



HM Revenue
& Customs

Individual Savings Accounts: Compliance and Penalties

Call for evidence

Publication date: 30 November 2021

Closing date for comments: 21 February 2022

Summary

Subject of this call for evidence

This is a call for evidence on proposals to enhance Individual Savings Account (ISA) tax compliance. It seeks to gather views and evidence that will help determine how the current approach can be made more robust and encourage ISA managers and investors to get things right the first time. It also seeks views on whether the suggested approach would result in a regime that is simple to apply, and appropriate and proportionate in relation to ISA management failures and breaches.

The call for evidence will also seek views on whether there will be any administrative and/or financial implications for ISA managers resulting from any changes to the regime.

Scope of this call for evidence

This call for evidence considers the compliance regime applicable to all types of ISA where there has been a failure to comply with any element of the ISA regulations. This includes Cash ISAs, Stocks and Shares ISAs, Junior ISAs, Lifetime ISAs and Innovative Finance ISAs.

Most ISA managers should be familiar with the compliance provisions explained in the [ISA managers' guidance](#) published on Gov.uk. We want to build on these provisions and consider whether there are other changes that would help to improve compliance with the ISA regulations.

Who should read this?

Views are sought from ISA investors, ISA managers, representative bodies, professional bodies, and other interested parties.

Duration

The call for evidence will run for 12 weeks from 30 November 2021 to 21 February 2022.

Lead official

Hasmukh Dodia, HM Revenue & Customs

How to respond or enquire about this call for evidence

Please send email responses to: enquiries.savings@hmrc.gov.uk

Additional ways to be involved

HMRC will consider meeting interested parties to discuss the proposals in this paper. Please contact the lead official if you are interested in arranging a meeting.

After the call for evidence

All responses will be reviewed and, subject to those responses, a further consultation may be necessary.

Getting to this stage

This is the first stage in reviewing the appropriateness of the compliance regime used by HMRC where ISA failures are discovered.

Contents

Summary	2
Subject of this call for evidence	2
Scope of this call for evidence	2
Who should read this?	2
Duration	2
Lead official	2
How to respond or enquire about this call for evidence	2
Additional ways to be involved	2
After the call for evidence	2
Getting to this stage	2
1. Introduction	4
2. ISA compliance failures	5
Current approach	5
Concerns about the current approach	5
3. ISA Compliance and Penalty proposals	7
Minor breaches of the regulations	7
Significant or persistent breaches of the ISA regulations	8
Investor compliance	10
Other compliance Issues	11
Other related issues and questions	12
4. Assessment of impacts	12
Summary of impacts	12
5. Summary of consultation questions	14
ISA compliance and penalty proposals	14
Minor breaches of the regulations	14
Significant or persistent breaches of the ISA regulations	14
Investor compliance	15
Other compliance issues and questions	15
Other related issues and questions	15
6. The consultation process	16
How to respond	16
Confidentiality	16
Consultation principles	19

1. Introduction

In May 2019, at the direction of the Economic Secretary to the Treasury (EST), the Financial Conduct Authority launched an independent investigation into the circumstances surrounding the collapse of the investment firm London Capital & Finance (LCF) and its supervision and regulation of the firm.

The report of the investigation was published in December 2020. In response to one of the recommendations for HM Treasury, the EST announced, amongst other things, that *“The Treasury is urgently looking at the sufficiency of checks on IF ISA managers and the penalties regime”*.

At Tax Administration and Maintenance Day 2021 the Government launched a call for evidence to consider changes to the ISA compliance regime.

The ISA tax rules have been in place since 1999. HMRC expects ISA managers to manage their ISA business so that it always remains compliant with the ISA tax rules, but this has not always been the case.

This call for evidence seeks to understand whether more could and should be done to enhance ISA compliance by ISA managers. The overall aim is to encourage ISA managers and investors to get things right the first time but also provide HMRC with the ability to apply appropriate and proportionate sanctions where non-compliance is identified.

A robust penalty regime is a key component of HMRC compliance activity, which encourages ISA managers to take appropriate action to ensure the ISAs they manage meet the requirements of the ISA regulations. Ultimately the investor is likely to suffer where there has been an error made by an ISA manager, but the ISA manager suffers few consequences other than reputational risk. When an ISA manager is non-compliant with the ISA regulations and the investor has not made an error HMRC is seeking to apply penalties on the ISA manager rather than remove the tax-free wrapper, which penalises the investor. This ensures ISA managers are accountable for their own behaviours and take primary responsibility for any tax owed by the ISA investor.

We also seek to gather evidence on whether any disproportionate administrative and/or financial implications for ISA managers, in their normal course of business, would result from changes to the compliance regime.

The paper sets out the key issues and includes some high-level proposals for ideas to enhance the current regime. In addition to the specific questions listed throughout this document, we would welcome your views on:

- the key areas of ISA non-compliance;
- the causes of ISA non-compliance, and
- any further ideas to improve ISA compliance.

The Call for Evidence will be of interest to ISA investors, ISA managers, representative and professional bodies, and will close on 21 February 2022.

2. ISA compliance failures

Current approach

HMRC's current approach to compliance failures in the management of ISAs is set out in the [ISA Managers' guidance](#), published on Gov.uk.

Following the discovery or disclosure of a compliance failure by an ISA manager, including minor breaches of the ISA regulations, the strict statutory approach is that HMRC should void all affected ISAs.

Where an ISA is voided, the tax-free wrapper is removed. In most circumstances, HMRC must seek to recover from the investor any income tax or capital gains tax due.

However, for some breaches of the ISA regulations HMRC offers an alternative, voluntary, approach called Simplified Voiding. Under Simplified Voiding, HMRC allows certain breaches to be repaired. This means that provided the manager and /or the investor take certain actions, the ISA is not voided. An investor with a repaired ISA will remain, in most cases, in the same position as if the breach had not happened and may not be aware that their ISA breached the regulations.

Simplified Voiding is not applicable to breaches of the ISA regulations that have taken place deliberately or carelessly. It is reserved for minor, administrative breaches which are inadvertent, or which, despite the manager's best efforts, have slipped through the checking procedures. However, HMRC reserves the right to treat any breach strictly in accordance with the ISA regulations, and the ISA manager has the same right.

Under the Simplified Voiding arrangement for breaches where there is no tax loss HMRC applies an 'administrative error penalty' of £1 per error for each affected ISA per tax year. This penalty represents a notional loss of tax and ensures the investor is not disadvantaged or unfairly penalised for a minor breach of the ISA regulations by their ISA manager. The investor is unlikely to be aware of, or have contributed to, these breaches.

For breaches where there is a tax loss, a 'recovery settlement formula' is applied. Under the recovery settlement formula HMRC seeks to recover an amount from the manager which will, on average, compensate for the loss of tax. The recovery is £5 per year per £1,000 subscribed for stocks and shares ISAs and £10 per year per £1,000 subscribed for cash ISAs.

Failure to submit annual returns or submitting incorrect returns already attract a specific penalty.

Concerns about the current approach

Penalties need to act as an effective deterrent to ISA managers breaking the rules. At the moment some ISA managers repeatedly break the rules and pay the penalty because it is cheaper than fixing their systemic problems. This has led HMRC to question whether the current approach is robust enough to encourage positive compliance behaviours in the management of ISAs. The existing penalty regime provides little motivation for managers to ensure their systems and processes are updated to prevent breaches of the ISA regulations.

However, if an ISA manager disputes the penalties applied by HMRC under this arrangement or argues for a reduction in the penalties, there is no formal appeal mechanism, and the accounts must be voided under the strict statutory approach.

Simplified Voiding is a practical solution offered for certain breaches where the ISA is otherwise compliant with the ISA regulations. This approach has been in place since ISAs were introduced.

The alternative of voiding the ISA is often disproportionate to the severity of the breach and primarily penalises investors rather than ISA managers. Voiding the ISAs, including for 'administrative errors', would require the ISA manager to inform their ISA investors about the tax status of their investments and the need to inform HMRC about tax liabilities. This is administratively burdensome for the ISA managers and disconcerting for the investors to find that their investments do not qualify for tax relief. They may also be required to submit new or amended personal tax returns and, potentially, pay some tax they had not expected. Additionally, investors will lose the ability to retain the monies in an ISA, thus facing future tax consequences.

3. ISA Compliance and Penalty proposals

HMRC seeks views on a modernised compliance and penalty regime that aims to encourage positive behaviours in ISA managers and prevent careless and reckless ISA management breaches. It would also help to provide greater assurance to ISA investors that appropriate ISA manager compliance and penalty regimes are in place. However, compliance with the ISA regulations only ensures that tax relief is being applied correctly and should not be taken as an endorsement of a particular ISA product or the underpinning investments in an ISA. A modernised compliance regime will not change this position.

Respondents' views will help HMRC to determine whether an enhanced regime is required.

In certain circumstances a financial penalty may not always be the most effective or appropriate deterrent and would welcome views from ISA managers if there are any alternative or additional sanctions HMRC could impose that may act as an effective deterrent.

Question 1 – Do you have any suggestions for ways in which rule-breaking behaviours might be addressed that are not penalty dependent?

Evidence suggests it may be useful to explore whether, where there has been a breach of the ISA rules, appropriate penalties should be applied regardless of whether the breach is repairable or not, or whether the breach results in a tax liability. The formula used to calculate the penalty should reflect the seriousness of the breach, as it would clearly be disproportionate to apply the same level of penalty across a range of breaches. While the loss of tax benefits may provide an appropriate penalty for an investor, such an amount is likely to be insignificant for the majority of ISA managers. Further information on the suggested penalties and formulae are set out below.

In applying penalties, consideration should be given to any tax relief that was given during the period the ISA did not comply with the ISA rules. Clearly any penalty should reflect the tax that would have potentially been paid if the ISA was voided, subject to mitigating circumstances.

Question 2 – Do you agree that there should be different levels of penalty applied to minor and significant breaches of the ISA regulations? What are your reasons?

Question 3 – Do you agree that HMRC should be able to charge a penalty on all breaches of the ISA regulations? What are your reasons?

Question 4 – Do you agree that HMRC should be able to charge a penalty regardless of whether the breach leads to a potential tax loss? What are your reasons?

Minor breaches of the regulations

Any breach is a cause for concern as it could be indicative of a lack of compliance with the ISA regulations as a whole. There is therefore a case for charging a penalty for minor breaches to encourage ISA managers to tackle problems early and to ensure their systems and controls are fit for purpose, so that tax relief is not misapplied. Also, it evidences the importance of compliance with the ISA regulations.

Under this proposal a single penalty regime would apply where, for example:

- ISA transfers were not conducted within permitted time limits;
- there were omissions relevant to the regulatory requirements in ISA provider terms and conditions, that did not lead to a breach of ISA subscription rules;
- failing to correctly manage ISA subscriptions;
- errors or omissions made in relation to the management of ISA accounts, including placing non-sterling subscriptions in ISAs.

It may be useful to explore a penalty of £10 per breach per account multiplied by the number of tax years (including part years) in which the breaches have occurred.

For example, if 200 ISAs had minor breaches of the ISA rules for two years the penalty would be £4,000 (200 multiplied by £10 multiplied by two).

An alternative proposition is to introduce a penalty of 1% of the value of investments in the affected accounts for each tax year in which the breach took place. This formula would consider the value of investments in each of the accounts affected at the end of each relevant tax year.

For example, if 200 ISAs had minor breaches of the ISA rules for two years and each account had £3,000 worth of investments at the end of year 1 and £3,500 at the end of year 2 the penalty would be as follows:

Year 1 = £3,000 X 1% X 200 = £6,000

Year 2 = £3,500 X 1% X 200 = £7,000

Total penalty = Year 1 £6,000 + Year 2 £7,000 = £13,000.

[By comparison under the current approach, assuming there was no tax loss, the amount of the penalty would be 200 multiplied by £1 multiplied by 2, giving a sum of £400.]

Question 5 – Which types of ISA management errors would respondents consider to be minor. What are your reasons?

Significant or persistent breaches of the ISA regulations

Where the breach of the ISA rules is more significant, or the breach(es) have been persistent, an alternative penalty will be charged. Examples include:

- allowing ineligible investments to be included in the ISA wrapper;
- failing to notify HMRC of the intention to make bulk transfer of ISA business to another ISA manager;
- failing to notify HMRC that they have ceased to qualify as an ISA manager;
- failing to correctly manage ISA subscriptions;
- allowing funds to be removed from a Junior ISA other than in cases of terminal illness or death;
- minor breaches of a similar nature which have occurred repeatedly or over successive years;
- a large number of minor breaches or repeated behaviours may be indicative of larger problems with systems and controls.

For these types of breaches, it may be useful to explore a penalty of £100 per account per relevant tax year could help change ISA manager behaviour.

For example, if 200 ISAs had significant breaches of the ISA rules for two years the penalty would be £40,000 (200 multiplied by £100 multiplied by two).

Alternatively, a penalty of 5% of the value of investments in the affected accounts for each year the breach took place could be applied. As with minor breaches, this formula would consider the value of investments in each of the accounts affected at the end of each tax year affected.

For example, if 200 ISA had significant breaches of the ISA rules for two years and each account had £3,000 worth of investments at the end of year 1 and £3,500 at the end of year 2 the penalty would be as follows:

Year 1 = £3,000 X 5% X 200 = £30,000

Year 2 = £3,500 X 5% X 200 = £35,000

Total penalty = Year 1 £30,000 + Year 2 £35,000 = £65,000.

[By comparison under the current approach if there was a tax loss then the settlement formula would apply giving a penalty sum of £6,000 assuming only £3,000 was subscribed in each of the 200 accounts and nothing in year 2.]

Question 6 – Are there any other specific breaches of the ISA rules which should be considered significant, and your reasons why?

Question 7 – Are the penalties appropriate and proportionate to each type of breach?

Question 8 – Do respondents favour the calculation of penalties by reference to a set amount per account or a percentage of account value?

Question 9 – If respondents consider different amounts or formulae should be applied please describe them and explain why you think they would give a better compliance behaviour outcome than the proposals above?

Where an ISA manager has a mixture of minor and significant breaches, for example if there were 200 ISAs with minor breaches and 200 different ISAs with significant breaches of the ISA rules, HMRC will apply the relevant penalty to the affected accounts.

However, if 200 accounts had both a minor and a significant breach then HMRC suggest that the penalty will be calculated according to the formula for a significant breach. This ensures the sanctions are fair and proportionate.

Question 10 – How should a combination of minor and significant breaches be dealt with? Do respondents agree with the approach suggested?

In applying penalties HMRC suggests that mitigating circumstances can be considered to reduce the amount of the penalty. The mitigating circumstances will broadly follow the established HMRC principles of behaviours (non-deliberate, deliberate but not concealed, deliberate and concealed), whether the disclosures were unprompted or prompted, and penalty reductions for quality of disclosure (telling, helping, giving access of disclosure).

Question 11 – Should the amount of the penalty be reduced by mitigating circumstances?

Where a penalty is applied, a right of appeal against the application of the penalty will be available, which will also provide for an appeal against the significance of the breach.

Question 12 – Do you agree that any penalty should have a right of appeal?

It is possible that, where a breach has only impacted a small number of accounts for a short amount of the time, the value of a penalty could be so low that it would be insignificant to an ISA manager and therefore not act as a credible deterrent to breaching the ISA regulations.

To ensure that the penalty acts as a credible deterrent while remaining proportionate and encouraging positive behaviours, it may be useful to explore if there should be a minimum penalty.

This could be a fixed penalty, for example £1,000 for minor breaches of the ISA regulations and £3,000 for significant breaches. Alternatively, the penalty could be proportional to the number of accounts that breached the ISA regulations, for example for minor breaches of the regulations it could be a minimum of £1 per account or 0.10% of the value of investments in the affected accounts and for significant breaches the minimum penalty could be £10 per account or 1% of the value of investments.

Where the calculation of the penalty is higher than the minimum penalty, the higher penalty will be used.

Question 13 – Do you agree that there should be a minimum penalty? What are your reasons?

Question 14 – Do you have any thoughts on how a minimum penalty should be calculated for minor and significant breaches?

Question 15 – Should the amount of the minimum penalty be reduced by mitigating circumstances? If so, would that reduce the impact of a minimum penalty?

Investor compliance

If the ISA cannot be repaired, for example where an investor is not a UK resident at the time of subscription, HMRC would direct the ISA manager accordingly. The manager would need to inform the ISA investors that the affected accounts are not compliant with the ISA rules and the tax consequences of the ISA status being removed.

There are some cases where the ISA investor's actions and declarations breach the ISA regulations, for example subscribing to more than one ISA of the same type in the same tax year. HMRC would not seek to apply penalties to ISA managers for breaches made by ISA investors, unless it is clear the ISA management process was defective in allowing the breach to occur. Where investors purposefully break the ISA rules and attempt to gain additional tax benefits, HMRC must correct the tax position.

Entitlement to the Personal Savings Allowance (PSA) or other allowances can mean that errors and actions by investors may not actually give rise to a loss of tax. As such HMRC cannot charge the investor a penalty given that existing penalties are tax related. However,

breaches such as these not only break the ISA regulations, but they also create unnecessary administrative costs for managers and HMRC to put right. Where there is repeated behaviour over a period of time, which has not ceased following an appropriate warning from HMRC, we suggest penalising those investors by applying a charge whether there was any loss of tax or not to discourage such behaviour.

Question 16 – Where investors are non-compliant should HMRC introduce a financial penalty, or are there any alternative sanctions that could be imposed that would act as an effective deterrent?

Other compliance Issues

Currently it is not a requirement for ISA managers to report, to HMRC, any breaches of the ISA regulations they have discovered and resolved during their normal business, though they are encouraged to do so.

Requiring the reporting of breaches to HMRC would provide assurance that ISA managers are complying with the requirements of the ISA regulations and inform ongoing HMRC compliance and technical activity.

Question 17 – Should it be mandatory to report any breaches discovered by ISA managers? What are your reasons?

There are circumstances where, while it may not be appropriate for an ISA manager to be allowed to accept subscriptions or transfers in, it would be appropriate for them to continue to manage their existing ISA business, for example if the manager is in liquidation or has restrictions on their regulatory permissions.

HMRC proposes to introduce a new power to suspend ISA manager approval. This would prohibit a suspended ISA manager from accepting transfers in or from accepting ISA subscriptions, other than replacement subscriptions for a flexible ISA. This proposal would allow for the management of existing ISAs to continue while prohibiting any new ISA activity.

Suspension may also be used as a final compliance measure where there are significant breaches of the ISA regulations that could result in the removal of ISA manager approval if not addressed.

To ensure ISA managers were fully apprised of any changes to ISA manager status, HMRC proposes that there would be a notification through the HMRC Tax-Free Savings Newsletter of any suspension, and an indicator shown on the list of approved ISA managers.

Question 18 – Should HMRC have the power to suspend ISA manager approval?

HMRC has also become aware that some firms apply for ISA manager approval but do not offer any ISAs after approval has been granted. This may be misleading for investors and

other ISA managers using the approved list of ISA managers. Also, some ISA managers file nil returns year after year – indicating they no longer manage ISAs.

To ensure HMRC effectively monitors all ISA activity, HMRC suggests that if an ISA manager does not offer an ISA within 12 months, their approval will be withdrawn, and a new application will be required should they subsequently wish to become an ISA manager. This proposal recognises that ISA managers need to obtain HMRC approval ahead of launching any ISA products and may therefore experience delays in initially offering an ISA.

Question 19 – Where ISA managers have not conducted any ISA business in a period of 12 months, should HMRC withdraw their ISA manager approval?

Other related issues and questions

In addition to the specific questions above we would welcome views on the overall approach to compliance with the ISA regulations by both managers and investors. HMRC would welcome comments on the following questions:

Question 20 – Are the proposals a fair and proportionate approach to ISA breaches?

Question 21 – Would the suggested penalties for being in breach of the ISA rules encourage better compliance with the rules?

Question 22 – Will any administrative or other burdens be created if the proposed ISA penalties are introduced? If so, what are they?

Question 23 – What is the likely estimate of costs of any additional burdens?

Question 24 – Are there any other points you would like to raise or suggestions you would like to make to improve compliance with the ISA regulations?

4. Assessment of impacts

Summary of impacts

Year	2021 - 22	2022 - 23	2023 - 24	2024 - 25	2025 - 26	2026 - 27
Exchequer impact (£m)						

An exchequer impact assessment will be made following the outcome of this Call for Evidence and the final design of the policy.

Impacts	Comment
Economic impact	The change has no significant economic impacts.
Impact on individuals, households and families	This measure is not expected to impact individuals, households and families other than the few individuals who break the ISA regulations each year by subscribing to more than one ISA of the same type in a single year or by investing more than the ISA subscription limit.
Equalities impacts	This measure will have a minimal equalities impact. The measure looks to penalise non-compliant ISA managers and investors. A full equality impact assessment is not recommended.
Impact on businesses and Civil Society Organisations	This measure is not expected to impact businesses and civil society organisations. This measure will impact non-compliant ISA managers.
Impact on HMRC or other public sector delivery organisations	There are no operational impacts at this stage. Further work will be carried out to assess HMRC impacts once outcome of the call for evidence is known. There is no impact on other public sector delivery organisations.
Other impacts	None

5. Summary of consultation questions

We would be interested to hear your views on the following points:

ISA compliance and penalty proposals

Question 1 – Do you have any suggestions for ways in which rule-breaking behaviours might be addressed that are not penalty dependent?

Question 2 – Do you agree that there should be different levels of penalty applied to minor and significant breaches of the ISA regulations? What are your reasons?

Question 3 – Do you agree that HMRC should be able to charge a penalty on all breaches of the ISA regulations? What are your reasons?

Question 4 – Do you agree that HMRC should be able to charge a penalty regardless of whether the breach leads to a potential tax loss? What are your reasons?

Minor breaches of the regulations

Question 5 - Which types of ISA management errors would respondents consider to be minor. What are your reasons?

Significant or persistent breaches of the ISA regulations

Question 6 – Are there any other specific breaches of the ISA rules which should be considered significant, and your reasons why?

Question 7 – Are the penalties appropriate and proportionate to each type of breach?

Question 8 – Do respondents favour the calculation of penalties by reference to a set amount per account or a percentage of account value?

Question 9 – If respondents consider different amounts or formulae should be applied please describe them and explain why you think they would give a better compliance behaviour outcome than the proposals above?

Question 10 – How should a combination of minor and significant breaches be dealt with? Do respondents agree with the approach suggested?

Question 11 – Should the amount of the penalty be reduced by mitigating circumstances?

Question 12 – Do you agree that any penalty should have a right of appeal?

Question 13 – Do you agree that there should be a minimum penalty? What are your reasons?

Question 14 – Do you have any thoughts on how a minimum penalty should be calculated for minor and significant breaches?

Question 15 – Should the amount of the minimum penalty be reduced by mitigating circumstances? If so, would that reduce the impact of a minimum penalty?

Investor compliance

Question 16 – Where investors are non-compliant should HMRC introduce a financial penalty, or are there any alternative sanctions that could be imposed that would act as an effective deterrent?

Other compliance issues and questions

Question 17 – Should it be mandatory to report any breaches discovered by ISA managers? What are your reasons?

Question 18 – Should HMRC have the power to suspend ISA manager approval?

Question 19 – Where ISA managers have not conducted any ISA business in a period of 12 months, should HMRC withdraw their ISA manager approval?

Other related issues and questions

Question 20 – Are the proposals a fair and proportionate approach to ISA breaches?

Question 21 – Would the suggested penalties for being in breach of the ISA rules encourage better compliance with the rules?

Question 22 – Will any administrative or other burdens be created if the proposed ISA penalties are introduced? If so, what are they?

Question 23 – What is the likely estimate of costs of any additional burdens?

Question 24 – Are there any other points you would like to raise or suggestions you would like to make to improve compliance with the ISA regulations?

6. The consultation process

This consultation is being conducted in line with the Tax Consultation Framework. There are 5 stages to tax policy development:

- Stage 1 Setting out objectives and identifying options.
- Stage 2 Determining the best option and developing a framework for implementation including detailed policy design.
- Stage 3 Drafting legislation to effect the proposed change.
- Stage 4 Implementing and monitoring the change.
- Stage 5 Reviewing and evaluating the change.

This consultation is taking place during stage 1 of the process. The purpose of the consultation is to seek views on ways of enhancing the compliance and penalties regime, understand any impacts and explore any suitable possible alternatives, before making any decisions on specific proposals for reform.

How to respond

Responses should be sent by 21 February 2022, by e-mail to Has Mukh Dodia at:

enquiries.savings@hmrc.gov.uk

Please do not send consultation responses to the Consultation Coordinator.

Paper copies of this document or copies in Welsh and alternative formats (large print, audio and Braille) may be obtained free of charge from the above address. This document can also be accessed from [HMRC's GOV.UK pages](#). All responses will be acknowledged, but it will not be possible to give substantive replies to individual representations.

When responding please say if you are a business, individual or representative body. In the case of representative bodies please provide information on the number and nature of people you represent.

Confidentiality

HMRC is committed to protecting the privacy and security of your personal information. This privacy notice describes how we collect and use personal information about you in accordance with data protection law, including the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act (DPA) 2018.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018, UK

General Data Protection Regulation (UK GDPR) and the Environmental Information Regulations 2004.

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, amongst other things, obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on HM Revenue and Customs.

Consultation Privacy Notice

This notice sets out how we will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the UK General Data Protection Regulation.

Your data

We will process the following personal data:

Name

Email address

Postal address

Phone number

Purpose

The purpose(s) for which we are processing your personal data is: *Individual Savings Accounts: Compliance and Penalties*

Legal basis of processing

The legal basis for processing your personal data is that the processing is necessary for the exercise of a function of a government department.

Recipients

Your personal data will be shared by us with HM Treasury.

Retention

Your personal data will be kept by us for six years and will then be deleted.

Your rights

You have the right to request information about how your personal data are processed, and to request a copy of that personal data.

You have the right to request that any inaccuracies in your personal data are rectified without delay.

You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.

You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.

You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.

Complaints

If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office

Wycliffe House

Water Lane

Wilmslow

Cheshire

SK9 5AF

0303 123 1113

casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

Contact details

The data controller for your personal data is HM Revenue and Customs. The contact details for the data controller are:

HMRC

100 Parliament Street

Westminster

London SW1A 2BQ

The contact details for HMRC's Data Protection Officer are:

The Data Protection Officer
HM Revenue and Customs
14 Westfield Avenue
Stratford, London E20 1HZ
advice.dpa@hmrc.gov.uk

Consultation principles

This call for evidence is being run in accordance with the government's Consultation Principles.

The Consultation Principles are available on the Cabinet Office website: [Consultation Principles Guidance](#)

If you have any comments or complaints about the consultation process, please contact the Consultation Coordinator using the following link:

[Submit a comment or complaint about HMRC consultations](#)

Please do not send responses to the consultation to this link.