

13 January 2026

Corporate and Private Client eNews

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



A Happy New Year to our readers

With this edition of eNews being the first of 2026, we would like to say thank you to all our readers for their support during 2025 and to wish you all a happy, healthy and prosperous New Year.

Fowl Play: Morrisons loses chicken VAT battle

Morrisons has lost a long-running legal dispute over the VAT rate applied to its rotisserie chickens at the **First Tier Tribunal** (FTT). Morrisons had argued the chickens were intended for later consumption, and should be zero-rated, but the FTT ruled they were sold as hot takeaway food and were therefore standard rated. The court was persuaded by evidence including foil-lined bags, "Caution: Hot Product" labels and the removal of chickens from shelves after two hours, showing they were hot and ready to eat. Morrisons now faces a £17 million VAT bill. The FTT ruling reinforces HMRC's position on hot food VAT, with potential impacts on supermarket pricing and practices. Please contact your usual HaysMac adviser or **James McDonnell**, Assistant VAT Manager, for further advice.



Government extends IHT reliefs

Following various campaigns by farmers and rural businesses the **Government has announced** that the level of the Agricultural and Business Property Reliefs threshold will be increased from £1m to £2.5m when it is introduced in April 2026. This will allow spouses or civil partners to pass on up to £5m in qualifying agricultural or business assets between themselves before paying inheritance tax (IHT), in addition to any existing allowances. Please contact your usual HaysMac contact or **Graeme Privett**, Partner, and Head of Private Client.

HMRC reduces late payment interest rate

Following the Bank of England's decision to cut base rate to 3.75% in December 2025, **HMRC has announced** that the late payment interest rate will fall to 7.75% on 9 January 2026. The repayment supplement will also reduce to 2.75% on the same date.



Banks set to increase contactless limits

The **Financial Conduct Authority has announced** the removal of the regulatory contactless payment limits in favour of a new risk-based exemption process. This will give greater flexibility to banks and other payment service providers to determine their own approach to contactless payments. As a result of these changes, UK banks will be allowed to increase the current £100 contactless limit to a figure of their own choosing.

Business Property Relief Webinar – register your place

Inheritance Tax change is coming to business owners and not just farmers. Deadlines are creeping up fast. The much-publicised reforms will impact both succession planning and tax efficiency for business across the UK. Getting your house in order is important to soften the landing when it comes to these new requirements. Do you have questions? **Join us for our webinar** on 21 Jan 2026, as we cover why the law is changing, how this will affect your business and discuss some of the solutions to consider, giving you time to act before the law changes on 6 April 2026.



And finally... festive filings

Over the period from 24 to 26 December 2025, 37,435 taxpayers submitted their 2024–25 **self-assessment tax return** with a **further 54,053 taxpayers filing** on New Year's Eve and New Year's Day. The deadline for filing your 2024–25 tax return is 31 January 2026 with interest and penalties arising if payment of tax liabilities and submission of the return is not made by this date. However, HMRC estimates that there were still over 5.6 million returns still to be filed in January 2026.



HaysMac⁺

10 Queen Street Place
London EC4R 1AG

T 020 7969 5500
E marketing@haysmac.com

haysmac.com



Ian Daniels
Partner
T +44 20 7969 5502
E idaniels@haysmac.com

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of the Year 2023



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