Tax credits compliance checks

General Features

01 November 2016

LITRG tackles HMRC over the performance and value of the services provided by third party contractors carrying out tax credit compliance checks with some success

In November 2014, HMRC announced it would be using the services of a private third party company called SYNNEX-Concentrix to carry out tax credit compliance checks on their behalf. Many of the checks done by Concentrix over the renewals period (between April and July 2016) were in relation to 'undisclosed partners'. In such cases, information obtained from credit reference agencies is used to assert that the claimant has another person living with them and their single claim is therefore incorrect and overpaid.

Since the beginning of the contract we have raised a number of concerns with HMRC about the quality of decision making and service offered by Concentrix. More recently, LITRG experienced a particular surge in contact from tax credit claimants who had been subject to compliance checks by Concentrix and who were unable to get through to the main Concentrix number. Some claimants reported that they had not received the initial information request letter, others had received and sent information back but their payments had stopped anyway and some were reporting decisions that seemed to ignore evidence provided by the claimants.

HMRC have acknowledged that there has been a drop in service standards and in late September took the following steps to improve service on the Concentrix main helpline:

- 150 staff have been redeployed from HMRC to Concentrix to deal with mandatory reconsideration requests in an attempt to free up Concentrix staff to answer their phone lines.
- Concentrix will not be opening any new investigations.
- HMRC has written to people who have not heard anything about the status of the checks on their claim but who remain in payment to reassure them of this.

- Those who are waiting for mandatory reconsiderations/appeals or who have renewed but not heard anything from Concentrix are being directed by automated message on the Concentrix phone line to call the main HMRC tax credit helpline for updates on their case.
- HMRC has arrangements to deal with escalated cases from MPs. Anyone dealing with claimants who have had payments stopped should ask their local MP to refer their case to HMRC.

Since HMRC implemented these measures, we have started to see fewer complaints via the LITRG websites from people struggling to contact Concentrix. However we will continue to monitor the situation.

HMRC has also confirmed publicly that the contract with Concentrix will not be renewed when it expires next year. Although welcome news, there remain many elements of the contract that need to be examined further. There should be a published review of the contract both in terms of value for the taxpayer as well as the performance of Concentrix and the impact on claimants.

It is also important to highlight that some of these issues are not only a problem for Concentrix cases. We have had similar reports in the past about the quality of HMRC decision-making in ‘undisclosed partner’ cases and we will be continuing to highlight concerns and seek improvements.

Advisers who deal with tax credit claimants can find updates about the situation on our website for advisers www.revenuebenefits.org.uk. Claimants worried about their situation may consult our Q&A sheet.