

Written evidence submitted by David Dibbens

Submission of evidence on HMRC Standard Report 2022-23

This submission is based on recent cases taken from engagements with HMRC evidencing the poor practice that NAO outlines. This covers, blatant lying and practices that fail the “best practice” test.

I am making this submission to identify and humanise a report that “white washes” and “spins” the organisation, failing to mention strong, deep seated communication and competence failures. For example, top management or HMRC staff respond effectively by email to complaints – so complaints disappear into a blackhole – poor practice. They may appear 7 weeks later though as a surprise!

Such poor processes and sanitised reporting as delivered to Taxpayers is unacceptable and organisational weaknesses need to be called out and addressed. HMRC failures add to workloads and taxpayers/service users stress.

In the event of publication, I would ask my personal address and contact data is NOT published.

Issue 1 – Debt Management/Recovery – Revenue Collections and Compliance

Poor effectiveness of HMRC debt management by HMRC spending time, money and enforcement resources on small sums – under GBP100 of aged debt- 4yrs+. In commercial practice such debts are:

- + Subject to immediate and consistent communication – not in HMRC.
- + If the debt cannot be collected actions taken are either it is written off, or passed to debt collection agencies rewarded on collection recovery.
- + HMRC are failing to follow the correct processes, as defined by the Financial Services industry in relation to debt recovery. Thus process is non-compliant with wider financial services best practice.

Thus actions/inactions in HMRC Debt Management mean resources are not optimised so the amounts the Revenue gain are sub-optimised. Is chasing a small limited company for GBP89.00, yet never communicating the debt for 4years and 9months, is the best use of HMRC debt management resources? Arguably such actions cost more in management time and resources to collect than to write it off. Just one example of the deep vein of HMRC Debt Management failures in processes and policies that mean British taxpayers see HMRC chasing small aged debt so greater, younger debts go unrecovered.

Odd that directors can deliberately liquidate companies to avoid HMRC payments. HMRC management should seek legislation to support:

- a) Subject to investigation – was this credible and a valid business strategy or implemented to avoid payments to the Revenue?
- b) At risk of being disbarred as a company director for 2yrs?

Senior management failure to seek suitable legislation thus failing the tax take of the British people.

Issue 2 – Customer Services and Communications - False information provided to users, no proactive engagement – Healthcare S1 certificates, State Pension notification.

HMRC fails to keep website information up to date. So the S1 Healthcare certificate site notifies claimants, “notification is required 8 weeks in advance of the existing certificate”, if held, is required. This is false – it takes at least 15 weeks – this failure results in claimants losing healthcare coverage for themselves and their families. Imagine the issues if an individual, covered by the S1 process, needs ongoing treatment for cancer – healthcare is lost. When it needs reimplemented – Taxpayers suffer delay of 1-2 months and requires full resubmission of appropriate documentation. Urgent calls to the International Healthcare office in Newcastle putting additional demands on this stretched resource.

The problems here are that:

- + HMRC fails to keep their information accurate – claim this failure is due to cost pressures.
- + Despite holding email, postal addresses, and the end dates of existing S1 certificates – HMRC do not engage with Taxpayers to support continuity of their healthcare provision.
- + Despite an HMRC claim to keep forthcoming UK State Pensions notified in advance that they need to launch their claim for pension payment well in advance of their eligible birth date they do not do this.

At the root of this issue - lack of communication and Taxpayer engagement with failure to use data they have. So Taxpayers and HMRC staff keep wasting operational time and resources.

Conclusion

The HMRC report 2022-23 fails to identify the deep-seated issues in HMRC:

- + Poor communication across organisation senior management. Staff for example do not know who their leader is. Failure to use Taxpayer/User data to cut costs and speed performance.
- + Passive Taxpayer engagement adds to operational costs, Taxpayer stress and delivers as a consequence poor service standards.

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