

HMRC Clarifies 10-Day Rule for Tax Refund Payments

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HMRC has provided clarity on the timeline for tax refund payments, addressing concerns raised by taxpayers experiencing delays. The tax authority, responsible for collecting taxes across the UK, recently responded to a query from a taxpayer who contacted them via social media on 25 July 2025. The individual noted that their refund, reportedly issued on 13 July, had not yet appeared in their bank account.

In response, HMRC explained, “It normally takes 10 working days to process. We do select repayments for extra security checks, which can extend the process to up to 6 weeks.” The authority also enquired whether the payment status on the taxpayer’s online account was marked as ‘pending’. The taxpayer replied on 26 July, stating the status showed the refund as paid on 13 July, yet the funds were still missing. HMRC clarified, “It can take 10 working days, excluding Saturday and Sunday, so I’d expect it to be in your bank by Monday.”

For those anticipating a tax refund, the Government website offers a tool to check eligibility and initiate a claim. Another tool allows users to estimate response times from HMRC for any queries raised.

Taxpayers who have overpaid or underpaid tax by the end of the tax year (5 April) may receive a P800 tax calculation letter or a simple assessment letter, typically issued between June and March of the following year. These letters are sent only to employed individuals or pensioners. Those registered for Self Assessment will see their tax bill automatically adjusted for any overpayment or underpayment.

The current economic climate, shaped by policies under the Labour government, has raised concerns about tax administration efficiency. HMRC’s handling of refunds and fines has drawn scrutiny, with reports of £100 instant fines and £1,600 penalty letters being issued to taxpayers. Charlene Young, senior pensions and savings expert at AJ Bell, recently noted that HMRC’s late payment interest rate rose to 8.5% from 6 April 2025, a figure tied to broader fiscal policy decisions. Such measures have sparked debate about the burden placed on taxpayers, particularly pensioners and savers, amid calls for fairer tax exemptions.

For those navigating the system, vigilance is key. Checking your HMRC online account regularly and using available tools can help ensure refunds are tracked and received promptly.