

**Modernising Revenue Scotland’s tax administration framework – communications
from Revenue Scotland to taxpayers: Consultation
Response from the Low Incomes Tax Reform Group (LITRG)**

1 Executive Summary

- 1.1 We welcome the opportunity to respond to this Scottish Government consultation¹.
- 1.2 We support digitisation in principle and recognise that digital services can offer clear benefits to both taxpayers and Revenue Scotland in administering the relevant devolved taxes. While we can see the benefits of a “digital by default” system (for both taxpayers and Revenue Scotland), safeguards must remain in place to ensure it does not evolve into a “digital-only” system.
- 1.3 We agree that there are challenges with Revenue Scotland’s current communications approach. However, we believe some of these challenges apply to both digital communications and postal services – the same factors which limit access to postal services can also be associated with digital exclusion.
- 1.4 Any move towards a “digital by default” model must be carefully designed to ensure that it does not disadvantage those who are unable or less confident in engaging digitally. While we welcome the intention to support digitally excluded taxpayers, inclusion must be embedded as a core design principle for any new model of communication.
- 1.5 The success of a digital-first approach relies on the quality and usability of any new systems introduced. Digital services must be designed to a high standard and informed by rigorous testing across a diverse range of users, including those with accessibility needs.
- 1.6 We would only support the move away from a consent-based approach for digital communications where this change of approach is communicated clearly, and where clear and accessible opt-out mechanisms are put in place.

¹ <https://www.gov.scot/publications/modernising-revenue-scotlands-tax-administration-framework-communications-revenue-scotland-taxpayers-co>

- 1.7 Strong safeguards are needed to ensure taxpayers can fairly challenge presumptions of receipt and are not disadvantaged by digital communication failures. The ability to rebut the presumption of receipt should not place an unfair burden on the taxpayer.

2 About Us

- 2.1 The Low Incomes Tax Reform Group (LITRG) is an initiative of the Chartered Institute of Taxation (CIOT) to give a voice to the unrepresented. Since 1998, LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those who are least able to pay for professional advice. We also produce free information, primarily via our website www.litrg.org.uk, to help make a difference to people's understanding of the tax system.
- 2.2 LITRG works extensively with key stakeholders such as HM Revenue & Customs (HMRC) and other government departments, commenting on proposals and putting forward our own ideas for improving the tax system. LITRG also considers the welfare benefits system, and other related systems, to the extent that they interact with tax.
- 2.3 The CIOT is a charity and the leading professional body in the United Kingdom concerned solely with taxation. The CIOT's primary purpose is to promote education and study of the administration and practice of taxation. One of the key aims is to achieve a better, more efficient, tax system for all affected by it – taxpayers, advisers and the authorities.

3 Introduction

- 3.1. This consultation explores proposed changes that would enable Revenue Scotland to use electronic communications as its default means of communicating with taxpayers, whilst retaining the option for taxpayers who opt out to receive communications via the postal service.
- 3.1. Section 251A of the Revenue Scotland and Tax Powers Act 2014 enables Scottish Ministers to make regulations about communications from Revenue Scotland to taxpayers.² However, these powers were not part of the original 2014 Act, which pertained to communications *from* taxpayers *to* Revenue Scotland only. Section 251A of the Act was inserted later by the subsequent Aggregates Tax and Devolved Taxes Administration (Scotland) Act 2024, creating additional powers, which to date, have not yet been exercised.
- 3.1. Our submission focuses on the devolved taxes that are most relevant to individual taxpayers, namely Land and Buildings Transaction Tax (LBTT) and the Additional Dwelling Supplement (ADS) and the communications associated with these taxes. Although Revenue Scotland's remit means that relatively few unrepresented taxpayers are directly affected by the issues considered in this consultation, we nevertheless take an interest in the proposals, as the communications framework

² See <https://www.legislation.gov.uk/asp/2014/16/part/12/crossheading/communications-from-revenue-scotland-to-taxpayers>

established now could have wider relevance in future, were Revenue Scotland's remit to be expanded.

- 3.2 The points made in this submission focus on the perspective of the unrepresented taxpayer. We understand from Revenue Scotland's own published statistics page that 'the vast majority' of LBTT returns are submitted online by agents acting on behalf of taxpayers.³ Our colleagues in the CIOT's technical team will be submitting a response to this consultation, which will address the questions from an agent perspective.

4 Challenges and issues with current communication arrangements

- 4.1 We agree that there appear to be challenges with Revenue Scotland's current communications approach. The consultation identifies administrative inefficiencies, particularly in obtaining consent from taxpayers to engage digitally, which can lead to delays.
- 4.2 Recent media stories have highlighted that rural areas of Scotland are facing service issues with Royal Mail.⁴ In areas affected by postal service disruption, the current approach may increase the risk of unrepresented taxpayers missing key communications and deadlines, potentially leading to location-based inequality. However, these challenges are not universal and the same factors that limit access to postal services, such as rurality, can also be associated with digital exclusion, on the grounds of being unable to access a reliable internet connection.⁵

5 Proposed changes to the use of electronic communications

- 5.1 We agree in principle with the proposal to move to electronic communications by default, in cases where an appropriate means of electronic communication has been provided. However, the current requirements for taxpayer consent provide an important safeguard and ensure that taxpayers are not forced into digital communications without their knowledge, or in circumstances where it is not appropriate. We would therefore only support the move away from a consent-based approach where clear and accessible opt-out mechanisms are put in place. Any changes must also be clearly communicated to taxpayers.
- 5.2 We agree that the definition of electronic communications, as set out in the consultation, provides flexibility for Revenue Scotland to communicate through a range of measures. However, we have some concerns about the potential use of social media as a form of communication and would expect greater clarity to be provided regarding what kinds of social media may be used and for what

³ See <https://revenue.scot/news-publications/publications/statistics/land-buildings-transaction-tax-statistics-0>, under the heading 'Data Sources'.

⁴ https://www.heraldscotland.com/news/26166747.agency-staff-parachuted-amid-mull-royal-mail-collapse/?utm_medium=Social&utm_source=Facebook#Echobox=1780583007

⁵ Ofcom's annual Media Use and Attitudes 2026 report found that 6% of UK adults do not have home internet access. See <https://www.ofcom.org.uk/media-use-and-attitudes/media-habits-adults/adults-media-use-and-attitudes>

purposes. While social media can be a useful tool for promoting key messages, for example, the UK government's WhatsApp channel allows taxpayers to subscribe to receive updates to their phone⁶, we would be uncomfortable supporting social media being used to communicate directly with taxpayers about their specific individual tax affairs. However, we do not have a good enough understanding of the security and privacy risks associated with specific social media platforms to be able to comment on the appropriateness of their use. We have concerns that taxpayers may be less likely to trust communications received through social media, increasing the risk that genuine messages are overlooked or mistaken as spam. There is also a converse risk that recognising social media as an official communication channel could make it harder for taxpayers to identify fraudulent communications. Taxpayers who become accustomed to receiving legitimate messages via social media may be more likely to trust convincing impersonations, increasing the risk of scams and misinformation.

- 5.3 Digital services must be sufficiently expanded and fully developed before a "digital by default" approach is adopted. Revenue Scotland currently uses the Scottish Electronic Tax System (SETS) to provide a secure platform to communicate and for filing online returns. However, its functionality for unrepresented taxpayers is limited.
- 5.4 Currently, SETS can only be used by unrepresented taxpayers to submit a lease review return or submit an ADS repayment claim. No online service is currently provided for unrepresented taxpayers to submit a conveyance or first-time lease return. (Furthermore, no LBTT return form is made available online, with taxpayers having to email Revenue Scotland to request a paper form.) We would therefore support the functionality of SETS being expanded, so that those unable to pay for agent representation are able to self-serve digitally. We recognise that this is likely to relate to only a small number of individuals, given that the majority of LBTT returns are submitted by agents.
- 5.5 Whilst we would encourage the expansion of the SETS platform for online communications to taxpayers as a means of improving the efficiency and traceability of communications, there is a risk that taxpayers may not routinely access it. It is therefore important that any online platform approach is supported by timely and clear notifications via a separate approved communication channel, such as email or text message. In particular, for communications which dictate that a taxpayer must take action (for example, filing reminders), a multi-channel communications approach should be used to reduce the risk of missed deadlines.
- 5.6 Any online system must be easy to use and should be tested by a diverse group of users, including unrepresented taxpayers, taxpayers with disabilities and those for whom English is not their first language. Input from Revenue Scotland's Enhanced Support Service will also be important in ensuring that systems are designed with inclusivity in mind. Revenue Scotland should also consider the ability for notifications or reminders to also be sent to a trusted helper, for those taxpayers who need additional support.

⁶ See <https://www.gov.uk/government/publications/phishing-and-bogus-emails-hm-revenue-and-customs-examples/phishing-emails-and-bogus-contact-hm-revenue-and-customs-examples#whatsapp-messages>

5.7 As an alternative to the online SETS platform, Revenue Scotland could consider greater use of email to correspond with taxpayers. We are not best placed to comment on the security risks associated with email communications. However, we would expect Revenue Scotland to give careful consideration to any security, privacy and data protection implications before increasing its reliance on email. The use of email, rather than an online platform, may be more welcomed by unrepresented taxpayers as it is more likely to be a method of communication they are familiar with. The use of email may also be more appropriate for communications that require a reply.

6 Establishing an opt-out

6.1 We strongly support the ability for taxpayers to be able to opt out of receiving digital communications by default. The opt-out process should be simple to use and accessible. To support digitally excluded taxpayers, the opt-out method should be available through multiple channels, for example by phone or via a paper form, and not solely digitally. Taxpayers should also receive confirmation that their opt-out request has been received.

6.2 It is not clear from the consultation document whether taxpayers will be able to choose to opt-out for any reason, or whether this will be limited to those taxpayers who are digitally excluded. If the opt out is designed to only apply to “digitally excluded” taxpayers, it is important that the definition of digitally excluded remains broad. The consultation indicates that taxpayers would self-assess whether or not they were digitally excluded. This assessment should be taken at face value with no burdensome need for proof. We would recommend that this status is given on a permanent basis, rather than a recurring obligation. A taxpayer should be able to opt out until such a time when, or if, their circumstances change, resulting in them no longer being digitally excluded. Equally, taxpayers who have opted out should be able to opt back into digital communications easily and at any time, should their circumstances or preferences change.

6.3 Taxpayers may also become digitally excluded over time, due to changes in circumstances. For example, a taxpayer may be able to engage digitally at the moment but may struggle to do so in the future due to age, deteriorating health, or changing technology which they cannot keep up with. It is therefore important that the ability to opt-out of digital communications remains available in future and that taxpayers are made aware of this option.

6.4 Awareness and accessibility of the opt-out are as important as the right itself, otherwise the choice risks being ineffective in practice. There should be clear and prominent messaging about both:

- the fact that communications are going to be sent digitally from X date onwards
and
- the fact that the taxpayer is able to opt out of digital communications (with clear instructions on how to do so).

6.5 It is vital that the opt-out information is communicated regularly, including at the introduction of any changes and through ongoing communications. Additional steps may be needed to reach less digitally engaged taxpayers and those without an agent.

7 Establishing proof of transmission and presumptions related to receipt

- 7.1 Our key concern regarding the presumption of receipt is that “delivered” does not always mean “read”. Taxpayers may overlook or fail to engage with important communications regardless of whether they are sent electronically or by post. However, electronic communications may present additional risks. Emails may be caught by spam filters or mistakenly identified as spam by the taxpayer – this could lead to them being deleted without having been read. Use of the SETS portal, rather than email, could help mitigate these risks. An in-built tracker could be used to determine whether electronic communications have been accessed. For email communications, read receipts could be requested.
- 7.2 With regards to the ability to rebut the presumption of receipt, while the inclusion of “unless there is evidence to the contrary” is important, in practice it may be difficult for taxpayers to demonstrate non-receipt. This risks placing an unfair burden on individuals, particularly unrepresented taxpayers, who may be less aware of their ability to challenge a presumption of non-receipt and less able to identify, gather and present evidence in support of a claim that correspondence was not received. We would therefore urge caution and recommend that any such provision is accompanied by appropriate safeguards, including the requirement that Revenue Scotland records, retains and acts on any failure to deliver messages received. There should also be a clear and accessible mechanism for taxpayers to challenge presumed delivery.
- 7.3 The consultation notes that the proposed approach would align with other legislative frameworks, however it does not explain why the existing position, under the Interpretation and Legislative Reform (Scotland) Act 2010, is considered inadequate or why a departure from that approach is necessary. While we do not necessarily object, in principle, to the proposed same-day presumption of receipt, we consider that Revenue Scotland should set out the evidence and policy rationale for departing from the current 48-hour approach.
- 7.4 We would agree with alignment with the presumptions already in operation for HMRC to provide consistency for taxpayers.
- 7.5 To mitigate the risks of error and uncertainty, we would recommend that a follow-up communication should be sent using traditional mail to taxpayers who have not opened a digital message after a specified time period, even if they have not opted out of receiving digital communications.

8 Proposed changes to the use of Ordinary Post

- 8.1 We would agree that ordinary post is a proportionate alternative means of communication for those who cannot engage digitally. We recognise that providing a non-digital alternative is essential for taxpayers who are unable or unwilling to receive digital communications. However, we have reservations about whether ordinary *second* class post can be considered a proportionate alternative for some types of communications in the absence of additional safeguards.

- 8.2 We would be cautious about endorsing second class post as a default, as second class post is inherently slower⁷ and less reliable than first class post, which may increase the risk of delays. A balanced position may be to say that second class post may be acceptable for non-urgent communications, but where time sensitive action is required, first class post is used. We note that some correspondence would continue to be sent by recorded delivery for “high value” cases and would support this, however, we would welcome clarity on what Revenue Scotland considers to be high value.
- 8.3 We would agree in principle with the proposed rebuttable presumptions of delivery. However, any deemed delivery timeframes should reflect actual post delivery standards, which may fluctuate. We note that the timescales proposed align with Ofcom’s recent delivery standards, but these delivery standards reflect the current position and may change in future.
- 8.4 The burden of rebutting the presumption should not be set so high that it becomes ineffective.⁸ A flexible approach should be used for rebuttal grounds, with taxpayers not having to provide unreasonable forms of proof. A credible explanation which can be supported should be taken at face value. A clear accessible route should be provided for taxpayers to challenge presumed delivery.
- 8.5 We also note that non-receipt of post may arise in circumstances beyond a taxpayer’s control, even if Revenue Scotland has sent correspondence to an address which it believes to be correct. For example, letters may be sent to an outdated address where records have not been updated internally by Revenue Scotland staff following notification from the taxpayer of a change of address, or mail may be misdelivered to an incorrect address and not passed on by the recipient household.
- 8.6 In cases such as these, Revenue Scotland may not be aware that the communication has not reached the taxpayer. Any statutory presumption of delivery should therefore be drafted carefully to take these possibilities into account and should only apply where documents have been sent to an accurate address and have in fact been properly delivered. We would recommend that this is explicitly set out, for example, by changing the wording of the presumption to say, “In the case of documents served by ordinary post to a taxpayer **via an accurate address** in the UK.” We would recommend that the presumption also contains caveat wording such as “subject to Royal Mail delivering the documents to the correct address”.
- 8.7 We understand that there may be wider legal concerns regarding the rebuttable presumptions of receipt. We are not in a position to comment on these, but we would ask that Revenue Scotland consider whether further engagement with the wider legal community is needed, separate to this consultation.

⁷ Reforms to the Universal Service Obligation in 2025 mean that second class post is now only delivered every other weekday (Monday to Friday). See <https://www.royalmail.com/receiving/the-future-of-letter-deliveries>

⁸ Ofcom has fined and investigated Royal Mail in recent years for its failures to meet its delivery targets: <https://www.ofcom.org.uk/post/royal-mail/ofcom-investigates-royal-mails-202425-delivery-performance> and <https://www.ofcom.org.uk/post/royal-mail/ofcom-fines-royal-mail-10.5m-for-poor-delivery-performance>

- 8.8 A generous lead-in period should be given to give taxpayers time to adapt to any changes made. This also provides for a period for any new systems and processes to be rigorously tested. Guidance should be made available to support unrepresented taxpayers, as well as agents, which should clearly explain taxpayers' rights, including how to challenge presumption of delivery. This is especially important as the taxpayer would essentially have to prove a negative. Revenue Scotland should consider working with stakeholders at an early stage to help design any communications and help raise awareness of any upcoming changes. Additional resource and expertise must be considered, to support taxpayers and handle any queries arising from the increased shift to digital.
- 8.9 We would be happy to provide any further information or answer any questions on the above points. We should be grateful if you would acknowledge receipt of this submission and include LITRG in the list of respondents to the consultation.

LITRG

22 June 2026