

Please check how you account for VAT when using payment processing services

Our records show your business uses payment processing services. We are asking businesses that use payment processing services to check the way they are accounting for VAT. This is to make sure they get it right first time.

Some businesses have not included the amount charged by the payment processing services as part of their income on their VAT Return.

You must include the full amount paid by your customers in your VAT Return. This includes the amount charged by the payment processing services.

What you need to do now

We need you to check that you have included full payments made by your customers in your previous VAT Returns. You must do this by [SEES to enter 45 days ahead of this letter](#). For guidance about how to correct any errors, go to GOV.UK and search 'VAT notice 700/45'.

Please make sure all future VAT Returns also include the full amount paid by your customers.

Corporation Tax and Self Assessment

You will also need to check and amend your Self Assessment or Company Tax returns and accounts. This is to make sure you've included the full amount you charge your customers minus any VAT charged.

For companies, go to GOV.UK and search 'Company Tax Returns'. Choose the heading Company Tax Returns and click the option 'making changes' from the content.

For Self Assessment, go to GOV.UK and search 'self assessment'. Choose the heading Self Assessment tax returns and click the option 'if you need to change your return' from the content.

If you do not take action

When a return contains an inaccuracy, we will consider all the circumstances when deciding whether to charge a penalty. If you took reasonable care when completing the return, we will not charge a penalty. However, if after reading this letter you find an inaccuracy and you do not take reasonable steps to tell us about it, we will treat this as careless. This means we may charge a penalty.

If you need extra support

If you have any health or personal circumstances that may make it difficult for you to deal with us, please tell us. We'll help you in whatever way we can.

For more information about this, go to GOV.UK and search 'get help from HMRC if you need extra support'.

If you have a tax adviser, you may want to show them this letter.