

What use is a Charter if the narrative is all one way?

HMRC needs to listen more and dictate less, writes Tony Margaritelli

“HMRC has a clear and vital purpose – to collect the money that pays for the UK’s public services and give people financial support”

“We are fully committed to our Charter because the experience our customers have is central to our vision of being a trusted, modern tax and customs department”

Both these quotes are from Sir Jim Harra KCB, as quoted in the HMRC Charter Annual Report 2023 to 2024. Fine words, as one would expect from someone who has spent a lifetime – to clarify, nearly 40 years – in the Civil Service, and if he has learned only one thing during his tenure then it’s the value of a good soundbite.

Here he is again: “Something that we’ve talked about for a long time is citizen-centred services, and digital and data solutions nowadays make it a reality that we can deliver. We can achieve this if we are innovative and if we focus on the citizen or the business rather than on our organisational boundaries within the Civil Service.”

Then in the latest report we get five simple bullet points that are under the heading ‘HMRC’s overall customer experience’:

The proportions of customers who positively rated their overall experience of interacting with HMRC in 2023 were:

- 58% of individuals (65% in 2022)
- 70% of small businesses (74% in 2022)
- 53% of mid-sized businesses (52% in 2022)
- 81% of large businesses (81% in 2022)
- 37% of agents (45% in 2022)

Of the five types of taxpayer identified only mid-sized business showed an improvement, which was one percentage point only. Individual taxpayers’ positivity fell to only 58%; small business’ to 70%; and, worst of all, only 37% of agents were feeling ‘the positivity’. Think on that for a moment: 37%. Then reflect on how many of the small businesses and mid-sized businesses were shielded from HMRC problems by their agent.

How will these figures improve, as HMRC take up what looks like a pivotal role under the new government to bring in every £1 due? It seems that no matter what taxpayers say or ask for they will be provided with what HMRC want to give them. And they will be told that it’s what the majority want and it’s working. Agents will be the guinea pigs for an MTD policy that will test them, their software providers and the client’s patience and all because of some idea that it will reduce errors, while little genuine information to back this up has been produced.

A 30-page document that serves only one purpose – namely, to make HMRC feel comfortable with what they are doing and, more to the point, what they are about to do, that does not in any way address the deep felt anxiety that is affecting agents.

We need and deserve a revenue service that delivers what is needed, not what they think we think is needed, nor something that they think they can make us believe in, because it's been sold to them as a panacea for their problems.

Will we get it? Who knows – but I will say that agents, especially in the tax dispute sector, are going to do their very best to ensure that HMRC actually does follow the Charter.

You can read the Charter Annual Report for yourself at <https://tinyurl.com/dwfy2246>

- Tony Margaritelli is the Publisher of HMRC EIP magazine