

Welcome to the April Technical Newsdesk

Welcomes

31 March 2021

I joined a meeting with HMRC and other professional bodies earlier today and was informed by the HMRC Chair that it was happiness week. Thinking that this might have been a ruse to encourage us not to give HMRC a tough time, I checked this out and 20 March is indeed the 'International Day of Happiness'. Who knew?

I started to reflect about what would make me happy. Restricting this, of course, to my professional life, it got me thinking about two closely linked issues – the HMRC Charter and HMRC's services for agents.

I consider myself quite privileged to sit on the Charter Stakeholder Group, which was formed during the consultation in 2020 on HMRC's revised Charter and continues to meet on a regular basis. One of the Group's purposes is to evaluate the extent to which the behaviours and values set out in the HMRC Charter standards have been demonstrated by HMRC. A key 'commitment' in the Charter is 'recognising that someone can represent you' – whether in a professional capacity such as an accountant or tax adviser, or more informally such as a friend or relative. This is important because tax is complicated, dealing with HMRC can be daunting, and there can be unpleasant and costly consequences if you get something wrong. Equally, taxpayers might ask someone else to deal with their tax affairs for them, simply out of choice rather than necessity.

You could compare this to a whole host of other activities – servicing your car, painting and decorating, preparing a will – the list is potentially endless. Let us take the first example – servicing your car – as a comparison. Changing the oil and filter is not particularly complicated, and you can buy a handbook or watch YouTube videos of how to do it. It might take you longer than a professional because you are unfamiliar with the process or do it only rarely, and it might not be done perfectly, but they are things you are willing to live with. Alternatively, you can choose to pay

someone else to do it for you – perhaps because you do not have the confidence, the right tools, the time or simply for the peace of mind that it has been done correctly. Now, consider how odd it would be if you, as the vehicle owner, had to buy the oil and filter and take it to the garage; rather than the garage buying the parts itself? And you had to tell the garage where the dipstick and filler cap are. Think of the consequences. Would people service their cars as regularly as they should? Would they buy the right parts? Would our roads be less safe?

Whilst the analogy is far from perfect (and, of course, in some respects we are talking about confidential data, hence the additional complexities), the tax system – particularly one committed to ‘recognising that someone can represent you’ – should not make it difficult to get someone else to service your tax affairs. But increasingly it seems to. We know from feedback that the ‘digital handshake’ – the norm for authorising an agent for most new digital services – is problematic for many. Indeed, if you are confident in doing the digital handshake, the chances are you are more likely to be one of the self-service people anyway. HMRC’s digital services for agents often also lag behind the taxpayer functionality, are not as intuitive and are sometimes less reliable. Again, think of the consequences – it becomes more costly to appoint an agent, more people try to ‘do it yourself’, standards and accuracy drops, compliance rates fall. This is a worrying prospect.

So, why am I raising this now? Well, two reasons. The first is to reassure members that these things remain front and centre in our engagement with HMRC, making sure that we demonstrate the value that agents bring to the tax system. The second is because the Charter Stakeholder Group is providing feedback to HMRC ahead

of their Charter Annual Report for 2020-21, and HMRC are seeking our evaluation of the extent to which they have demonstrated the standards of behaviour and values included in the HMRC Charter. We would be grateful to receive any comments you have on HMRC’s performance against these standards over the period April 2020 to March 2021, together with any further priority areas HMRC should focus on in 2021-22. Please send any relevant feedback you have to technical@ciot.org.uk, atttechnical@att.org.uk or LITRG@ciot.org.uk.