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Tax Refund Scam Warning as HMRC Letters Sent to Millions

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— Categories: Crime



Millions of taxpayers across the United Kingdom are being warned to exercise caution as Her Majesty's Revenue and Customs begins sending tax refund notices, an event that criminals are exploiting to launch sophisticated scams.

HMRC has begun sending P800 tax calculation letters to approximately four million employees and pensioners between June and August, highlighting possible overpaid income tax via PAYE. These letters inform Pay As You Earn employees and pensioners that they may have overpaid income tax in the past year. While legitimate refunds are due to

many, experts are sounding the alarm that fraudsters are seizing this moment to impersonate tax officials and trick people into sharing personal information.

In a recent sample survey by Ocean Finance, around 38% of respondents said they or someone they know had experienced financial fraud or scams. The same survey found that about one-in-five adults were worried about impostors posing as banks, utilities or government agencies. The risk is significant: Action Fraud recorded more than 367,000 reports of fraud and cybercrime in the past year, with reported losses totalling approximately £2.8 billion.

Siobhan Blagbrough, financial crime manager at Ocean Finance, warned scammers are exploiting people's expectations of refunds and urged caution. "People waiting for a rebate are much more likely to believe a text or email asking them to 'claim now,'" she said. Blagbrough emphasised that HMRC will never call, text, or email taxpayers unexpectedly about a refund. If individuals are genuinely owed money, they will either receive a cheque by post or instructions to claim securely through their online tax account on the official Gov.uk website.

Tax overpayments can occur for several reasons. Workers may have been placed on the wrong tax code if HMRC held outdated earnings information. Overpayments are also common when someone has switched jobs and been paid by two employers in the same month or started receiving a private or workplace pension.

Blagbrough advised the public to trust their instincts and avoid responding to any unsolicited messages. "If you weren't expecting a message, don't click, don't reply, and don't share your details," she said. "A few seconds of caution could save you thousands."

Victims should contact their bank immediately to block their card or make a chargeback claim and report the incident to Action Fraud. Updating passwords and enabling two-factor authentication can also help protect against further damage.

Aaron Peake of CredAbility noted that although scams might not directly affect credit scores, associated losses or fraudulent debts can significantly impair future credit access. Missed payments or fraudulent loans taken out in a victim's name can make it much harder to secure credit in the future.

As HMRC refund letters continue to circulate, taxpayers are reminded that vigilance remains the most effective defence against increasingly sophisticated fraud.

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