



ABEL ON PROPERTY

The SDLT Rebate Handbook

claiming back the 5% surcharge

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by Harish Verma & Awais Jawaid, Chartered Accountants

Why I wrote this

When you buy an extra home in England, the taxman adds an extra 5% stamp duty on top. Thousands of buyers pay it — and thousands never realise they can get it back.

In 40 years I have seen clients leave five-figure sums with HMRC simply because nobody told them a refund was due, or because they missed the deadline.

This little book explains when the 5% comes back to you, how the claim works, and the mistakes that kill good claims. One idea at a time. Plain English throughout.

— *Harish Verma & Awais Jawaid*

Tax rules change. This guide is general information, not personal advice. Before you act, please get advice for your own situation.

The 5% surcharge in plain English

Buy a home while you already own another one, and HMRC charges the normal stamp duty plus an extra 5% on the whole price. That is the additional-dwellings surcharge. On a £400,000 purchase it is an extra £20,000 — real money.

The surcharge exists to catch second homes and buy-to-lets. But life is messier than that: chains break, people move before they sell, couples split. So the law gives the money back in certain situations — if you know to ask.

The big refund: replacing your main home

This is the refund most people miss. You buy your new main home before you have sold the old one — the chain forced your hand — so you pay the extra 5%. Then you sell the old main home.

If you sell the old home within three years of buying the new one, the extra 5% is refundable. Three years is generous, but it still catches people out: a slow sale, a dispute, a tenant who will not leave.

And there is a second clock: once the old home is sold, HMRC must have your claim within 12 months of the sale — or within 12 months of when the stamp duty return was filed, whichever is later. Mark both dates the day you complete. Do not sit on it.



Bought before you sold? The chain is the most common route to a refund.

Other times money comes back

The main-home replacement is the common one, but refunds can also arise where the surcharge should never have applied — for example where a purchase turns out not to be an additional dwelling after all, or where life events like a separation change the picture.

The principle is always the same: the surcharge is for people who end up owning more than one home. If in the end you did not, or the law treats you as if you did not, the extra 5% can come back.

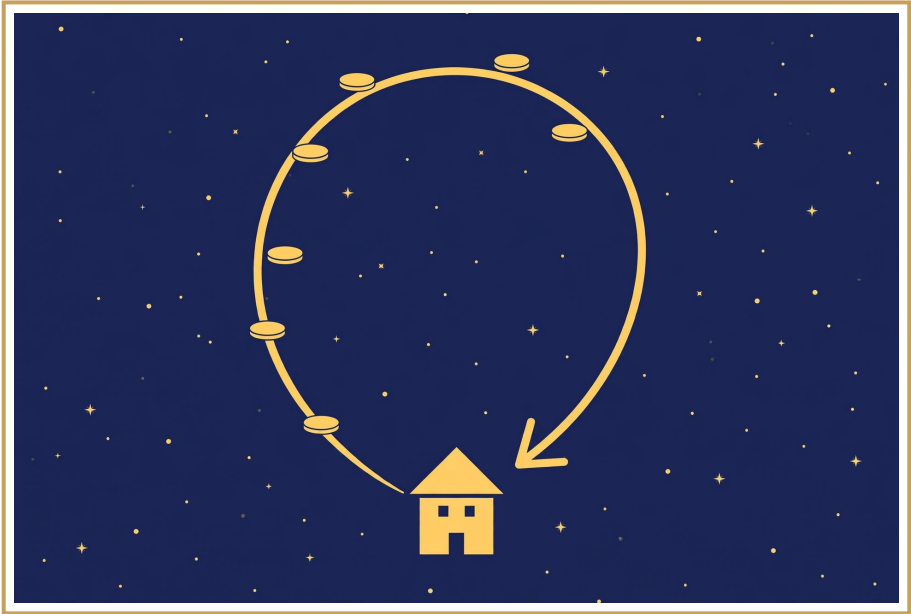
Every situation turns on its own dates and facts. If you think you paid the surcharge and ended up with one main home, it is worth a proper check.

How the claim actually works

A claim is made by amending the stamp duty return for the purchase — telling HMRC, in effect, “I paid the surcharge, the conditions for a refund are now met, please repay it.” HMRC checks the dates and pays the refund to the buyer.

You will need your evidence file ready: both completion statements, the exact dates of purchase and sale, and proof the old property was your main home. Claims with clean paperwork sail through; claims with gaps get questions.

Get the amendment right first time. A sloppy claim does not just delay your money — it invites HMRC to look harder at everything else.



What was overpaid can come back — if you claim it in time.

The mistakes that kill good claims

I have watched good refunds die for avoidable reasons. Do not let yours be one of them.

- **Missing the claim deadline.** The 12-month clock after selling the old home is strict — late is late.
- **Still owning two homes at the end.** If the old place never sells, there is no refund — it was an additional dwelling.
- **Wrong dates.** Exchange and completion are different days; HMRC cares about completion.
- **Claiming on a buy-to-let you kept.** A second property you still own is exactly what the surcharge is for.
- **Guessing the figures.** Use the completion statements, not your memory of the price.

Your evidence file — keep this folder

From the day you complete a purchase where you paid the surcharge, keep one folder — paper or digital — with everything in it.

Completion statements for both the purchase and the later sale. The exact completion dates of each. Mortgage redemption letters for the old home. Council tax bills or other proof of where you actually lived. Any correspondence about the chain.

When the refund moment comes, this folder is the difference between a quick repayment and a long argument.

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What to do next

Think you paid the 5% and should not have? Bring us both completion statements and your dates.

We will check whether a refund is due, prepare the claim properly, and chase it until the money is back with you.

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Not all accountants are the same.

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