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Action urged on corporate identity fraud

Credit check agencies call for HMRC to publish VAT Numbers, writes Kevin Reed

HM Revenue & Customs has been urged to fight corporate identity fraud by publishing VAT numbers alongside company names and addresses so that bogus companies cannot steal valid VAT numbers.

Credit check agencies and company fraud investigators are calling for UK VAT numbers to be published by HMRC along with details of the company they belong to as a way to discourage fraudsters from using valid VAT numbers for bogus companies.

VAT numbers can currently be checked for validation, but there is no information to confirm which company the number belongs to. This allows bogus companies to publish a valid VAT number at the bottom of an invoice.

'Having a valid VAT number on the bottom of invoice adds a further layer of plausibility to a bogus invoice and will catch the innocent unawares,' says Richard Kusnierz, a director at fraud detection company IDS.

'On numerous occasions, IDS has requested that HMRC allow VAT numbers to be incorporated into IDS's software routines, allowing companies to easily check that the VAT numbers associated with their suppliers have not been stolen from reputable organisations', he added.

Martin Williams, MD of credit check agency Graydon, says that the government should publish a VAT directory as a 'great way' of identifying companies that were bona fide, but that it had not so far taken him up on the proposal, or other credit check agencies involved in lobbying.

'VAT registration numbers are not published due to taxpayers' and commercial confidentiality,' said an HMRC spokesman.

'It is, however, possible to confirm that a VAT number is valid by contacting the national advice service'.