

Frequently Asked Questions

I've done nothing wrong, why should I worry about a tax enquiry?

Most tax enquiries are generated by computer "risk profiling" and many are selected completely at random. As a result, HM Revenue & Customs (HMRC) sometimes picks the wrong targets. Even if you have done nothing wrong, the taxman will not give up and will still try hard to find errors.

Can anyone's tax affairs be scrutinised by HMRC?

Anyone who submits a tax return can come under scrutiny. Every year, HMRC start enquiries into thousands of personal and business tax returns and accounts. VAT and PAYE returns and payments are also thoroughly checked. The aim in every case is to collect more tax and reduce the so-called "tax gap". HMRC activity has increased significantly in recent months, with the number of new enquiries now exceeding pre-pandemic levels.

Do I need to reduce my spending in the current economic climate?

Not paying the annual cost could be a false economy. The potentially high costs of defending you in an enquiry would be much less affordable than the small annual charge. One thing is certain - HMRC does not stop making enquiries into tax returns when there is economic uncertainty. The amount of debt the government owes at present is only likely to increase the potential threat of an investigation.

Why do I need protection?

Like any other form of protection against unexpected cost, everyone hopes that they don't need it. However, when a costly tax investigation starts, clients are glad that they've paid the small annual charge for the peace of mind.

I've already got some protection through a trade subscription or policy. e.g. FSB. Why isn't this sufficient?

Such cover will normally be limited and not as wide ranging as our Tax Investigation Service. Such policies may not pay our fees to look after you and may instead bring in an outside consultant who doesn't know you.

How much could a tax enquiry cost me in professional fees?

The questions asked by HMRC are usually very detailed and time-consuming to answer. The costs of defending you can easily run into thousands of pounds, even if little or no extra tax is paid at the end of the enquiry. These costs are not protected by the normal annual fees paid to us.

Is there anything I can do for peace of mind?

You can subscribe to our Tax Investigation Service which will protect you for the work and costs of defending you in the event of a tax enquiry by HMRC.

What is the Tax Investigation Service?

It is a service set up by us in conjunction with Bspoke Fee Protection (Bspoke) to protect clients who suffer a tax enquiry. For a small annual fee, you can join our Service and obtain the benefits described on the next page of this sheet. The Service is backed by an insurance policy that the practice has arranged through Bspoke. When you subscribe to our service, we are able to make a claim against our insurance policy held with Bspoke in respect of our fees incurred.

What are the main benefits to subscribing clients of this Service?

- We will defend you if and when you are selected for a tax enquiry by HMRC
- The potentially high costs of professional fees for that defence will be claimed under the firm's insurance policy
- It will not be necessary to accept unreasonable tax charges by HMRC due to concerns about professional fees
- You will also get free access to a 24/7 Business Legal helpline and a separate Employment Law, Health & Safety helpline

What is protected by the Service?

Under our Service, subscribing clients will be fully protected and the practice will claim under our own insurance policy for up to £100,000 of professional costs in the following circumstances:

- An HMRC enquiry into a personal or business tax return
- An HMRC enquiry into any business accounts, including those of sole traders, partnerships and limited companies
- A dispute with HMRC where additional VAT is being pursued
- A dispute with HMRC where additional PAYE tax or National Insurance contributions are being pursued
- A dispute with HMRC relating to the tax status of employees or subcontractors

What is not protected by the Service?

Some costs will not be protected under the Service, including the following:

- Outstanding taxes, penalties, interest or any other amounts due to HMRC
- Defence of clients in criminal prosecution cases or serious fraud enquiries
- Fees relating to pre-existing tax enquiries, or enquiries where tax returns were submitted to HMRC later than the statutory time limits (90 days)
- Tax avoidance schemes

A Summary of Service document detailing the cover is available [here](#).

What is protected by the business fee?

To ensure seamless protection, the business fee protects enquiries into the tax returns of the directors, partners, members and their spouse and company secretaries – providing we prepare their tax returns.

How do I join or obtain information?

If you have any questions relating to our Tax Investigation Service, please get in touch with us or view our dedicated website at <https://www.lubbockfine.co.uk/tax-investigation-service/>.

Who are Bspoke Fee Protection (Bspoke)?

Bspoke is a leading provider of Tax Investigation Fee Protection and is a trading name of Bspoke Commercial Limited, authorised and regulated by The Financial Conduct Authority under registration number 709456.

They are committed to working in conjunction with us, thereby ensuring your interests are fully protected.



Paternoster House
65 St Paul's Churchyard
London EC4M 8AB
T: +44 (0)20 7490 7766
E: enquiries@lubbockfine.co.uk

lubbockfine.co.uk



Member of Russell Bedford International
– a global network of independent
professional services firms.

Publication date: May 2026. Disclaimer: This material is published for the information of clients. It provides only an overview of the regulations in force at the date of publication, and no action should be taken without consulting the detailed legislation or seeking professional advice. Therefore, no responsibility for loss occasioned by any person acting or refraining from action as a result of the material can be accepted by the authors or the firm.

© 2026 Lubbock Fine. Lubbock Fine LLP is registered to carry out audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England & Wales. Registered in England and Wales as a limited liability partnership (OC431004). A list of members' names is available for inspection at our registered address. Any reference to a 'partner' in relation to Lubbock Fine means a member of the LLP.