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HM Revenue & Customs  
2/75  
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Making Tax Digital for VAT

As you know, the Treasury Committee is taking a close interest in the progress of Making Tax Digital. Before the launch of Making Tax Digital for VAT, we listened very carefully to concerns expressed in evidence to the Committee about the challenges facing small businesses in adapting to the new requirements for complying with their VAT obligations. There is a clear need for accessible support and guidance from HMRC to help small businesses and their agents manage both the requirements of the new processes and any unforeseen glitches with the new Making Tax Digital service.

It is, therefore, with some concern that we are now hearing of a substantial reduction in the level of service provided by HMRC helplines over recent months, particularly the VAT: general enquiries helpline and the VAT Online Services Helpdesk.

We have heard of call waiting times for the VAT: general enquiries helpline and the VAT Online Services Helpdesk that far exceed HMRC’s general performance target of five minutes, with repeated examples of calls terminated because lines were too busy to connect to a call handler.

Would you please let me know whether HMRC records the number of occasions on which
- calls are terminated by the caller before they are connected to an adviser
- calls are terminated by HMRC because lines continue to be busy with no adviser becoming available.
Would you also please explain

- how terminated calls are reflected in HMRC’s performance data and what impact they have on HMRC’s performance statistics for “Average speed of answering a customer’s call” and “Customers waiting more than 10 minutes to speak to an adviser.”
- why calls are terminated rather than callers being given the option of remaining in a queue.

I am aware that HMRC publishes its overall performance data monthly. The Committee finds this data very useful for its consideration of HMRC’s Annual Report and Accounts. We would, however, also like to see disaggregated data for calls made to the VAT: general enquiries helpline and the VAT Online Services Helpdesk in March, April, May, June and July when HMRC releases its performance data for these months. We would, of course, also be very interested to hear of any steps HMRC is taking in the meantime to improve its performance.

The Committee has also heard of people experiencing problems in paying their VAT because their direct debit was either cancelled when they registered for the Making Tax Digital service or the direct debit reference number was changed. In some cases, their online account showed no VAT outstanding even though no payment was taken for the March quarter. People in this situation report that they were unable to speak to an adviser on the HMRC helpline despite repeated attempts and have not received promised callbacks. It would appear to be completely inappropriate that anyone who has found themselves in this position should be charged interest or penalties for late payment. I should be grateful if you would tell me what action HMRC will take in these circumstances to ensure that people attempting to pay their VAT on time are treated fairly and confirm that the cause of the problem will be identified and addressed before the end of the June quarter.

Yours sincerely

[Signature]

Rt Hon Nicky Morgan MP
Chair of the Treasury Committee