

Gino's Contraband: a sorry tale

Tony Margaritelli reviews a tale of HMRC failing an honest person (sorry 'customer')

I picked up the book 'Gino's Contraband' following a posting by Dave Chaplin, and I got in touch with the author, Gabrielle O'Donovan, after reading some extracts. These made me very angry and I thought I'd pen a line or two about the book and, of course, Gabrielle.

Gabrielle says she has had a modest career as a consultant, business author and university lecturer. She believes herself to be smart and digitally savvy, having undertaken lots of corporate training to spot a scam. She has even secured counter terrorism clearance for a role with the Metropolitan Police. So most definitely not someone easily misled or naïve.

In November 2019, she received a letter at her home address informing her of unpaid VAT and import duty on 270,000 Benson & Hedges cigarettes bound for her home address. The letter states the contraband belonged to a certain Gino (no surname) at Miki National Co Ltd. So obviously nothing to do with her, and she did what most of us would do – posts it back.

A week later another letter arrived from HMRC, still on about the 270,000 ciggies and suggesting that she could challenge the lawfulness of the seizure at court by submitting a NOTICE OF CLAIM. More worryingly, this letter was addressed to her home had her full name neatly typed above the address.

The letter was poorly drafted; she had no outstanding tax due to HMRC and had received nothing via her online tax account. The addressee (her) and the owner of the goods (Gino) are two different people, so the conclusion she draws is one many of us would draw – that it's a scam, and a fairly poor one at that. Confidently, she puts the letter to one side and gets on with her life.

Fast forward to June 2021, and Gabrielle receives another letter from HMRC, which she assumes to be a reminder for self-assessment or possibly a reminder about a due payment on account. Sadly no, it was an 18-page missive addressed to her at her new address, with the headline 'Pre-Excise Duty Assessment and Penalty Notification', still on about the ciggies for Gino at her old home address. The letter was full of grammatical errors, with numerous spelling errors, and didn't even have an address for the senders at HMRC. Checks on the 'phone number and even a search for the person who signed the form proved fruitless. It must be a scam, so move on.

As the letters continue to arrive Action Fraud becomes involved, along with the police, who even authorise surveillance outside her home to catch the criminals trying to scam money from her.

And yet it wasn't a scam – it was HMRC.

Then, despite countless phone calls to countless people at HMRC, Gabrielle eventually ends on HMRC's list of deliberate tax defaulters!

This is a horrible tale of epic communication failures by HMRC, about the pain and anguish they have put Gabrielle through over a period of years. It leads me to think this is one tough lady, because I don't know how I would fare given the same harrowing circumstances.

HMRC have a duty of care to all taxpayers (sorry customers), and that starts with communication to convey what is happening and why it's happening. After all, human interaction can not only lead to money being saved, but could actually save lives. Letters with no address, no contact number, no named individual who is directly contactable and responsible cause untold problems. Throw into the mix wretchedly drafted and poorly written communications and you wonder why more letters aren't assumed to be scams.

As a tax professional involved with HMRC on a daily basis this book will hold your attention, because it is something WE have allowed to develop. We value our time so much that we don't want to waste it calling out rubbish, because even if it's badly drafted we understand what it's about because we live it. So we just deal with it, and maybe mutter under our breath and shake our heads. We raise the example with colleagues at lunch and at meetings and maybe on occasion we get in touch with our institute, but we don't push back, we don't highlight inaccuracies and poor grammar, we don't report or push for a response when none is received and we don't question and call out ludicrously lengthy delays at every turn.

The result is that taxpayers like Gabrielle are put through years of anguish, and it is partly our fault because we didn't do enough to make HMRC aware of the consequences of their actions. If ever there was a case that highlighted the need for a taxpayers' bill of rights that Dave Chaplin has been championing, surely this is it.

HMRC have failed Gabrielle, but she has fought back and claimed a victory of sorts. But how many other Gabrielles are out there who didn't fight back, and suffered as a consequence? As professional agents and accountants we have a duty to hold HMRC to account for their failings – if we did, HMRC would get better and would save money that is presently wasted pursuing the wrong people/case. The tax gap would close, our working lives would be easier and taxpayers like Gabrielle wouldn't have to write books like this.

This book is well written, holds nothing back and should be mandatory reading for all new HMRC staff.

- Tony Margaritelli is the Publisher of HMRC EIP magazine