

## LOW INCOMES TAX REFORM GROUP

### HM Revenue & Customs Charter RESPONSE TO FEBRUARY 2009 CONSULTATIVE DOCUMENT

#### 1. Introduction

##### 1.1. *About us*

- 1.1.1. 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 on low incomes.
- 1.1.2. 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.

##### 1.2. *Our response*

- 1.2.1. LITRG has fully supported the development of a "Taxpayers" Charter since the consultation process began. In addition to responding to the first written consultation stage<sup>1</sup>, we helped to organise focus groups to reach out to customers such as pensioners, migrants and young people to gain their views on the Charter.
- 1.2.2. We believe that the draft Charter published in the February consultative document fails to address adequately the needs of HMRC's most vulnerable customers: the unrepresented, low-income taxpayer or benefits claimant.
- 1.2.3. In addition to responding to the individual questions listed in the consultative document, we provide below (section 3) our view of what a charter should look like to serve this group, also limiting our draft to a single page for accessibility. But as our CIOT colleagues have said in their response, this initial short statement should be backed up with more detailed guidance.
- 1.2.4. In particular, we feel that the final Charter should inspire HMRC to make efforts to offer a joined up service – both across the various silos within the Department itself; and in working with other public bodies, *inter alia*, the Department for Work and

<sup>1</sup> See <http://www.litrg.org.uk/reports/submissions.cfm?id=588>

Pensions, local authorities and the Student Loans Company.

## 2. Response to Consultation Questions

### 2.1. ***Does this draft contain the right material to stand alone as a single accessible document setting out the rights and responsibilities of individuals and businesses?***

- 2.1.1. No, because it fails to strike the right balance between being short and being informative. We believe it is possible to give a lot more essential information but still contain the document within one page, as highlighted by the changes and additions in our alternative version in section 3 below. In drafting this alternative, we have drawn on points raised in the CIOT's submission, for example OECD recommendations and experience from other countries.
- 2.1.2. We also think that the current draft is clearly over-influenced by the 'HMRC Vision' and has in many ways lost sight of its primary purpose, ie to help taxpayers and benefits claimants.
- 2.1.3. The Charter must inform people about their rights and how HMRC respect them. The current draft does not adequately achieve this purpose.
- 2.1.4. We also believe that there should be a clear commitment from HMRC to keep the Charter under review and up to date, working with their users/stakeholders to ensure it reflects best current practice, although this perhaps does not need to be explicit in the Charter itself.

### 2.2. ***We recognise that you want us to be relentless in dealing with those who try to cheat the system. Does the draft Charter have the right emphasis on that point?***

- 2.2.1. Our view is that the wording used in the draft Charter ('pursue relentlessly those that break or bend the rules') over-emphasises the issue and does not reflect the understanding in implementing the new Powers regime that rules may be 'broken' innocently. Mistakes in people's dealings with HMRC are commonplace, but are often born out of ignorance or misinterpretation than wilful non-compliance. We would therefore like to see the Charter better reflect proportionate and reasonable use of powers and a co-operative relationship between HMRC and their 'customers'.

### 2.3. ***Do you think that there is an advantage in supporting the Charter with additional, more detailed information? If so, what kind of information would you want to see?***

- 2.3.1. Yes; it is not possible for a short Charter to contain all the appropriate information. In our draft below (see particularly the third section entitled '*HMRC will publish and make easily accessible to everyone*'), we show how we believe the important further information behind the Charter on taxpayers'/claimants' rights can be provided.
- 2.3.2. The Charter should also foster HMRC's efficient administration of the tax system by reflecting a commitment to publish HMRC's performance against service and equality standards.

2.4. ***Do you agree that the draft Charter is in line with your views on what it needs to contain?***

2.4.1. No, for the reasons given under 2.1 above. Our draft in section 3 below incorporates various changes and additions which we believe are essential in reflecting the needs of taxpayers and claimants in general, particularly the unrepresented.

2.5. ***Are any of the statements in Appendix B more appropriate to the draft Charter than those currently included?***

***Are there any statements in Appendix B which should be added to the draft Charter because they are not sufficiently covered by the current draft?***

2.5.1. We take these two questions together: We believe that our draft in section 3 below incorporates more of the statements from Appendix B without jeopardising the goal of a single-page, accessible Charter.

2.6. ***We would like to hear from you if there are further activities you think it would be useful for us to undertake to increase public awareness of the Charter.***

2.6.1. The Charter should be available and accessible to all. In view of our previous representations on disability, literacy, language and digital-exclusion (all of which can present barriers to communication), the Charter must be published in appropriate formats. That means having regard to those with special needs and providing a paper version to cater for people without access to, or ability to use, the internet.

2.6.2. HMRC correspondence should make reference to the Charter to increase public awareness of it and other profile-raising activities could include posting it up in HMRC's Enquiry Centres (including JobCentre Plus, where HMRC and DWP services are combined), and circulating copies via Citizens Advice Bureaux and other voluntary sector organisations which have regular contact with the public.

3. **A Draft Charter for HMRC: The LITRG version**

***HMRC will:***

- Work with you so that you pay us, and receive from us, the correct amounts.
- Use our powers reasonably and treat you as honest; but bring to account those who act dishonestly.
- Treat you fairly and with respect, and we will recognise your right to privacy.
- Provide you with the right help and with explanations you can understand, taking into account your needs.
- Work with you to minimise your costs in dealing with us.
- Make it easy for you to contact us and use our services in ways that suit you, recognising your right to be represented by someone else.
- Provide a prompt, professional service, concluding matters as quickly as possible.
- Use your feedback to improve our services.

- Work with other government bodies to join up our services, making them easier for you to use.

***HMRC expects you to:***

- Be honest and open, and work with us to make sure we have all relevant information from you to help us to get things right.
- Make returns and claims with care, to the best of your ability, knowledge and belief.
- Make returns and payments on time, but to contact us quickly if you are having difficulty.
- Respect our staff, treating them in the same way as you want them to treat you.
- Contact us when you need help, advice, or information, and to tell us if you have particular needs.

***HMRC will publish and make easily accessible to everyone:***

- Service standards that have been developed in consultation with our customers for all parts of our business and report annually our performance against them.
- Our data protection policy explaining how we keep your information safe and secure and how you can access information we hold about you.
- Our disability, accessibility and equality standards and report annually our performance against them.
- Our review, dispute and complaints processes and how you can appeal to an independent tribunal.

LITRG  
20 April 2009