New report lays bare HMRC failings

Briefings



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A new report on HMRC service levels has laid bare the extent of customer service failings and the scale of cuts being asked of the tax authority, CIOT has warned.

The report by the National Audit Office, published 15 May, reveals that callers to HMRC spent a cumulative 798 years waiting on hold in 2022-23 – more than double that of 2019-20. The department is looking to move callers away from helplines to digital platforms as it attempts to cut staff numbers by an unprecedented 14% in 2024-25.

Financial Secretary, Nigel Huddleston, announced earlier the same week that £51 million in additional funding would be provided to HMRC to improve customer helplines, but the CIOT has warned that this is just a small fraction of the annual £881 million net cost of HMRC's customer service directorate and is less than half of the savings the tax authority has agreed to make this year.

Richard Wild, CIOT Head of Tax Technical, explained: 'The NAO report shows not just the extent of HMRC's customer service failings but that of the cuts being imposed on

it while the number of taxpayers and the complexity of their affairs is increasing.

‘With the report suggesting HMRC customer services have been told to find at least £116 million of new savings during the 2024/25 tax year, the £51 million funding injection, while welcome, amounts to no more than slowing the pace of the cuts and tempering their short-term impact.’

Victoria Todd, Head of LITRG, said: ‘The NAO findings echo our longstanding concern that HMRC has been too aggressive in its efforts to force taxpayers away from its telephone helplines towards online services.

‘We welcome the NAO’s recommendation that HMRC adopts a more realistic and customer-focused approach to encourage the take-up of digital services.’

Read our summary of the NAO report at: tinyurl.com/NAO-HMRC