



## **Fraudulent expense claims 'cost £150m'**

Fraudulent expenses claims are costing British business about £150m a year, according to a survey that found widespread evidence of abuse, errors and lax procedures.

The survey of 958 companies concluded that nearly 5 per cent of travel and entertainment claims were overstated. Companies were exposed to extra tax bills because Revenue & Customs deemed payments to be benefits in kind, where there was inadequate explanation of the expenses being refunded.

A company in the survey said it had faced an additional £150,00 tax bill because Revenue & Customs had judged that there was insufficient detail about the expenses claimed by employees. Software Europe, the software company that published the survey, said about 40 per cent of companies were particularly vulnerable to excessive expenses claims because they used paper forms. It said that about one-third of companies used sophisticated software that allowed them to compare the details of claims of employees and identify inconsistent mileage claims.

**Vanessa Houlder,**  
**Financial Times: 10 January 2007**