

Forum to oversee implementation of new powers

Unrepresented taxpayers' sub-group

Minutes of meeting Wednesday 24 November 2010
13.30 - 15.30, 100 Parliament Street

Present:

Simon P Norris	(SPN)	(HMRC Chair)
Dympna Kelly	(DK)	(HMRC Acting Secretary)
Frances Corrie	(FC)	(Tax Aid)
Nicholas Dee	(ND)	(CAB)
Kelly Sizer	(KS)	(TOP)
Simon Sweetman	(SS)	(FSB)
Robin Williamson	(RW)	(LITRG)
Frances Pickering	(FP)	(HMRC)
Simon Norris	(SN)	(HMRC)

Apologies:

John Andrews

Introduction

1. Simon Norris welcomed everyone and explained that the agenda was based largely on a telephone conversation he had with John Andrews.

Information about unrepresented taxpayers

2. SN explained that HM Revenue & Customs (HMRC) should be able to provide information on the proportion of those taxpayers unrepresented. He explained that the remaining information that was requested (the incidence of penalties between represented and unrepresented taxpayers, the average levels of tax in dispute paid by represented and unrepresented taxpayers and the average penalty level for each group) was going to be more difficult to produce. There was a discussion about the definition of unrepresented taxpayers and some sub-group members felt it was those taxpayers who received a 'raw deal' from HMRC. There was a general discussion about the Comprehensive Spending Review and the impact on HMRC and how this may impact on services to the customer in the future.

3. Sub-group members discussed the difficulties unrepresented taxpayers had in trying to contact HMRC. It was noted that agents had their own designated line but unrepresented taxpayers had to battle to make contact. SS stressed that often the unrepresented taxpayer letters were not looked at in time. SN explained there had been problems with HMRC post rooms as work was spread across the department to equalise work loads.

4. FP explained that the cheapest channel to communicate with HMRC's customers was via the web. ND asked if it was really cheaper to use the web and questioned if it was the right way to go. KS suggested the possibility of having a designated number for unrepresented taxpayers. SN explained this would prove very difficult with 40 million customers in this group.

5. Sub-group members questioned arrangements overseas and asked what other countries had done. They discussed approaches in Japan, USA, Canada and Australia and the role of volunteer organisations which often provide support in these countries. It was highlighted that in Japan the Tax Authority supports the voluntary group and provided training for those giving advice. A similar process was set up in the USA which was paid for by Congress.

6. FC spoke about the HMRC online system for submitting returns. It was noted that the system did not have any built in error proofing. This meant that basic errors like putting information in the wrong boxes would be accepted. FC suggested it would be helpful if the online process flagged up mistakes. RW suggested that it may be useful to publish a list of common mistakes that taxpayers made similar to the USA. FP explained research had indicated that numeracy levels amongst taxpayers were lower than expected and HMRC were trying to redesign forms based on this information. FP said changes had already been made to some forms because evidence showed there was an error rate of 60 - 70 per cent. FP stressed that there had been year on year improvements and SS agreed.

7. The NAO report into agents was discussed and SS explained that the main thrust of the NAO report was that agents made more errors than unrepresented taxpayers.

Authorising officers

8. SN explained that there is an ongoing quality review into the decisions made by authorising officers. RW said whilst there would inevitably be some inconsistencies every effort should be made to smooth the inconsistencies as much as possible as Judicial Review was way beyond the reach of the unrepresented taxpayers. KS gave an example of a case where a taxpayer had received two different answers to a query from HMRC when they approached HMRC in writing **and** by phone.

9. KS pointed out that it seems that, as part of the new implementation of the new powers, factsheets appear on the HMRC website without the opportunity for input from the group. SPN suggested that some of the issues discussed were not really relevant to the implementation of new powers and that the **Compliance Reform Forum**, may well provide a more appropriate forum to discuss those types of issues. KS felt that HMRC's overall communication strategy to taxpayers still fell within the remit of the Powers Implementation Oversight Forum and in particular the unrepresented taxpayer sub-group.

Any other business - none.