

EUROPCAR GROUP UK LTD VS THE COMMISSIONERS FOR HER MAJESTY'S  
REVENUE AND CUSTOMS 2020] UKFTT 249 (TC)

ISSUE :

whether letting of car with a child car seat by car rental company is single supply or separate supplies . If separate supplies, car seat will be subject to lower tax rate.

HMRC:

The aim of the customer is not to hire a children's car seat, but to hire a car in which all intended passengers can be transported safely and lawfully. The children's car seat enhances the supply of the vehicle as it enables all intended passengers to be so transported and thus leads to a means of better enjoying the hire of the car. The typical consumer has already made his or her choice to source the car seat with the car hire. If a car seat was not available, the customer would not hire a car –he or she would go to a competitor that could provide a car seat. By time he or she decides to go with Europcar, has already made that decision.

ASSESSEE :

The purchase was governed by a single contract, but the individual items bought may carry attract different rates of VAT as they are recognised as independent supplies

FTT HELD :-

The supplies are to be regarded as distinct and independent - because the car hire and car seat hire are, from Car Seat Customers' perspective, neither so closely linked that they form a single, indivisible economic supply which it would be artificial to split, nor in a principal/ancillary relationship such that car seat hire is not an aim in itself but a means of better enjoying the car hire.

**ISSUE ANALYED THROUGH DISCUSSION ON**

- Whether transactions be treated as “separable” supplies ;
- Whether the customers had alternate economic choice;
- Whether the incidental supply (hiring of car seat) is an aim in itself;

*For precedents and full text of order please follow the link :*

<http://www.bailii.org/uk/cases/UKFTT/TC/2020/TC07733.html>

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