



**UPPER TRIBUNAL
TAX AND CHANCERY CHAMBER**

Neutral Citation Number: [2026] UKUT 00379 (TCC)

Applicant: Thomas Hanlon	Tribunal Ref: UT-2026-000016
Respondents: The Commissioners for His Majesty's Revenue and Customs	

APPLICATION FOR PERMISSION TO APPEAL

DECISION NOTICE FOLLOWING HEARING ON 23 SEPTEMBER 2026

JUDGE JEANETTE ZAMAN

1. The applicant, Thomas Hanlon, applied to the Upper Tribunal (Tax and Chancery Chamber) for permission to appeal against the decision (the “FTT Decision”) of the First-tier Tribunal (Tax Chamber) (“FTT”) released on 27 February 2024 (TC/2022/01108). Mr Hanlon applied to the FTT for permission to appeal against the Decision on 30 January 2025 (the “FTT Application”). In a decision notice released on 12 February 2026 the FTT refused to admit the application out of time (the “FTT PTA Decision”).
2. On 26 February 2026 Mr Hanlon made an in-time application to the Upper Tribunal for permission to appeal (the “UT Application”). I refused to admit that application in a decision released on 14 May 2026. Mr Hanlon applied for that decision to be reconsidered at a hearing.
3. That hearing was held on 23 September 2026. Mr Hanlon attended, and Thomas Holt, who had appeared for HMRC before the FTT, also attended and made brief representations.

SUMMARY OF DECISION

4. As explained below, I have decided:
 - (1) to admit the application for permission to appeal;
 - (2) to GRANT permission to appeal on the following grounds:
 - (a) Ground 1 – that the FTT made an error of law in failing to determine or making insufficient findings as to the VAT which was evaded or sought to be evaded by Cardiff Cash & Carry Ltd (the “Company”); and
 - (b) Ground 2 – that the FTT made an error of law in failing to determine or making insufficient findings as to the conduct of the Company and/or Mr Hanlon and the subjective knowledge of the Company and/or Mr Hanlon to support its

conclusion that the conduct of the Company giving rise to the penalty was dishonest and that the conduct giving rise to the penalty was, in whole or in part, attributable to the dishonesty of Mr Hanlon; and

(3) to REFUSE permission to appeal on any remaining grounds.

5. This means that Mr Hanlon's appeal on the grounds for which permission has been granted will be heard by the Upper Tribunal. **The final paragraphs of this decision inform Mr Hanlon of the costs position and the possibility of seeking pro bono (free) assistance.**

APPEALS TO THE UPPER TRIBUNAL

6. Pursuant to s11(1) Tribunals Courts and Enforcement Act 2007 an appeal to the Upper Tribunal may only be made on a point of law. An application for permission to appeal must demonstrate that it is arguable that the FTT made an error of law in reaching its decision which was material to that decision. "Arguable" means an argument that carries a realistic as opposed to fanciful prospect of success.

7. Where the FTT has refused to admit an application for permission to appeal, Rule 21(7) of The Tribunal Procedure (Upper Tribunal) Rules 2008 (the "Upper Tribunal Rules") provides that the Upper Tribunal must only admit the application if the Upper Tribunal considers that it is in the interests of justice for it to do so.

FTT DECISION

8. In the FTT Decision the FTT dismissed Mr Hanlon's appeal against a penalty of £242,243. A penalty for this amount was issued to Cardiff Cash & Carry Ltd (the "Company") under s60 Value Added Taxes Act 1994 for failure to file VAT returns whilst knowing it was liable to pay VAT. HMRC decided to make Mr Hanlon liable to a penalty of that amount as a director of the Company.

9. The issues before the FTT were described by the FTT as being:

- (1) whether Mr Hanlon had behaved dishonestly and whether the penalty levied on the Company was attributable to that dishonest behaviour; and
- (2) whether it was appropriate for all of the penalty to be levied on Mr Hanlon.

10. At the hearing before the FTT, Mr Hanlon was represented by Mr Ahmed, and the FTT heard evidence from Mr Hanlon and from three HMRC officers.

11. The FTT concluded that Mr Hanlon's behaviour was dishonest. The FTT found that the penalty imposed on the Company was attributable to his dishonest conduct whilst he was a director of the Company. The FTT agreed with HMRC that the appropriate proportion of the Company's penalty payable by Mr Hanlon was the full amount of that penalty.

ISSUES FOR THE UPPER TRIBUNAL

12. The issues for the Upper Tribunal at this stage are:

- (1) whether to admit the UT Application; and
- (2) if admitted, whether to grant permission on any or all of the grounds.

13. I set out first the challenges to the FTT Decision which have been made by Mr Hanlon as well as then considering the reasons for the application to the FTT being made out of time before considering whether to admit the UT Application.

APPLICATION FOR PERMISSION TO APPEAL

14. Mr Hanlon has raised various challenges in the FTT Application and the UT Application, including:

- (1) The FTT did not have enough evidence to support its decision.
 - (2) Mr Hanlon had been introduced to Mr Majeed by Mr Booth and, unknown to Mr Hanlon, Mr Majeed was the ringleader of a group engaged in various criminal activities. Mr Hanlon was not aware of any VAT evasion and it was not his intention to evade VAT. He had not been the only person to be duped, and Officer Midgley, who had attended the FTT hearing, is aware of the activities of Mr Majeed and M&O Trading. Mr Majeed has since been the subject of a TV documentary, "Fraud Squad".
 - (3) Disagreement with the evidence given by HMRC officers at the hearing before the FTT.
 - (4) Mr Hanlon had completed his VAT application incorrectly by entering the wrong trade class; this was a genuine error.
 - (5) He had no recollection of confirming he had not acted responsibly. He did not confirm in the PN160 meeting that he had acted dishonestly. He has asked for disclosure of a recording or transcript of the PN160 meeting but this has not been produced by HMRC
 - (6) He had been advised not to call Daniel Booth as a witness but the FTT then described the absence of Mr Booth as surprising.
15. Mr Hanlon explained that he had not made an in-time application to the FTT for permission to appeal as he was not aware that the FTT Decision had been released until several months later, he was poorly represented by his legal representative and did not receive a copy of the FTT Decision until it was sent to him by HMRC's Targeted Enforcement team towards the end of 2024.
16. At the hearing before me, Mr Hanlon's submissions were focused on:
- (1) The length of time taken by the FTT to release the FTT Decision after the hearing, which was 9 months – he did not understand the delay and did not know when it would be released.
 - (2) Evidence from HMRC officers at the hearing was wrong – Officer Turner said she had interviewed him at one of his warehouses, whereas he had never met that particular officer and he had never had a warehouse. Any in-person meetings were at his home.
 - (3) It is not clear from the FTT Decision what VAT is said to have been due from the Company and evaded by him, or how he is supposed to have known about this. His description of the business was that loads were delivered to a bonded warehouse in Bristol (Dynamic Storage) and were sold to other warehouses. His background was sales and marketing in fine wines, and he was to try to expand the customer base beyond those that M&O Trading had previously been selling to. He did not know that anything was wrong with the payment of taxes. HMRC issued assessments for duplicate loads, but he does not know how they are linked to him. He disagreed with Mr Holt's submission that there were "extensive findings" on dishonesty and attribution in the FTT Decision. His position is that the FTT decided he did not file VAT returns and failed to attend a PN160 meeting for two years and then decided he was liable for a £242,000 penalty.
 - (4) He was under a lot of strain and on his own in his home when he attended the PN160 meeting in September 2020 which was held online. He signed HMRC's meeting notes (which say that he confirmed that he was dishonest and that he agreed that he had been coached by individuals from M&O Trading)) to get it over and done with. He doesn't know how he was supposed to have confirmed dishonesty and denies having

done so. He has asked HMRC repeatedly to provide a recording or transcript of that online meeting but they have not done so.

(5) Daniel Booth and John Naylor have recently provided witness statements (which were provided to me before the hearing) and would be willing to give evidence at a hearing. Mr Booth and Mr Naylor attended the hearing before me and confirmed this.

(6) He has sold a property and paid to HMRC a large part of the amount that was found by the FTT Decision to be payable.

17. The above is only a summary of the submissions made by Mr Hanlon, and (understandably) they were not framed as grounds of appeal against the FTT Decision.

18. Mr Holt's representations included that:

(1) There was no basis to challenge the extensive findings made by the FTT in relation to dishonesty and attribution;

(2) He did not have any record of an application being made for disclosure of a recording or transcript of the PN160 meeting and did not know if a recording or transcript had been made. The notes of that meeting were in the hearing bundle and amounted to 18 pages. When they were sent to Mr Hanlon he had been clearly told by HMRC that he could make any comments on them but had signed them without making any amendments.

REASONS FOR DECISION

19. I have concluded that it is in the interests of justice to admit the application for permission to appeal.

20. I take account of the length of the delay by Mr Hanlon in making the application to the FTT, that Mr Hanlon's reliance on his adviser is not itself a good reason, and the potential prejudice to HMRC. However, I am persuaded that the time taken for the release of the FTT Decision, the seriousness of the conclusions reached by the FTT and their significance to Mr Hanlon, and the identification of arguable errors of law (see below) in the FTT Decision outweigh these considerations and mean it is in the interests of justice for the application to be admitted.

21. Having considered the submissions put forward by Mr Hanlon in relation to the VAT which is said to have been evaded, I have decided to GRANT permission to appeal on the following grounds:

(1) Ground 1 – that the FTT made an error of law in failing to determine or making insufficient findings as to the VAT which was evaded or sought to be evaded by Cardiff Cash & Carry Ltd (the "Company"); and

(2) Ground 2 – that the FTT made an error of law in failing to determine or making insufficient findings as to the conduct of the Company and/or Mr Hanlon and the subjective knowledge of the Company and/or Mr Hanlon to support its conclusion that the conduct of the Company giving rise to the penalty was dishonest and that the conduct giving rise to the penalty was, in whole or in part, attributable to the dishonesty of Mr Hanlon.

22. To the extent that Mr Hanlon seeks permission to appeal on further grounds, such permission is REFUSED.

23. My reasons are as follows:

(1) An appeal to the Upper Tribunal is not an opportunity for a re-hearing of the appeal in the light of the findings or reasons given by the FTT.

(2) Mr Hanlon was critical of the evidence given by Officer Taylor at the hearing before the FTT, submitting that it was incorrect as he had never met that officer and had not operated his own warehouse (contrary to her evidence). However, the FTT did not make findings of fact to this effect and it is not arguable that the FTT had made an error of law in relation to this evidence.

(3) It is not arguable that the FTT made an error of law in making its findings in relation to the PN160 meeting – Mr Hanlon has not shown that there was any application made to the FTT for disclosure of a recording or transcript of that meeting (if indeed such a recording or transcript exists). It cannot therefore be said that it is arguable that the FTT made an error of law in failing to order disclosure. The findings of fact made by the FTT were not irrational; they are findings that it was entitled to make based on the evidence before it, which included HMRC's detailed notes of that meeting, which had had been signed by Mr Hanlon. It cannot be said that no reasonable tribunal could have made such findings.

24. I do not need to make any decision on whether to admit as new evidence the witness statements of Daniel Booth and John Naylor and do not do so.

REPRESENTATION AND COSTS

25. I would encourage Mr Hanlon to seek free (pro bono) legal representation in this matter. He may wish to consult organisations such as Advocate (formerly the Bar Pro Bono Unit), the Revenue Bar Association and the Free Representation Unit and give them a copy of this permission decision, in order to establish whether any of them will advise or represent him in any appeal.

26. Mr Hanlon should be aware that appeals to the Upper Tribunal are within a cost shifting jurisdiction. This means that the general rule (subject to the Upper Tribunal's discretion to direct otherwise) is that the losing party to an appeal in the Upper Tribunal should pay the winning party's legal costs. That means that if Mr Hanlon is unsuccessful at any final appeal, he may be ordered to pay HMRC's legal costs (which may be thousands of pounds) but if he is successful, HMRC would be liable to pay his legal costs. If he remains a litigant in person (unrepresented) then costs are capped/limited.

Signed:

Judge Jeanette Zaman

Issued to the parties on: 06 October 2026