

# House of Commons: Written Statement (HCWS762)

## Treasury

Written Statement made by: **The Financial Secretary to the Treasury (Jesse Norman)** on 04 Feb 2021.

### HMRC Powers and Safeguards

On 22 July 2019, I announced a comprehensive package of measures that HMRC were taking to maintain and develop public trust in their operations (HCWS1785). Today, HMRC have published a major part of this package; a report on their evaluation of the implementation of powers introduced since 2012: <https://www.gov.uk/government/publications/evaluation-of-hmrCs-implementation-of-powers-obligations-and-safeguards>. I asked HMRC to engage with stakeholders, including taxpayers and their representatives, and I am very grateful, in particular, to the 16 external stakeholder organisations that have offered constructive challenge to HMRC throughout the evaluation.

Alongside changes that HMRC are already introducing, the evaluation has highlighted further opportunities for improvements that will build and maintain public trust in the tax system. HMRC are making a number of commitments as a result of the evaluation. These include commitments to improve communications with taxpayers about powers, obligations and compliance enquiries; to update and clarify guidance on taxpayers' rights and obligations; to increase awareness of HMRC's internal decision-making and governance processes; and to make further improvements to taxpayers' customer experience. The commitments are designed to ensure that HMRC consistently meet the high standards that taxpayers expect, including those who do not have a tax agent, and especially where people may need extra support.

All but one of the measures that I announced in my July 2019 statement have now been delivered by HMRC. They have created the new Professional Standards Committee, published responses to the 2019 and 2020 Adjudicator's reports and published new principles regarding help for taxpayers who may need extra support.

HMRC have also expanded the range of data published regularly to include new data that will help taxpayers to understand how HMRC approach compliance work and how they use relevant powers, and to assess the effectiveness of HMRC's safeguards for taxpayers.

On the final measure I announced in my July 2019 statement, HMRC continue to take forward a range of actions to improve taxpayer experience. They have reviewed and improved over six hundred of HMRC's most commonly used letters and factsheets, simplifying the language used. They have put processes in place to keep letters under review, and to respond where further areas for improvement are identified. Last year HMRC also set up a new Extra Support Team to improve their identification of, and assistance to, taxpayers who may need additional help during compliance checks. HMRC have already responded to over 1,000 referrals and provided training to nearly 12,000 caseworkers.

HMRC have also made substantial progress in other areas. In particular, they are continuing to strengthen the guidance available to taxpayers to help them understand better the compliance check process, in order to reduce any stress involved and to build greater confidence and trust in HMRC. In December, HMRC launched a series of bitesize YouTube videos on key aspects of this process, and they are also trialling a new introductory pack which taxpayers will receive when a compliance check is opened.

HMRC's programme of work on powers and safeguards is an important contribution towards the vision that the Government set out in July 2020 for a trusted and modern tax administration system. HMRC will implement the commitments in this report and continue to work with taxpayers, tax agents and their representatives, to maintain and develop public trust in their operations.