25, a penalty not exceeding £3,000 may be imposed on him.

Failure to provide information or comply with requirements

Tax Credits Act 2002, Section 32 states that,
1 Where a person fails:
a) to provide any information or evidence which he is required to provide by virtue of section 14(2), 15(2), 16(3), 18(10) or 19(2) or regulations under section 25, or
b) to comply with a requirement imposed on him by a notice under section 17 by virtue of subsection (2)(a), (4)(a) or (6)(a) of that section the penalties specified in subsection (2) may be imposed on him.
2. The penalties are:
a) a penalty not exceeding £300, and
b) if the failure continues after a penalty is imposed under paragraph (a), a further penalty or penalties not exceeding £60 for each day on which the failure continues after the day on which the penalty under that paragraph was imposed (but excluding any day for which a penalty under this paragraph has already been imposed).

Failure to notify prescribed changes of circumstances

Tax Credits Act 2002 Section 32 states that, where a person fails to give a notification required by regulations under section 6(3), penalty not exceeding £300 may be imposed on him.

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal. Any subsequent amendments to these notes can be found at hmrc.gov.uk

HMRC Digital Service

October 2012 © Crown copyright 2012