

# Public Accounts Committee inquiry into HMRC customer service

## General Features



18 June 2024

The CIOT, ATT and LITRG responded to the Public Accounts Committee's inquiry into HMRC customer service.

On 22 March, the Public Accounts Committee (PAC) opened an inquiry into HMRC's customer service. Following the dissolution of Parliament on 30 May 2024, all committees (except some statutory committees) have ceased to exist. It will be for the successor committee (once appointed following the general election) to determine its future programme, including whether or not it wishes to resume any of its predecessor's inquiries.

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## CIOT's written evidence

The CIOT's response built on previous evidence submitted to the PAC in October 2023 ([www.tax.org.uk/ref1212](http://www.tax.org.uk/ref1212)).

We said we continue to be extremely concerned by HMRC's poor customer service across many key areas, and the approach they are taking to moving taxpayers to online services. We do not believe there is adequate evidence that measures such as closing telephone helplines will have their desired effect, nor are we convinced that they will not negatively impact compliance.

We support the use of digital tools to enable taxpayers (and their agents) to comply with their tax affairs. However, there remains a significant gap between the availability and awareness of such tools, and what appear to be HMRC's perceptions of what taxpayers (and their agents) can do. We said that the extent of that gap needs to be determined, and a plan devised to bridge it.

We welcome the additional funding (£51 million) recently announced for HMRC's customer service directorate. However, it amounts to less than half of the 'savings' being demanded of the directorate this year. HMRC have a growing 'customer' base, and their resources should not be further cut until improved digital systems have delivered the intended efficiencies and resource savings. We shared with the PAC our suggested minimum standards for the introduction of new HMRC digital systems, minimum requirements for HMRC digital forms, and our principles of tax digitalisation.

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## **LITRG's written evidence**

LITRG's response also builds on a previous submission to the committee in October 2023 ([www.litrg.org.uk/10869](http://www.litrg.org.uk/10869)).

We highlighted that, although digital services can be greatly beneficial to both taxpayers and the tax system, there are issues with HMRC's current suite of digital services, and we are not supportive of HMRC's attempts to force people to use digital channels before they are of a sufficient standard to meet their needs.

Our response examines HMRC's decision to permanently close and restrict the self assessment helpline and the reversal of that decision 24 hours later. We conclude that HMRC's plans were too aggressive, were not built on a solid understanding of taxpayer needs and did not have a robust evidence base. Our response also draws out points made in the recent National Audit Office report on customer service. That report echoed many LITRG concerns, including those we have made about the data used by HMRC to make decisions.

The remainder of our response examines what steps HMRC need to take next in developing their digital strategy to ensure that they are building good quality digital services, encouraging people to use them and supporting them to do so. It highlights the need for a clear provision for those unable to use digital services and recommends that any strategy should be published so external stakeholders can hold HMRC to account.

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## **ATT's comments**

The announcement of the general election and the resulting prorogation of Parliament on 24 May brought forward the deadline for submitting evidence to the PAC for this inquiry, and it was not possible to submit our evidence within the reduced time. Our intended submission highlights that members continue to experience significant problems with HMRC's performance. We regularly receive reports of agents waiting at least 40 minutes for phones to be answered, poor quality or meaningless advice on webchat and long delays in getting answers to post. While we welcome the recent additional funding provided for HMRC, there will inevitably be a substantial lead time before improvements can be made.

Our members would be keen to do more online with HMRC, but there are significant gaps in HMRC's digital services and, even where services do exist, agents do not always have access to the full range of digital services available to taxpayers.

We also have concerns about how HMRC are going to manage both their old legacy and new systems as Making Tax Digital for Income Tax and Self-Assessment are rolled out over the coming years. As it will be a number of years (timescale yet unknown) before all taxpayers are migrated to HMRC's Enterprise Tax Management Platform, we think it is important that HMRC are adequately funded to maintain their existing systems to the same level. Too often we are told that 'Making Tax Digital will fix that' but a full migration of individual taxpayers to Making Tax Digital systems is some years off.

The CIOT's written evidence can be found at: [www.tax.org.uk/ref1317](http://www.tax.org.uk/ref1317).

LITRG's written evidence can be found at: [www.litrg.org.uk/10923](http://www.litrg.org.uk/10923).

ATT's comments can be found at: [www.att.org.uk/ref457](http://www.att.org.uk/ref457).

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