HM Revenue & Customs

BT Stamp Duty Land Tax
HM Revenue and Customs
BX9 1HD

[redacted]

999H9N4FK00079
003275\385

Phone 0300 200 3510

Web www.gov.uk

Date 5 November 2025
Our Ref [redacted]
UTRN

Dear [redacted]

I am contacting you regarding your claim for a repayment of Stamp Duty Land Tax (SDLT) for the property transaction below.

Acquisition address	Date of acquisition	Unique Transaction Reference Number (UTRN)
[redacted]	27 September 2024	[redacted]

Recently we have found that over 95% of SDLT claims do not meet the eligibility criteria. For this reason, we are asking you to double check your claim.

If we make a repayment of SDLT to you that we later find to be incorrect, the SDLT refund in full, plus interest, will need to be repaid. You may also be charged a sizeable penalty even if you have not received your repayment. Through this campaign we've already helped many customers avoid such penalties.

Please note that you are responsible for submitting an accurate claim.

Properties not suitable for use as a dwelling
You have claimed that your property is not suitable for use as a dwelling.

Whether a property is suitable for use as a dwelling is a question of fact. Only a very small number of properties that were previously residential will qualify as non-residential.

If you need extra support, for example if you have a disability, a mental health condition, or do not speak English/Welsh, go to www.gov.uk and search for 'get help from HMRC'.
Text Relay service prefix number – 18001

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- If you can move into your property after carrying out repair, renovation, or modernisation works, it is likely that your property is suitable for use as a dwelling.

What you need to do now
Please read the attached factsheet carefully to check if you are eligible for a repayment. You then have two options.

1. **If you want to withdraw your claim**

   You can do so by completing the attached NSFU1 form by 05 December 2025. You will not receive a repayment and HMRC will take no further action.

   You can send your completed form to the address shown above.

2. **If you check and are sure you are due a repayment**

   If, after careful consideration, you are sure of your eligibility, you can continue with your claim. You are not required to inform us of this, but if you would like to do so, please use the NSFU1 form provided.

   If you continue with your claim, we may open a compliance check to make sure your claim is correct before we make a repayment.

   If we find that your claim is incorrect, we can charge a penalty up to 100% of the refund claimed. For example, if you claim a refund of £10,000 in error, you can be charged a maximum penalty of £10,000.

   You can find more information about penalties by going to www.gov.uk and searching for "cc/fs7a".

If you do not contact HMRC by the deadline you will be continuing with your claim, and we may open a compliance check into your claim.

Tax Agent
If you have an agent, we have sent them a copy of this letter.

Further help
If you have any queries or require any further assistance, you can contact us by phone using the number shown at the top of this letter.

If you need to contact us, we may ask you for our reference number. Please have this ready.

Yours sincerely

Stamp Duty Processing Team

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account
Or you can use the HMRC app.

To find out about the service and standard of behaviour you can expect from us, go to GOV.UK and search 'HMRC Charter'.

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NSFU Form

Unique Transaction Reference Number (UTRN):

Refund claim of Stamp Duty Land Tax (SDLT)

Send the completed form to the address shown on the enclosed letter.

Declaration

I have reviewed my claim for repayment of SDLT against the information provided.

I no longer believe that my claim qualifies for a refund.
I confirm that I wish to withdraw my claim. I understand that I will not receive a repayment. ☐

I believe that my claim does qualify for a refund, and I would like to continue with my claim. ☐

Acquisition address

Address

Postcode

Name of claimant 1 use capital letters

Signature

Date DD MM YYYY

Name of claimant 2 use capital letters

Signature

Date DD MM YYYY

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HM Revenue
& Customs

Factsheet on Stamp Duty Land Tax (SDLT) Not Suitable for Use as a Dwelling

There is no such thing as a tax relief or lower rate of SDLT for 'uninhabitable' properties. These claims are made based on the idea that a property is so in need of repair that it is not 'suitable for use as a dwelling', but they are often wrong.

HMRC Guidance

You can read HMRC's guidance by searching ***"SDLTM00385 gov.uk".***

Defects that **will not** qualify for 'not suitable for use' SDLT claims include (but are not limited to):

- Defective heating system,
- Unsafe electrical wiring,
- Structural defects that can be repaired,
- The temporary removal of bathroom or kitchen facilities before sale,
- Substantial repairs required to windows, floors, or a roof,
- The need to switch services back on,
- Damp proofing required or plasterboard damage,
- Flood damage.

Recent Case Law

Amarjeet and Tajinder Mudan v The Commissioners for HMRC [2025] EWCA Civ 799 – Court of Appeal Decision

On 27th June 2025 the Court of Appeal published their decision in the Mudan v HMRC tax case, upholding the decision of the Upper Tribunal (UT) [2024] UKUT 307 (TCC).

The decision confirms HMRC's view that properties in need of repair, but which still fundamentally retain the features of a dwelling, will **not** qualify for non-residential rates of SDLT.

The decision in Mudan establishes the following principles:

- Being suitable for use as a dwelling does not mean the same thing as ready for immediate occupation,

- You should assess to what extent the building retains the identity of a dwelling, and is structurally sound,

- If a property has previously been used as a dwelling, this will be highly relevant for considering whether it is suitable for use as a dwelling,

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- The question to consider is whether the works of repair and renovation have the result that the building no longer has the characteristics of a dwelling.

You can read the full decision by searching "***Mudan v HMRC gov.uk***".

First-tier Tribunal Decisions

Several First-tier tribunal decisions have also considered the issues here:

- Henderson Acquisitions Ltd [2023] UKFTT 739 (TC)
- Mudan [2023] UKFTT 317 (TC)
- Fish Homes Ltd [2020] UKFTT 180 (TC)
- PN Bewley Ltd [2019] UKFTT 65 (TC)

Other Resources

There have been comments by external professional bodies on this topic. See:

- The Law Society article 'SDLT refunds: companies still encouraging buyers to make unfounded claims': https://www.lawsociety.org.uk/topics/property/sdlt-refunds-companies-still-encouraging-buyers-to-make-unfounded-claims,

- The Chartered Institute of Taxation article 'Stamp duty refunds: too good to be true?': https://www.tax.org.uk/stamp-duty-refunds-too-good-to-be-true.

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