



HM Revenue
& Customs

Mr Frank Zola

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Dear Mr Zola

Freedom of Information Act 2000 (FOIA)

Thank you for your request, which was received on 19 October, for the following information:

"During the Covid19 pandemic, financial support was provided to businesses outlined at: <https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19>

At present, how many cases of financial support is HMRC checking for fraud and error? Since such checking started how many staff are doing these checks? Plus, to date, how many cases of fraud and error have been detected and how much money is forecasted to include detention of fraud and error?

During such checking and actions taken thereafter how does HMRC distinguish between fraud and error and what legislation and guidance does it rely upon to define actual cases of [1] Fraud and or [2] Error?"

Our response

The COVID-19 support schemes have helped millions of people and businesses through the pandemic. These schemes are part of the collective national effort to protect jobs. The schemes were designed to prevent fraud before any payments were made by setting out the eligibility criteria and the claim process itself. We set up a new Taxpayer Protection Taskforce to recover amounts claimed incorrectly.

We accept that honest mistakes will be made, so we are taking a proportionate approach to recover overclaimed grants. No one who has tried to do the right thing but made an honest mistake has any need to be concerned, as long as they work with us to put it right. They can correct a mistake without a penalty within 90 days of receiving the grant or their circumstances changing.

Turning to your questions,

How many cases of financial support is HMRC checking for fraud and error?

We examine all claims to check for fraud and error, using a wide range of data from within HMRC and from third parties. Where we have concerns, we will either ask the recipient to review their claim and correct it or when appropriate open a compliance check. We have written to over 70,000 claimants asking them to review their claim. We have opened over 26,000 checks since we started compliance activity into claims involving the various COVID-19 schemes.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



Since such checking started how many staff are doing these checks?

We have committed around 1,200 staff to post payment compliance activity and over 250 staff dedicated to prepayment checks and risking.

How many cases of fraud and error have been detected?

Since the start of the schemes, we have stopped over 29,000 claims from being paid out incorrectly based on our pre-payment checks and verification activity, enabling us to ensure the grants are used as intended. We have also opened over 26,000 checks to date into claims where we suspect there is an overpayment.

How much money is forecasted to include detention of fraud and error?

By the end of 2020-21 we both recovered and prevented overpayment of grants to a value of £830 million, and the Taxpayer Protection Taskforce is forecast to recover around £1 billion up by 31st March 2023.

We take the same approach to identifying fraud in the COVID-19 support schemes as we do with all our compliance checks. Where we identify fraud (or deliberate behaviour), we look to impose financial penalties or for the most serious cases we conduct criminal investigations.

Our [Compliance Handbook](#) contains guidance on how we carry out compliance checks. Any penalties for deliberate behaviour would be raised under Schedule 41, Finance Act 2008, taking account of paragraph 13, Schedule 16, Finance Act 2020.

Our [compliance check factsheets](#) contain further information on checks and penalties involving the COVID-19 support schemes.

There is also guidance on how we handle fraud reports under the following search results: www.gov.uk/government/organisations/hm-revenue-customs/contact?keywords=report

While the following link is specifically for reporting fraud: www.gov.uk/government/organisations/hm-revenue-customs/contact/report-fraud-to-hmrc

If you are not satisfied with this reply you may request a review within 40 working days of the initial response, by emailing foi.review@hmrc.gov.uk, or by writing to the address at the top right-hand side of this letter.

If you are not content with the outcome of an internal review you can [complain to the Information Commissioner's Office](#).

Yours sincerely,

HM Revenue and Customs