

The complaint

Mr B complains that Halifax Share Dealing Limited (Halifax) won't apply tax relief to a pension contribution paid to his Self-Invested Personal Pension Plan (SIPP) by his limited company. He wants the tax relief applied.

What happened

Mr B is a director of his own limited company (the company), and he paid a contribution the SIPP from the company bank account of £24,000 in March 2025. Mr B says he expected Halifax to apply basic rate tax relief to the contribution, grossing it up to £30,000, as it would claim this back from HMRC. When this didn't happen, Mr B complained, but Halifax said it hadn't made an error as only contributions paid from a personal bank account or income could be classed as personal contributions and any paid from a business account were employer contributions and didn't qualify for income tax relief. Mr B said his accountant had advised him that tax relief should be available and had he known it wouldn't be, he wouldn't have opened the SIPP.

Mr B referred his complaint to our service and our investigator looked into it, but he didn't uphold it.

Our investigator said it was clear from the terms and conditions of the Halifax SIPP that contributions paid by employers were paid gross and wouldn't be eligible for any further tax relief, whereas personally paid contributions would be. He said the legislation as set out in HMRC's Pension Tax Manuals (under PMT044100) was specifically that "*Contributions paid by a members employer do not qualify for tax relief for the member*". He said had Mr B paid the contribution from his own bank account, then tax relief would have been applied. Instead, as an employer contribution had been made the tax treatment was different, with contributions usually treated as a tax deductible expense for the business, so Mr B should speak to his accountant about this.

Mr B didn't agree he said his accountant had confirmed and his own experience was that employers could pay contributions to a pension where the member benefitted from tax relief and he sent a pension statement showing tax relief being applied on a contribution. Our investigator said he considered both the legislation and Halifax terms and conditions were clear, and that in this case tax relief wasn't available to him personally. With the terms and conditions specifically stating that tax relief would only be applied to contributions paid from a personal bank account. In relation to the statement Mr B had provided, our investigator said he wouldn't be able to comment on the actions of another pension provider, but an explanation might be that it was possible for an employee to arrange for the employer to take personal contributions directly from their pay.

As Mr B doesn't agree it has come to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

Having done so, I'm not upholding the complaint.

I understand the frustration that Mr B has been caused but I don't think Halifax has made any error. The terms and conditions do clearly say that any contribution paid by a business (which also required Mr B to be the owner or a director of that business) wouldn't be eligible for personal tax relief. Mr B will have accepted these terms and conditions when he opened the SIPP and will also have been presented with a key features document, which summarises the main details of the SIPP. Under the heading "*Contributions*" it says the following,

*"We can accept the following contribution types, up to the age of 75**:*

- personal contributions; and*
- employer contributions only from a limited company; the person applying must be the limited company business owner or one of the directors*;"*

It then sets out a potential advantage of contributions being paid by an employer rather than personally as follows;

**If you've set up a limited company, you can make contributions to your SIPP directly from your pre-taxed company income. This saves you paying tax and national insurance on the money as income and saves the limited company employer's national insurance on the contribution. This type of contribution reduces your limited company's profits and its corporation tax liability.*

HMRC's rules do say that contributions paid by employers don't qualify for personal tax relief, given the treatment quoted above.

Where an employer offers a staff pension scheme it may well deduct personal contributions from the employees pay net of basic rate tax relief and pay this over to the pension provider along with any employer contribution due, which is paid without deduction of any tax. But that is a specific type of arrangement set up to do so and based on the terms and conditions the Halifax SIPP doesn't provide for that treatment. I've reviewed the screenshot Mr B has provided which he says shows other SIPP contributions benefiting from tax relief being added. This doesn't provide specific details of what bank account payment was made from but under the heading "*Contribution by*" it states "*Member*", which means plan holder, so Mr B if the statement is his, rather than any employer, so personal contributions.

Halifax does appear to have processed the payment in line with the instructions it received, which is that it was a gross employer payment not a net personal contribution. So, I don't think Halifax has made any error or treated Mr B unfairly, and I can't uphold his complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 February 2026.

Nigel Bracken
Ombudsman