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BAND3 Limited

Top 10 Tax Return Expenses Missed

Every year, thousands of UK small business owners, sole traders and landlords leave money on the table not because they don't have eligible expenses, but because they simply don't know what they can claim. This guide walks you through the **10 most commonly overlooked tax-deductible expenses** so you can reduce your tax bill legally and confidently.

UK TAX GUIDE


SELF-EMPLOYED & LANDLORDS

2025/26

Why This Matters

HMRC allows you to deduct **wholly and exclusively** business-related expenses from your taxable profits. Yet many taxpayers either forget to claim legitimate costs or assume certain expenses aren't eligible, when they are!

The result? Overpaying tax, sometimes by hundreds or even thousands of pounds each year. Understanding what you can claim is the first step to keeping more of what you earn.

 This guide covers the most frequently missed categories. We recommend always consulting a professional accountant like BAND3 for support and advice tailored to your circumstances.

Who This Is For

- Sole traders & self-employed
- Small business owners
- Property landlords
- Partners in partnerships

£1,200

Average missed claim

Estimated value of overlooked expenses per taxpayer annually

10

Key categories

Commonly missed expense types covered in this guide

55p

Mileage rate

Per mile for the first 10,000 business miles driven

1. Home Office & Working From Home Costs

If you work from home, a proportion of your household running costs can be claimed as a business expense. This applies to both the **simplified flat-rate method** and the **actual costs method**.

Simplified Flat Rate

HMRC allows a fixed monthly deduction based on hours worked from home with no receipts needed. Rates range from £10 to £26 per month depending on your working hours.

Actual Costs Method

Claim a proportion of rent, council tax, utilities, heating, and broadband based on the space and time used for business. More paperwork, but potentially a larger claim.

Mortgage Interest

Self-employed individuals may claim a proportion of mortgage interest where applicable. Landlords have separate rules under the property income restrictions.

2. Phone & Internet Costs

Whether you use your personal mobile for business calls or have a dedicated business line, you can claim the **business-use portion** of your phone and internet bills.

For mixed-use devices, a reasonable apportionment is acceptable and HMRC doesn't expect you to log every call, but you should be able to justify the split.

- Mobile phone bills (business use %)
- Broadband costs (business use %)
- Dedicated business landline — 100% claimable

Personal Mobile

Claim the business-use percentage of your monthly bill

Broadband

Apportion based on business vs personal usage

Business Line

Fully deductible if used exclusively for business

3. Travel Costs (Business Only)

Business travel is one of the most valuable reliefs available however **normal commuting** from home to your regular workplace does not qualify. Any journey made *in the course of your trade* does.



Mileage Allowance

Claim **55p per mile** for the first 10,000 business miles, then 25p thereafter. Keep a mileage log with dates, destinations, and purposes.



Public Transport

Train, bus, coach, and taxi fares for business journeys are fully claimable. Parking fees and road tolls on business trips also qualify.



Business Trips

Overnight accommodation, meals (while travelling), and associated costs for genuine business trips are allowable but not holidays disguised as work.



4. Professional Subscriptions & Memberships

What Qualifies?

HMRC maintains an **approved list** of professional bodies and trade associations. If your membership is on that list, the fees are fully deductible.

- Industry-specific trade bodies
- Professional institutes (e.g. ACCA, RICS)
- Approved industry journals

How to Check

Search the [HMRC approved professional bodies list](#) online before claiming. Membership fees for non-approved organisations may still qualify if they're wholly for business purposes but we recommend confirming with your accountant like BAND3 first.

- ⓘ Annual subscriptions are often small individually, but they add up. Don't overlook them when completing your return.

5. Accountancy, Bookkeeping & Software

The costs of managing your own taxes and finances are themselves tax-deductible. This is one of the most straightforward claims and one that many taxpayers still forget to include.



Accountant & Bookkeeper Fees

Fees paid to BAND3 as your accountant, bookkeeper, or tax adviser for preparing your accounts and tax return are fully allowable business expenses.



Accounting Software

Subscriptions to platforms like **Xero** or similar tools are 100% deductible as business software costs.



Tax Return Preparation

Costs specifically related to completing and filing your Self Assessment or Company Tax Return qualify as a business expense.

6. Insurance & 7. Training & Development

EXPENSE #6

Business Insurance

Protecting your business is a cost and HMRC recognises it as one. Premiums for policies that cover your business activities are fully deductible.

- Public liability insurance
- Professional indemnity insurance
- Tool and equipment insurance
- Landlord insurance (letting activities)
- Cyber insurance for business data

EXPENSE #7

Training & Professional Development

Investing in your skills pays off twice better expertise and a lower tax bill. Training costs are allowable when they **maintain or improve existing skills**.

- CPD courses and workshops
- Industry conferences and seminars
- Online learning subscriptions
- Professional coaching relevant to your trade

📄 Training for a *new* career or trade is not allowable the key test is whether it relates to your current business.

8. Bank Fees & Finance Costs

The cost of borrowing and banking for your business is an allowable expense. This covers a wide range of financial charges that many sole traders and small companies overlook.

Bank Charges

Business bank account fees, transaction charges, and overdraft fees are fully deductible.

Loan Interest

Interest on business loans, including asset finance and business credit cards, is allowable.

Property Finance

Landlords can claim a **20% tax reducer** on mortgage interest (not a direct deduction from rental income).

9. Office Supplies & Equipment

Everyday items that keep your business running are easily forgotten at tax time but they're all claimable.

- **Stationery & postage** — pens, paper, printer ink, envelopes, and courier costs
- **Software subscriptions** — cloud storage, productivity tools, email hosting
- **Equipment** — laptops, tablets, phones, and tools (capital allowances may apply for larger purchases)



For items over £500, check whether **Annual Investment Allowance (AIA)** gives you 100% relief in the year of purchase.

10. Property Expenses for Landlords

Landlords have a specific set of allowable expenses that reduce taxable rental income. The key distinction: **repairs are deductible, improvements are not** though improvements may qualify for capital gains relief on disposal.



Letting Agent Fees

Commission and management fees paid to letting agents are fully deductible against rental income.



Repairs & Maintenance

Fixing existing fixtures — boilers, roofs, windows — is allowable. Replacing like-for-like also qualifies. Upgrades do not.



Safety Certificates

Gas Safety certificates, EPC ratings, and electrical inspection reports are all deductible compliance costs.



Tenant Advertising

Costs of advertising your property on Rightmove, Zoopla, or through agents are allowable business expenses.

Your Next Steps

Review your records against this list before filing your next tax return with BAND3. Even claiming just a few of these missed expenses can make a meaningful difference to your tax bill.



Gather your receipts and records

Collect bank statements, invoices, and mileage logs for the full tax year.



Speak to us

Band3 are qualified advisors regulated by HMRC and can identify additional reliefs specific to your situation.



File on time

Self Assessment deadline is **31 January** online. Don't leave it to the last minute. Get in touch with us!