HMRC - IPT07920 - Where The Scheme Does Not Apply

Where an insurer received a refund before the regulations came into force, on the understanding that they would return the money to their customers, we cannot require them to use the scheme. However, if the insurer did not receive the money by the time the regulations took effect, they are required to abide by the conditions of the scheme.

This does not affect an insurer’s right to claim that they bore the cost of the tax and would not be unjustly enriched if they received a part or full refund. Where HMRC refuses the claim and invokes the defence of unjust enrichment, if the insurer remains dissatisfied they still have the right of appeal to the Tribunal Service. Should the Tribunal find in our favour, the insurer may still opt to use the scheme, provided that they abide by all of the conditions.

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