

Is this the best HMRC can do?

Tony Margaritelli highlights a case where the tax authority consistently failed a taxpayer – then simply recommended she complain

In March I came across a thread on LinkedIn that caught my eye. It concerned Jessica Harrison, an individual taxpayer (sorry, customer), who having done exactly what was expected of her suddenly found herself having to deal directly with HMRC. It was not a good experience, not only making her feel exasperated but bringing her to tears.

Here is her original thread and, be advised, as professionals in taxation and accounting it will make your blood boil:

“I’m curious to know how many self-employed parents (especially mums) have become unemployed because of HM Revenue & Customs. I registered for my self-employed Unique Taxpayer Reference (UTR) in January over the phone, after becoming self-employed on 5 January. I was told it would arrive in the post within three weeks, but received nothing. I called up again in February, to be told I had not been registered. So I re-registered, and was assured it would arrive in the post. Once again, it didn’t arrive. I’ve called this morning, and have been told I am still not registered, even though all my details are on the system. I was told I’d have to go through the whole process again and they could re-register me. The person I spoke to said there is no one to escalate this to, no complaints department, and no way of getting this resolved (other than to go round and round in circles, re-registering myself in the hopes that one day it will work).

“The problem is that without a UTR, I cannot secure my children’s funded childcare places. I’m about to be out of pocket by thousands of pounds for the last two months of childcare and will need to pull my two youngest children out of childcare and become unemployed to take care of them, because it’s not financially viable for me without the funding. I will be turning down the freelance work I’ve just worked so hard to secure. The irony is that HMRC has sent me enough letters through the door to tell me I no longer have any childcare support because I haven’t obtained my UTR.

“I’m at a complete loss and have sat in tears this morning wondering what I can do next. All I can think of is tagging those high up at HMRC in this post (though it seems most won’t allow you to mention them - I wonder why!) and hoping someone out there on LinkedIn knows how I can get this issue resolved.”

The comments from those who were not accountants or tax specialists, just customers, were uniformly of a type such as: “I realised after several calls that I was being given generic advice, I then practically cry on the phone”, or “I am so sorry to read this! I have had similar diabolical experiences with HMRC! It is funny how easy they make it to pay them money, but when I have been trying to reclaim overpayments I had to wait six months.” Another said: “My experiences with HMRC have been so diabolical I’ve almost given up. Waiting for hours on the phone only to be cut off. Failing the ‘security check’,

despite having all the necessary information to hand.” And this succinct comment was posted: “Shame on you HMRC and get this sorted.”

Lots of accountants and specialists responded and, of course, virtually all were complaining.

So here we have a fully compliant taxpayer (enough of this customer rubbish), doing her best to navigate the system for the benefit of her family and one call to HMRC reduces her to tears. Think on that for a moment: you do your best, you exhaust all the tech options and you think by talking to a human they will understand and help. And you end up in tears, of frustration and anger. But fear not – HMRC, ever vigilant, pick up on the thread and spring into action with this (I kid you not):

“We’re sorry you’ve had difficulties registering for a UTR. We do have a complaints team, which you can contact here: <https://www.gov.uk/complain-about-hmrc>”

One respondent sums up the situation perfectly: “Rather than guide this distressed taxpayer in wasting more time in making a complaint, just sort out the problem! If she truly is your ‘customer’ treat her like one.”

At the time of writing this Jessica now has her UTR has been able to appeal her childcare. She had this to say: “Fingers crossed this means the issue will finally be resolved. I also received a sincere apology (which I’ll be getting in writing), and the multiple call handlers who failed me at every point are being dealt with.”

Magnanimously, because I doubt I would be in these circumstances, she gives credit to the one HMRC employee who actually did something rather than push her down the line: “ It only takes one efficient worker in a sea of inefficiency to make a difference. Huge thanks to Anne Bannatyne at HMRC for actually taking the time to listen, piece everything together, and resolve the issue.”

The whole thread can be seen in full on Jessica’s LinkedIn page and frankly it should be mandatory reading for all at HMRC, whatever their level. No matter how many staff you have, no matter how big your budget is, no matter how much to say you care, no matter how much you rattle on about the Tax Gap, no matter how much you say use the tech options, if your first course of action when confronted by a genuine and compliant taxpayer is to ignore the actual problem and to recommend making a complaint then there is something very wrong with HMRC.

- Tony Margaritelli is the Publisher of HMRC EIP magazine