A WTT Group Guide

Received a letter from **HMRC?**

Your step-by-step guide

An HMRC letter can be alarming, but receiving one doesn't mean you've done anything wrong. What matters is what you do next. This guide walks you through it, calmly and clearly, from the first envelope to full resolution.

50+ years
HMRC investigation experience

3,500+
Clients supported

Senior-led
Every case, start to finish

Understand it

Which letter have you received?

Not every HMRC letter is an investigation, and they don't all carry the same weight. Knowing which one has landed tells you how serious it is, and how quickly you need specialist help.

Compliance check

Most common

A routine check of part of a tax return. The most common letter, but the deadlines are real and your first response sets the tone for everything that follows.

"Nudge" letter

Prompt

A "one to many" letter asking you to review a specific area, often offshore income or a property gain. Not an investigation yet, but ignoring it usually turns it into one.

COP8

Serious

A formal investigation where HMRC believes significant tax is at stake, usually through a tax-avoidance arrangement, but does **not** suspect fraud.

COP9

Most serious

HMRC suspects **deliberate** fraud and offers the Contractual Disclosure Facility. Handled well it avoids prosecution; handled wrongly it can escalate fast.

Assessment or penalty notice

Demand

HMRC has already calculated tax, or a penalty, it says you owe, with interest running from the original due date. The appeal window starts immediately.

> **Not sure which you've received?** That's exactly what we're here for. One call and we'll tell you precisely what you're dealing with.

Respond well

The first five moves

The days right after the letter arrives matter most. These five steps keep you in control and protect your position.

01

Don't respond off the cuff

Don't reply, ring or email HMRC before taking advice. An unguided answer can widen the enquiry or volunteer information they never asked for.

02

Note the deadline

HMRC's deadlines are strict. Missing one triggers information notices and penalties. Diarise the date the day the letter arrives.

03

Secure your records

Gather bank statements, invoices, contracts, payroll records and prior returns. Keep everything exactly as it is, and never alter or discard anything.

04

Understand what's being asked

Identify the tax years in question, the specific issue, and whether a Code of Practice (COP8 or COP9) is attached. This tells you how serious it is.

05

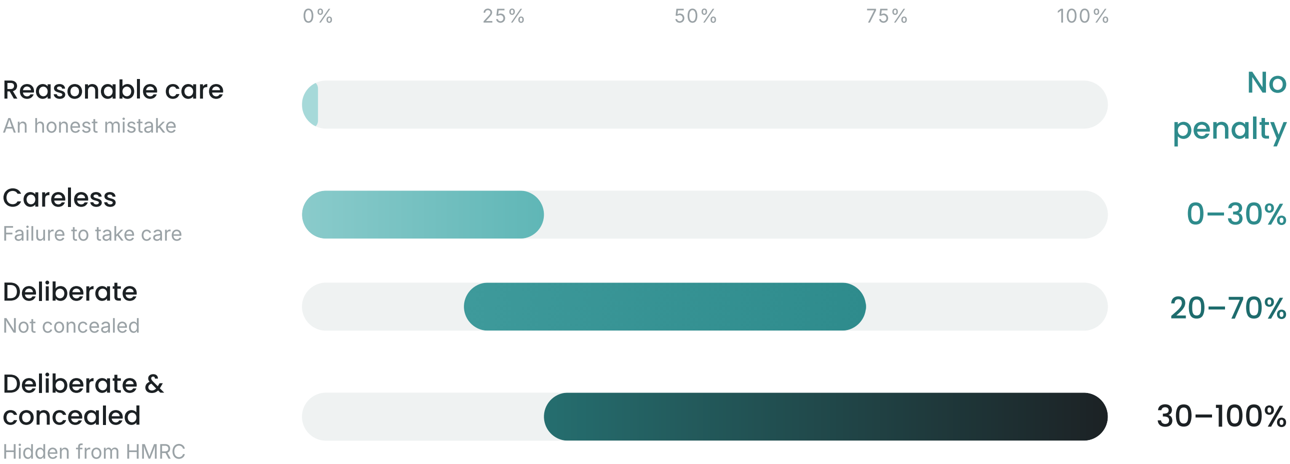
Instruct a specialist

Bring in someone with deep HMRC investigation experience to manage all contact and represent you, before you say anything to HMRC directly.

Know the stakes

How penalties are calculated

If HMRC finds tax is owed, any penalty is driven by **your behaviour**, not just the amount. Cooperating and disclosing early pushes it toward the bottom of each band.



On top of the penalty, interest runs from the original due date. Penalties for offshore matters can reach 200%. Getting your behaviour correctly classified, and disclosing well, makes a real financial difference.

COP8

Serious · no fraud suspected

HMRC believes significant tax has been lost, often via an avoidance scheme. The goal is to establish the correct tax and settle. Get it wrong and it can escalate to COP9.

COP9

Most serious · fraud suspected

HMRC suspects deliberate fraud and offers the Contractual Disclosure Facility. Full, accurate disclosure can avoid criminal prosecution. Denial or a false disclosure is dangerous.

Get the right support

How representation changes the outcome

You don't have to face HMRC alone. With the right specialist acting for you from the first letter, the process is calmer, the scope stays controlled, and the outcome is very often better.

What a specialist does for you

- Manages every HMRC communication for you
- Argues the right, lower behaviour classification
- Presents evidence the way HMRC needs to see it
- Keeps the enquiry to its proper scope
- Negotiates settlement and payment terms
- Protects you from costly missteps and admissions

From first letter to full resolution

1. **Letter arrives** — You send it to us, before replying to HMRC
2. **We take over** — We manage all HMRC contact for you
3. **We build your case** — Evidence gathered and presented properly
4. **Resolution** — Settlement and penalties minimised

> "The difference between quick resolution and protracted investigation comes down to one thing: evidence, presented in a way that directly answers HMRC's concerns."

Tom Wallace, Director of Tax Investigations, WTT Group

WTT Group

Get in touch

We're here to provide clarity, confidence and expert support wherever you need it.

Whether you're facing an HMRC letter right now or want to get ahead of one, our team is ready to help. Speak to a senior specialist who has handled thousands of these, from the first letter through to full resolution.

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Email

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Location

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Keep up to date

in

References

Sources & further reading

Every figure and definition in this guide is drawn from HMRC's own published guidance. You can verify each one directly at the sources below.

HMRC penalty percentages by behaviour (Compliance Handbook CH82470)
gov.uk/hmrc-internal-manuals/compliance-handbook/ch82470

HMRC penalties: an overview for agents and advisers
gov.uk/guidance/penalties-an-overview-for-agents-and-advisers

HMRC offshore inaccuracy penalty ranges, up to 200% (CH116600)
gov.uk/hmrc-internal-manuals/compliance-handbook/ch116600

HMRC Code of Practice 9 (COP9): where HMRC suspects fraud
gov.uk/government/publications/code-of-practice-9-where-hmrc-suspects-fraud-cop9

HMRC: admitting tax fraud with the Contractual Disclosure Facility (CDF)
gov.uk/guidance/admitting-tax-fraud-the-contractual-disclosure-facility-cdf

This guide is general information about HMRC enquiries and does not constitute advice for your specific circumstances. Penalty ranges reflect HMRC's published bands for inaccuracies in returns and may vary by case, tax type and whether the matter is offshore. For advice on your situation, contact WTT Group.