



Shoring up ISA compliance following an HMRC audit

A digital bank asked KPMG to assess its Individual Savings Accounts (ISA) compliance ahead of a potential HMRC audit.

Just after we were appointed, HMRC issued an audit notification giving the client 30 days to respond. After HMRC's review, they informed the client of multiple compliance gaps requesting the client review and provide a response on the gaps that they had identified. If the client was not able to provide sufficient information HMRC would impose a fine which could be substantial based on the number of inaccuracies.

We carried out a detailed health-check on the client's ISA offering (as well as the client's FATCA & CRS offering). Based on our health check findings we provided the client with recommendations to assist the client in implementing a robust plan to resolve the issues that HMRC had identified.

As a result of the above, the client could demonstrate to HMRC that it was working with a specialist advisor to improve its ISA processes and procedures. HMRC did issue a fine for non-compliance with the ISA regulation which the client requested KPMG review.

During this review KPMG identified areas where the client could discuss the applicable fine across the various findings with HMRC. After these discussions with HMRC the fine was reduced based on the information the client provided from discussions with KPMG.

Impressed by the outcome, the bank has since appointed KPMG as ongoing advisors, including ISA, BBSI, AEOI advisory, and annual AEOI reporting.



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