

Invest in tracking system to improve HMRC effectiveness, says CIOT

Briefings



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The Institute gave a cautiously positive response to the government's spending review.

CIOT welcomed the confirmation of additional resources for HMRC in June's spending review and set out a number of ways the money could be spent effectively to improve HMRC's efficiency and deliver better service to taxpayers and agents. The Institute also raised a number of questions following the announcement, including around provision for the digitally excluded.

John Barnett, CIOT Vice President, commented: 'This is a significant increase in current spending for HMRC, as promised by the new government. It is important that it is spent well to make real progress in improving current HMRC customer service levels.'

CIOT has said that digitalisation has to work for taxpayers and agents as well as HMRC. John explained: 'Moving from 70% of customer interactions being digital to 90% is a big step up. It will need existing digital services to be improved, the gaps in digital services to be closed, and the level of reassurance for those users of digital services that they have done the right thing to be improved too.'

Reduce demand not support

CIOT emphasised that HMRC need to find ways to reduce the demand for their help, rather than simply reducing the supply of support. A joint CIOT-ICAEW study last year found that more than a third of attempts to contact HMRC are to chase progress on existing matters.

The Institute points out that the need for these could be eliminated by investing in an external tracking mechanism, enabling taxpayers and agents to track that HMRC have received their correspondence, to see where in HMRC it is being handled, and to check progress. The Institute argues that progress chasing should be a key function of any new digital service.

Noting that HMRC have now said that they are going to 'eliminate all outbound post, with limited exceptions such as letters which generate revenue for the Exchequer', John Barnett called on the tax authority to provide reassurance that protection will remain for those who are digitally excluded.

Noting the statement that 'HMRC has worked with the Office of Value for Money to identify £773 million of technical efficiencies', he called on HMRC to set out what these efficiencies are in order to reassure taxpayers and advisers that this is not simply a euphemism for cuts.

Secure communications

CIOT and ATT have both been encouraging HMRC to prioritise the development of secure digital ways to contact them, highlighting a significant unmet appetite to communicate with HMRC digitally. The bodies welcomed the statement by HMRC Deputy Chief Executive Angela MacDonald at the Public Accounts Committee on 12 June that HMRC have received funding in the spending review to allow them to procure and roll out a platform to deliver this, first in compliance, then across customer services.