

7 October 2025

## Corporate and Private Client eNews

Welcome to eNews, HaysMac's regular "e-news alert" for corporates and private individuals.



### 2025 Budget

The **Chancellor of the Exchequer has announced** the 2025 Budget will be held on Wednesday 26 November 2025. The Budget announcement said it would address an "economy that's not working well enough for working people". A set of fiscal rules will also be unveiled at the same time. HaysMac will be issuing comprehensive analysis during and after the Budget speech.

### FRC issues report on public reporting

The Financial Reporting Council (FRC) has published its **Annual Review of Corporate Reporting** which summarises its findings from its monitoring of financial statements. Whilst a lower proportion of its reviews resulted in substantive enquiries and restatements, it found a quality gap in reporting between those inside and those outside the FTSE 350. A thematic review on reporting by the smaller listed companies is being undertaken and is expected to be published before the end of the year. Impairment of assets, cashflow statements and financial statements retained the top three spots of where the FRC asked substantive questions in 24/25.



### Banks against unlimited contactless payments

In January 2025, the Financial Conduct Authority (FCA) announced proposals to remove the regulatory contactless payment limits in response to the Prime Minister's letter asking regulators to improve regulation to support growth. However, in the FCA's latest **Quarterly Consultation**, it has been revealed that only 20% of payment service providers were in favour of the proposals with over half not wanting any change to the current contactless limits. Notwithstanding the feedback, the FCA intends to go ahead with the proposals so as to bring debit and credit cards in line with digital wallets such as Apple Pay and Google Pay.

### HMRC's direct recovery recommences

Following the pause of **direct recovery** during COVID 19, HMRC has re-started the use of direct recovery from individuals and businesses to recover tax debts directly from bank and building society accounts. If you have an outstanding HMRC liability we recommend that you contact HMRC as soon as possible to discuss your payment options. Please contact **Danielle Ford**, Partner and Head of Tax Disputes and Resolutions, if you require assistance, such as with agreeing a Time to Pay arrangement.



### FRC published two factsheets

The FRC has published two new FRS 102 factsheets on "**Presentation of the financial statements**" and "**The Going Concern Basis of Accounting for Small Companies and Micro-entities**". These are designed to assist account preparers with options available and additional clarity when applying specific elements of accounting standards. The sheets also provide guidance for those preparing FRS 101 and FRS 105 accounts.

### The end for the VAT 652 form

HMRC has confirmed that from 8 September 2025, businesses cannot use the VAT 652 form to **correct VAT errors of £10,000 or more** which must now be disclosed using HMRC's digital form or by notifying HMRC in writing. Corrections under £10,000 can be made in the VAT return without separate notification to HMRC. VAT corrections must be made within 4 years. HMRC may apply penalties if errors are not reported in time or are considered careless or deliberate. To ensure you follow the correct process, or for further information, please contact **Dougie Todd**, VAT Partner.

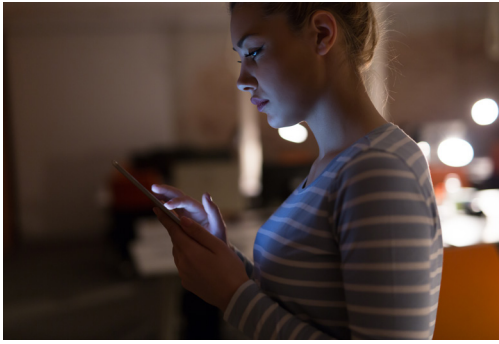


### ICAEW unimpressed at tax adviser registration proposals

ICAEW has **heavily criticised the Government's proposals** to create a mandatory register of tax advisers involved with interaction with HMRC in its response on the draft legislation. Despite having previously supported mandatory registration, ICAEW believes the legislation as currently drafted will not meet the policy objectives and will increase the burden and cost on good tax professionals rather than driving out "bad" practitioners. It also believes HMRC has a conflict of interest in its proposed monitoring role and criticises the limited consultation period and being over the summer holiday months which is likely to reduce the quality of responses. ICAEW has requested a further consultation round before the Finance Bill is issued which contains the relevant legislation.

### No AI at HMRC

HMRC has said that it does not use Artificial Intelligence (AI) to review research and development (R&D) tax relief claims. This follows a decision at the **First Tier Tribunal** (FTT) after HMRC had rejected a Freedom of Information request as to whether it was using AI to review such tax credit claims after a tax expert noticed unusual features in HMRC's correspondence, such as Americanisms and letters not matching with the specific details of the case concerned. However, there are press reports of individuals in HMRC's small business compliance unit being disciplined last year for using AI in correspondence.



### Car finance compensation

Following the Supreme Court's decision in August that certain car finance deals which failed to properly disclose commission arrangements could be unfair and unlawful, the **FCA is proposing to set up a compensation scheme** for eligible customers. The FCA says that claimants will not need to use a claims management company, nor lawyers, to take part in its compensation scheme and urges affected customers to make a complaint if they believe they have paid too much for the car finance.

### FRC consults on enforcement process

The FRC has issued a consultation document regarding updates to its **Audit Enforcement Procedure (AEP)** which are designed to provide more targeted and timely responses with more proportionate outcomes whilst maintain the current robustness. The proposals include increasing the number of paths to resolution to five by introducing a new Accelerated Procedure and Early Admissions Process and making the public interest aspect more explicit in the decision-making process of the Conduct Committee. The FRC expects the revised AEP to be effective from 1 July 2026.



### One login to Government services comes nearer

Companies House has announced that, from 13 October 2025, you will need to use a GOV.UK One Login to sign in to your Companies House WebFiling account. This is intended to provide an easier and more secure access method and, over time, GOV.UK One Login will replace all other ways of signing into the services on the GOV.UK website. It is expected, from 13 October 2025, if you try to sign in to WebFiling you will be redirected to connect to your account with a GOV.UK One Login.

### And finally...Reporting ID theft

Companies House has **issued an online form** for use when personal details have been used without permission as part of its crack down on identity (ID) fraud.





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