



HM Revenue
& Customs

Jim Harra
Chief Executive and First
Permanent Secretary
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100 Parliament Street
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By email

Monday, 16 October 2023

Dear Mr Wilson, Mr Smith and Baroness Kramer,

I refer to your letter of 12 September 2023.

HMRC takes the wellbeing of all customers very seriously. We recognise that dealing with tax issues, and in particular tax disputes or debt, can be distressing. HMRC is committed to learning and making improvements to avoid causing undue stress and, wherever possible, identify customers who need extra help and give them the support they need.

You have asked 14 questions:

1. *Regarding the 10 suicides HMRC referred to the IOPC, did HMRC carry out internal investigations into the three cases recommended for internal investigation by the IOPC?*

Yes.

2. *What if any action did HMRC take in the other four cases where the IOPC had not recommended an investigation, but said that HMRC should take appropriate action?*

We assume your reference to “the other four cases” refers to the seven cases where the IOPC did not determine a Local Investigation. I explain below the action we took in those seven cases.

Where a Local Investigation was not determined by the IOPC, HMRC has nevertheless undertaken an internal investigation in the same manner as if the IOPC had determined one under the Revenue and Customs (Complaints and Misconduct)

Regulations 2010 (The Regulations). HMRC looks for organisational learnings from all investigations.

3. *Did HMRC contact any of the families and/or tax advisers/other professional representatives of the deceased as part of the three internal investigations carried out?*

Yes, in all three Local Investigations, HMRC contacted the families, tax advisers and/or other professional representatives as appropriate and offered them the opportunity to engage with the investigation.

4. *With HMRC having responsibility to keep those identified as interested parties updated following the conclusion of the review, please say who HMRC regards as 'interested parties' (and who therefore was kept updated).*

In all three Local Investigations determined by the IOPC, HMRC directly, or indirectly through a professional representative where appropriate, offered to update the relatives of the deceased, in accordance with Regulation 55 of The Revenue and Customs (Complaints and Misconduct) Regulations 2010.

5. *Why has HMRC not regarded the APPG as an interested party, when as a body we have written to you and to the Treasury numerous times regarding our concerns about suicides and suicide risk related to the Loan Charge and associated HMRC action?*

In Local Investigations determined by the IOPC, the Regulations define the persons who may be an interested party. Broadly speaking, the interested party is the person themselves or a relative of that person. Under Regulation 55(3), HMRC also has the power to make an additional person an interested party where their interest is such as to make it appropriate for information to be provided to them. The three Local Investigations focussed on the details of the handling of the individual taxpayer's case by individual officers of HMRC and looked at highly sensitive and private matters. While the APPG is interested in the Loan Charge and HMRC's operational work to counteract disguised remuneration tax avoidance, the Department does not consider it appropriate to make the APPG an interested party for the purposes of being updated on the details of these three individual investigations.

Finally, and for completeness, it was not possible to make the APPG an interested party under Regulation 55(3) in the seven investigations which did not take place at the IOPC's direction, as that regulation does not apply to those investigations.

6. *Has HMRC considered the link between the Loan Charge and HMRC action related to it and the impact that this has had on the individuals concerned and the decision they made to take their own lives?*

The focus of the Terms of Reference for the investigations into all 10 cases referred to the IOPC was on the conduct of HMRC officers in relation to the approach taken to communications, operational processes and customer service when determining and collecting the taxpayer's liability to the Loan Charge and/or tax on disguised remuneration.

7. *With regards to the areas of learnings identified by IOPC, please supply the following information:*

(a) the learning regarding the way vulnerable customers are handled by HMRC.

(b) the learning regarding the contemporaneous recording of information relating to contact with vulnerable customers on HMRC systems.

(c) the learning identified by HMRC in relation to the recording of information regarding vulnerability and information flow.

8. *With regards to the areas of learnings identified by IOPC, please supply the following information regarding action or proposed action to rectify the issues/failures identified:*

(a) action taken or proposed to deal with the learning regarding the way vulnerable customers are handled by HMRC.

(b) action taken or proposed to deal with the learning regarding the contemporaneous recording of information relating to contact with vulnerable customers on HMRC systems.

(c) action taken or proposed to deal with the learning identified by HMRC in relation to the recording of information regarding vulnerability and information flow.

While HMRC records often had notes about the customer's vulnerability, the IOPC recommended that HMRC implement a single, consistent approach for staff to accurately document conversations with customers who have been identified as vulnerable. The aim is that this information can be stored on a customer's case file

within internal HMRC systems and shared with other parts of the department as necessary. This is primarily being acted upon through improved training and guidance for staff who may deal with vulnerable customers.

HMRC has guidance and training in place for officers on how to identify customers who need extra support and provide reasonable adjustments to meet their needs. For those customers experiencing particularly vulnerable circumstances, HMRC can allocate a member of staff as a dedicated point of contact and support.

Where appropriate, HMRC will also signpost customers to voluntary and community organisations. HMRC remains committed to strengthening the customer support we provide. For example, HMRC and Samaritans are working together to provide additional guidance to enable HMRC officers to identify customers who might be in vulnerable circumstances and signpost them, where needed, to a dedicated Samaritans helpline for specialist emotional help, where customers can talk through their concerns worries and troubles.

9. How many referrals has HMRC made to the IOPC of serious injury matters or complaints relating to serious injury matters following contact with HMRC?

Since March 2019 HMRC has made 24 referrals to the IOPC where HMRC was advised of a serious injury to a customer who had used a disguised remuneration (DR) scheme (these relate to 20 customers).

10. How many of these referrals relate to suicide attempts?

HMRC has made 13 referrals to the IOPC where HMRC was advised the customer had attempted to take their own life and that customer had used a DR scheme (these relate to 10 customers).

11. How many local (HMRC) investigations have the IOPC mandated into these referrals of serious injury matters or complaints relating to serious injury matters following contact with HMRC and how many such investigations has HMRC carried out?

Six Local Investigations have been determined by the IOPC for referrals relating to the serious injury of a customer who had used a DR scheme (these relate to 5 customers). These Local Investigations have been carried out.

12. *Were learnings identified in the one serious injury review following a local (HMRC) investigation and if so, what were they and what action has been taken or proposed action?*

Organisational learning identified related to documentation, guidance and recording of customer information, all of which have either been implemented or are in progress.

13. *How will HMRC ensure from now on that vulnerable customer protocol is followed properly, by all HMRC staff and departments and that mistakes of the sort we ourselves have seen evidence of, do not happen again?*

HMRC is committed to identifying and supporting customers who need extra help with their tax affairs. We have made significant enhancements to this provision over the last few years and continue to review and further strengthen the levels of service we offer to all our customers, including our guidance, correspondence and signposting to outside organisations for specialist help.

We have also introduced the HMRC Charter [HMRC Charter - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/hmrc-charter), which includes the principles of support for customers who need extra help [HMRC's principles of support for customers who need extra help – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/hmrc-principles-of-support-for-customers-who-need-extra-help).

We have also recently published the HMRC professional standards for compliance [HMRC professional standards for compliance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/hmrc-professional-standards-for-compliance), which set out how we apply the HMRC Charter and the Civil Service Values in our compliance work. These include a standard on being aware of our customers' situation.

14. *Is it still 10 suicides that HMRC is aware of?*

Yes.

Kind regards,



Jim Harra
CHIEF EXECUTIVE AND FIRST PERMANENT SECRETARY