

1. Home (<https://www.gov.uk/>)
2. Corporate information (<https://www.gov.uk/corporate-information>)

News story

## Performance update: HMRC's response to coronavirus

HM Revenue and Customs (HMRC) went through a unique first quarter in the 2020 to 2021 financial year.

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From:

HM Revenue & Customs (<https://www.gov.uk/government/organisations/hm-revenue-customs>)



HMRC has been at the forefront of the government's response to the coronavirus (COVID-19) and the extraordinary challenges being faced by millions of individuals and businesses. The department successfully developed and implemented schemes at unprecedented speed to deliver financial support to more than 12 million employed and self-employed workers via the Coronavirus Job Retention Scheme and the Self-Employment Income Support Scheme. In addition, it implemented more than 60 provisional policy changes or easements to help respond to the impact of coronavirus.

The operational priority has been to deliver the government support that aims to protect people's livelihoods and help businesses get through this difficult time financially. Now the department is seeking to build on what it has learned during the pandemic about large scale delivery and the citizens and businesses it serves as the country emerges from the pandemic. The IT which underpinned the coronavirus support schemes was designed, built and delivered from kitchen tables and spare bedrooms; busy customer service staff answered queries remotely from their own homes for the first time; and 90% of HMRC's 60,000 workforce were able to immediately work remotely to help stop the spread of the virus when the country went into lockdown.

HMRC's primary purpose is to collect the money that pays for the UK's vital public services and pay out the correct financial support to those who are entitled to it, and as we emerge from the pandemic, the department will carry out this vital work in a way that is sensitive to customers' altered needs and the challenges they face.

Read our quarter 1 performance data (<https://www.gov.uk/government/publications/hmrc-quarterly-performance-report-april-to-june-2020>), which covers April to June 2020.

## Customer service

The department has aimed to maintain consistently high levels of customer service despite the need to move to home working and to divert resources to the coronavirus support schemes. The telephony service in particular was affected by the measures which were put in place to stop the spread of coronavirus; including reducing operating hours and re-deploying advisers to new helplines for the support measures on top of usual workloads. This led to an increase in call wait times in quarter 1 but in circumstances which were unprecedented and unforeseeable.

But there have been notable successes. Customer satisfaction in digital services reached 85.6%, compared to 79.5% in quarter 1 of the 2019 to 2020 reporting year. Part of this is due to the ability to quickly grow webchat capacity, so more staff could support customers from home, and the department delivered around five times the number of webchats that it was doing before the pandemic.

To maintain post handling capacity, changes were made as many customer advisers began to work from home instead of in the office, for example, introducing temporary measures to replace 'wet stamps' with digital stamps or remove the need for 'wet signatures' so that colleagues did not need to be in the office to process documents.

In order to ease the pressure on the telephone helplines, the department offered enhanced digital capability. It introduced more services into the Personal Tax Account and HMRC App and increased the webchat offer to cover more areas of work. These changes gave customers more of the support they needed without having to contact the helplines, which in turn allowed HMRC's front line staff to be flexible to customer needs as they developed.

We also innovated in light of the challenges. For example, changes to customs procedures to move key goods quickly through our borders like ventilators, Personal Protective Equipment (PPE), denatured alcohol for hand sanitiser and hospital pressure mattresses. HMRC also worked closely with other government departments, such as the Ministry of Defence to clear 400,000 hospital gowns through customs within 45 minutes of flights landing at RAF Brize Norton from Turkey.

Furthermore, as part of the annual tax credits renewals process, changes were introduced to make things easier for customers, reduce demand and keep their money flowing.

## Tax collection

Delivering the COVID-19 support measures has been resource-intensive and has affected HMRC's core compliance activity and tax collection. Recognising this, the quarter 1 compliance yield – tax revenue that would have otherwise been lost without HMRC intervention – is lower than the same quarter in 2019 to 20 because of the realignment of resources during this period.

During this extremely difficult time, HMRC did everything possible to support and protect individuals, businesses and the economy. This included prioritising work to support customers whilst still tackling serious fraud, criminal attacks, and those who promote tax avoidance.

HMRC is also ensuring that it protects the COVID-19 support schemes against abuse from organised criminal attacks, inflated claims and other non-compliance. These schemes were designed in a way that reduced the likelihood of mistakes happening, and removed opportunities for fraud.

Where honest mistakes happen, the department will step in to help customers put it right, but it will continue to take tough action tackle fraud and avoidance. For example, in July, HMRC officers arrested a man in the West Midlands for suspected of Coronavirus Job Retention Scheme fraud, and our investigators will continue to act where foul play is suspected.

The department also continued to work with those customers who wanted to settle their tax disputes with HMRC and compliance work will continue with a specific focus on criminal investigations, debt recovery and National Minimum Wage enforcement.

## Looking ahead

It is essential that the tax system continues to work to fund vital public services such as the NHS, so taxpayers should continue to file their returns and pay their tax on time wherever they can. Businesses should also plan for the future - going digital could make a positive difference to their business administration and make interaction with HMRC much easier.

Over time, as the economy reopens and the threat of the virus recedes, the country will slowly return to a steady state – a 'new normal' – and HMRC's activities are no different.

HMRC will of course keep the situation under constant review to ensure that it administers the tax system in a way that supports the nation's economic recovery.

As the department carefully refocuses its activity back onto its more routine function of collecting tax, it will follow some key principles to make sure that it continues to support the individuals and businesses of the UK, while protecting the tax system and bringing in the money to fund the country's vital public services.

It will communicate openly and transparently, to give customers as much certainty as possible, so that they have all the relevant information to make the best decisions for their families and businesses, and its approach will be to collect the tax due in a way that recognises the very real needs and challenges that businesses and individuals now face.

More information about this can be found in our issue briefing on how we will continue to support customers and the economy (<https://www.gov.uk/government/publications/hmrc-issue-briefing-how-hmrc-will-continue-to-support-customers-and-the-economy>).

Looking further ahead, the government recently published its 10-year vision paper for tax administration (<https://www.gov.uk/government/publications/tax-administration-strategy>). This sets out plans for changes to how tax is charged, paid and collected to be more in tune with how the world now works and will in the future to make it easier for individuals and businesses to keep on top of their responsibilities without adding undue extra burdens.

Jesse Norman MP (<https://www.gov.uk/government/people/jesse-norman>), Financial Secretary to the Treasury, spoke at the annual conference of the Institute of Chartered Accountants for England and Wales (ICAEW) (<https://www.gov.uk/government/speeches/speech-to-icaew-virtual-conference>) on HMRC's response to COVID-19, and his future vision for the tax system.

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