HMRC - IPT07955 - Time Limits

The 90 day time limit

We consider 90 days to be a reasonable time for insurers to pass refunds to consumers, and would normally expect them to have their scheme ready to implement by the time we receive their signed undertaking.

In certain cases it may not be possible to make the refund in 90 days. If 90 days is not long enough to refund all the money and you are satisfied that genuine efforts are being made to reimburse consumers, for example some reimbursements may have already been made, then you can exercise your discretion and allow a slightly longer period, perhaps one additional month. However, no open-ended extension should be given. If after the extension the insurer has failed to locate the consumers, we should assume that they do not wish to receive the refund.

The 14 day time limit

As the intention is to refund money to consumers and ensure the insurer does not benefit (unless they have borne the cost of the insurance), any monies not reimbursed must be returned to HMRC. Insurers are under an obligation to do this without waiting to be asked, but if they have not done so after 14 days we have the power to issue an assessment. It must be remembered that this money does not belong to the insurer nor should it be treated as an interest-free loan. The insurer has had 90 days to reimburse the consumer and where they are unable to do so, the monies must be returned to HMRC promptly. 14 days seems a reasonable time for insurers to do this.

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