

Watch out for these scams ahead of council tax rebate rollout next month

Submitted by: Key Loans & Mortgages Limited t/a KIS Finance

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Personal finance expert, Holly Andrews (MD at KIS Finance (<https://www.kisbridgingloans.co.uk/>)) outlines what scams we are expecting to see ahead of the council tax rebate roll-out next month.

Millions of households across the UK are set to benefit from a £150 council tax rebate in the government's bid to help struggling families with the cost of living crisis.

The rebate is being paid to all households in England that fall into council tax bands A – D, with similar schemes also being offered in Scotland and Wales.

Those who pay their council tax via direct debit will receive the rebate automatically sometime in April, but those who don't will need to wait for their council to contact them and then apply for the rebate. Exact details for this have not yet been issued.

Why are we expecting to see scams relating to the council tax rebate?

Scammers are notorious for taking advantage of any scheme, occasion, company/organisation, or threat, that affects a large number of people. This is because the more people that will genuinely be impacted by something, the more people they have to target.

This council tax rebate scheme will affect millions of households across the country, so for scammers, this is an absolutely ideal situation for them to take advantage of.

Tax rebates are already one of the most widely used scam tactics, so we have every reason to believe that scammers will soon be ready to roll out their new wave of scams in time for April.

How are scammers likely to target people?

Based on what we have seen in the past, scammers are mostly likely to make contact with people via:

- Email
- Texts
- Phone calls

In this situation, they may also send letters out to households in an attempt to appear more legitimate.

What to look out for/how will scammers approach these scams

Based on the most commonly used scam tactics that we have seen, these approaches are what we are expecting to see over the next couple of weeks.

Asking you to apply online

Anyone who meets the criteria for the rebate and pays their council tax via direct debit will receive the money automatically – you do not need to do anything.

However, as the cost of living shows no signs of easing, many will be eager to get the money so may be swayed into thinking they can get the payment faster if they apply for it – scammers will take full advantage of this.

It's likely that we'll see fake websites start to pop up which have been designed to look like an application process on a genuine government website.

However, these websites will have actually been created and designed to capture the information that you enter. They will ask for your personal information and bank details so they can 'make the payment' but this is a ploy to steal your details and money.

According to the Department for Communities and Levelling Up, those who are not paying by direct debit will be contacted by their council and invited to make a claim. Exact details on this have not yet been confirmed.

Asking for you to make a small payment first

In some cases, scammers may pose as your council and claim that you need to make a small payment to them so they can authorise your bank details before the rebate is paid. They will most likely claim that you will receive a refund of the payment you made with the council tax rebate.

But again, this will be another ploy to steal money from you and to get your bank details so they can steal even more at a later date.

In advance payment scams, which sometimes applies to loan applications, you may be asked for the payment to be made in vouchers or gift cards. This is a tell-tale sign that you're dealing with a scammer.

Asking you to set up a repayment method

The council tax rebate is a one-off payment that does not need to be repaid, however, scammers will likely try to take advantage of those who don't fully understand how the rebate will work.

Scammers may try to convince homeowners that the rebate is a lump sum that then needs to be repaid in small, manageable, monthly repayments.

They will either use this tactic to simply get your bank details and disappear, or they may ask you to set up a standing order and pay the money back over the course of a year or so.

Households outside of qualifying tax bands

Some households that don't fall into the qualifying tax bands have been receiving letters that say you may be able to claim the £150 rebate if you can prove that you're struggling to pay your utility bills.

The letter states that you need to complete an online application form and upload some additional information so they can determine whether you are eligible for the rebate.

They will ask for your most recent bank statement, a utility bill dated no later than January 2022 showing the level of your arrears, and your council tax bill for 2022/23.

While this is an entirely genuine application process for households outside of council tax bands A – D, scammers who get hold of this information may start to copy these letters in order to obtain people's personal details.

Things to remember – important takeaways

- The £150 council tax rebate is only for households in council tax bands A – D, unless you can prove to your council that you are struggling with your utilities bills and are in a certain level of arrears. If you receive an email, text, or phone call that says you're eligible for the rebate but your property is outside of these bands, then this is likely to be a scam.

You can find your council tax band by going to www.gov.uk/council-tax-bands and simply entering your postcode.

- If you pay via direct debit, the payment will be made automatically in April. You do not need to do anything and you will not be able to get the payment faster by applying online. Do not respond to emails or letters that claim you can get the payment faster if you know that you are already eligible for the rebate.
- You will not be expected to make a payment to your council to confirm your bank details before receiving the rebate. If you pay by direct debit then your council already has your bank details.
- The government have confirmed that this one-off payment DOES NOT have to be paid back. Do not respond to requests for you to pay it back in monthly instalments.
- Know who your local authority is – this can be found on the same council tax bands section of the gov.uk website. Contact from anyone other than your local authority on the subject of a rebate should be ignored.
- If someone claims to be the government and is contacting you about your rebate, then this is a scam. The rebate will come from your local council, not from the government directly.

- ENDS –

Notes to journalists/editors:

Comments provided by Managing Director at KIS Finance, Holly Andrews. If you would like to use these comments then a link back to KIS Finance is required to credit the source.

KIS Finance fraud guides - <https://www.kisbridgingloans.co.uk/guide-to-fraud-prevention/>

About KIS Finance:

KIS Finance are an independent finance broker specialising in bridging finance, development finance, commercial mortgages, equity release, and secured loans. Their team of advisors have considerable experience across multiple different areas of the finance sector, as well as insurance and compliance.

KIS Finance are also very invested as a company in fraud awareness and prevention and keeping their

clients safe from financial fraud and scams.

Contact:

Phoebe Griffiths
phoebe@kisfinance.co.uk
01884 669099