

The Rules on Buying Clothes and Uniform

Expenses

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It's a question we get asked a lot. If you're buying clothes specifically with the intention of wearing for work, can the company cover the cost?

Unfortunately, in most cases, the answer is no. We'll cover the general rules below, and what is and isn't allowable when it comes to clothing.

The key rule: "Wholly and exclusively"

If we go back to Business Expenses 101, for a cost to be allowable it needs to be incurred "wholly and exclusively for business purposes", in HMRC's words. Everyday clothing fails this test because it has duality of purpose. You could wear it personally, even if you only ever intend to wear it for work.

HMRC's own words when it comes to clothing, which is very matter-of-fact, is: *"clothing also provides warmth and decency, which are personal benefits"*.

So in short, the business can't cover everyday clothing.

Not allowable: Everyday clothing

This includes items like:

- Shirts, t-shirts, blouses
- Suits and smartwear
- Jeans, trousers, skirts
- Shoes
- Coats and jackets

It doesn't matter if:

- You only wear it for work
- You need to look professional
- A client expects a dress code
- You bought it specifically for meetings, filming etc.

If you could reasonably wear it outside work, it isn't allowable.

Allowable: Branded uniform

However, branded clothing (for example, t-shirts or hoodies with your company logo) is usually treated as a marketing or promotional expense (and can be categorised as such in Mighty), as it's promoting your business rather than functioning as everyday clothing. The branding needs to be permanent and visible. A removable badge or subtle hidden logo usually isn't enough.

Allowable: Specialist protective clothing

Items required purely for safety or specialist work are allowable, for example:

- Hard hats
- Steel toe-cap boots
- High-vis jackets
- Lab coats
- Protective gloves

These aren't suitable for everyday wear, so they pass the "wholly and exclusively" test. So, a beekeeper buying a beekeeper suit would be allowable, a management consultant buying a new suit for an important pitch would not be an allowable expense.

Grey areas to watch

Some roles blur the lines. For example:

- Performers or actors buying costumes
- Branded outfits for influencers or YouTubers
- Niche uniforms for events or exhibitions

These can be allowable, but only where the clothing is clearly a costume or uniform, not everyday clothing. If HMRC could argue you'd wear it personally, it's unlikely to qualify. A practical rule of thumb is to ask yourself would you

What happens if you put it through anyway?

If you accidentally purchase clothing through your business, then this would be categorised as a non-legitimate business expense which is essentially reported within your directors loan account as money owed back to your business. You wouldn't receive any corporation tax relief or be able to reclaim VAT. So in short, there's no benefit and just extra admin!

We hope this article proved to be useful, but please contact your dedicated accountant or support@mightyaccounting.com if you have any questions.