

When contractors need to change accountants

One of the most useful advisers a contractor can have is a good accountant. A trusted accountant can see that you negotiate all the tricky waters of IR35, tax, VAT and changing legislation that affects small business safely.

When Change is Necessary

Your business may simply be growing more complex than what your original accountant is accustomed to handling. Or you may have had actual problems with the accountant's work, for example the accountant may have given you bad advice that led to problems with the Revenue, or you may have found that papers were filed late and you were hit with penalties. You may wish to go outside IR35, and the accountant may try to convince you to stay within it for the accountant's own reasons.

Obviously, parting from a trusted business advisor can be a painful process. But there is a solution.

Follow The Procedure

Whatever your reason may be, there is a procedure which allows you to change accountants seamlessly. The [Institute of Chartered Accountants](#) has set this up in such a way as to avoid disagreements and to limit difficulties as much as possible.

There are two basic scenarios: either you and your accountant agree to part company, or you don't.

When You Agree

Your accountant may be sorry to see you go, but the accountant is obliged to allow you to change. In this case, ask your new accountant to contact the old one, and the necessary exchange of information and paperwork will take place. The Institute of Chartered Accountants obliges its members to provide documents without charge, nor should there be any charge for copies being made which the old accountant will keep.

When You Disagree

Your accountant does not have to agree with your decision to change to a new one. But your accountant does have to advise the new accountant about your affairs, and there are three areas in which problems may arise: non-payment, money-laundering, and matters of which the accountant would be responsible for reporting to tax authorities.

You and your accountant may not agree on fees owed. In this case, you should contact the Institute of Chartered Accountants which will arrange a fee arbitration. This is undoubtedly the fastest and fairest way for you to come to an agreement. The Institute's Fee Arbitration Officer is the appropriate contact. Your original accountant may have the right to refuse to transfer information to the new accountant if fees are not paid, so the best way forward is arbitration.

Your original accountant may have other reasons for refusing to transfer your accounts to the new one. These would all involve unethical or illegal behaviour on your part. If your original accountant believes that you have committed fraud, you will have to permit the new accountant to discuss this with the original one. Should you believe this to be unfair, you will need to challenge the original accountant directly. You cannot ignore the allegation and move to a new accountant. All of which seems perfectly reasonable.

The same goes for accounting irregularities. If there are issues about your financial reporting, you have to settle them with the old accountant before moving on to the new one. Surely that only seems fair as well.

But hopefully you've been running your business properly, and your change to a new accountant should be simple and a positive move forward for your business.

Published: Wednesday, July 4, 2007

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You have an absolute right to change your accountant assuming your affairs are in order
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Institute for Chartered Accountants

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You can arbitrate outstanding issues with your accountant with the help of the Institute
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