



What Business Expenses Can't You Claim? (UK)

Not all costs incurred by a business are allowable for income tax purposes. The following expenses are not deductible, even if they feel business-related, under HMRC rules.

Personal & Private Expenses

- Personal living costs (food, groceries, household shopping)
- Personal clothing (everyday wear)
- Personal mobile phone use (non-business proportion)
- Personal holidays or leisure travel
- Rent or mortgage payments unrelated to business use

Client Entertainment & Hospitality

- Taking clients out for meals or drinks
- Tickets to sporting or entertainment events for clients
- Client hospitality of any kind
- Client entertainment is not allowed, even if business is discussed

Fines, Penalties & Legal Breaches

- HMRC penalties and late filing fines
- Parking fines or speeding tickets
- Any fines or penalties for breaking the law

Commuting & Ordinary Travel

- Travel between home and a permanent workplace
- Daily commuting costs
- Fuel or mileage for ordinary commuting

Clothing (Non-Protective)

- Suits, dresses, or smart clothing
- Clothing worn for meetings or events
- Clothes that could reasonably be worn outside work
- ✓ Only protective clothing or uniforms are allowable

Training & Education (Certain Types)

- Training that creates a new skill or trade
- Courses that allow you to start a different business
- University degrees unrelated to your current business

Capital Items (Claimed Incorrectly)

- Equipment or assets claimed as day-to-day expenses instead of capital allowances
- Improvements to property (rather than repairs)

Private Use of Assets

- Personal proportion of vehicle costs
- Personal proportion of phone or internet costs
- Personal use of business assets
- ! Only the business proportion can be claimed

Drawings & Owner Payments

- Money taken out of the business by the owner
- Personal withdrawals
- Salary to yourself (sole traders and partners)

Political & Charitable Payments

- Political donations
- Fines or lobbying costs
- Charitable donations (claimed separately, not as business expenses)

Losses & Costs Not Wholly for Business

- Expenses not incurred wholly and exclusively for business purposes
- Estimated or unsupported costs
- Expenses without proper records



Remember...

- If an expense is partly personal, only the business portion is allowable
- If it breaks the law, it's never deductible
- If it creates a new trade, it's not allowable
- When in doubt, ask before claiming